

16 April 2015

**STANDARD CHARTERED BANK MALAYSIA BERHAD**

**IMPORTANT NOTIFICATION ON INVESTMENT PRODUCTS AND SERVICES FOR RETAIL, BUSINESS AND COMMERCIAL CLIENTS**

We have consolidated and revised the terms and conditions governing certain investment products and services as a single set of Investment Product Terms (“IPT”).

The IPT will replace the existing terms and conditions governing investment products and services offered by us as set out below.

(1) Structured Investments (also known as Investments Linked to Derivatives)

Type of Structured Investment		Governing Terms and Conditions	
		Investment entered before 7 May 2015	Investment entered on or after 7 May 2015
Premium Currency Investments	Gold	Investment Sheet, Investment Confirmation, Investments Linked to Derivatives Customer Agreement, Terms and Conditions for Investments Linked to Derivatives, Additional Terms and Conditions for Currency Linked Investments, Risk Disclosure Statement for Investments Linked to Derivatives.	Investment Sheet, Confirmation and IPT (Part One, Part Two Section D (Sections 1 and 3) and Part Three)
	Other currencies	The above documents will continue to govern this Investment until maturity.	Investment Sheet, Confirmation and IPT (Part One, Part Two Section D (Sections 1 and 2) and Part Three)
Premium Equity Linked Investments		Investment Sheet, Investment Confirmation, Investments Linked to Derivatives Customer Agreement, Terms and Conditions for Investments Linked to Derivatives, Additional Terms and Conditions for Premium Equity Linked Investments, Risk Disclosure Statement for Investments Linked to Derivatives.  The above documents will continue to govern this Investment until maturity.	Investment Sheet, Confirmation and IPT (Part One, Part Two Section D (Sections 1 and 5) and Part Three)
Other Structured Investments which are reflected in your monthly Consolidated Statement		Term Sheet, Investment Confirmation, Investments Linked to Derivatives Customer Agreement, Terms and Conditions for Investments Linked to Derivatives, Risk Disclosure Statement for Investments Linked to Derivatives, and Additional Terms and Conditions for the relevant underlying reference (all signed by you at the time you entered into the Investment).  The above documents will continue to govern this Investment until maturity.	Investment Sheet, Confirmation and IPT (Part One, Part Two Section D (Section 1 and other applicable Section as stated in the Investment Sheet) and Part Three)

(2) Other investments purchased through us, for which we or our nominee provide custody services

Investment Types and our services relating to them	Governing Terms and Conditions	
	Until 6 May 2015	From 7 May 2015 onwards
Unit trust investments (also known as mutual funds or collective investment schemes)	Existing Investment Services Terms and Conditions	IPT (Part One, Part Two (Sections A, B and C) and Part Three (Parts A and B))
Bond investments which are reflected in your monthly Consolidated Statement	Existing Investment Services Terms and Conditions	IPT (Part One, Part Two (Sections A and B) and Part Three (Parts A and B))
Equity investments (shares)	Existing Investment Services Terms and Conditions	IPT (Part One, Part Two (Sections A and B) and Part Three (Parts A and B))

If you continue to use our investment services from 7 May 2015 onwards, or if you take up any such new investments from that date onwards, you agree to the IPT.

***Please refer to the next page for the IPT.***

## Investment Product Terms

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**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

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## PART ONE GENERAL TERMS

### 1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless specified otherwise or unless the context otherwise requires:

“**Account**” means each and any account or sub-account in connection with any Service or Transaction which the Client has opened or maintains with the Bank from time to time pursuant to Clause 3.1 of Part One of this Agreement.

“**Affiliate**” means any subsidiary, related corporation, parent company, office, representative office, associated company of the Bank, and includes their respective successors and assigns.

“**Agent**” means any agent, broker, dealer, counterparty, advisor, banker, attorney, custodian, sub-custodian, depository, manager, service provider or nominee selected or used by the Bank in connection with any Account, Service or Transaction or otherwise in connection with this Agreement.

“**Agreement**” means this Agreement including each Part hereof, as supplemented by the applicable Confirmation for each Structured Investment and such other document as the Bank may specify from time to time in relation to the operation of any Account, the provision of any Service and the entry into any Transaction.

“**Applicable Laws**” means to the extent applicable, all laws, rules, regulations, notices, circulars, codes and guidelines of any regulatory, supervisory, governmental, quasi-governmental or other authority or body or exchange or clearing house, in each case as supplemented and amended from time to time.

“**Authorised Person**” means each person authorised (whether solely or jointly) to, on the Client’s behalf, give Instructions to the Bank.

“**Bank**” means **Standard Chartered Bank Malaysia Berhad**, and its successors and assigns.

“**Benefits**” has the meaning ascribed to it in Clause 9.3 of Part One of this Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday or public holiday) on which the Bank is open for business and, in the context of Instructions, Transactions and Services, a day when banks and relevant financial markets and institutions are open for business in the jurisdiction concerned.

“**Close-out Amount**” has the meaning ascribed to it in Clause 25.5 of Part One of this Agreement.

“**Close-out Date**” has the meaning ascribed to it in Clause 25.5 of Part One of this Agreement.

“**Collateral**” means any asset acceptable to the Bank and held by the Bank as security for the Liabilities from time to time.

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“**Collateral Requirement**” has the meaning ascribed to it in Clause 11.2 of Part One of this Agreement.

“**Confirmation**” has the meaning ascribed to it in Section D of Part Two of this Agreement.

“**Client**” means the holder(s) of any Account as identified in any account opening documentation completed or provided when such Account is opened, including its/their successors and assigns.

“**Client Information**” has the meaning ascribed to it in Clause 20.1 of Part One of this Agreement.

“**Event of Default**” has the meaning ascribed to it in Clause 25 of Part One of this Agreement.

“**Exchange**” means any exchange, trading system, platform or organised market on which purchasers and sellers of Securities are brought together and through which orders may be transmitted including, but not limited to, stock exchanges and alternative trading systems.

“**Governing Law**” means the laws of Malaysia.

“**Indemnified Person**” has the meaning ascribed to it in Clause 24.1 of Part One of this Agreement.

“**Instruction**” means any instruction or request given or purportedly given by the Client or, where applicable, Authorised Persons to the Bank pursuant to this Agreement by such means as the Bank may allow as detailed in Clause 5.2 and Clause 5.3 of Part One of this Agreement.

“**Investment Products**” means Securities and Structured Investments.

“**Joint Account Holder**” has the meaning ascribed to it in Clause 15.1 of Part One of this Agreement.

“**Liabilities**” means all monies, obligations and liabilities now or at any time hereafter due, owing by the Client to or incurred by any of the Standard Chartered Group entities, anywhere, whether on the Account, or in respect of any Services or any Transaction or any Instructions or otherwise in whatever manner and actual or contingent, present or future and in whatever currency and whether solely or jointly and in whatever name, style or form and whether as principal debtor or as surety, including all obligations assumed by any Standard Chartered Group entities in favour of the Client or other persons at the Client’s request, together with interest, commissions, fees, charges and all expenses and legal costs on a full indemnity basis.

“**Loss**” or “**Losses**” mean any losses, damages, costs (including legal costs on a full indemnity basis), fines, expenses, fees, charges, actions, suits, proceedings, claims, claims for an account or equitable compensation or equitable lien, any other demands or remedy whatsoever, or any diminution in the value of or loss or damage to any property or security or any lost opportunity whereby the value of the same could have been increased or otherwise.

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**“Potential Event of Default”** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

**“Risk Disclosure Statement”** means the risk disclosure statement set out in Part Three of this Agreement and includes all annexures and supplements thereto from time to time and all the disclosures or descriptions of risks contained in documents which are specific to any particular Investment Product, Transaction or Service as provided by the Bank to the Client from time to time.

**“Securities”** means equities, bonds, debentures, debenture stocks, certificates of deposit, treasury bills, bills of exchange, units or interests in unit trusts or mutual funds or any other kind of collective investment schemes, warrants, options, all derivatives (other than Structured Investments) over the same, securitised structured products such as notes, warrants or certificates, annuities, debt certificates which may be drawn by lot for redemption, mortgage bonds and any other interests, rights or property, whether in the form of an instrument or otherwise, commonly known as securities in the jurisdiction in which they are created or issued.

**“Service Providers”** has the meaning ascribed to it in Clause 20.2.2 of Part One of this Agreement.

**“Services”** mean any services offered, granted or made available by the Bank to the Client from time to time pursuant to Clause 3.1 of Part One of this Agreement.

**“Services Document”** means any agreement or document applicable in respect of any Services, each as amended or supplemented by the Bank from time to time.

**“Standard Chartered Group”** means any one or more of Standard Chartered Bank, its subsidiaries, associated companies and affiliates (including, without limitation, the Bank and its Affiliates).

**“Statements”** has the meaning ascribed to it in Clause 12 of Part One of this Agreement.

**“Structured Investment”** has the meaning ascribed to it in Section D of Part Two of this Agreement.

**“Transaction”** means any transaction effected by the Bank with the Client or for or on behalf of the Client pursuant to or in connection with this Agreement, any Account or Service, including for the avoidance of doubt any such transaction in Structured Investments unless otherwise specified.

**“Trust”** has the meaning ascribed to it in Clause 17.1 of Part One of this Agreement.

**“User”** has the meaning ascribed to it in Clause 20.2 of Part One of this Agreement.

**1.2** In this Agreement, unless specified otherwise or unless the context requires otherwise:

**1.2.1** a reference to any statute, statutory provision or regulation shall be construed as a reference to the same as it may be amended, modified or re-enacted from time to time;

**1.2.2** headings and titles are for convenience only and do not affect its interpretation;

**1.2.3** the singular includes the plural and vice versa;

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- 1.2.4 words denoting any gender shall include the other genders;
- 1.2.5 “**assets**” means property or assets of any nature and includes all or part of any present and future business, undertaking, real property, personal property, uncalled capital, revenues and any rights of every description (whether actual or contingent, present or future) to receive, or require delivery of, any of the foregoing;
- 1.2.6 any reference to the Bank’s “**discretion**” shall be construed to refer to the Bank’s “**sole and absolute discretion**”; any determination to be made by the Bank or any exercise by the Bank of any rights or entitlement may be made at the Bank’s sole and absolute discretion and, in every case, shall be conclusive and binding on the Client; and the word “**includes**” or “**including**” as used in this Agreement shall be construed to mean “**includes without limitation**” or, as the case may be, “**including without limitation**”; and
- 1.2.7 “**person**”, “**he**” or “**him**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).

## 2 SCOPE AND PREVALENCE

- 2.1 This Agreement governs the opening and operation of the Account, the provision of the Services by the Bank to the Client and the entry into of Transactions.
- 2.2 All Transactions entered into under this Agreement between the Bank and the Client form a single agreement between the Bank and the Client.
- 2.3 The Bank may introduce and provide new Services from time to time. The Client will receive notification of any new terms and conditions governing such Services which may be introduced. Such terms and conditions will supplement and form part of this Agreement and will be binding on the Client. The Client agrees to comply with such terms and conditions to the extent applicable.
- 2.4 Unless otherwise indicated:
- 2.4.1 in case of inconsistency between the provisions in the General Terms in Part One and the provisions in other Parts in this Agreement, the provisions in the other Parts shall prevail;
- 2.4.2 in case of inconsistency between this Agreement and any other agreement entered into between the Bank and the Client from time to time, (including, without limitation, the general account terms between the Bank and the Client), where such inconsistency relates to the Account, Transactions or Services, then this Agreement shall prevail, otherwise such other agreement shall prevail; Where there is no inconsistency, this Agreement may be read in conjunction with such other agreement entered into between the Bank and the Client from time to time, (including, without limitation, the general account terms between the Bank and the Client);

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2.4.3 in case of inconsistency between this Agreement and any offering document, term sheet, or documentation pertaining to a particular Transaction or Service, the offering document, term sheet, or documentation of that Transaction or Service shall prevail; and

2.4.4 in case of inconsistency between this Agreement and any Services Document, the Services Document shall prevail.

2.5 This Agreement, and accordingly the Account, all Services and all Transactions, are subject to Applicable Laws. To the extent that any provision of Applicable Laws conflicts with any provision of this Agreement and such provision of Applicable Laws cannot be varied contractually, such provision of Applicable Laws shall prevail in relation to such conflict.

### 3 PROVISION AND AVAILABILITY OF SERVICES

3.1 Subject to the terms and conditions in this Agreement, the Bank may (but is not obliged to) from time to time open and maintain any Account for the Client and provide the Client with execution, clearing and settlement services, custody services and any other services as agreed between the Bank and the Client from time to time.

3.2 Notwithstanding the entry into of this Agreement, the Bank has no obligation to open an Account for, provide any Service to, or enter into any Transaction for or with, the Client or on the Client's behalf, and the Bank may refuse to do so. No reasons for any refusal, termination or discontinuance need to be given to the Client. The Bank may require the Client to sign additional documentation (including providing sufficient margin in order to open an Account, provide any Services or enter into Transactions).

### 4 AUTHORISED PERSONS

4.1 Subject to the Bank's approval, which may be withheld at the Bank's discretion, the Client may appoint Authorised Persons to give Instructions on the Client's behalf regarding any Account, Transaction or Service by providing a written power of attorney or such other form of authorisation as may be acceptable to the Bank. All acts of the Authorised Persons shall be binding on the Client. The Bank will not be liable or responsible for any Losses provided that the Bank acts in accordance with any Instruction.

4.2 A list of specimen signatures of the Authorised Persons shall be filed with the Bank which shall remain in full force and effect until the Bank has received written notice of amendment or revocation. The Bank may ignore and disregard any notice of revocation of such authority not in form and substance satisfactory to it. The Authorised Persons may provide Instructions in relation to the operation of the Account, entry into of Transactions, any request for additional Services and all other matters in relation to the Account, Transactions or Services in any manner as the Authorised Persons think fit, and the Bank may act on all such Instructions. Unless the Bank otherwise agrees, all written Instructions must bear the signature(s) of the Client or Authorised Persons in accordance with the specimen(s) available on the Bank's records.

**WARNING:**

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## 5 INSTRUCTIONS AND TRANSACTIONS

### *Instructions*

- 5.1** The Client authorises the Bank in its discretion to rely on, and treat as fully authorised, any Instruction or other communication which purports to be given by the Client or on the Client's behalf (including from any Authorised Person) and which is reasonably accepted by the Bank in good faith provided always that the Bank shall have the right under Clause 5.6 of Part One of this Agreement. The Bank may act on, process or perform any such Instruction or communication without any enquiry as to the authority or identity of the person making or purporting to give such Instructions or the authenticity thereof. The Client agrees that the Client is under an express duty to the Bank to prevent any fraudulent, forged or unauthorised Instructions being given.
- 5.2** The Client must give the Bank Instructions in writing in accordance with the signing mandate as agreed with the Bank from time to time. Instructions can be given by telex, telephone, fax (signed in accordance with the signing mandate) or e-mail, or by any other means acceptable to the Bank unless:
- 5.2.1** the Bank agrees otherwise in writing; or
- 5.2.2** the Bank notifies the Client that Instructions can only be given in a particular way.
- 5.3** If the Client gives an Instruction by telex, telephone, fax or e-mail, the Bank may act upon such Instructions without receipt of any written confirmations and the Bank's records of telex, telephone, fax or e-mail Instructions shall be conclusive evidence of all such Instructions. Without prejudice to the above, the Client acknowledges that the Bank is entitled to insist on any verbal Instructions given by or purportedly given by or on behalf of the Client being confirmed by the Client in writing, but the Client shall always be bound by such verbal Instructions regardless of whether they have been so confirmed.
- 5.4** The Client will bear all risks, and no member of the Standard Chartered Group is or will be responsible or liable for Losses arising from Instructions or communications provided to the Bank by any means. In particular but without limitation, the Bank will not be responsible or liable for any Loss suffered or incurred as a consequence of (a) any failure or delay in executing an Instruction caused by circumstances beyond its reasonable control including delay or failure to read an Instruction, or (b) any delay in reading an Instruction given by telex, fax or e-mail.
- 5.5** An Instruction given to the Bank may not be cancelled, withdrawn or amended unless the Bank, in its discretion, decides otherwise. The Bank has no liability if it does not or is unable to stop or prevent the implementation of the initial Instruction.
- 5.6** The Bank may, in its discretion and without being required to give any explanation, refuse to accept or comply with any Instruction or reject or cancel any Instruction.
- 5.7** The Bank shall have no duty to assess the prudence or otherwise of any Instruction. Notwithstanding this, if the Bank determines that any of the Instructions or other circumstances may expose the Bank (whether directly or indirectly) to any Loss, the Bank may suspend the operation of any or all of the Accounts, the entry into any or all of the Transactions, the provision of all or any of the Services and/or require an indemnity from

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the Client before continuing to operate the Account(s), carrying out any Transaction or providing any Service or complying with any Instruction.

### **Transactions**

- 5.8** The Bank may apply limits to Transactions, Services or Instructions of certain types or amounts. The Bank is not obliged to inform the Client of these limits and any changes which the Bank may make to them. The Bank will not be liable to the Client for not notifying the Client of these limits and any changes thereto or any Losses arising from or in connection with the application of such limits.
- 5.9** The Bank reserves the right to debit from any account with the Bank at any time any cash or other assets that were credited to the Client in error.

## **6 NO INVESTMENT ADVICE**

- 6.1** This Clause 6 is subject to any express agreement from time to time entered into between the Bank and the Client in writing to the contrary.
- 6.2** The Bank does not provide investment advice to the Client and the Bank does not act as the Client's adviser in relation to the Account, any Investment Products, any Transaction and any Service.
- 6.3** Without prejudice to the generality of Clauses 6.1 and 6.2 above, if the Bank provides any information on the Account, Investment Products (or the relevant reference underlying), Transactions, Services or markets such as research, reports, market trends, investment analysis, commentary or internal ratings upon the performance of selected companies, assets, interest rates, exchange rates and/or indices, the Client represents, warrants and fully understands (which representations and warranties shall be deemed repeated on each date the Client enters into a Transaction or accepts the provision of Service or otherwise provides an Instruction of any kind to the Bank and on a continuous basis for so long as the Client has any Account or any outstanding Service or Transaction with the Bank) and agrees that this should not be construed as:
- 6.3.1** any endorsement of the Investment Products (or the relevant reference underlying), Transactions, Services or markets;
  - 6.3.2** a representation that the Bank has performed any due diligence on the Investment Products (or the relevant reference underlying), Transactions, Services or markets;
  - 6.3.3** a recommendation or an investment advice;
  - 6.3.4** the Bank acting as the Client's adviser or fiduciary;
  - 6.3.5** information which the Client can or may rely on in connection with his investment decision; or
  - 6.3.6** a representation by the Bank that the information in the materials is complete, accurate, clear, fair and not misleading (as the Bank does not make any representation with respect to the contents of the materials),

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and the Client should seek his own independent advice as to the suitability of any Investment Product, Transaction or Service as he considers appropriate. The use of or reliance on any such information is at the Client's own risk. The Bank is not responsible or liable for the accuracy and completeness of any such information, the performance of any Investment Product, or the outcome of any Transaction or Service.

**6.4** The Client agrees and acknowledges that:

- 6.4.1 the Client shall be solely responsible for making his own independent investment decisions;
- 6.4.2 all decisions on how to operate the Account, whether to enter into, invest in, hold or dispose of any Investment Product, and whether to enter into any Transaction or to accept a Service, are the Client's; and
- 6.4.3 the Client does not rely on the Bank, any of its Affiliates, Agents or nominees or any of their directors, officers or employees, or on any research, information, representation, advice, recommendation, view, opinion or other statement (in each case whether written or oral) produced or provided by any of the abovementioned persons in making any investment decision. The Client has made and will make his own independent assessment of the Investment Products, Transactions and Services in terms of value, merit, suitability, effects or otherwise.

**6.5** Without prejudice to any provision of this Clause 6:

- 6.5.1 the Bank is not obliged to give investment advice or make recommendations and, notwithstanding that the Bank may do so on request by the Client or otherwise, such investment advice or recommendations are given or made diligently and with reasonable care based on analyses and available alternatives the Bank should reasonably know to exist (and the Client acknowledges and agrees that it is so given or made) without any responsibility on the part of the Bank; and
- 6.5.2 the Client acknowledges and agrees that the Client is aware that the Bank does not hold out any of its Agents, directors, officers or employees as having any authority to advise the Client and the Bank does not purport to advise the Client on the terms of, or any other matters connected with, the Account, any Investment Product, Transaction or Service.

**6.6** None of this Agreement, the Account, any Service or Transaction or, to the extent applicable, any investment advice provided by the Bank to the Client, shall give rise to any fiduciary or other equitable duties on the part of the Bank.

## **7 COMPLIANCE WITH LAWS**

- 7.1 The Bank and its Affiliates may take any action in accordance with or in order to comply with any Applicable Laws (including the laws, regulations, notices and directions of public and regulatory authorities which relate to the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities) as it deems appropriate.

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- 7.2** The Client undertakes to comply with Applicable Laws at all times. The Standard Chartered Group has no obligation to monitor or ensure the Client's compliance with Applicable Laws including any restrictions on the powers to operate the Account, any restrictions in relation to investments, the authority and capacity of the Client to open, maintain or operate the Account, to enter into any Transaction, to accept the provision of Services or to give Instructions or otherwise to act in connection with the Account, any Transaction or Service.

## **8 PAYMENTS**

- 8.1** All payments by the Bank to the Client under any Transaction or Service shall be made to the Account or any one of the Client's accounts with the Bank or by such other means, in each case, as the Bank shall determine in its discretion.

- 8.2** All payments by the Client to the Bank under any Transaction or Service shall be made either by:

**8.2.1** deductions from the Account or any one of the Client's accounts with the Bank as determined by the Bank in its sole and absolute discretion; or

**8.2.2** payment to an account designated by the Bank,

or by such other means as may be notified to the Client from time to time. All such payments shall be made in full in immediately available and freely transferrable funds without set-off or counterclaim or any restriction or condition, free and clear of and without withholding or deduction of any taxes, charges or fees of any nature now or hereafter imposed or howsoever arising. If the Client is or becomes required by Applicable Laws to make any such withholding or deduction from any payment, then the Client shall pay to the Bank, in addition to the payment to which the Bank is otherwise entitled under any Transaction or Service, such additional amount as is necessary to ensure that the net amount actually received by the Bank will equal the full amount the Bank would have received had no such deduction or withholding been required.

- 8.3** The Client shall be responsible for all risks and expenses in connection with any payment under any Transaction or Service. Any expenses in connection with the making of payments under any Transaction or Service will be paid by the Client.

- 8.4** If, on any date, amounts are due and payable by each of the Bank and the Client to the other in the same currency in respect of any one or more Transaction and/or Service, such amounts shall be automatically satisfied and discharged and only the net amount owing on that day shall be paid by the party owing the larger amount to the other party.

- 8.5** The Bank may charge interest in respect of any sums due to the Bank and unpaid at such rates as the Bank may determine until all such sums are fully paid, as well before as after judgment.

- 8.6** Any discharge of the obligations of the Client by the Bank shall be deemed to be made subject to the condition that it will be void to the extent that any security, disposition or payment to the Bank by the Client or any other person is set aside, avoided or reduced pursuant to any provision or enactment relating to the bankruptcy, liquidation, reorganisation or otherwise of the Client or such other person (whether as an unfair preference or otherwise) or proves otherwise to have been invalid. In such event, the

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Client shall make good to the Bank upon demand such amount as shall have been set aside, avoided or invalidated as aforesaid, and the Bank shall be entitled to enforce these indemnities against the Client subsequently as if such discharge had not occurred.

**8.7** In the event of any limitation on the use of funds or any unavailability or non-payment of funds due to Exchange restrictions, inconvertibility, governmental restriction or any other cause beyond the control of the Bank, the Bank may:

8.7.1 discharge its obligations by paying the Client or to the Client's order such funds at any time (whether before, on or after maturity), in any currency and in such manner as the Bank may determine in its discretion. For the purpose of this Clause 8.7.1, the funds shall be calculated at such exchange rate as the Bank may determine in its discretion; or

8.7.2 with notice to the Client, take action to appoint a successor in another jurisdiction, transfer the Client's assets to another jurisdiction, change the Governing Law(s) of this Agreement, terminate the Account, the provision of Services and/or Transactions (in the case of Structured Investments, subject to Clause 8.1.1 of Section 1 of Part Two (D)) at the Client's cost or take any other action that the Bank considers expedient. .

## **9 FEES AND EXPENSES**

**9.1** The Bank will charge fees and commissions in respect of the Account, Services and Transactions as notified to the Client or as otherwise agreed with the Client from time to time. Such fees and commissions may be in the form of a spread incorporated into the pricing of certain Transactions. The Bank will charge interest at the rate or rates prescribed by the Bank from time to time, and may at any time debit any account the Client has with the Bank with any such fees, commissions or interest, as well as any taxes as may be required to be debited by Applicable Laws or as the Client may instruct. The Bank may vary any fees, commissions and, where applicable, interest rates payable in the same way it may vary any of this Agreement.

**9.2** Without limitation to the Bank's rights under Clause 11, Clause 21 and, 22 of Part One of this Agreement, the Client shall on demand indemnify the Bank against, and the Bank may at any time debit the Account with, all costs and expenses incurred in connection with the operation of the Account, any Service provided or any Transaction effected (including costs and expenses incurred in unwinding any Transaction in accordance with an Instruction or this Agreement), and expenses incurred in the enforcement of the Bank's rights or the recovery of any amount due to the Bank.

**9.3** The Client acknowledges and agrees that a member of the Standard Chartered Group may receive remuneration, fees, benefit in-kind, soft commissions, trailer commissions, and other selling or placing commission (howsoever designated) ("**Benefits**") from any person arising out of or in connection with the operation of the Account, any Transaction or any provision of Services to the Client (including representatives of any issuer of Securities or any other person whatsoever in respect of which it provides information to the Client), and such member of the Standard Chartered Group is entitled to retain such Benefits for itself and shall have no obligation to account to the Client for all or any part of such Benefits.

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A member of the Standard Chartered Group may also share charges and commission with its affiliates or third parties in respect of the Account, Transactions or Services.

## 10 CURRENCY

- 10.1** Save in the case of Structured Investments, the Bank may without prior notice to the Client, make any currency conversions it considers necessary or desirable for the purpose of complying with its obligations or exercising its rights under or in connection with this Agreement, the Account, any Transaction or Service. Any such conversions will be effected by it in such a manner and at such rates as it may at its discretion determine having regard to the prevailing rates for freely convertible currencies.
- 10.2** Save in the case of Structured Investments, all foreign currency exchange risk arising from any Transactions with or for, or Services provided to, the Client or from the compliance by the Bank with its obligations or the exercise by it of its rights under this Agreement or in relation to the Account shall be borne by the Client. The Client acknowledges that the conversion of currency is ancillary to the Services only and the Bank shall not be liable for any Losses arising from such conversion.

## 11 COLLATERAL

- 11.1** Collateral may be required by the Bank for the operation of the Account and/or certain Transactions or Services.
- 11.2** As security for the Liabilities, the Client shall maintain at all times sufficient Collateral as determined by the Bank in its discretion from time to time. The Bank may require, from time to time, additional Collateral to meet the requirements for security or collateral prescribed by the Bank from time to time (the “**Collateral Requirement**”) for the operation of the Account and/or the relevant Transactions or Services.
- 11.3** Any such Collateral may be a combination of cash and/or securities or other forms of Collateral acceptable to the Bank in its discretion. Notwithstanding the foregoing, any discount formula applied or the acceptability of any Collateral may be changed at any time and from time to time at the Bank’s discretion.
- 11.4** In the event that the Collateral provided is, in the sole opinion of the Bank, no longer acceptable or sufficient to meet the Collateral Requirement, the Bank may take such action as the Bank in its discretion deems fit, including realising such part or all of the Collateral as the Bank deems necessary to satisfy the Liabilities without notice to or consent from the Client. Without prejudice to the foregoing, if the Bank in its discretion deems appropriate, the Bank may (in addition to or instead of exercising, inter alia, its power of realisation aforesaid) require the Client to deposit, within such time as the Bank thinks fit, additional Collateral acceptable to the Bank to meet the Collateral Requirement.
- 11.5** The Client shall immediately upon demand by the Bank and at the Client’s expense (including the payment of any legal charges and fees incurred by the Bank), make, execute, do and perform all such further assurances, instruments, acts or things as the Bank shall from time to time require to perfect, protect or enforce the Collateral or any part thereof and the Bank’s title to the security thereby constituted or intended to be constituted

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by the Collateral, and to give effect to any of the rights conferred on the Bank, including any assignments and rights of subrogation.

- 11.6** The Client shall not sell, transfer, assign, encumber, pledge, create any mortgage or charge or other security interest (other than any security interest granted by the Client in favour of the Bank and/or its Affiliates under this Agreement or otherwise) over, dispose of or otherwise deal with the Collateral or any part thereof or any interest therein. The Client agrees that the Bank shall not be liable for any Losses due to or in connection with the restriction under this sub-clause on the Client from doing any of the foregoing acts.
- 11.7** The Bank may, upon the enforcement of its rights, sell, dispose of, realise or otherwise deal with the Collateral as the Client's agent or as mortgagee or pledgee thereof, as the case may be, as the Bank may at its discretion deem fit without incurring any liability whatsoever or howsoever.
- 11.8** Subject to the Applicable Laws the Client grants the Bank the right to pledge, repledge, hypothecate, rehypothecate, invest or loan, either separately or with the property of other clients, to either itself as broker or to others, any Investment Products or other assets held by the Bank on margin for the Account or as Collateral thereof, without notice to the Client and without any obligation to pay to the Client, or to account to the Client for, any interest, income, or benefit that may be derived therefrom.
- 11.9** Any Collateral provided by the Client may, at the Bank's discretion, be regarded as meeting the Collateral Requirement in respect of more than one Transaction or Service at any time.

## 12 STATEMENTS

The Bank may provide the Client with statements of account or any other statements, transaction advices, confirmations and other documents (hereinafter in this Clause 12 referred to collectively as "**Statements**") by the means as agreed with the Bank from time to time, in which case the Client shall examine all Statements supplied by the Bank setting out or recording any balances and transactions on any Account. All Statements should be deemed to have been received by the Client at the date or time specified in Clause 29 of Part One of this Agreement. All Statements provided by the Bank shall, save for manifest error, be conclusive and binding on the Client unless he notifies the Bank within fourteen Business Days from the date of such Statement, unless stated otherwise in this Agreement or in the relevant Confirmation (as defined Part Two D, Section D, Section 1, Clause 9), stating its objection to the content of such Statement in writing. The Bank may make any changes to such Statements it considers necessary in its discretion and shall not be liable for any errors reported in such Statements. The Bank may at any time correct any Statement to rectify any error therein which has been proved to its satisfaction or otherwise.

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## 13 APPOINTMENT OF AGENTS

- 13.1** The Bank may employ or utilise Agents and delegate to any such Agent the performance of any of the Bank's duties and exercise of any of the Bank's rights under this Agreement.
- 13.2** Without limiting the generality of Clause 13.1 above, the Bank may appoint any Agent to take delivery and to be registered as nominee of any of the Client's assets in any part of the world.
- 13.3** The Bank will use reasonable care in the selection of the Agents, but will not otherwise be liable for any act or default of any Agent (including its bankruptcy or insolvency), non-delivery, loss or destruction of any Security or an item in transit or in the possession of others, or any Loss incurred by the Client in connection therewith.

## 14 CONFLICTS OF INTEREST

- 14.1** The Client acknowledges that the Bank and/or any Affiliate may from time to time have an interest, relationship or arrangement that could be material and/or could give rise to a conflict of interest in relation to the Client. In particular, the Client acknowledges that the Standard Chartered Group may:
- 14.1.1** be the issuer of any Securities, including without limitation, Securities which are of the same type and/or class and are traded in the same market as any Securities held in or for the Account, Securities with the same underlying assets as any Securities held in or for the Account and Securities linked to Structured Investments;
  - 14.1.2** combine the Client's orders with its own orders or the orders of other Clients;
  - 14.1.3** effect Transactions for or provide Services to the Client through the agency of and/or with a counterparty which is a related organisation or a person otherwise associated with it;
  - 14.1.4** have a position or a direct or indirect interest in any Securities (including those linked to Structured Investments);
  - 14.1.5** have bought or sold or may buy or sell any Securities (including those linked to Structured Investments) as principal or for its other Clients; or
  - 14.1.6** have other banking, advisory or any other business relationships with companies whose Securities are held for the Account or are purchased and sold for the Client or whose Securities form part of the underlying assets of Securities held for the Account or purchased and sold for the Client or whose Securities are linked to Structured Investments, and the Standard Chartered Group's officers and directors may be officers and directors of such companies.
- 14.2** Where permitted by Applicable Laws, the Client agrees and acknowledges that:
- 14.2.1** the Standard Chartered Group, its officers, employees and representatives shall be permitted to act in any capacity for any other persons and trade for their respective own accounts provided that any such trading is done in accordance with the policies laid down from time to time by the Standard Chartered Group;

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14.2.2 the Bank may, at its discretion and without prior disclosure to the Client, make payments out of the fees, commissions and/or spreads which the Client pays to the Bank to any other members of the Standard Chartered Group and their respective officers, employees and representatives, including those who may be primarily responsible for managing the Account(s), effecting the Transactions, providing the Services or advising the Client; and

14.2.3 the Bank may in its discretion determine the priority of execution of the Client's orders.

14.3 The Bank shall not be under any obligation to disclose to the Client any fact or thing which may come to the notice of the Bank in the course of providing services to others in any other capacity or in any manner whatsoever.

## 15 JOINT ACCOUNTS

15.1 Unless the Bank agrees otherwise in writing, if an Account is opened in the name of more than one person, it shall be a joint Account with right of survivorship and each such person (“**Joint Account Holder**”) shall be jointly and severally liable for all obligations or Liabilities incurred in respect of the Account, including without limitation, those under any Transaction entered into or Service provided in relation to such Account. The liability of each Joint Account Holder shall not be discharged or affected in any way by the death, incapacity, bankruptcy or liquidation of any other Joint Account Holder.

15.2 Notwithstanding the above, in the event of the death of a Joint Account Holder, the Bank may restrict or refuse to permit operation of the Account, entry into of Transactions or provision of Services until it has received evidence that any duty or tax payable on such Account has been paid. Subject thereto, the Bank shall, in the event of the death of one or more signatories on a joint Account and notwithstanding any agreement between the signatories, regard the surviving signatory or signatories as being fully entitled to operate the Account, enter into Transactions and/or accept the provision of Services solely or jointly (as the case may be).

15.3 Each Joint Account Holder shall be authorised to individually give Instructions to the Bank relating to the Account, Transactions and Services. Each Joint Account Holder acknowledges in advance that it is bound by the acts of the other Joint Account Holders in accordance with this authority and hereby releases the Bank from any responsibility or liability in relation to acts of the Bank effected on the Instructions of any other Joint Account Holder.

15.4 A minor may be a Joint Account Holder if the main applicant is the parent/guardian of the minor and the minor is below the age of 18 years. The Bank is not obliged to act on the Instructions of any minor until the minor reaches the age of 18 years.

15.5 The Bank's obligation to notify the Joint Account Holders in respect of any matter shall be discharged if the Bank notifies any one of the Joint Account Holders.

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- 15.6** The Bank may, without prejudice to any rights and remedies against any other Joint Account Holder, settle or vary the liability of or grant time or other indulgence to any of them.

## **16 PARTNERSHIP ACCOUNTS**

- 16.1** If the Client is, and an Account is opened in the name of, a partnership, the Client shall notify any change or changes in the name of the partnership or in the members of the partnership or in the constitution of the partnership to the Bank. Any such change shall not affect the Liabilities of the Client or any partner in relation to the Account, any Transaction or Service. All partners for the time being, on a joint and several basis, shall be bound by this Agreement and the Services Documents. Any person who stops being a partner of the Client for any reason shall remain liable, on a joint and several basis, for the Liabilities of the Client which have accrued up to and including the date that such person ceases to be a partner of the Client.
- 16.2** Each partner hereby authorises the Bank at any time and without notice to combine or consolidate all or any accounts whether in any partner's individual name or in the name of the partnership with any Liabilities of the Client to the Bank and set off or transfer any sums standing to the credit of any one or more of such accounts in or towards satisfaction of any Liabilities of the Client to the Bank.
- 16.3** The Bank can treat any partner as having full authority to singly act or give any Instruction on the Client's behalf and as an Authorised Person for the purpose of this Agreement until the Bank has received written notice of such person's retirement or resignation as a partner.
- 16.4** If the Bank receives Instructions from any one or more of the partners which, in the Bank's opinion, contradicts the Instructions of any other partner(s), the Bank will be entitled, upon notice being given to any one partner, to thereafter act only on the unanimous Instructions of all partners and/or take such action as the Bank deems fit.
- 16.5** Any demand or notice given by the Bank to any one partner shall be deemed to be a demand or notice given to all the Client's partners.

## **17 TRUST ACCOUNTS**

- 17.1** Where the Client is acting in the capacity of a trustee of a trust (the "Trust") the Bank will deal with the Client and be entitled to deal with the Client as the Bank's Client as if there were no trust constituted or subsisting.
- 17.2** The Client is required to provide the Bank with such information on the Client, the Account, Transactions or Services, as may be required by the Bank or any regulatory or governmental authority. If the Client cannot disclose such information due to the confidential nature of such information, the Client must:
- 17.2.1** provide the Bank with undertakings in form and substance satisfactory to the Bank and in relation to such matters as the Bank may from time to time require; and

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- 17.2.2 upon the Bank's request, promptly provide the Bank with information and documents relating to the Client's clients.
- 17.3 At the Bank's written request, the Client shall provide the Bank with a certified copy of the most updated trust deed or other document(s) constituting the Trust. The Bank shall be deemed not to have knowledge whether actual or constructive or otherwise of provisions in the document constituting or evidencing the Trust.
- 17.4 The Client represents and warrants to the Bank (which representations and warranties shall be deemed repeated on each date the Client enters into a Transaction or accepts the provision of Service or otherwise provides an Instruction of any kind to the Bank and on a continuous basis for so long as the Client has any Account or any outstanding Transaction with, or is granted any Service by, the Bank) that:
- 17.4.1 the Trust is validly constituted in accordance with all Applicable Laws; and
- 17.4.2 all necessary steps have been taken, all discretions have been properly exercised and the Client has the power to:
- (i) open and operate each Account and apply for each Service; and
- (ii) enter into each Transaction, this Agreement and the Services Documents, under Applicable Laws and, where the Client is not an individual trustee, the Client's constitution or the trust deed or instrument constituting the Trust (where applicable).
- 17.5 If required by the Bank, the Client will provide the Bank with a legal opinion (in form and substance acceptable to the Bank) to confirm the above.
- 17.6 Any liability of or indemnity given by the Client or any of the Client's other obligations under this Agreement shall be on the basis that the Bank has full recourse to all the assets of the Trust as well as any and all amounts standing to the credit of the Account.
- 17.7 The Client agrees that, even though the Client is acting as trustee, the Client will be personally liable in respect of any Liabilities for which the Client has no right to be indemnified from the assets of the Trust or where the Bank has no right to be subrogated to such right of indemnity, or in respect of any breach by the Client of any of the Client's representations or warranties above or any of the terms of this Agreement or any of the Services Documents.
- 17.8 The Bank will not be liable to the Client and the beneficiaries of the Trust for any Losses arising from or in connection with its having executed or otherwise relied on Instructions that were given by the Client, whether in breach of trust, duty or any lack of capacity, authority or power.
- 17.9 The Client agrees that the Bank is entitled but not obliged to treat the Client as trustee of a trust and to treat the Account as a trust Account to be governed by this Clause 17 even if the Client has not opened the Account on the basis, or expressly instructed or informed the Bank, that the Account is held in trust.

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## 18 INCAPACITY OF CLIENT

- 18.1** The Client's incapacity shall not terminate any Account or authority given to any of the Authorised Persons, or affect any Instructions until notice of the incapacity of the holder of the Account (or a Joint Account Holder) has been actually received by the Bank. Prior to actual receipt of such notice, the Bank shall be held harmless from acting in respect of the Account.
- 18.2** The Bank will not be responsible for any Losses resulting from the disability or incapacity of whatever nature on the part of the Authorised Person or representative or other third party.
- 18.3** The Bank may debit the credit balance in any Account for the amount of all costs and expenses (including legal fees on a full indemnity basis) reasonably paid or incurred by the Bank or its Agents with respect to:
- 18.3.1** any of the Client's assets or Account (including its termination) or otherwise in respect of Transactions or Services; or
  - 18.3.2** the transfer of the assets and balance in the Account to:
    - (i) the Client's successor(s) or personal representative;
    - (ii) the survivor(s) of a joint Account; or
    - (iii) any other person legally entitled to such balance or assets.

## 19 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 19.1** The Client represents and warrants to the Bank as follows (which representations and warranties shall be deemed repeated on each date the Client enters into a Transaction or accepts the provision of Service or otherwise provides an Instruction of any kind to the Bank and on a continuous basis for so long as the Client has any Account or any outstanding Service or Transaction with the Bank):
- 19.1.1** the Client has full capacity, authority and legal right to open and maintain the Account, to enter into and engage in the Transactions and/or accept the provision of the Services and has taken or obtained all necessary action and consents to authorise the Client's entry into and performance of the Client's obligations in respect thereof in accordance with all Applicable Laws;
  - 19.1.2** no litigation, arbitration or administrative proceeding is currently taking place or pending or threatened against the Client or the Client's business or assets;
  - 19.1.3** this Agreement and any Services Documents constitute legal, valid and binding obligations of the Client enforceable against the Client in accordance with their respective terms;
  - 19.1.4** the opening and maintenance of each Account, the utilisation of the Services by the Client, the entering into of the Transactions by the Client, the Instructions given

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to the Bank and the performance by the Client of the Client's obligations will not contravene any Applicable Laws applicable to the Client or of the location or market or local regulatory bodies where any Account is opened or any Services and investments and trading or other Transactions are effected nor constitute a breach of any of the Client's other contractual obligations (such as lock-up agreements);

- 19.1.5 the Client has the capacity to operate the Account and to evaluate each Transaction and Service (including decisions regarding the appropriateness or suitability of each Transaction and Service) and has made and will make its own decision to operate the Account and to enter into each Transaction and Service based upon its own judgment and upon advice from such professional advisers as he has deemed necessary to consult;
- 19.1.6 the Client is not relying on any advice (whether written or oral) of the Bank regarding the Account, any Transaction or Service, and the Bank is not acting as fiduciary or advisor to him in connection with the Account, any Transaction or Service;
- 19.1.7 no event or circumstances which constitute or which, with the giving of notice or lapse of time or both, would constitute an Event of Default has occurred;
- 19.1.8 all information supplied by the Client to the Bank in connection with this Agreement, the Account, the Services and the Transactions is true, complete and accurate in all respects;
- 19.1.9 save as otherwise agreed by the Bank in writing, the Client is the beneficial owner of the assets held in each Account and has maintained and will maintain unencumbered and absolute title to such property which is free from all charges, equities, liens and encumbrances (except as provided herein);
- 19.1.10 any monies held in each Account or used in connection with any Transaction or Service are not in any way derived from money laundering or criminal activities;
- 19.1.11 the Client will at all times maintain complete and exclusive control of the Account, and will exclusively give Instructions (where applicable, through the Authorised Person(s)) with respect to the purchase, sale and delivery of any assets in the Account, the acceptance and utilisation of the Services or the entry into of the Transactions and, unless otherwise expressly agreed with the Bank, the Client (where applicable, through its Authorised Person(s)) is the only person that is ultimately responsible for originating an Instruction in relation to the Account, any Transaction or Service and that stands to gain the commercial or economic benefit of the Account, any Transaction or Service and/or bear its commercial or economic risk;
- 19.1.12 the Client acknowledges that Applicable Laws of certain jurisdictions impose offer restrictions on individual clients who are either nationals of or are domiciled in certain countries, and/or prohibit the source of funds for investment in a foreign currency or transaction in which the underlying is foreign currency or certain types of Securities of certain countries. The Client also acknowledges that the selling restrictions mentioned above may also apply to foreign currency and transactions entered into by the Client's nominee or corporations that are controlled by the

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Client. The Client hereby expressly represents and warrants to the Bank that the Client shall be responsible for ensuring that each investment in foreign currency and Transaction is in compliance with the applicable requirements in respect of the Client's domicile/nationality and the source of funds; and

19.1.13 no deduction or withholding (whether on account of taxes or otherwise) will be required to be made under any Applicable Laws applicable to the Client from any payment or delivery to be made by the Client under any Investment Product.

19.2 The Client agrees and undertakes with the Bank as follows:

19.2.1 to effect or procure that there are effected all stamping, filing or registration of all documents which may be required under the laws of any relevant jurisdiction;

19.2.2 to furnish such financial information to the Bank promptly as it may request from time to time;

19.2.3 to immediately and in any event within seven days of the occurrence of an Event of Default or Potential Event of Default notify the Bank of the occurrence of such Event of Default or Potential Event of Default, setting forth the details of the same and the action the Client proposes to take with respect thereto;

19.2.4 to immediately inform the Bank of any changes to the representations and warranties provided by the Client in this Agreement or in any Services Document, or in the event that such representations or warranties are no longer accurate or correct;

19.2.5 on request by the Bank, to do or procure the doing of all such acts and things and execute or procure the execution of all such instruments and documents as the Bank may in its discretion consider necessary or desirable for giving full effect to this Agreement or any Services Document, the operation of the Account, any Services, Instructions or Transactions or for securing to the Bank the full benefits of all rights, powers and remedies conferred upon the Bank thereunder;

19.2.6 to assume responsibility for any disclosure of any holdings or other interest in any Securities required under any Applicable Laws; and

19.2.7 where the Client is a company or a corporation, to provide a written mandate and a certified copy of a board resolution to the Bank in such form satisfactory to the Bank.

19.3 The Client agrees and undertakes to notify the Bank in the event of any material change to the information provided by him in, or pursuant to, this Agreement. Any change to the information provided by the Client shall only take effect upon receipt of such notification by the Bank.

## 20 DISCLOSURE OF CLIENT INFORMATION

20.1 Unless otherwise stated, the Client must supply information relating to the Client (including personal data), the Account, the Transactions and Services (collectively, the "Client

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**Information**”) as requested by the Bank. If the Client does not supply the Client Information, it may not be possible for the Bank to maintain the Account, provide the Services or enter into any Transaction.

**20.2** The Client agrees and acknowledges that Client Information (whether provided by the Client or any other person) may be disclosed to and used by any of the following companies or persons (each, a **“User”**):

**20.2.1** the Bank and any Agent of the Bank, or any Affiliate or any employees or agents of such Affiliate or any other person under a duty of confidentiality to the Bank;

**20.2.2** any Agent, or any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or securities clearing or other services to the Bank in connection with the operation of its business (collectively, the **“Service Providers”**);

**20.2.3** any actual or proposed assignee or transferee (or their respective agents) of the Bank’s rights and obligations under this Agreement;

**20.2.4** any credit or rating agency, insurer of, or direct or indirect provider of credit protection to any Affiliate; and

**20.2.5** any person to whom (including all government agencies and authorities, regulators, Exchanges, clearing houses, markets or depositories) such disclosure is required by Applicable Laws, or pursuant to the directives of such entities and any other reputable third parties that the Bank consider appropriate for any reasonable purpose.

**20.3** The Client agrees and acknowledges that Client Information may be used by any User for any of the following purposes:

**20.3.1** daily operation of the services and facilities provided to the Client;

**20.3.2** new or existing Client verification procedures, ongoing account administration and marketing Standard Chartered Group products to the Client;

**20.3.3** transfer of such data to any place outside the country or territory where the Account is held;

**20.3.4** ensuring ongoing creditworthiness of the Client or any other person;

**20.3.5** enforcing of the Client’s obligations, including but not limited to the collection of amounts outstanding;

**20.3.6** enabling any actual or potential assignee or participant or sub-participant of the Bank’s rights to evaluate the Account, the Transaction or Service or intended Transaction or Service;

**20.3.7** comparison with the Client Information (irrespective of the purposes and sources for which such data were collected, and whether collected by a User or any other person) for the purpose of: (A) credit checking; (B) data verification; and (C) otherwise producing or verifying data which may be used for the purpose of taking such action that a User or any other person may consider appropriate (including

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action that may relate to the rights, obligations or interest of the Client or any other person);

**20.3.8** any purpose relating to or in connection with compliance with Applicable Laws or court order or order of a regulatory body; and

**20.3.9** any other purpose relating to or in connection with the business or dealings of the Bank and any Affiliates, including (without limitations) for the purposes of potential or actual reorganisations, acquisitions, disposals or mergers.

**20.4** The rights conferred on the Bank in this Clause 20 shall be in addition to and shall not be in any way prejudiced or affected by any other agreement, expressed or implied, between the Client and the Bank in relation to any information nor shall any such other agreement be in any way prejudiced or affected by this Clause 20.

**20.5** The Client agrees that the Bank may outsource services from time to time to a Service Provider (which may be an Affiliate or a third party). The Client agrees and acknowledges that in certain circumstances the Bank may be required to disclose certain information (including Client Information) to a Service Provider. The Client further agrees that any Service Provider may disclose information (including Client Information) to any other third parties to whom such Service Provider has outsourced its operational functions.

**20.6** The Client consents to and authorises the use by the Bank of any Client Information for the purposes of the sending of commercial messages to the Client in relation to financial products or services that may be of interest to the Client. The provisions of this Clause 20.6 shall constitute the Client's request and consent for the purpose of the provisions of any spam control laws. If the Client does not wish to receive such messages or would like to revoke this consent, the Client shall notify the Bank accordingly.

**20.7** This Clause 20 shall survive the termination of this Agreement.

## **21 SET-OFF AND COMBINATION OF ACCOUNTS**

**21.1** The Bank or its Affiliates shall be entitled to withhold or not repay any amount which is or may hereafter be owing from it or its Affiliates to the Client or any monies which it or its Affiliates may hold, now or hereafter, for the account of the Client, unless and until the Client shall have discharged in full the Liabilities.

**21.2** The Bank or any Affiliates shall be entitled, to combine or consolidate any or all of the Account or accounts which the Bank or any Affiliates may hold for the Client, now or in the future, and with notice to the Client set-off any Liabilities against any amounts due to the Client, any monies held on behalf of the Client or any outstanding Transaction or Service in which the Client is in the money, either individually or jointly with others, or to which the Client is beneficially entitled, including any monies held on trust or in the trust account for the Client, whether the debts are actual or contingent or joint or several and irrespective of any difference in currency. For the avoidance of doubt, where the Liabilities are not in the same currency as the relevant monies to be set off, the Bank may make any currency conversions it considers necessary or desirable.

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- 21.3** The credit balance in the Account or any of the Client's accounts with the Bank or any Affiliates shall be deemed to have been automatically set-off against the Liabilities immediately prior to the occurrence (whether or not such occurrence is known to the Client or the Bank) of any event which may otherwise affect the Bank's right to effect a set-off including:
- 21.3.1** any assignment or charge on or any dealing in respect of the funds in the Account or accounts and the assets with the Bank and the Client's assets or undertaking with any of the Affiliates, except in the Bank's favour or in favour of any of the Affiliates;
  - 21.3.2** an order of any court directing payment by the Bank to a third party or attaching or garnishing the credit balance in any Account or accounts or the assets with the Bank or the Client's assets or undertaking with any of the Affiliates;
  - 21.3.3** a bankruptcy, judicial management or winding-up petition or other similar process is presented or a resolution is passed to effect the same, in relation to the Client; or
  - 21.3.4** upon the crystallisation of any floating charge created by the Client and/or over the Client's property, assets or undertaking.
- 21.4** If any obligation is contingent, unliquidated or unascertained, the Bank may set off in an amount estimated by the Bank in good faith to be the amount of that obligation. The Client agrees that the amounts estimated are reasonable pre-estimates and not a penalty and that the Client will not be entitled to recover any additional damages as a consequence of such estimates.
- 21.5** The terms of this Clause 21 and all of the rights of the Bank in this Clause 21 shall apply to, and be conferred on, each member of the Standard Chartered Group, all of which shall be entitled to enforce and enjoy the benefit of this Clause 21 to the fullest extent permitted by Applicable Laws.

## **22 LIEN**

The Client agrees that all Securities, monies and other assets and the proceeds thereof, which the relevant Standard Chartered Group entities (including the Bank and its Affiliates) or Agents may hold for the Client (whether in the possession of, or under the control or direction of, the Bank, its Affiliates or Agents) shall be subject to a lien in favour of the relevant Standard Chartered Group entities (including the Bank and its Affiliates) or Agents for the discharge of all or any Liabilities. The Client shall not be entitled to withdraw any monies, Securities or such other assets as held by the Bank, its Affiliates or Agents pending the repayment in full of the Liabilities.

## **23 SUSPENSION**

- 23.1** The Bank may, at its discretion, at any time without prior notice to the Client and for any reason whatsoever, suspend operation of the Account or any Service or Transaction without liability.

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- 23.2** The Bank shall not be liable or responsible for any Losses suffered or incurred by the Client arising from any delay, failure or inability of the Bank or any Agent to discharge any of its obligations in connection with the Account and/or any Service or Transaction as a result of any reasons or causes beyond the Bank's or the Agent's control (including any breakdown of and/or failure of transmission of telecommunications or computer facilities, Exchange closure, industrial action, acts and regulations of any public, regulatory or governmental authorities or clearing houses or settlement systems or failure by any third party for any reason to perform its obligations, in the relevant market) or any suspension of the Account or Service or Transaction under Clause 23.1. In such circumstances, the Bank may extend the time for performance by the Bank by a period equal to that during which performance is so prevented or hindered.
- 23.3** Each of the Bank and the Client will take reasonable steps which in its sole opinion is available to mitigate any adverse effects on the other party of the circumstances listed in Clause 23.1 or Clause 23.2 above.

## **24 LIABILITY AND INDEMNITY**

- 24.1** Any action which the Bank may take or omit to take in connection with any Account, any Services, any Instructions or Transactions shall be solely for the account of the Client and at the Client's risk. None of the Bank, its Affiliates, Agents and any director, officer, employee or agent of any of the foregoing (each, an "**Indemnified Person**") shall be liable for any Losses or for the acts of any Agent appointed by the Bank in good faith, or any other persons through whom Instructions are effected, save where the same arises directly from the Bank's gross negligence, wilful misconduct or fraud. Indemnified Persons shall be entitled to every exemption from liability, every defence and every indemnity to which the Bank is entitled save in the event of the Bank's gross negligence, wilful misconduct or fraud. Notwithstanding any provision of this Agreement, the Bank shall not at any time be liable for any indirect, special or consequential Losses, loss of profits, goodwill or reputation whether or not they were foreseeable or likely to occur and even if the Client may have advised the Bank of the possibility of such Losses.
- 24.2** The Client further agrees to fully indemnify and keep indemnified each Indemnified Person against any and all Losses which any Indemnified Person may suffer or incur as a result of (directly or indirectly) or in connection with:
- 24.2.1** any breach by the Client of any provision of this Agreement (including without limitation any representation or warranty under this Agreement);
  - 24.2.2** any breach by the Client of his obligations in connection with any Account, Transaction or Service;
  - 24.2.3** any failure by the Client to comply with any Applicable Laws in respect of any Account, Transaction or Service; and/or
  - 24.2.4** any Event of Default or any demand notice being given in connection with any Event of Default,
- in each case, save for where the same arises directly from the Bank's gross negligence, wilful misconduct or fraud.

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- 24.3** Without limiting the generality of Clause 24.2 above:
- 24.3.1** notwithstanding any other provision of this Agreement, the Bank shall have no responsibility in respect of the performance or outcome of any Investment Product, Transaction, or Service. The Client acknowledges that past performance of any investment or class of investments is no indicator of future performance;
  - 24.3.2** the Bank shall not be responsible for, nor have any liability for Losses attributable to, incorrect or incomplete information in any prospectus or other offering, transactional or marketing materials prepared or issued by third parties other than the Bank or derived from such third party materials; and
  - 24.3.3** the Client agrees to indemnify each Indemnified Person against any Losses arising from or as a result of acting on any Instruction or other communication received by the Bank by any means which the Bank reasonably believes to have been given by the Client or on the Client's behalf, and the Client agrees to be bound by and ratify any Transaction entered into, Service provided or action taken by the Bank as the result of such Instruction or communication.
- 24.4** For the avoidance of doubt, this Clause 24 and all rights of the Bank hereunder shall apply and be available to each Indemnified Person regardless of whether the Losses or any part thereof were also caused by the Bank (other than Losses which result directly and solely from the Bank's gross negligence, wilful misconduct or fraud).
- 24.5** For the avoidance of doubt, this Clause 24 shall not be construed to limit the Bank's liability to a greater extent than permitted by Applicable Laws.

## **25 EVENTS OF DEFAULT AND TERMINATION**

### *Events of Default*

- 25.1** Each of the following shall, as determined by the Bank in good faith, be an "**Event of Default**":
- 25.1.1** the Client fails to comply with any provisions of this Agreement or any other agreement between the Client and any member of the Standard Chartered Group or any Services Document ;
  - 25.1.2** the Client fails to pay, or make any delivery to, the Bank or any other member of the Standard Chartered Group on the due date or on demand (as the case may be) any sums of money, or of any asset, outstanding in respect of the Liabilities;
  - 25.1.3** the Client has become insolvent or bankrupt, or generally fails or is unable to pay any of his debts as they mature; any action has been instituted or any step is taken by or against the Client for the purpose of the Client entering into winding-up, liquidation, judicial management, bankruptcy, any scheme or arrangement, or any similar arrangement under any bankruptcy or insolvency law; or any order has been made by any competent court or any resolution is passed or any step is taken for the appointment of a liquidator, receiver, custodian, executor, judicial manager, administrator or trustee of the whole or any part of the Client's assets or business; any warrant of attachment is issued or any step is taken for such issuance by any competent court in any jurisdiction against all or any part of the Client's assets or

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- business; or the Client has entered into or any step is taken for the entry by the Client into any scheme or arrangement or composition with his creditors;
- 25.1.4 in the case where the Client is an individual or a partnership, the Client or any of the partners dies or becomes mentally incapacitated or suffers some other form of legal disability or a judicial declaration of incompetence is made in respect of the Client or any of the partners;
  - 25.1.5 in the Bank's opinion, a material adverse change occurs in the financial or other condition of the Client or any change in the operating environment or any event occurs or circumstances arise which causes the Bank to believe that the Client may not (or may be unable to) perform or comply with any one or more of his obligations;
  - 25.1.6 any representation or warranty made or deemed to be made by the Client (including without limitation the representations and warranties in Clause 7.2 and Clause 17.4 above) to the Bank is incorrect or misleading;
  - 25.1.7 the Bank reasonably believes that the Client or someone else is using any Account, entering into any Transaction or utilising any Service illegally or has otherwise breached any Applicable Laws;
  - 25.1.8 any Event of Default (as specified in any other Services Document) or any analogous event occurs as determined by the Bank in good faith;
  - 25.1.9 any event of default (howsoever described) with respect to the Client y under any agreement, mortgage, indenture or instrument entered into by the Client with any party, which results in any of the Client's indebtedness or liability becoming or becoming capable of being declared due and payable before the date on which it would otherwise have become due and payable, or if the Client fails to pay any amount under any such arrangement when it falls due or upon demand;
  - 25.1.10 where the Bank in its discretion deems that a situation has arisen which causes the Bank to believe that the Client may not (or may be unable to) perform or comply with any one or more of his obligations; and/or
  - 25.1.11 any other matter or event arises including any legal or regulatory requirement, which in the Bank's discretion renders the triggering of an Event of Default necessary or advisable in the Bank's interests.
- 25.2 At any time after the occurrence of an Event of Default, the Bank may (but is not obliged to) with or without notice to the Client do any one or more of the following in its absolute discretion:
- 25.2.1 terminate this Agreement;
  - 25.2.2 suspend or terminate any Account and/or the provision of any of the Services to the Client;
  - 25.2.3 close out and unwind any outstanding Transaction (including without limitation exercising its rights to determine the Close-out Amount in accordance with Clause

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- 25.2.4 25.5 below), unwind any Transaction and cancel any outstanding order or other commitments made on behalf of the Client;
- 25.2.5 borrow or purchase any Securities or assets required to make delivery on behalf of the Client; and
- 25.2.6 in any manner sell, realise, dispose of or otherwise deal with, in such manner as the Bank may determine in its discretion, any assets held on behalf of the Client by the Bank, its Affiliates or Agents (whether in the possession of, or under the control or direction of, the Bank, its Affiliates or Agents), and to cover any potential or actual expenses, legal fees and or claims brought by the Client or any third party against the Bank, its Affiliates or Agents in connection with the Account, Transactions or Services.

For the avoidance of doubt, the occurrence of an Event of Default or the Bank's exercise of the rights in this Clause 25.2 shall not in any way affect the rights of the Bank under Clause 8.6, Clause 21 and Clause 22 above.

- 25.3 Upon the occurrence of any Event of Default, all Liabilities shall become immediately payable on demand, the Collateral and all other rights, powers and remedies of the Bank shall become immediately enforceable and the Bank shall become immediately entitled to exercise any and all of the same.
- 25.4 The Bank's obligations under this Agreement to make a payment or delivery is subject to the condition precedent that no Event of Default or Potential Event of Default with respect to the Client has occurred and is continuing.
- 25.5 If an Event of Default has occurred, the Bank may (but is not obliged to) designate a close-out date (the "**Close-out Date**"). Upon the designation of a Close-out Date:
  - 25.5.1 All Structured Investments shall be terminated as of the Close-out Date (whether or not such Events of Default are continuing on that date).
  - 25.5.2 A "**Close-Out Amount**", if any, payable either by the Client to the Bank or by the Bank to the Client, as the case may be, will be payable on such date as the Bank shall determine after the Close-Out Date. The Close-out Amount will be determined by the Bank taking into account the following:
    - (i) The Early Termination Amount (as defined in Section D of Part Two of this Agreement) for each outstanding Structured Investment as of the Close-out Date or, if this would not be commercially reasonable, as of such date(s) as would, in the Bank's sole opinion be commercially reasonable.
    - (ii) The amounts owing to each party as of the Close-out Date, being the aggregate of (a) the amounts that had become payable (or would have become payable) and (b) the amount(s) equal to the fair market value of each obligation which was deliverable (or would have been deliverable), each of which, but for the occurrence and/or continuance of an Event or Default or Potential Event of Default to such party on or before such Close-out Date and which remain unpaid or undelivered as at such Close-out Date.

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**25.5.3** The Client agrees that the amounts recoverable under this Clause are a reasonable pre-estimate of loss and not a penalty and that the Client will not be entitled to recover any additional damages as a consequence of such losses.

**25.6** Notwithstanding Clauses 25.4 and 25.5, the Bank may at its absolute discretion elect to apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the rights hereinbefore conferred on the Bank) actually received by the Bank pursuant to the exercise of rights under Clause 25.2 in reduction of the Client's then outstanding Liabilities in such order or manner as the Bank considers fit.

**25.7** The Client hereby waives all claims and demands (if any) against the Bank in respect of any Loss, involuntary or otherwise, directly or indirectly arising from the exercise by the Bank of the powers conferred by the Agreement, howsoever such Loss may have been caused (other than through the gross negligence, wilful misconduct or fraud of the Bank), whether in relation to the timing or manner of the exercise of powers or otherwise.

### **Termination**

**25.8** Notwithstanding any other provision of this Agreement, the Bank may at any time and from time to time vary or terminate any or all of the Transactions or the Services (but not any Structured Investment) for any reason (whether there is an Event of Default or not) without prior notice to the Client and the Bank reserves the right to require the Client to repay immediately all outstanding amounts owed to the Bank (as determined by the Bank) under such Transactions or Services which have been terminated. The Bank may in addition close any Account with immediate effect upon giving the Client notice.

**25.9** Unless otherwise provided in this Agreement, the Client may terminate any Account, Transaction or Service (but not any Structured Investment) upon giving the Bank prior written notice, provided such termination shall not discharge or affect any accrued, existing or contingent Liabilities and obligations of the Client (including without limitation the obligation of the Client to complete a Transaction or Service initiated prior to the date of termination).

**25.10** Termination shall not terminate or affect any of the representations, warranties and indemnities made by the Client under this Agreement.

**25.11** The termination by the Client or by the Bank of any of the Transactions, Services or Account provided pursuant to this Agreement shall not affect the provision of the remaining Transactions, Services and/or Account.

## **26 THE CLIENT'S RESPONSIBILITY**

**26.1** The Client shall at all times exercise due care to prevent payment or other orders or instruments, Instructions, electronic aids, passwords, tests, codes or digital signatures from coming into the possession of unauthorised persons and to prevent alteration in a manner which may facilitate fraud or forgery. The Client shall notify the Bank immediately on discovering that any such items have been stolen, lost, misappropriated or mislaid, but such notification shall not relieve the Client from his liability to assume and bear the consequences of the same. It is the Client's duty to ensure Instructions are clear, correct and intelligible, and that they have been received and/or read, as applicable, by the Bank's

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officer designated to deal with the Account, to enter into the Transaction or provide the Service.

- 26.2** The Client undertakes to consult with the Client's own independent legal, regulatory, tax, financial, accounting and other advisors to the extent the Client deems necessary in respect of the Account, any Transaction or Service (or any Transaction or Service that the Client proposes to enter into with or through the Bank).
- 26.3** The Client shall be responsible for all taxes, duties and charges (including but not limited to tax reporting and withholding obligations) of any kind arising pursuant to the Account, Transactions or Services conducted with or through the Bank. For the avoidance of doubt, in no event shall the Bank or any of its Affiliates and Agents or any director, officer, employee or agent of any of the foregoing be liable for any adverse tax implications in respect of the Account, any Transaction or Service.

## **27 RISK DISCLOSURE**

- 27.1** The Client accepts all risks arising from its opening and maintenance of the Account, the entry into of any Transactions and the acceptance of any Services. The Client's attention is drawn to and the Client acknowledges that he has read and fully understood the Risk Disclosure Statement and all documents referred to therein. By opening and maintaining the Account, in accepting any Services and/or entering into any Transactions, the Client acknowledges that he has made his own assessment and has relied on his own judgement.

## **28 AMENDMENT**

- 28.1** The Bank may vary or amend this Agreement and any Services Document at any time at the Bank's discretion by notifying the Client of such variations or amendments at the address provided by the Client to the Bank or by such other means as the Bank may deem fit. Any such variation or amendment shall take effect from such date as the Bank shall stipulate or, in the absence of express stipulation, upon notice being given to the Client, without the need for any further consent or agreement by the Client and shall be binding on the Client even if the Client has not received the notification from the Bank.

## **29 NOTICES AND COMMUNICATIONS**

- 29.1** Without prejudice to any other effective mode of dispatch, any report, statement, written confirmation, notice, demand or any other communication from the Bank to the Client shall be deemed to have been sufficiently dispatched, given or made if:
- 29.1.1** left by personal delivery addressed to the Client, at the address last known to the Bank at the time of delivery;
- 29.1.2** by prepaid post similarly addressed, five days after posting;

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29.1.3 communicated or transmitted to the Client by telephone, telex, cable, telegraph or facsimile transmission at the respective numbers last known to the Bank, at the time of communication/transmission; and

29.1.4 communicated by e-mail, on the date and time of transmission by the e-mail server operated by the Bank and/or its service provider, notwithstanding any non-delivery or "returned mail" reply message or any error message indicating that the e-mail was not successfully sent to the Client's mailbox. The Client will bear the risk of any non-delivery of e-mails from the Bank.

29.2 Any communication from the Client to the Bank shall only be effective upon actual receipt thereof by the Bank.

29.3 All notices and other communication sent by the Bank to the Client or vice versa are to be sent at the Client's risk, and the Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by any form of communication or other cause beyond the control or anticipation of the Bank. The Bank shall not be obliged to preserve any documents which may be returned undelivered.

## 30 MISCELLANEOUS

30.1 **Assignment:** The Client shall not in any way encumber, charge, declare a trust over, assign or transfer all or any of his Liabilities, rights, interest or benefit in or to any Account, Service or Transaction or any assets kept in the custody of the Bank, or any Agent without the Bank's prior written consent. The Client hereby agrees that the Bank may assign and transfer all or any of its rights and obligations under any Account, Service or Transaction to any person at the Bank's discretion and without the need for any further consent or agreement on the part of the Client. This Agreement shall be binding and enure to the benefit of the Bank and the Client and their respective successors-in-title and permitted assigns, and shall continue to be binding on the Client notwithstanding:

30.1.1 any change in name or constitution of the Bank; or

30.1.2 any consolidation or amalgamation of the Bank into or with any other entity. In the event of such consolidation or amalgamation, such entity shall be substituted for the Bank in relation to this Agreement, all written confirmations and all assets placed with the Bank, and this Agreement and all written confirmations, correspondence, acknowledgements, directions, instructions and authorisations shall continue in full force and effect as between the Client and such entity.

30.2 **Destruction of documents:** The Bank may in its discretion destroy any cheques or other records and documents relating to any Account, Service or Transaction after the same have been processed by microfilm or any other form of electronic media. Production of the microfilm or other form of electronic media shall be binding on and shall be conclusive evidence against the Client. The Bank may destroy any records after the retention period required by law.

30.3 **Monitoring of correspondence:** The Client agrees that all telephone conversations and electronic message correspondence (including electronic message correspondence delivered by e-mail and instant messaging services) between the Bank or an Affiliate and

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the Client may be recorded and may, to the fullest extent permitted by Applicable Laws, be used as conclusive evidence of the content of the calls or electronic messages and will be admissible in evidence in any proceedings. The Client waives any right to challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records.

- 30.4 Severability:** If any of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity or enforceability of the remaining provisions shall not be affected or impaired.
- 30.5 Time of the essence:** The Client agrees that time shall be of the essence in respect of his responsibilities and Liabilities in all matters arising under this Agreement.
- 30.6 No waiver of rights:** No indulgence or forbearance granted by the Bank, no failure to exercise and no delay in exercising on the part of the Bank of any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 30.7 Remedies cumulative:** Any rights and remedies of the Bank under this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.
- 30.8 Successors:** The Client's rights and obligations under this Agreement shall be binding on the Client's heirs and successors, subject to Clause 30.1.
- 30.9 Signing Authority:** The Client hereby authorises the Bank to sign on behalf of the Client and in the name of the Client any Client agreement or other document to enable or better enable the Bank to carry out the Instructions, to operate the Account, to enter into Transactions and/or to provide Services.
- 30.10 Standard Chartered Bank's intellectual property:** The Client will not use the "Standard Chartered Bank" name, logo or trademark or any other intellectual property belonging to the Standard Chartered Group for marketing or publicity purposes without the prior written consent of the Bank.
- 30.11 Conclusive evidence:** For all purposes, including without limitation, any legal proceedings against the Client, a certificate by any of the Bank's officers as to any amount due from the Client to the Bank or as to any other determination, notification or opinion or the like of the Bank shall, in the absence of manifest error, be binding and conclusive evidence.
- 30.12 Governing law and jurisdiction:** This Agreement and all relations between the parties shall be governed by and construed in accordance with the laws of the Governing Law. Any legal action or proceedings in connection with the Agreement, or any dispute thereunder, may be brought in the courts of Malaysia and the Client irrevocably submits to the jurisdiction of Malaysian courts. The Bank reserves the right to institute proceedings in the Client's domicile or in any other appropriate jurisdiction.
- 30.13 Complaint:** The Client is not covered by the compensation fund established pursuant to the Capital Markets and Services Act 2007 for any monetary loss suffered as a result of a defalcation, fraudulent misuse of moneys or other property by a director, officer, employee or representative of the Bank. However, the Client can lodge a complaint to any of the Bank's branches or at the Bank's website [sc.com/my](http://sc.com/my) if the Client suffers any monetary

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loss. If the Client is dissatisfied with the Bank's service, the Client may lodge a complaint to the Bank so that the Bank may address the complaint. The Client can get more details on how and where to make a complaint at any of the Bank's branches or at the Bank's Website.

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## PART TWO PRODUCT/SERVICE TERMS

### A. Securities dealing

WHERE A SECURITY IS A COLLECTIVE INVESTMENT SCHEME, IF THERE IS ANY INCONSISTENCY BETWEEN THE PROVISIONS OF SECTION A OF PART TWO OF THIS AGREEMENT AND SECTION C OF PART TWO OF THIS AGREEMENT, THE LATTER WILL PREVAIL.

## 1 Instructions

- 1.1** The Client may instruct the Bank and the Bank may on the Client's behalf purchase, sell and/or otherwise deal in Securities subject (if applicable) to the rules of the relevant Exchange, clearing house or depository or customs and the right of the Bank under Clause 5.6 of Part One of this Agreement.
- 1.2** Any Instruction for dealing in Securities shall only be accepted if it is received before such cut off time as the Bank may from time to time prescribe. Where for whatever reason such Instruction has not been executed (or any unexecuted part of any such Instruction in the case of a partially executed Instruction), it shall be deemed to lapse at the expiry of the trading date specified in any such Instruction. Any Instruction for dealing in Securities for execution on the date of the Instruction must also be received before any relevant cut-off time in respect of any relevant Exchange or market, as determined by the Bank. All other Instructions shall be given so as to allow the Bank sufficient time within which to comply.
- 1.3** The Client shall provide additional information as may be required under any such documents signed by the Bank on the Client's behalf. Failure to provide such information may, among other things, lead to an Instruction not being effected or, where relevant, may cause the redemption of an investment or suspension of redemption rights of an investment.

## 2 Transactions

### *Nature of Relationship*

- 2.1** Unless the Bank notifies the Client otherwise:
- 2.1.1** in respect of Transactions in Securities which are bonds, securitised structured products such as notes, warrants or certificates or such other Securities as notified to the Client from time to time, the Bank will transact with the Client as principal; and
- 2.1.2** in respect of Transactions in Securities other than Securities which are bonds, securitised structured products such as notes, warrants or certificates or such other Securities as notified to the Client from time to time, the Bank will act as the Client's execution agent in effecting such Transactions (notwithstanding that the Bank may be deemed to be transacting as principal under the rules or regulations of the relevant Exchange or clearing house).

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The Client acknowledges and agrees that the Bank owes no fiduciary or other equitable duties to the Client with respect to Transactions.

**Execution**

- 2.2** The Bank will execute orders for Transactions in Securities on the Client's behalf, at the Client's risk and upon the Client's specific Instructions, provided that the Bank is prepared at its discretion to transact such Securities.
- 2.3** The Bank may, on the Client's Instructions, effect Transactions in Securities on any market or with such counterparty, negotiate and execute counterparty and account opening documentation on the Client's behalf.
- 2.4** Without limiting the generality of Clause 5.6 of Part One of this Agreement:
- 2.4.1** the Bank may refuse to carry out an Instruction to deal in Securities if there are insufficient monies held in cleared funds or due to be received to the credit of the Account to meet any purchase price (or any other amount payable by the Client under the relevant Transaction) together with any estimated expenses to be incurred in connection with the relevant Transaction. Where the Client has placed several orders or Instructions and there are insufficient monies or available credit facilities to meet the resulting obligations, the Bank may in its discretion decide which of the orders or Instructions will be executed, irrespective of the order in which, or dates on which the Bank received them. The Bank shall be entitled to debit any account that the Client has opened with the Bank with the amount payable for any Transaction in Securities on or (at the Bank's discretion) at any time before the settlement date; and
- 2.4.2** the Bank may refuse to carry out any Instruction to sell or deliver any Securities if insufficient Securities are held in or for the Account or are due to be credited to the Account under any purchase transactions. The Bank will only place orders for the sale of Securities provided such Securities are in the Account free of all liens and other encumbrances whatsoever. On receipt of any Instruction to sell the Securities, the Bank shall be entitled to debit any account that the Client has opened with the Bank with the relevant Security on or (at the Bank's discretion) at any time before completion of the said sale. The Client acknowledges that the Client shall not be entitled to withdraw or in any way deal with all or any part of such Securities until completion of the said sale.
- 2.5** The Client should note that certain products (including collective investment schemes and securitised structured products) may have deadlines for making subscriptions, redemptions or withdrawals and that the Bank may also need to comply with its own internal deadlines for taking such actions for Clients. When giving the Bank Instructions in relation to such products, the Client should ensure that he allows reasonable time for the Bank to process his Instructions and communicate them to the product provider in order to meet the relevant deadlines. The Bank will not be liable for any failure to meet a deadline for any reason (whether clear instructions are not received from the Client within a reasonable time prior to the deadline or otherwise) except where such failure is directly due to the Bank's gross negligence, wilful misconduct or fraud. In relation specifically to payment orders, the Bank sets cut-off times by which instructions must be received by the Bank on a working day in order for the Bank to process them on the same day.

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All other instructions shall be given so as to allow the Bank sufficient time within which to process the Client's instructions.

**2.6** The Client agrees that:

- 2.6.1 the Bank may aggregate any order received from the Client with the Bank's own orders or with the orders of any Affiliate or with those of the Bank's other Clients, and the Client acknowledges that such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage;
- 2.6.2 the Bank may execute any order received from the Client in a series of Transactions in Securities over a period of time and report to the Client an average price for such Transactions in the series instead of the actual price for each Transaction;
- 2.6.3 the Bank or an Affiliate may from time to time at the request of the Client guarantee the execution quantity and prices of certain Transactions in Securities based on an agreed market reference price and the Client agrees and acknowledges that in such circumstances regardless of whether the actual executions, in respect of the entirety of the Transactions, could have achieved a price more favourable to the Client than the guaranteed price, the Client will only be entitled to the guaranteed price and accordingly any amount, benefit, advantage or profit over and above such guaranteed price shall pass to the Bank or its Affiliates for its respective account; and
- 2.6.4 without limitation to Clause 5.5 of Part One of this Agreement, if the Client chooses to withdraw any order before execution is completed (and notwithstanding that the Bank did not inform the Client that the Client's order has been partially executed), the Client shall remain liable for all Transactions in Securities which were done for the Account until the Bank accepts the Client's withdrawal.

***Trading/Position Limits***

- 2.7 The Client undertakes to comply with any trading restrictions or position limits under Applicable Laws, including those imposed by any relevant Exchange or market or clearing house, and irrespective of whether the Client trades through one or more banks or brokers. If any such trading restriction or position limit is exceeded, the Bank is authorised to disclose the Client's identity and its positions, and/or liquidate any of the Client's positions, if the Bank is requested to do so by any regulatory authority, Exchange, market or clearing house. The Bank may, upon request and the payment by the Client of relevant processing fees, provide the Client with information with respect to any of the Client's positions.
- 2.8 In addition to any trading restrictions or position limits under Applicable Laws, the Bank may, at any time in its discretion, impose upon the Client any position or transaction limits, or any trading or transaction restrictions. Such limits may include minimum sizes for transactions, specified times or procedures for communicating orders to the Bank or otherwise. The Bank may, at any time in its discretion, vary any such limits or restrictions. No previous limit or restriction shall set a precedent or bind the Bank. In placing orders with the Bank, the Client shall not exceed any such limits or breach any such restrictions, whether imposed by the Bank, any relevant Exchange or market or clearing house or otherwise imposed under Applicable Laws.

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### **Settlement**

- 2.9** The Client acknowledges that the Bank's sole responsibility with regard to the proceeds of any sale of Securities pursuant to Instructions or any authority otherwise conferred on the Bank is to receive payment by way of cheque, bank draft or any other appropriate form of such proceeds from the purchaser (or its agent) of the relevant Securities, provided that the Bank will not be liable to pay to the Client any such proceeds of sale or be liable to the Client in any other way if such payment to the Bank by any purchaser (or its agent) is not honoured by the banker upon whom that payment is drawn or otherwise not good and valid payment by that purchaser. The Client further acknowledges that the Bank may make delivery of the relevant Securities contemporaneously with the receipt of such payment or purported payment in any case.
- 2.10** If the Bank or its correspondent broker shall for any reason whatsoever and howsoever fail to receive payment of all or any part of any amount due to be paid, or fail to receive delivery of any Securities (whether from the relevant Exchange, clearing house, and/or any other person) due to be delivered to the Client, in respect of any sale or purchase entered into by the Bank or its correspondent broker (as the case may be) on behalf of the Client on the due date for payment or delivery in accordance with the rules and regulations of the relevant Exchange or clearing house and/or any Applicable Laws, the Bank's obligations to make payment or to deliver Securities to the Client in respect of such sale or purchase shall at such time, and by virtue of such failure, become obligations to make payment of such amount or delivery of such quantity of such Securities as is equal to such payment or such quantity as is actually received by the Bank or its correspondent broker (as the case may be) in respect thereof.
- 2.11** If the Bank credits the Account with the receipt of investments, cash or other assets before their actual receipt, the Bank may reverse such credit at any time before actual receipt.
- 2.12** The Bank may debit the Account with investments, cash or other assets on or before the date they are due to be transferred to a third party even though actual settlement has not yet occurred. The Bank may reverse such debit at any time before actual settlement.
- 2.13** The Client accepts that he may not rely on any such debit or credit referred to at Clause 2.11 and Clause 2.12 above until actual settlement. The procedures described at Clause 2.11 and Clause 2.12 above are of an administrative nature and do not amount to an agreement by the Bank to make loans or investments available to the Client.

### **3 Cessation of Trading**

The Client acknowledges and agrees that the Bank shall cease trading on behalf of the Client in the event that the Bank is notified that the Client's account with any member of the relevant Exchange on which a Transaction in Securities is executed has been classified as a delinquent or disputed account.

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## 4 Limitation of Liabilities and Indemnities

- 4.1 The Client retains full responsibility for making all investment decisions to buy or sell or otherwise deal in the Securities and will not hold the Bank liable for any Losses as a result of the Client's investment or dealing.
- 4.2 The Client acknowledges that the Client will be liable and that the Bank shall have no responsibility for any liabilities in respect of unpaid calls or any other sums, costs or expenses payable in respect of any Securities held by the Bank on the Client's behalf.
- 4.3 The Client agrees and acknowledges that the Bank shall not be liable to the Client for any Loss arising in whatever manner directly or indirectly from, or as a result of, any act or omission of or delay by the seller/issuer (or its agent) of the Securities to make valid or timely delivery of the relevant Securities to the Bank, or as the case may be, effect valid or timely payments/payouts to the Bank.
- 4.4 The Bank shall act on Instructions as soon as reasonably possible but shall not be liable for any Losses suffered by the Client (including any Loss suffered or incurred as a result of any change in the price of any Security or other assets between the time of giving or receipt of any instruction to or by the Bank and the time at which any such Instruction is acted on) by virtue of any delay in acting on any Instruction or any partial completion of or failure or inability to act on any Instruction for whatever reason (including any failure or error of any computer or electronic system or equipment).
- 4.5 Where any jurisdiction restricts foreign ownership of Securities, the Bank shall have no duty to ascertain the nationality of the owner of the Securities or whether Securities deposited or received by the Client are approved for foreign ownership.
- 4.6 The Client shall indemnify the Bank and keep the Bank indemnified in full against any Loss of any kind or nature whatsoever which may be made against the Bank by a purchaser or any other person by reason of any defect in the Client's title (or lack thereof) to any of the Securities or by reason of any of the Securities not being genuine.

## 5 Security Interest

The Client agrees and acknowledges that (apart from the Bank's Charge and right of set-off as set out in the Agreement), any Agent appointed by the Bank as nominee or sub-custodian may claim a security interest over any of the Client's Securities held by it.

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## B. Custody services

### 1 Provision of Custody Services

- 1.1 Unless agreed otherwise, the Bank shall be responsible for the safekeeping of all Securities held in the Account including all Securities that the Client acquires through the Bank hereunder (including holding any cash) (“**Custody Property**”) and the settlement on the Client’s behalf of any dealings in Securities.
- 1.2 No Custody Property may be deposited with the Bank for custody unless it is:
- 1.2.1 beneficially owned by the Client and registered in the Client’s name; or
  - 1.2.2 accompanied by such transfer documents and/or Instructions as the Bank may require to transfer the beneficial ownership to the Client.

### 2 Scope of Authority

- 2.1 The Client authorises the Bank, and the Bank may (but is not obliged to) exercise the following powers (whether directly or by or through the Agents) in the Bank’s discretion without prior reference or notice to the Client:
- 2.1.1 to surrender any of the Custody Property against receipt of monies payable at maturity or on redemption if called prior to maturity or against other Custody Property delivered upon any exchange of Custody Property;
  - 2.1.2 where monies are payable in respect of any of the Custody Property in more than one currency, to collect them in such currency as may be permissible by Applicable Laws and as the Bank may in its discretion determine;
  - 2.1.3 where monies are payable in respect of any of the Custody Property in any currency, to carry out any foreign exchange transaction at the prevailing rates of the Bank or its Agents to convert such foreign currency to the currency of the Account and to make any necessary withholding or deduction as may be required by applicable law;
  - 2.1.4 to consolidate any odd lots of Securities held by the Client with securities of other Clients in order to qualify for any rights offered in respect of a specified block of securities and at the Bank’s discretion to take up, call for, receive, hold and sell any shares or rights accruing by reason of such consolidation;
  - 2.1.5 to exchange any of the Securities in interim or temporary form for securities in definitive form and (where applicable) to deliver the physical scrips to a central depository or other similar system set up for the purpose of scripless trading;
  - 2.1.6 at the Bank’s discretion, to take up, call for, receive, hold, sell, or dispose of fractional shares which may accrue from the holding of the Securities without limiting the generality of any other provision in this Agreement;

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- 2.1.7 to charge the Client a gross commission (including any commission charged by an Agent) for any of the above services provided that the Bank shall not be liable in any way whatsoever for any act, default, omission or failure of any Agent;
- 2.1.8 in the case of scripless Securities, to deposit the Custody Property with, and hold the Custody Property through, any centralised securities depository, clearing house or securities depository agencies on such terms as such systems customarily operate, and to effect the purchase or sale or transfer of such Securities through the Account or any account of the Bank's custodian or nominee maintained with any centralised securities depository or other similar system set up for the purpose of scripless trading; and
- 2.1.9 to take any action as the Bank thinks fit including:
- (i) any act which the Bank determines to be necessary to preserve the integrity of the Custody Property and/or to protect the Client's interests and the Bank's interests; and
  - (ii) splitting of the Securities into marketable lots to enable delivery of the Securities and certificates evidencing the Securities.
- 2.2 The Bank shall be entitled to appoint, without the further consent of the Client, any bank, trust company or member firm of any Exchange or market or clearing house or any other person (whether as a member of the Standard Chartered Group or any third party) to act as a sub-custodian or nominee (each, a "**Nominee**") of any of the Custody Property on such terms as the Bank may, in its discretion, consider appropriate, and to pay the fees, costs, commissions and other expenses of such Nominee. The Bank shall exercise reasonable care in the appointment of any Nominee. The Nominee in turn shall be entitled to appoint, without the further consent of the Client, any other person to act as sub-custodian or nominee of the Custody Property.
- 2.3 The Bank shall be authorised but shall not be obliged to register the Custody Property and hold the same in its own name and/or in the name of a Nominee, or any other nominee or sub-custodian, and/or to deliver the Custody Property to any authority as now or hereafter required by Applicable Laws on the Client's behalf. The Bank may delay in procuring any such registration or delivery for such period as the Bank in its discretion thinks fit. The Client shall sign and execute all instruments of transfer and other documents and give all such instruments and things that may be required by the Bank or any Nominee in its dealings with the Custody Property.
- 2.4 Securities which are traded exclusively or primarily outside the jurisdiction where the Account is opened ("**Home Jurisdiction**") may, where the Bank considers appropriate, be held in custody abroad or, if they are delivered elsewhere, shall be transferred, at the Client's sole risk and expense. Securities held in custody outside of the Home Jurisdiction are subject to the Applicable Laws of the relevant overseas jurisdiction. Consequently such Securities may not enjoy the same protection as that conferred on Securities held in custody in the Home Jurisdiction.
- 2.5 Where the Client has instructed the Bank to open additional sub-accounts for the Client, the Bank reserves the right not to do so in its discretion and/or to transfer Custody Property between such sub-accounts.

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### 3 Segregation/Pooling

- 3.1** The Bank shall, or shall procure that a Nominee shall, keep a separate record in its books of all Custody Property received and held by it from time to time for the Client's account and shall arrange for all Custody Property to be held in safe custody in such manner and in such name as the Bank may in its discretion determine. Custody of the Custody Property may be held on the basis that it is capable of being separately identified as belonging to or being attributed to the relevant Client or otherwise (as solely determined by the Bank or a Nominee).
- 3.2** If custody is held on the basis that it is not capable of being so separately identified, the Custody Property will be pooled, such that any Custody Property which in the opinion of the Bank is of the same nature or category are held together on a commingled basis. In this situation:
- 3.2.1** the Client's interest in the Custody Property may not be identifiable by separate certificates, or other physical documents or equivalent electronic records;
  - 3.2.2** in the event of an irreconcilable shortfall after the default of the Bank, any Nominee or their respective sub-custodians, nominees or agents, the Client may not receive the Client's full entitlement and may share in that shortfall pro-rata among the Bank's other Clients or those of the sub-custodian;
  - 3.2.3** any distribution of entitlements to any benefits or entitlements arising as a result of corporate action will be allocated pro rata provided that (i) fractions of entitlements that arise as a result of this process will be rounded down to the nearest whole unit or share and (ii) the accumulated amount of any undistributed entitlements arising as a result of this process will be sold and the proceeds allocated on a pro rata basis;
  - 3.2.4** where there is an allocation or share issue with rights weighted towards smaller investors, the Client's allocation may be less than it otherwise would have been; and
  - 3.2.5** the Bank or the relevant Nominee shall maintain a record of the Client's interest in the Custody Property.

#### ***Corporate Actions/Voting rights***

- 3.3** The Bank shall not be required to inform the Client of the dates on which any shareholders' or bondholders' meetings in respect of any Custody Property will be held, nor of the items on the agendas of such meetings, nor of any notices, proxies or proxy soliciting materials in relation to the Custody Property. The Bank shall not be required to attend any such shareholders' or bondholders' meetings. In addition, the Bank shall not be obliged to forward to the Client, after receipt by the Bank, of any letters, notices, circulars, reports and announcements relating to any Custody Property.
- 3.4** To the extent relevant, the Bank shall not exercise any voting rights attached to any Custody Property, either directly or through a proxy designated by the Client, unless the Client has given, and the Bank has accepted, Instructions to this effect.

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## 4 Payments and distributions

- 4.1 The Bank shall claim all amounts in respect of interests, dividends (whether in cash or in other form of payment) and other payments or distributions pertaining to the Custody Property held in custody which are known to the Bank to be payable. Such amounts, payments or distributions shall be paid or delivered to the Client as and when they are actually received by the Bank, but the Bank shall not be responsible for claiming any other distribution or entitlement or benefit the Client may have on the Client's behalf, or for taking up or exercising any conversion rights, subscription rights or other rights of any nature attached to or arising from the Custody Property.
- 4.2 The Bank may execute in the Client's name whenever the Bank deems it appropriate such documents and other certificates as may be required to obtain the payment of income from the Custody Property or the sale thereof.

## 5 Reports and Valuations

The Bank will send to the Client a report and valuation of Custody Property held by the Bank each month. In preparing the reports and valuations the Bank will use the most up-to-date information available to the Bank or its Agents from sources reasonably believed to be reliable. However, the Bank accepts no liability for any Loss arising from inaccuracies in the data provided to the Bank or its Agents except to the extent it arises as a result of the Bank's own gross negligence, wilful misconduct or fraud. Variations in market conditions will mean that the prices shown in the statements do not necessarily reflect realisable values.

## 6 Legal/Administrative proceedings

The Client does not intend to be a party to legal or administrative proceedings in which the Client may have an interest as the holder of Securities and the Bank shall therefore not provide the Client with any information about such proceedings unless specifically instructed to do so. The Bank shall not be a party to such proceedings in any capacity whatsoever.

## 7 Security Interest

For the avoidance of doubt, any Custody Property held by the Bank or the Nominee as custodian shall be subject to the Bank's rights under Clause 22 of Part One of this Agreement, and may also be subject to other similar rights or security interests of the Bank under other agreements between the Bank and the Client.

## 8 No interest

The Bank will not pay any interest to the Client on any Custody Property held in custody regardless of the rate of interest (if any) paid by any third party sub-custodian or nominee or bank at which such Custody Property may be deposited or held. The Bank may, in its

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discretion, from time to time, pay interest to the Client but any such payment of interest shall not oblige the Bank to continue making such payments on any other occasion.

## 9 Limitations of Liabilities

- 9.1** The Bank shall not be liable or responsible for any act or omission of, or any insolvency fraud, default, negligence or dissolution of, any such Nominee or any of its officers, employees, servants or agents in connection with the Custody Property in its custody and any Losses which the Client may suffer or incur arising from or in connection therewith. The Bank may accept for safe custody such other Securities that are delivered by the Client provided they are delivered at the Client's own risk and the Bank has discretion not to accept or to return any Securities which are not acceptable to it in such manner as it sees fit.
- 9.2** The Client acknowledges that prior to the Bank becoming the registered owner of the Custody Property, the Bank may not be in a position to carry out all of its obligations as custodian under this Agreement, and the Bank shall not be liable for any loss that the Client may suffer or incur as a result of the Bank not being the registered owner.
- 9.3** The Bank shall have no duty or responsibility to return to the Client Securities or other Custody Property bearing serial numbers identical with those delivered to the Bank so long as the Securities or other Custody Property returned are of the same class, denomination and nominal amount and rank *pari passu* with those accepted by the Bank, subject always to any capital re-organisation or adjustment or exchange which may have occurred.
- 9.4** The Client agrees that any and all Custody Property held by or deposited with the Bank, any Nominee or their respective sub-custodians, nominees or agents is at the Client's sole risk.

## 10 Termination of Custody Services

- 10.1** The Bank may in its discretion terminate the custody services at any time, in which case the following shall apply:
- 10.1.1** the Client shall arrange for the transfer of the Custody Property from the Bank to the Client or some other person designated by the Client in writing; and
- 10.1.2** if the Client fails to complete such arrangements, the Bank (at the cost of the Client) may transfer or redeem all of the Custody Property held in such manner as the Bank may think fit and the Client irrevocably authorises the Bank to give necessary instructions to third parties on behalf of the Client to execute documents and to do all such other things as the Bank shall deem fit in its discretion and pay the realisation proceeds (with any costs and expenses incurred by the Bank deducted) to the Client by crediting to the Account. In this case, the Bank shall not be liable for any Losses incurred or suffered by the Client.

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## 11 Definitions

For the purpose of this Section B of Part Two of this Agreement:

“**Custody Property**” has the meaning ascribed to it in Clause 1.1 of Section B of Part Two of this Agreement.

“**Home Jurisdiction**” has the meaning ascribed to it in Clause 2.4 of Section B of Part Two of this Agreement.

“**Nominee**” has the meaning ascribed to it in Clause 2.2 of Section B of Part Two of this Agreement.

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## C. Collective investment schemes

### 1 Bank as agent

The Client acknowledges that in respect of any Transaction of interests in a fund/collective investment scheme (the “Fund”), the Bank acts as agent on the Client’s behalf for the execution of Instructions. The Bank does not owe the Client any fiduciary or other equitable duties in respect of any dealings in the Fund above or beyond its obligations as the Client’s agent.

### 2 Acknowledgement by the Client

#### 2.1 The Client is aware and acknowledges that:

- 2.1.1 he is responsible for obtaining from the Bank or the relevant representative of the Fund an up-to-date version of the offering document, the subscription agreements and any other additional material (including fact sheets and annual reports) in relation to the Fund (the “Fund Documentation”) and he will read and ensure that he understands the Fund Documentation, and his application to subscribe for interests in the Fund is made on the basis of information set out in the Fund Documentation;
- 2.1.2 his investment in the Fund may not be principal protected and is further subject to the risk factors as described in the Fund Documentation and the Client is willing to accept such risks;
- 2.1.3 the Bank has no liability whatsoever to the Client for any error, misstatement or omission in the Fund Documentation or any Loss suffered or incurred by the Client in connection with any transaction entered into or steps taken or omitted to be taken by the Client on the basis of the Fund Documentation;
- 2.1.4 the Fund will be investing in the assets as described in the Fund Documentation;
- 2.1.5 all his investments in the Fund shall be issued, distributed, switched and redeemed and cancelled pursuant to the provisions set out in the Fund Documentation and the constitutional documents of the Fund;
- 2.1.6 there may be limited liquidity to an investment in the Fund. The Fund may suspend the redemption rights of holders. Interests in the Fund may only be redeemed or transferred subject to restrictions and other requirements set out in the Fund Documentation and the constitutional documents of the Fund; and
- 2.1.7 Instructions from the Client to purchase, sell and/or otherwise deal in collective investment schemes may be executed in accordance with the usual practice of the Bank and as such may not be effected on the same day the Instructions are placed. The Bank shall not be responsible for any price difference as a result of executing the Instruction in accordance with its usual practice.

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- 2.2** The Client represents and/or warrants that (which representations and warranties shall be deemed repeated in relation to each Instruction in relation to the Fund and on a continuous basis so long as the Client maintains an Account with the Bank):
- 2.2.1** he will comply with all sale and/or transfer restrictions, undertakings, representations, warranties and indemnities set out in the Fund Documentation and the constitutive documents of the Fund, and he agrees to be bound by the terms thereof;
  - 2.2.2** he has sufficient knowledge and experience to make his own evaluation of the investment (including the merits and risks of entering into investment) and is not relying on any representation of the Bank and/or, to the extent that the Bank or any of the Affiliates has agreed separately in writing to provide investment advice, such investment advice provided by the Bank or any of the Affiliates or any employee or agents of any of them. The Client acknowledges that he is capable of accepting any and all risks associated with such investment and that he has taken/will take advice from independent professional advisers as he deems necessary;
  - 2.2.3** he is an eligible investor of the Fund;
  - 2.2.4** he has/will have full power, authority and legal right to purchase, sell, switch, transfer or otherwise deal in an interest in the Fund and such purchase, sale, switching, transfer or action does not/will not contravene any Applicable Laws, any Fund Documentation, (where the Client is an entity) any constituent documents and (where the Client is a trustee) the trust deed or instrument constituting the trust of which he is acting as a trustee;
  - 2.2.5** the Bank may rely upon valuations from the Fund and/or other third parties for the purposes of reporting to the Client the value of the Client's beneficial interest in the Fund. The Bank shall not be under any duty to seek and to verify the accuracy of such valuations;
  - 2.2.6** representations made by the Bank and/or its nominees in relation to the Client (if any, relying on information provided by the Client) are accurate and correct and the Client shall not do any act which may as a consequence cause a breach of such representations;
  - 2.2.7** he shall indemnify the Bank and/or its nominees for any Losses that it/they may incur as a consequence of acting on the Client's behalf in subscribing, selling, transferring, switching or otherwise dealing in an interest in the Fund; and
  - 2.2.8** the Bank and/or its nominees shall have no responsibility for the performance of the Client's investment in the Fund.
- 2.3** The Bank shall not be liable for any inability to execute, or delay in executing, the Client's investment in part or full.

### **3 Fund subscription**

- 3.1** The Client may from time to time instruct the Bank to make subscription in relation to the Fund, by any means as required by the Bank from time to time (which may include

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providing Instructions by phone or filing in and signing the application form and delivering the application form (together with payment) in person at, or by mail to, any of the Bank's branches). The Client authorizes the Bank, on the Client's behalf and as the Client's agent, to place a subscription for such number of units or shares in the Fund (the "**Purchase Order**") as the payment amount made by the Client shall allow and give representations and/or make confirmations as any of the Fund Documentation may require.

- 3.2 The Bank may consolidate the Purchase Order with its own orders and those of its other clients. The Client acknowledges that the aggregation of his Purchase Order with those of the Bank's or of the Bank's other clients may operate on some occasions to his advantage and other occasions to his disadvantage.
- 3.3 The Bank is authorised to:
  - 3.3.1 debit the investment amount and all other charges, costs and expenses that may arise out of the Client's Instruction to subscribe to the Fund from the Account as the Bank considers appropriate; and
  - 3.3.2 take such actions (including execution of documents) as the Bank considers necessary or appropriate to subscribe to the Fund on the Client's behalf.
- 3.4 The Client undertakes at all times to maintain sufficient funds in his Account for the purpose of making payment for any purchase of interests in the Fund and for payment of any fees, costs or other expenses which the Client is liable under this Agreement. The Client acknowledges and agrees that if at any time there are in the Bank's opinion insufficient funds in the Account for these purposes, the Bank may:
  - 3.4.1 decline to place the Purchase Order on the Client's behalf; or
  - 3.4.2 (in the Bank's discretion and without any obligation to do so on the Bank's part and without notice to the Client) transfer funds as necessary from any other bank accounts maintained by the Client with the Bank.
- 3.5 The Bank has the discretion to purchase interests in the Fund on behalf of the Client based on the price of such interests as designated by the Fund from time to time.
- 3.6 No certificate will be issued in respect of the interests in the Fund but the Client shall receive:
  - 3.6.1 a confirmation statement or notice from the Bank in respect of any subscription of interests in the Fund by the Client; and
  - 3.6.2 a statement of holdings indicating the number of interests in the Fund issued to the Bank as nominee for the Client, periodically.
- 3.7 Dividends declared by the Fund will be disbursed according to any valid dividend Instruction from the Client. If the Client:
  - 3.7.1 has a "cash" dividend instruction, all dividends will be credited to the Client's bank account provided to the Bank;
  - 3.7.2 has a "reinvestment" dividend instruction, all dividends will be automatically reinvested in the Fund through the subscription of additional interests in the Fund

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and the Bank will hold the same for the account of the Client as nominee for the Client; and

- 3.7.3 has not provided any Instruction within the timeframe specified by the Bank, the Bank may disburse the dividends in the manner as it considers appropriate.

## 4 Fund switching

- 4.1 Where switching is permitted by a Fund, the Client may from time to time instruct and authorise the Bank on his behalf, and as his agent, to place a switching order and switch interests in the Fund to interests in another fund provided that such other fund is distributed by the Bank and the Client has complied with all relevant requirements under the Fund Documentation and the constitutional documents of the Fund in relation to such switching.
- 4.2 The provisions of Clauses 3.1 to 3.3 shall apply as if all references therein to the "Purchase Order" and other purchase or subscription order were references to an application to switch an interest in the Fund.

## 5 Fund redemption

- 5.1 If, at any time the Client wishes to redeem all or any of the interests in the Fund acquired pursuant to this Agreement, the Client shall instruct the Bank to apply to the Fund for the redemption of such interests.
- 5.2 Upon any redemption of interests in the Fund held pursuant to this Agreement, the Bank will credit to the Account such monies (net of any fees, charges or expenses incurred in connection with the redemption) as may be received in consideration for the redemption of the interests in the Fund. The Bank has no duty to ascertain, nor will it be responsible for, the adequacy of the consideration received.

## 6 Transfer

- 6.1 After the Bank receives the transfer Instructions from the Client, the Bank may (but will not be obliged to) act upon any further Instructions from the Client relating to the interests in a Fund subject to its discretion and within the timeframe permitted by the Fund.
- 6.2 Any Instruction given by the Client to the Bank to transfer interests in a Fund shall be deemed to be an Instruction to transfer all the Client's interests in that Fund unless otherwise agreed by the Bank at its discretion.

## 7 Acceptance of Instructions

The Client acknowledges that the Fund is not obliged to accept any order received from the Bank in part or whole. The Bank shall not be liable or responsible for any action, rejection or delay on the part of the Fund or agents of the Fund in respect of any such order, or for any Loss which the Client may suffer or incur as a result of the foregoing.

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## 8 Provident Fund Investment Scheme

8.1 Where the Client makes any investment in a Fund under pursuant to the provisions of any provident fund or retirement fund (“**Provident Fund**”) and the Bank facilitates the transaction, the Client agrees and acknowledges that:

- (a) transactions in any Fund interest acquired (including any disposals, switching) or instructions relating to dividends or any other Fund distributions shall be subject to the rules and regulations of the relevant Provident Fund and Applicable Laws;
- (b) the Bank does not custodise or in any way provide safekeeping services of such Fund interests that a Client acquires;
- (c) the inclusion of any Fund interests acquired in the consolidated portfolio statement (including any Fund balances, transaction records, portfolio view by asset class, valuations, realised amounts of profit or loss) is provided by the Bank to the Client at the Client’s risk, and the Bank does not assume any responsibility for any errors, inaccuracies, misstatement or omission in the consolidated portfolio statement arising from any reason:-
  - (i) any Fund balances shown are not liabilities of the Bank and the relevant fund management company remains responsible for the custody and any payment due to the Client under any Fund;
  - (ii) may not reflect the actual balances or transactions in the Client’s account with the fund management company;
  - (iii) any inconsistencies, errors, omissions etc should be communicated by the Client to the relevant fund management company directly.
- (d) the Bank does not assume any responsibility for any Loss suffered or incurred by the Client in connection with any transaction entered into or steps taken or omitted to be taken by the Client on the basis of the consolidated portfolio statement.

## 9 Definitions

For the purpose of this Section C of Part Two of this Agreement:

“**Fund**” has the meaning ascribed to it in Clause 1 of Section C of Part Two of this Agreement.

“**Fund Documentation**” has the meaning ascribed to it in Clause 2.1.1 of Section C of Part Two of this Agreement.

“**Purchase Order**” has the meaning ascribed to it in Clause 3.1 of Section C of Part Two of this Agreement.

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## D. Structured Investments

The provisions set out in this Part Two D shall govern all Structured Investments entered into between the Client and the Bank. A Client's investment in any Structured Investment is accepted by the Bank solely on the basis that the Client has read, understood and agreed to the Terms and Conditions for the Structured Investment.

**The Client confirms that he has read and understood the Risk Disclosure Statement set out in Part Three. The Client acknowledges and confirms that, in entering into a Structured Investment, neither the Bank, its Affiliates or their respective employees have made any recommendation or given any advice as to the terms and profitability of the Structured Investment and the Client has not relied on any communication as such recommendation or advice, unless otherwise expressly agreed between the Bank or its Affiliates and the Client.**

A Structured Investment may be a Currency-Linked Structured Investment, a Commodity-Linked Structured Investment, an Index-Linked Structured Investment, an Equity-Linked Structured Investment or a combination of any of the foregoing as specified in the applicable Confirmation. The provisions in Section 1, unless otherwise provided in the applicable Confirmation, apply to all Structured Investments. The provisions in Section 2 to Section 5 will, unless otherwise provided in the applicable Confirmation, apply as follows:

Section 2 will apply to all Currency-Linked Structured Investments only;

Section 3 will apply to all Commodity-Linked Structured Investments only;

Section 4 will apply to all Index-Linked Structured Investments only; and

Section 5 will apply to all Equity-Linked Structured Investments only.

Structured Investments linked to interest rates shall be subject to the provisions in Section 1.

### Section 1: General Terms governing Structured Investments

## 1 Structured Investments

**1.1** The Client may enter into one or more Structured Investments with the Bank on specific terms which are set out in the applicable Confirmation.

**1.2** Inconsistencies

**1.2.1** In the event of any inconsistency between the provisions of Section 1 and any provision in Section 2 to Section 5 (as applicable), Section 2 to Section 5 (as applicable) will prevail.

**1.2.2** In the event of any inconsistency between the provisions of this Part Two D and any provision in the applicable Confirmation, the Confirmation will prevail.

**1.3** Confirmation

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- 1.3.1 The Bank will take reasonable efforts to, as soon as practicable after the specific terms of a Structured Investment have been agreed, issue and send to the Client a Confirmation in respect of the Structured Investment, setting out such terms. For the avoidance of doubt, failure to send a Confirmation shall not affect the validity of a Structured Investment.

## 2 Principal Amount for Structured Investments

### 2.1 Payment of the Principal Amount

The Principal Amount must be received by the Bank on or before the Start Date for the Structured Investment. Once the Principal Amount has been received for the Structured Investment, it may not be withdrawn (wholly or partially) nor can the Structured Investment be terminated by the Client prior to the Maturity Date except in accordance with Section 1 (Clause 4) below.

### 2.2 Acceptance of the Principal Amount

The Bank reserves the right, in its sole and absolute discretion, on or before the Start Date of a Structured Investment, not to accept any funds received (or to accept only part of such funds) as the Principal Amount for the Structured Investment. If the Bank does not accept any part of such funds as the Principal Amount, the Bank will notify the Client as soon as practicable and any funds received but not accepted as the Principal Amount will be repaid to the Client.

## 3 Coupons

### 3.1 Accrual of Coupons

If the applicable Confirmation for a Structured Investment specifies coupons as being applicable, unless otherwise provided in the applicable Confirmation, coupons shall accrue (if any) from (and including) the Start Date. The term of such Structured Investment will be divided into one or more Coupon Period(s), and the Coupon Amount (as defined below) for each Coupon Period will be payable in arrears on the Coupon Payment Date corresponding to the relevant Coupon Period.

### 3.2 Coupon Payment Date

If any Coupon Payment Date falls on a day which is not a SI Business Day, then the Coupon Payment Date will be adjusted in accordance with the business day convention specified in the applicable Confirmation (the “**Business Day Convention**”). When the Business Day Convention specified is:

- 3.2.1 the “**Following Business Day Convention**”, such Coupon Payment Date shall be postponed to the next day which is a SI Business Day;
- 3.2.2 the “**Modified Following Business Day Convention**”, such Coupon Payment Date shall be postponed to the next day which is a SI Business Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date shall be brought forward to the immediately preceding SI Business Day; or

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**3.2.3** the “**Preceding Business Day Convention**”, such Coupon Payment Date shall be brought forward to the immediately preceding SI Business Day.

If the applicable Confirmation does not specify a Business Day Convention, the Business Day Convention shall be Modified Following Business Day Convention.

### **3.3** Coupon Rates

In respect of a Coupon Period, the Coupon Rate applicable to the Coupon Period will be determined by the Calculation Agent in the manner below. Unless otherwise provided in the applicable Confirmation, if the Coupon Rate is a negative number, it shall be deemed to be zero.

#### **3.3.1** Fixed Coupon Rate

If the applicable Confirmation specifies Fixed Coupon Rate as being applicable, the Coupon Rate will be specified in the applicable Confirmation.

#### **3.3.2** Floating Coupon Rate

If the applicable Confirmation specifies Floating Coupon Rate as being applicable, the Coupon Rate will be determined in the manner specified in the applicable Confirmation.

If no offered quotation appears on the reference screen page or source specified as being applicable at the specified time and day or the reference screen page is not available or any offered quotation does not, in the sole opinion of the Calculation Agent, represent the prevailing Reference Rate, or the Reference Rate is not available for any reason, in each case, at the relevant time on the interest determination date, the Reference Rate shall, be such rate as determined by the Calculation Agent in accordance with applicable market practice in its sole and absolute discretion.

#### **3.3.3** Variable-linked Coupon Rate

If the applicable Confirmation specifies Variable-linked Coupon Rate as being applicable, the Coupon Rate and Coupon Amount will be determined as set forth in the applicable Confirmation.

### **3.4** Calculation of Coupon Amounts

The Calculation Agent will calculate the Coupon Amount for each Coupon Period. Each Coupon Amount shall be calculated by applying the applicable Coupon Rate to the Principal Amount, multiplying such amount by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention.

### **3.5** Cessation of accrual of Coupons

Subject to the applicable Sections of these terms and conditions and the applicable Confirmation, coupons shall cease to accrue on the Structured Deposit from the date of its termination.

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## 4 Early Termination at Client's Request

### 4.1 Approval by the Bank

The Client may not terminate any Structured Investment, or withdraw all or any part of the Principal Amount, before the Maturity Date without the approval in writing of the Bank, which may be granted or withheld in the Bank's sole and absolute discretion, and on such terms and conditions as the Bank may then determine in its sole and absolute discretion.

### 4.2 Early Termination Amount

If, upon the request of the Client, the Bank agrees to a termination of the Structured Investment in whole prior to its Maturity Date, the Structured Investment shall be terminated by payment of the Early Termination Amount, either by the Client to the Bank or by the Bank or the Client, as the case may be, on the Early Termination Date. This means that the Client may receive less than the Principal Amount initially deposited on the Start Date.

### 4.3 Bank's Obligations

If the Early Termination Amount is determined to be payable by the Bank, the payment of the Early Termination Amount by the Bank shall constitute full and final satisfaction of the Bank's obligations under the Structured Investment and the Bank shall have no further obligations thereunder.

## 5 Maturity and Bank Early Termination Option

### 5.1 Maturity

The provisions relating to maturity of a Structured Investment and the applicable Settlement Currency are set out in the applicable Confirmation and Section 2 to Section 5, as applicable. Unless terminated prior to the Maturity Date and subject to the other provisions hereof:

- 5.1.1 if Cash Settlement is specified in the applicable Confirmation, the Final Termination Amount as defined in the applicable Confirmation will be payable by the Bank to the Client on the Maturity Date;
- 5.1.2 if Physical Delivery is specified in the applicable Confirmation, the Asset Amount as defined in the applicable Confirmation will be deliverable by the Bank to the Client on the Maturity Date, subject to Section 1 (Clause 6); or
- 5.1.3 if Cash Settlement and/or Physical Delivery is specified in the applicable Confirmation, the Final Termination Amount and/or the Asset Amount as each term is defined in the applicable Confirmation will be payable or deliverable, as the case may be, to the Client on the Maturity Date in accordance with the terms set out in the applicable Confirmation.

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## 5.2 Adjustment of Maturity Date

In certain circumstances, the Maturity Date of a Structured Investment and other applicable terms may be adjusted if a Disruption Event, Additional Disruption Event or other relevant event occurs. Such events and the applicable consequences are set out in Section 1 (Clauses 8 and 9), Section 2 to Section 5, as applicable, and the applicable Confirmation.

## 5.3 Bank Early Termination Option

5.3.1 For certain Structured Investments, if the applicable Confirmation provides that the Bank has a right to call for the early termination of the Structured Investment (the “**Bank Early Termination Option**”), the Bank may give such number of days’ notice specified in the applicable Confirmation in accordance with Part One (Clause 29) to the Client to early terminate the Structured Investment prior to the Maturity Date.

5.3.2 Notice for the exercise of the Bank Early Termination Option shall be irrevocable once given and shall specify the date fixed for the early termination.

5.3.3 On the date fixed for early termination, the Structured Investment shall be terminated by payment of the Bank Optional Early Termination Amount by the Bank or the Client.

## 6 Physical Delivery

### 6.1 Asset Amount

If Physical Delivery is specified as applicable in the applicable Confirmation relating to a Structured Investment, delivery of the Asset Amount and payment of any cash amount corresponding to such delivery shall be made in accordance with the relevant terms of the applicable Confirmation.

### 6.2 Method of Delivery and Risks

Delivery of the Asset Amount shall be made at the risk of the Client in such manner as the Bank shall in its sole and absolute discretion determine and notified to the Client.

### 6.3 Delivery Expenses

All Delivery Expenses shall be payable by the Client and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Bank by the Client.

### 6.4 Fractional Cash Amount

If the Asset Amount contains a fraction of the smallest deliverable unit or deliverable lot of the Physical Delivery Assets, the Bank shall, instead of delivering such fractional unit or fractional lot of the Physical Delivery Assets, pay the Client the Fractional Cash Amount.

### **WARNING:**

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## 6.5 Settlement Disruption Event

- 6.5.1 If, prior to the delivery of the Asset Amount in accordance with this Section 1 (Clause 6), a Settlement Disruption Event has occurred and is continuing on the delivery date of the Asset Amount, then delivery date shall be postponed until a date on which the Settlement Disruption Event is no longer continuing and notice thereof shall be duly provided by the Bank to the Client. The Client shall not be entitled to any payment of interest or otherwise on the relevant Structured Investment as a result of any delay in the delivery of the Asset Amount pursuant to this Section 1 (Clause 6.5). Where delivery of the Asset Amount has been postponed as provided in this Section 1 (Clause 6.5), the Bank shall not be in breach of the terms of the relevant Structured Investment and no liability in respect thereof shall attach to the Bank.
- 6.5.2 For so long as a Settlement Disruption Event is continuing, then, instead of physical settlement and notwithstanding any other provision hereof, the Bank may, elect to satisfy its obligations to deliver the Asset Amount to the Client by payment of the Disruption Cash Settlement Price instead in its sole and absolute discretion. If the Bank makes such election, the Disruption Cash Settlement Price shall be paid to the Client as soon as practicable. The Bank shall give notice of such election to the Client in accordance with Part One (Clause 29).

## 6.6 Registration of title and distributions under the Asset Amount

- 6.6.1 The Bank shall be under no obligation to register or procure the registration, if applicable, of the Client or any other person as the registered owner of any Physical Delivery Assets comprising the Asset Amount.
- 6.6.2 Any interest or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest or other distribution according to market practice for a sale of the Physical Delivery Assets comprising the Asset Amount and to be delivered in the same manner and on the same date as the Asset Amount.

## 6.7 Intervening Period

None of the Standard Chartered Group, the Calculation Agent or any other person shall, during the Intervening Period:

- 6.7.1 be under any obligation to provide the Client with any documents or, except as provided in this Agreement, payment whatsoever received by any entity within the Standard Chartered Group in respect of any Physical Delivery Asset comprising the Asset Amount;
- 6.7.2 be under any obligation to exercise or procure the exercise of any rights attaching to any Physical Delivery Asset comprising the Asset Amount; or
- 6.7.3 be under any liability to the Client in respect of any Loss or damage which the Client may sustain or suffer as a result, whether directly or indirectly, of that person being registered as legal owner of any Physical Delivery Asset comprising the Asset Amount.

### **WARNING:**

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For the avoidance of doubt, this Clause 6.7 shall not apply if the Asset Amount to be delivered to the Client will be deposited with any entity of the Standard Chartered Group as custodian after the delivery.

## 7 Determinations and Calculations

Unless otherwise provided, all calculations, determinations, decisions, adjustments and exercise of discretion by the Bank or the Calculation Agent shall be made in good faith and in a commercially reasonable manner and shall (in the absence of manifest error) be conclusive and binding on the Client.

## 8 Additional Disruption Event

### 8.1 Consequences of an Additional Disruption Event

Following the determination by the Calculation Agent of the occurrence of an Additional Disruption Event in respect of a Structured Investment, the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the Structured Investment:

#### 8.1.1 Termination of the Structured Investment

The Bank shall have the right to terminate the Structured Investment by payment of the Early Termination Amount either by the Client to the Bank or by the Bank or the Client, as the case may be, on the Early Termination Date.

#### 8.1.2 Adjustments to the Terms of the Structured Investment

The Calculation Agent shall adjust the terms of the Structured Investment, including without limitation, any term relevant to any amount, date, payment, delivery, settlement, termination, determination or adjustment or substitution of any Reference Assets under the Structured Investment, as the Calculation Agent determines in its sole and absolute discretion to be appropriate to account for the effects of the Additional Disruption Event.

### 8.2 Notification

Following the determination by the Calculation Agent of the occurrence of an Additional Disruption Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Additional Disruption Event and the applicable consequences as determined by the Calculation Agent. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent.

## 9 Definitions

### 9.1 For the purposes of the Structured Investment or unless otherwise specified in the applicable Confirmation:

“**Agreement**” has the meaning assigned to it in Part One Section 1.1.

### **WARNING:**

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**“Additional Disruption Event”** means, in respect of a Structured Investment, Change in Law, Force Majeure, Hedging Disruption, Increased Cost of Hedging, Tax Event, any event specified as such in Section 2 to Section 5, as applicable, or any event specified as such in the applicable Confirmation.

**“Asset Amount”** means, in respect of a Structured Investment, the quantity of Physical Delivery Assets to be delivered and has the meaning given in the applicable Confirmation.

**“Bank Optional Early Termination Amount”** means, unless otherwise specified in the applicable Confirmation, the Principal Amount payable by the Bank to the Client; and in any other case, the amount specified as such in the applicable Confirmation.

**“Calculation Agent”** means, in relation to each Structured Investment, the relevant entity in the Standard Chartered Group responsible for hedging the Bank’s exposure and risks in relation to such Structured Investment; provided that, with respect to some or all of the determinations or calculations required under any Structured Investment, the Calculation Agent may deem that corresponding determinations or calculations made by the calculation agent under the terms of relevant hedging arrangements shall be used by the Calculation Agent as the relevant determination(s) or calculation(s) for the purposes of such Structured Investments.

**“Change in Law”** means that, in respect of a Structured Investment, on or after the Start Date (as specified in the applicable Confirmation) (i) due to the adoption of or any change in any Applicable Laws or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Laws or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (a) it has become illegal to hold, acquire or dispose of relevant hedge positions in respect of the Structured Investment and/or (b) the Standard Chartered Group will incur a materially increased cost in performing its obligations in relation to the Structured Investment (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Standard Chartered Group).

**“Confirmation”** means, in relation to a Structured Investment, a document or other evidence provided by the Bank to the Client confirming the terms and conditions of the Structured Investment including any transaction advice documenting a Structured Investment.

**“Coupon Amount”** means, in respect of a Coupon Period, the amount of coupon payable for the Coupon Period calculated by the Calculation Agent in accordance with Section 1 (Clause 3.4).

**“Coupon Payment Date”** means each date specified as such in the Confirmation.

**“Coupon Period”** means each period specified as such in the Confirmation, or if none is specified, the period commencing from and including one Coupon Payment Date (or the Start Date in the case of the first Coupon Period) to but excluding the immediately following Coupon Payment Date (or the Maturity Date in the case of the final Coupon Period).

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

“**Coupon Rate**” means, in respect of a Coupon Period, the rate determined by the Calculation Agent in accordance with Section 1 (Clause 3.3).

“**Client’s Currency**” has the meaning set forth in paragraph 3.9 of Part C of Part Three of this Agreement.

“**Day Count Fraction**” means the fraction specified as such in the applicable Confirmation.

“**Delivery Expenses**” means all costs, expenses, taxes, duties, fees, commissions and other costs and expenses, including without limitation, stamp duty and stamp duty reserve tax incurred by the Standard Chartered Group as a result of and/or in connection with the delivery of the Asset Amount.

“**Disrupted Day**” has the meaning set forth in Section 2, 3, 4 and/or 5 as applicable.

“**Disruption Cash Settlement Price**” means an amount equal to the fair market value of the Physical Delivery Assets comprising the relevant Asset Amount (without taking into account any interest accrued on such Physical Delivery Assets) on such day as selected by the Bank in its sole and absolute discretion, adjusted to take into account fully for any Losses, expenses and costs to the Bank and/or any of its Affiliates of unwinding or adjusting any underlying or related hedging arrangements (including, but not limited, to any options or selling or otherwise realising any Physical Delivery Asset or other instruments of any type whatsoever which the Bank and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Early Termination Amount**” means, in respect of a termination of the Structured Investment prior to its Maturity Date, the Early Termination Amount shall be an amount, payable either by the Client to the Bank or by the Bank to the Client, as the case may be, determined by the Bank in its sole and absolute discretion, taking into account such factors as it considers to be appropriate, including without limitation, (i) the unwind value of the Structured Investment as at the early termination taking into consideration all information which the Bank deems relevant, (ii) any costs, expenses, taxes, duties, fees, commissions, Losses and/or damages incurred and/or suffered by the Standard Chartered Group as a result of and/or in connection with unwinding any related hedge or other arrangement relating to the Structured Investment.

“**Early Termination Date**” means, in respect of a termination of the Structured Investment prior to its Maturity Date, a date as determined by the Bank in its sole and absolute discretion and notified to the Client.

“**Final Termination Amount**” means the amount specified as such in the applicable Confirmation.

“**Force Majeure**” means, in respect of a Structured Investment, any of the following events as determined by the Bank in its sole and absolute discretion:

- (i) the Bank’s performance under the Structured Investment or that any arrangements made to hedge its position under the Structured Investment has or will become unlawful, illegal or otherwise prohibited or commercially impracticable in whole or in part as a result of compliance with any applicable present or future law, rule,

**WARNING:**

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- regulation, judgment, order, directive or decree of any Government Authority or otherwise;
- (ii) the Bank's performance under the Structured Investment is prevented, materially hindered or delayed or has become commercially impracticable due to either any act, Applicable Laws, rule, regulation, judgment, order, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or the occurrence of civil war, disruption, military action, unrest, political insurrection, riot or any other financial or economic reasons or any other causes or impediments beyond its control;
  - (iii) it has become illegal, impossible or commercially impracticable (a) to convert the relevant currency (the "**Local Currency**") in which the Reference Assets (where applicable) or any options or futures contracts in relation to the Reference Assets (where applicable) or any Physical Delivery Assets or any other property owned legally or beneficially by the Bank or its Affiliates for the purposes of hedging its obligations under the Structured Investment (the "**Other Property**") are denominated into the Settlement Currency or vice versa, exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Reference Assets (where applicable) or any options or futures contracts in relation to the Reference Assets (where applicable) or any Physical Delivery Assets or any Other Property are traded, due to the adoption of, or any change in, any Applicable Laws, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Structured Investment;
  - (iv) it has become illegal, impossible or commercially impracticable for the Bank or any of its Affiliates to purchase, sell or otherwise deal (or to continue to do so) in the Reference Assets (where applicable) or any options or futures contracts in relation to the Reference Assets (where applicable) or any Physical Delivery Assets or any Other Property in order for the Bank to perform its obligations under the Structured Investment or in respect of any relevant hedging arrangement in connection with the Structured Investment or the costs of so doing would (in the absolute determination of the Bank) be materially increased;
  - (v) the performance of the Bank's obligations under the Structured Investment has become illegal, impossible or commercially impracticable due to any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Bank or any of its relevant Affiliates of all or substantially all of the assets of the Bank and/or the relevant Affiliate(s) in the Local Currency jurisdiction;
  - (vi) any other event beyond the control of the Bank which makes it illegal, impossible or commercially impracticable for the Bank to perform its obligations under the Structured Investment, to effectively hedge its obligations under the Structured Investment or the costs of so doing would (in the absolute determination of the Bank) be materially increased.

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**



If an event which would otherwise (but for this provision) constitute a Force Majeure and a Disruption Event, Potential Adjustment Event, Settlement Disruption Event, Regulatory Change Event, Merger Event, Delisting, Nationalisation, Insolvency, Insolvency Filing, Tender Offer, ETF Event, ETN Events of Default or ETN Early Redemption, it will be deemed such relevant event and will not constitute a Force Majeure.

**“Fractional Cash Amount”** means an amount in the Settlement Currency, as determined by the Calculation Agent in its sole and absolute discretion, equal to the value of fractional unit or lot of the Physical Delivery Assets that are not delivered to the Client pursuant to Section 1 (Clause 6.4).

**“Government Authority”** means any nation, state or de facto or de jure government (or any agency, instrumentality, ministry or department thereof), any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other governmental authority, court, tribunal, administrative or other instrumentality and any other (private or public) organisation, board, committee, person(s) or entity charged with the regulation of financial markets (including the central bank) or otherwise exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the relevant jurisdiction(s).

**“Hedging Disruption”** means, in respect of a Structured Investment, that the relevant entity in the Standard Chartered Group or its Agents is unable, or it is impractical for the relevant entity in the Standard Chartered Group or its Agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or appropriate to hedge any relevant price risk of the Bank in entering into and performing its obligations under the Structured Investment, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), including, without limitation, where such inability or impracticability has arisen by reason of (a) any restrictions or increase in charges or fees imposed on an investor’s ability to redeem or realise proceeds from the relevant transaction(s) or asset(s), in whole or in part, or any existing or new investor’s ability to make new or additional investments in such transaction(s) or asset(s), or (b) any mandatory redemption, in whole or in part, of relevant transaction or asset (in each case other than any restriction in existence on the Start Date).

**“Increased Cost of Hedging”** means, in respect of a Structured Investment, that the relevant entity in the Standard Chartered Group would incur a materially increased (as compared with circumstances existing on the Start Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Bank performing its obligations under the Structured Investment, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**“Intervening Period”** means, in respect of any delivery of the Asset Amount, such period of time, following delivery of the Asset Amount, as any entity of the Standard Chartered Group shall continue to be registered as the legal owner of any Physical Delivery Asset.

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

**“Maturity Date”** means the date specified as such in the applicable Confirmation, and if such date is not a SI Business Day, the immediately succeeding SI Business Day (such Maturity Date being the maturity date for the Structured Investment).

**“Physical Delivery Asset”** means the asset(s) specified as such in the Confirmation.

**“Principal Amount”** means, in respect of a Structured Investment, the amount specified as such in the applicable Confirmation, such amount being the amount to be deposited or which has been deposited by the Client with the Bank for the Structured Investment.

**“Reference Assets”** means any interest rates, currencies, indices, shares, bonds, exchange traded funds, exchange traded notes, commodities or any other asset or item referenced in a Structured Investment as specified in the applicable Confirmation.

**“Reference Rate”** means the rate reference specified as such in the applicable Confirmation.

**“Relevant Price”** has the meaning set forth in Section 2, 3, 4 and/or 5 as applicable.

**“Settlement Currency”** means the currency specified as such in the applicable Confirmation.

**“Settlement Disruption Event”** means an event beyond the control of the Bank, as a result of which, in the sole opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Bank in accordance with the Terms and Conditions is impossible or commercially impracticable.

**“Start Date”** means, in respect of a Structured Investment, the date specified as such in the applicable Confirmation, such date being the commencement date for the Structured Investment.

**“SI Business Day”** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency in which payment is to be made and, where specified, for the purposes of serving notice and other communication, in the city(ies) specified in the applicable Confirmation.

**“Structured Investment”** means any structured investment entered into between the Bank and the Client under this Agreement to which this Part Two D and the applicable Confirmation apply.

**“Sub-Unit”** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

**“Tax Event”** means, in respect of a Structured Investment, the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Reference Asset, where applicable, (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Start Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the Valuation Date from what it would have been without that imposition, change or removal.

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

**“Terms and Conditions”** means, in relation to a Structured Investment, the terms and conditions set out in the Agreement, including the applicable Confirmation entered into between the Client and the Bank in relation to such Structured Investment.

**“Valuation Date Postponement”** means the Calculation Agent may determine that the relevant Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight consecutive Scheduled Trading Days immediately following the originally scheduled Valuation Date is a Disrupted Day. In such event, the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the relevant Valuation Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Valuation Date) and determine the Relevant Price by using commercially reasonable efforts to determine a Relevant Price as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that it deems relevant in its sole and absolute discretion. “Valuation Date”, “Disrupted Day”, “Scheduled Trading Day” and “Valuation Time” have the respective meanings set forth in Section 2, 3, 4 and/or 5 as applicable.

- 9.2** In addition to the definitions above, the definitions in Section 2 to Section 5, as applicable, and the definitions in the applicable Confirmation shall apply.
- 9.3** References to Sections and Clauses in this Part shall refer to Sections and Clauses in this Part Two D unless otherwise specified.
- 9.4** Words denoting the singular shall include the plural and vice versa.
- 9.5** Words denoting one gender only shall include the other genders.
- 9.6** Words denoting persons only shall include firms and corporations and vice versa.

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

## Section 2: Currency-Linked Structured Investments

The provisions in this Section are applicable to each Currency-Linked Structured Investments (“FXLSI”) transacted between the Client and the Bank, as amended and supplemented by the applicable Confirmation and unless otherwise provided in the applicable Confirmation.

### 1 Scope

FXLSIs are a type of Structured Investment where the amount of any coupon(s) or other amount(s) payable are to be calculated in whole or part by reference to changes in any currency exchange rate or where the principal and/or coupons may be paid in a different currency.

### 2 Maturity of FXLSIs

Unless terminated prior to the Maturity Date or as otherwise provided in the applicable Confirmation and subject to this Section, the Final Termination Amount as defined in the applicable Confirmation will be payable by the Bank to the Client on the Maturity Date.

### 3 Disruption Events

#### 3.1 Consequences of a Disruption Event

Following the determination by the Calculation Agent of the occurrence of a Disruption Event in respect of a FXLSI, the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the FXLSI:

##### 3.1.1 Calculation Agent Determination

- (i) In case of a FXLSI which references a single Alternate Currency, if a Disrupted Day falls on a Valuation Date, the Relevant Price as at the Valuation Time on the Valuation Date shall be as determined by the Calculation Agent in its sole and absolute discretion, taking into consideration all available information that it deems relevant in its sole and absolute discretion.
- (ii) In case of a FXLSI which references a Basket of Alternate Currencies, if the Disrupted Day falls on a Valuation Date,
  - (a) the relevant Valuation Date for each Alternate Currency not affected by the occurrence of the Disrupted Day shall not be postponed and the Calculation Agent shall determine the spot rate of exchange for each single Alternative Currency in accordance with sub-paragraph (i) in the definition of “Relevant Price”; and
  - (b) for each Alternate Currency affected by the occurrence of the Disrupted Day, the spot rate of exchange determined by the Calculation Agent in its sole and absolute discretion, taking into consideration all available information that it deems relevant in its sole and absolute discretion.

#### **WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

- (iii) The Calculation Agent may, but is not obliged to, refer to the quotations obtained from leading dealers in the relevant foreign exchange market (as determined by the Calculation Agent) in determining the Relevant Price.

### 3.1.2 Termination of the FXLSI

The Bank shall have the right to terminate the FXLSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

## 3.2 Notification

Following the determination by the Calculation Agent of the occurrence of a Disruption Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Disruption Event and the applicable consequences as determined by the Calculation Agent. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent.

## 4 Definitions

**“Alternate Currency”** means, in respect of a FXLSI, the currency(ies) specified as such in the applicable Confirmation (together, “Alternate Currencies”).

**“Alternate Currency Jurisdiction”** means each country for which the relevant Alternate Currency is the primary lawful currency.

**“Base Currency”** means the currency specified as such in the applicable Confirmation.

**“Basket of Alternate Currencies”** means a basket composed of each Alternate Currency specified in the applicable Confirmation subject to the Weightings.

**“Disruption Event”** means, in respect of a FXLSI, Price Source Disruption, Illiquidity Disruption, Dual Exchange Rate, General Inconvertibility, General Non-Transferability, Material Change in Circumstances, Nationalisation, any other event that, in the opinion of the Calculation Agent is its sole and absolute discretion, is analogous to any of the above, or any other event specified as such in the applicable Confirmation.

**“Dual Exchange Rate”** means that any of the Base Currency, Alternate Currency and/or Alternate Currencies, splits into dual or multiple currency exchange rates.

**“Disrupted Day”** means any Scheduled Trading Day on which the Calculation Agent determines in its sole and absolute discretion that a Disruption Event has occurred.

**“General Inconvertibility”** means the occurrence of any event that generally makes it impossible to convert an Alternate Currency into the Base Currency in an Alternate Currency Jurisdiction through customary legal channels.

**“General Non-Transferability”** means the occurrence of any event that generally makes it impossible to deliver (i) the Base Currency from accounts inside an Alternate Currency Jurisdiction to accounts outside an Alternate Currency Jurisdiction or (ii) the Alternate

### **WARNING:**

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Currency between accounts inside an Alternate Currency Jurisdiction or to a party that is a non-resident of an Alternate Currency Jurisdiction.

“**Government Authority**” has the meaning set forth in Section 1 (Clause 9).

“**Illiquidity Disruption**” means the occurrence of any event in respect of any of the Base Currency, Alternate Currency and/or Alternate Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for the relevant currency in an amount deemed necessary by the Bank to hedge its obligations under the FXLSIs (in one or more transaction(s)) on a Valuation Date.

“**Material Change in Circumstance**” means the occurrence of any event (other than those events specified as Disruption Events) in the Alternate Currency Jurisdiction beyond the control of the parties to a hedging arrangement in respect of the FXLSIs which makes it impossible for a party to generally fulfil its obligations (or similar obligations) under the hedging arrangements applicable to the relevant FXLSIs.

“**Nationalisation**” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a party to a hedging arrangement in respect of the FXLSIs of all or substantially all of its assets in the Alternate Currency Jurisdiction.

“**Price Source**” means, in respect of a FXLSI, the published source, information vendor or provider containing or reporting the rate or rates from which the Relevant Price is determined as specified in the applicable Confirmation.

“**Price Source Disruption**” means that it becomes impossible to obtain the rate or rates from the Price Source in relation to which the Relevant Price is calculated.

“**Relevant Price**” means, unless otherwise stated in the applicable Confirmation, and subject to Section 2 (Clause 3):

- (i) in the case of FXLSIs relating to a single Alternate Currency, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the Valuation Date for the exchange of such Alternate Currency into the Base Currency (expressed as the number of units (or part units) of such Alternate Currency for which one unit of the Base Currency can be exchanged); or, if such rate is not available for any reason, the spot rate of exchange as determined by the Calculation Agent in its sole and absolute discretion; and
- (ii) in the case of FXLSIs relating to a basket of Alternate Currencies, the sum of the relevant spot rate of exchange for each single Alternate Currency, as determined in accordance with sub-paragraph (i) above, multiplied by the relevant Weighting.

“**Relevant Screen Page**” means, in respect of a FXLSI, the relevant page of the Price Source specified as such in the applicable Confirmation or any successor to such page or service acceptable to the Calculation Agent.

“**Scheduled Trading Day**” means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign

**WARNING:**

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exchange market) in the principal financial centres of the Base Currency and Alternate Currency or Alternate Currencies.

“**Valuation Date**” means, in respect of a FXLSI, the dates specified as such in the applicable Confirmation or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

“**Valuation Time**” means, unless otherwise specified in the applicable Confirmation, the time at which the Price Source publishes the relevant rate or rates from which the Relevant Price is calculated.

“**Weighting**” means the weighting to be applied to each item comprising the Basket of Alternate Currencies as specified in the applicable Confirmation.

**WARNING:**

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### Section 3: Commodity-Linked Structured Investments

The provisions in this Section are applicable to each Commodity-Linked Structured Investment (“COMLSI”) transacted between the Client and the Bank, as amended and supplemented by the applicable Confirmation and unless otherwise provided in the applicable Confirmation.

#### 1 Scope

COMLSIs are a type of Structured Investment where the amount of any coupon(s) or other amount(s) payable or Physical Delivery Asset(s) deliverable are to be calculated in whole or part by reference to changes in prices of Commodities or Baskets of Commodities.

#### 2 Maturity of COMLSIs

Unless terminated prior to the Maturity Date or as otherwise provided in the applicable Confirmation and subject to this Section:

- 2.1 if Cash Settlement is specified in the applicable Confirmation, the Final Termination Amount as defined in the applicable Confirmation will be payable by the Bank to the Client on the Maturity Date;
- 2.2 if Physical Delivery is specified in the applicable Confirmation, the Asset Amount as defined in the applicable Confirmation will be deliverable by the Bank to the Client on the Maturity Date, subject to Section 1, Clause 6; or
- 2.3 if Cash Settlement and/or Physical Delivery is specified in the applicable Confirmation, the Final Termination Amount and/or the Asset Amount as each term is defined in the applicable Confirmation will be payable or deliverable, as the case may be, to the Client on the Maturity Date in accordance with the terms set out in the applicable Confirmation.

#### 3 Disruption Events

##### 3.1 Consequences of a Disruption Event

Following the determination by the Calculation Agent of the occurrence of a Disruption Event in respect of a COMLSI, the Calculation Agent may in its sole and absolute discretion determine that one or more of the following consequences shall apply to the COMLSI:

- 3.1.1 If the Disruption Event is a (i) Disappearance of Commodity Reference Price, (ii) Material Change in Formula, (iii) Material Change in Content or (iv) an event analogous to (i) and (iii):

- (i) Calculation Agent Determination

The Relevant Price as at the Valuation Time on that Valuation Date shall be as determined by the Calculation Agent in its sole and absolute discretion, taking into consideration the latest available quotation for such Commodity or component or Futures Contract, as the case may be, and any other information that it deems relevant in its sole and absolute discretion; or

#### **WARNING:**

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(ii) Termination of the COMLSI

The Bank shall have the right to terminate the COMLSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

3.1.2 If the Disruption Event is a (i) Price Source Disruption, (ii) Trading Disruption or (iii) an event analogous to (i) to (ii):

(i) Valuation Date Postponement

(a) In case of a COMLSI which references a single Commodity, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that:

Valuation Date Postponement shall apply as if (A) references to “Scheduled Trading Day” are references to “Commodity Business Day”, and (B) the words “may determine the Relevant Price by using commercially reasonable efforts to determine a Relevant Price as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that it deems relevant in its sole and absolute discretion” shall be replaced with “shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Valuation Date”.

OR

(b) In case of a COMLSI which references a Basket of Commodities, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that:

(1) the relevant Valuation Date for each Commodity not affected by the occurrence of the Disrupted Day shall not be postponed; and the Valuation Date for each Commodity affected by the occurrence of the Disrupted Day shall be postponed in accordance with Clause 3.1.2(i)(a) above; OR

(2) the relevant Valuation Date shall be postponed in accordance with Valuation Date Postponement as if (A) references to “Scheduled Trading Day” are references to “Commodity Business Day”; (B) references to “Disrupted Day” are references to “Disrupted Day for any one or more of the Commodities”; and (C) the words “may determine the Relevant Price by using commercially reasonable efforts to determine a Relevant Price as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that it deems relevant in its sole and absolute discretion” shall be replaced with “shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Valuation Date”.

**WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

(ii) Termination of the COMLSI

The Bank shall have the right to terminate the COMLSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

**3.2** Notification

Following the determination by the Calculation Agent of the occurrence of a Disruption Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Disruption Event and the applicable consequences as determined by the Calculation Agent. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent.

**4 Correction of price for determining Relevant Price**

For purposes of determining the Relevant Price for any day, if the price, determined by the Calculation Agent in its sole and absolute discretion, relevant for determining the Relevant Price published or announced on a given day is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement by the earlier of (i) 30 calendar days after the original publication or announcement, or (ii) the third Commodity Business Day prior to the next date on which any payment or delivery is due to be made by the Bank under a COMLSI or in respect of which any relevant determination in relation to a COMLSI may have to be made, the Calculation Agent may determine the amount that is payable or deliverable or make any determination in connection with the COMLSI, after taking into account such correction, and to the extent necessary, may adjust any relevant terms of the COMLSI to account for such correction.

**5 Commodity Accounts**

**5.1** Application and inconsistencies

This Clause 5 will apply only in respect of a COMLSI which provides for physical delivery of any Commodity which is Bullion. If this Clause applies, the provisions in this Clause shall prevail over Section 1 (Clause 6) in case of any inconsistency.

**5.2** COMLSI

**5.2.1** If a COMLSI is to be funded by cash, Part One (Clause 8) shall apply.

**5.2.2** If a COMLSI is to be funded by the delivery of Commodity to the Bank, the Client shall ensure that there is standing to the credit of its Commodity Account sufficient credit balance of the Commodity for the purpose of funding the COMLSI. The Client authorises the Bank to apply any such balance towards funding of the COMLSI.

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5.2.3 For the avoidance of doubt, if any balance of Commodity standing to the credit of the Client's Commodity Account has been applied towards funding of a COMLSI, such balance shall cease to be available for withdrawal, further funding of any COMLSI or any other dealings.

5.3 The Client acknowledges and agrees that, unless otherwise specified in the applicable Confirmation, the Bank does not accept physical delivery of any Commodity, whether for funding of any COMLSI, for crediting into any Commodity Account or otherwise.

5.3.1 The Client acknowledges and confirms that no Commodity is held in its Commodity Account, notwithstanding any credit balance of Commodity in such Commodity Account. If the Client's Commodity Account has an available credit balance of any Commodity, the Client may only (i) withdraw such available credit balance in cash in accordance with Clause 5.3.2 below; or (ii) request that such available credit balance be applied towards funding a COMLSI. Except as otherwise provided in this Clause, the Client is not entitled to any right, title or interest in any Commodity as may be represented by the credit balance in its Commodity Account and it is also not entitled to withdraw, to seek physical delivery of or to enter into any dealings with any other party in respect of such credit balance.

5.3.2 If the Client wishes to withdraw the whole or any part of the available credit balance of a Commodity in its Commodity Account (the "**withdrawal quantity**"), such request shall be deemed to be an irrevocable Instruction by the Client to the effect that it wishes to sell the withdrawal quantity of the relevant Commodity to the Bank at the Spot Conversion Price on the date of such request. The Bank shall, as soon as practicable upon receipt of such request, pay to the Client the purchase consideration for such withdrawal quantity of the Commodity and debit that withdrawal quantity from the Client's Commodity Account.

5.3.3 If the COMLSI provides for physical delivery of any Commodity, the Client is only entitled to have the relevant quantity of such Commodity credited to the Client's Commodity Account. The Client is not entitled to physical delivery of that Commodity in any form and is not entitled to any rights, title or interest to such Commodity.

5.4 No interest, yield or return is payable to the Client on any credit balance in any Commodity Account.

## 6 Definitions

Unless otherwise specified in the applicable Confirmation:

"**Basket of Commodities**" means a basket comprising two or more Commodities.

"**Bullion**" means gold, silver, palladium and platinum.

"**Commodity**" means, subject to adjustment in accordance with the terms of the COMLSIs, the commodity (or commodities) or futures contract on a commodity (or

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commodities) specified in the applicable Confirmation and related expressions shall be construed accordingly.

**“Commodity Account”** means an account maintained by the Bank for the Client in respect of a particular Commodity (which is Bullion), and into which may be credited, on an unallocated basis, any quantity of that Commodity to be delivered by the Bank to the Client under a COMLSI.

**“Commodity Business Day”** means:

- (i) where the price, in the determination of the Calculation Agent in its sole and absolute discretion, relevant for the determination of the Relevant Price is announced or published by a Relevant Exchange, any day that is (or, but for the occurrence of a Disruption Event, would have been) a day on which that Relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Relevant Exchange closing prior to its scheduled closing time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Disruption Event, would have published) a price.

**“Commodity Fallback Value”** means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as the price, in the determination of the Calculation Agent in its sole and absolute discretion, relevant for the determination of the Relevant Price for the Valuation Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the price remaining after disregarding the prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, such value shall be determined by the Calculation Agent in its sole and absolute discretion.

**“Delivery Date”** means, in respect of a price, in the determination of the Calculation Agent in its sole and absolute discretion, relevant for the determination of the Relevant Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the applicable Confirmation, that date or that month and year;
- (ii) if a Nearby Month is specified in the applicable Confirmation, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified in the applicable Confirmation for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method.

**“Disappearance of Commodity Reference Price”** means (i) the permanent discontinuation of trading, in the relevant Futures Contract on the Relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or (iii) the disappearance or permanent discontinuance or unavailability of any price, in the determination of the Calculation Agent in its sole and absolute discretion, to be relevant for

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the determination of the Relevant Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

**“Disrupted Day”** means any Commodity Business Day on which the Calculation Agent determines in its sole and absolute discretion that a Disruption Event has occurred.

**“Disruption Event”** means, in respect of a COMLSI, (i) in the case of all Commodities, Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price or any other event that, in the opinion of the Calculation Agent in its sole and absolute discretion, is analogous to any of the above, and (ii) in the case of all Commodities other than Bullion, Material Change in Formula, Material Change in Content or any other event that, in the opinion of the Calculation Agent in its sole and absolute discretion, is analogous to any of the above, and in each case, any additional Disruption Events as specified in the applicable Confirmation.

**“Futures Contract”** means, in respect of a price, in the determination of the Calculation Agent in its sole and absolute discretion, relevant for the determination of the Relevant Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that price.

**“Material Change in Content”** means the occurrence since the Start Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract.

**“Material Change in Formula”** means the occurrence since the Start Date of a material change in the formula for or the method of calculating any price, in the determination of the Calculation Agent in its sole and absolute discretion, relevant for the determination of the Relevant Price.

**“Nearby Month”**, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Valuation Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (i) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that Valuation Date; (ii) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that Valuation Date; and (iii) **“Sixth Nearby Month”** means the month of expiration of the sixth Futures Contract to expire following that Valuation Date.

**“Price Source”** means, in respect of a COMLSI, the published source, information vendor or provider (including an Exchange) containing or reporting the price or prices from which the Relevant Price is determined as specified in the applicable Confirmation.

**“Price Source Disruption”** means (a) the failure of the Price Source to announce or publish the price (or the information necessary for determining such price) in the determination of the Calculation Agent, in its sole and absolute discretion, to be relevant for the determination of the Relevant Price, (b) the temporary or permanent discontinuance or unavailability of the Price Source or (c) where an arithmetic mean of quotations are used in the determination of the Relevant Price, the failure to obtain at least three quotations as determined by the Calculation Agent.

**“Reference Dealers”** means four leading dealers in the relevant Commodities market selected by the Calculation Agent.

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“**Relevant Exchange**” means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Confirmation.

“**Relevant Price**” means, unless otherwise specified in the applicable Confirmation, and subject to Section 3 (Clauses 3 and 4):

- (i) in the case of COMLSIs related to a single Commodity, the Specified Price of the Commodity, expressed as a price per unit of the Commodity, at the Valuation Time on the Valuation Date, as determined by the Calculation Agent in its sole and absolute discretion, unless otherwise specified in the applicable Confirmation; or if such Specified Price is not available for any reason, the price per unit of the Commodity as determined by the Calculation Agent in its sole and absolute discretion; and
- (ii) in the case of COMLSIs related to a Basket of Commodities, the sum of the Specified Price of each Commodity as determined in accordance with subparagraph (i) above, multiplied by the relevant Weighting.

“**Specified Price**” means, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Confirmation (and, if applicable, as of the time so specified): (i) the high price; (ii) the low price; (iii) the average of the high price and the low price; (iv) the closing price; (v) the opening price; (vi) the bid price; (vii) the asked price; (viii) the average of the bid price and the asked price; (ix) the settlement price; (x) the official settlement price; (xi) the official price; (xii) the morning fixing; (xiii) the afternoon fixing; (xiv) the spot price; or (xv) any other price specified in the applicable Confirmation on the Valuation Date.

“**Spot Conversion Price**” in respect of a Commodity means the spot price in the Settlement Currency for that Commodity as determined by the Calculation Agent by reference to such Price Source as it, in its absolute discretion, deemed fit for the purposes of any withdrawal of any Commodity under Section 3 (Clause 5.3.2).

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or in any additional futures contract, options contract or commodity on any Relevant Exchange as specified in the applicable Confirmation. The materiality of any suspension or limitation shall be determined by the Calculation Agent in its sole and absolute discretion.

“**Valuation Date**” means, in respect of a COMLSI, the dates specified as such in the applicable Confirmation or, if such day is not a Commodity Business Day, the immediately succeeding Commodity Business Day.

“**Valuation Time**” means, unless specified in the applicable Confirmation, the time at which the Price Source publishes the price based on which the Relevant Price is determined.

“**Weighting**” means the weighting to be applied to each item comprising the Basket of Commodities as specified in the applicable Confirmation.

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## Section 4: Index-Linked Structured Investments

The provisions in this Section are applicable to each Index-Linked Structured Investment (“INDEXLSI”) transacted between the Client and the Bank, as amended and supplemented by the applicable Confirmation and unless otherwise provided in the applicable Confirmation. If an INDEXLSI relates to a Commodity Index or Commodity Indices, such INDEXLSI is also referred to in this Section as a “Commodity INDEXLSI”.

### 1 Scope

INDEXLSIs are a type of Structured Investment where the amount of any coupon(s) or other amount(s) payable are to be calculated in whole or part by references to changes in the level of an Index or Baskets of Indices.

### 2 Maturity of INDEXLSIs

Unless terminated prior to the Maturity Date or as otherwise provided in the applicable Confirmation and subject to this Section, the Final Termination Amount as defined in the applicable Confirmation will be payable by the Bank to the Client on the Maturity Date.

### 3 Disruption Events

3.1 Following the determination by the Calculation Agent of the occurrence of a Disruption Event in respect of a INDEXLSI other than a Commodity INDEXLSI, the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the INDEXLSI:

#### 3.1.1 Valuation Date Postponement

- (i) In case of a INDEXLSI which references a single Index, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that Valuation Date Postponement shall apply.
- (ii) In case of a INDEXLSI which references a Basket of Indices, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that:
  - (a) the relevant Valuation Date for each Index not affected by the occurrence of the Disrupted Day shall not be postponed; and the Valuation Date for each Index affected by the occurrence of the Disrupted Day shall be respectively postponed in accordance with Valuation Date Postponement.

OR

  - (b) the relevant Valuation Date shall be postponed in accordance with Valuation Date Postponement as if references to “Disrupted Day” are references to “Disrupted Day for any one or more of the Indices”.

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### 3.1.2 Termination of the INDEXLSI

The Bank shall have the right to terminate the INDEXLSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

### 3.2 Consequences of a Commodity Index Disruption Event

In respect of a Commodity INDEXLSI, if the Calculation Agent determines that, on a Valuation Date, a Commodity Index Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price or a method for determining the Relevant Price for such day as the price or level that it determines would have prevailed but for the relevant Commodity Index Disruption Event and may adjust such price or level to reflect any hedging costs or expenses incurred by the Standard Chartered Group in hedging exposure to such Relevant Price in connection with the relevant Commodity Index Disruption Event.

### 3.3 Additional Disruption Event

In relation to an INDEXLSI other than Commodity INDEXLSI, Increased Cost of Stock Borrow and Loss of Stock Borrow are also Additional Disruption Events with the consequences as set out in Section 1 (Clause 8).

### 3.4 Notification

Following the determination by the Calculation Agent of the occurrence of a Disruption Event or Commodity Index Disruption Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Disruption Event and the applicable consequences as determined by the Calculation Agent. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent.

## 4 Index Adjustment Events

### 4.1 Successor Index Sponsor Calculates and Reports an Index

If a Successor Index Sponsor Event occurs, then the Successor Index will be deemed to be the Index.

### 4.2 Modification and Cessation of Calculation of an Index

Following the determination by the Calculation Agent of the occurrence of an Index Adjustment Event, the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the INDEXLSI:

#### 4.2.1 Calculation Agent Determination

The Calculation Agent shall determine, in its sole and absolute discretion the level for that Index as at the Valuation Time on that Valuation Date, in accordance with the formula for and method of calculating that Index last in effect prior to the

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change, failure or cancellation, but using only those securities or Commodity Index Components that comprised that Index immediately prior to that Index Adjustment Event and any other information that it deems relevant in its sole and absolute discretion.

#### 4.2.2 Termination of the INDEXLSI

The Bank shall have the right to terminate the INDEXLSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

Following the occurrence of an Index Adjustment Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Index Adjustment Event and the applicable consequences. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent

## 5 Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the INDEXLSIs calculated by reference to the level of an Index, if the relevant level of the Index published on a given day which is used or to be used by the Calculation Agent to make any determination under the INDEXLSIs is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than three Exchange Business Days following the date of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the INDEXLSIs calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

## 6 Definitions

“**Basket of Indices**” means a basket composed of each Index specified in the applicable Confirmation subject to the Weightings.

“**Commodity Index**” means each Index comprising one or more commodities or contracts for the future delivery of a commodity (each a “**Commodity Index Component**”).

“**Commodity Index Disruption Event**” means:

- (i) the relevant level of the Commodity Index on any Valuation Date includes, or is derived from, the price(s) for one or more Commodity Index Components published on any date between the Start Date and such Valuation Date, that is not a price published by an exchange or other third party price source, but is a price determined by the Index Sponsor;
- (ii) the relevant level of the Commodity Index on any Valuation Date includes, or is derived from, the price(s) for one or more Commodity Index Components that, in the opinion of the Calculation Agent, has been calculated or published subject to

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the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by the relevant exchange or price source;

- (iii) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (a) the relevant level of the Commodity Index or (b) a relevant price for any Commodity Index Components included in the Commodity Index;
- (iv) a material limitation, suspension or disruption of trading in any Commodity Index Component which results in a failure by the exchange on which such Commodity Index Component is traded to report a relevant price for such Commodity Index Component on the day on which such event occurs or any succeeding day on which it continues; or
- (v) the closing price for any Commodity Index Component is a “limit price”, which means that the closing price for such Commodity Index Component for a day has increased or decreased from the previous day’s closing price by the maximum amount permitted under applicable exchange rules.

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which the Calculation Agent determines in its sole and absolute discretion that a Disruption Event has occurred.

“**Disruption Event**” means, in respect of an INDEXLSI other than a Commodity INDEXLSI, the occurrence or existence of (i) Trading Disruption or Exchange Disruption, which the Calculation Agent determines in its sole and absolute discretion is material, at any time during the one hour period that ends at the relevant Valuation Time, (ii) Early Closure or (iii) any other event that, in the opinion of the Calculation Agent in its sole and absolute discretion, is analogous to any of the above.

“**Early Closure**” means, in respect of any Index, the closure on any Exchange Business Day of any relevant SI Exchange(s) relating to securities comprising the Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such SI Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such SI Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the SI Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**Exchange Business Day**” means any Scheduled Trading Day on which the Index Sponsor publishes the level of the relevant Index and each SI Exchange (if any) and Related Exchange (if any) is open for trading during its regular trading session in respect of such Index, notwithstanding any such SI Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of any Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent in its sole and absolute discretion) the ability of market participants in general (i) to effect transactions in, or obtain market values for on any relevant SI Exchange(s) in securities comprising the

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Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

**“Increased Cost of Stock Borrow”** means that the Standard Chartered Group would incur a rate to borrow any securities comprising an Index that is greater than the Initial Stock Loan Rate.

**“Index”** and **“Indices”** mean, subject to adjustment in accordance with the terms of the INDEXLSIs, the index or indices specified as such in the applicable Confirmation.

**“Index Adjustment Event”** means on or prior to a Valuation Date (i) the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way which materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events), (ii) the relevant Index Sponsor permanently cancels a relevant Index and no Successor Index exists or (iii) the relevant Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index.

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Start Date is the index sponsor specified for such Index in the applicable Confirmation.

**“Initial Stock Loan Rate”** means, in respect of a security comprised in an Index, the initial stock loan rate specified in relation to such security in the applicable Confirmation or, if no such specification is made in the applicable Confirmation, the stock loan rate of the relevant security as of the Start Date of the relevant INDEXLSI, as determined by the Bank in its sole and absolute discretion.

**“Loss of Stock Borrow”** means that the Standard Chartered Group is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) of an amount of any securities, as determined by the Standard Chartered Group in its sole and absolute discretion, comprising an Index at a rate equal to or less than the Maximum Stock Loan Rate.

**“Maximum Stock Loan Rate”** means, in respect of a security comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Confirmation.

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or each exchange or quotation system specified as such for such Index in the applicable Confirmation, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Confirmation, “Related Exchange” shall mean each exchange

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or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

**“Relevant Price”** means, unless otherwise specified in the applicable Confirmation, and subject to Section 4 (Clauses 3, 4 and 5):

- (i) in the case of INDEXLSIs relating to a single Index, the official closing level of such Index as published by the relevant Index Sponsor, as determined by the Calculation Agent or, if so specified in the applicable Confirmation, the level of the Index determined by the Calculation Agent as set out in the applicable Confirmation at the Valuation Time on the Valuation Date, as determined by the Calculation Agent in its sole and absolute discretion, unless otherwise specified in the applicable Confirmation; or if such official closing level is not available for any reason, the level as determined by the Calculation Agent in its sole and absolute discretion; and
- (ii) in the case of INDEXLSIs relating to a Basket of Indices, the sum of the relevant levels for each Index, as determined in accordance with sub-paragraph (i) above, multiplied by the relevant Weighting.

**“Scheduled Closing Time”** means, in respect of a SI Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such SI Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject as provided in “Valuation Time” below.

**“Scheduled Trading Day”** means any days on which the relevant SI Exchange (if any) and Related Exchange (if any) in respect of the relevant Index are scheduled to be open for trading for their respective regular trading session(s).

**“SI Exchange”** means each exchange or quotation system specified as such in the applicable Confirmation, and in any case any successor to such exchange(s) or quotation system(s) or any substitute exchange(s) or quotation system(s) to which trading in the securities or Commodity Index Components comprising the relevant Index or Indices has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or Commodity Index Components comprising the relevant Index or Indices or Commodity Index Components on such temporary substitute exchange(s) or quotation system(s) as on the original SI Exchange(s)).

**“Successor Index Sponsor Event”** means, if a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the **“Successor Index Sponsor”**) acceptable to the Calculation Agent, or (ii) replaced by a successor index (**“Successor Index”**) using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant SI Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant SI Exchange or Related Exchange or otherwise (i) relating to securities comprising such Index on any relevant SI

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Exchange(s) or (ii) in futures or options contracts relating to such Index on any relevant Related Exchange.

“**Valuation Date**” means, in respect of an INDEXLSI, the dates specified as such in the applicable Confirmation or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

“**Valuation Time**” means the Scheduled Closing Time on the SI Exchange on the relevant date, provided that if the Exchange closes prior to the Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“**Weighting**” means the weighting to be applied to each item comprising the Basket of Indices as specified in the applicable Confirmation.

## 7 Index Disclaimer

### 7.1 Third party indices

The INDEXLSIs are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the INDEXLSIs. The Bank shall have no liability to the Client for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Start Date specified in the applicable Confirmation, neither the Bank nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Bank, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

### 7.2 Proprietary indices

An Index may be developed, currently owned, calculated and/or maintained by the Standard Chartered Group as Index Sponsor. The Standard Chartered Group may be responsible for the composition, calculation and/or maintenance of an Index and may have determinative influence over its composition, calculation and/or maintenance. The judgments that the Standard Chartered Group as Index Sponsor makes (if any) in connection with the composition, calculation and maintenance of the Index could affect payments and/or deliveries under the INDEXLSI.

The Bank in its capacity as Index Sponsor has no obligation to take the Client’s interests into consideration for any reason. The Bank may decide to discontinue calculating and

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publishing the Index which would mean, inter alia, that the Bank would have the discretion to make determinations pursuant to Section 4 (Clause 4.2).

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## Section 5: Equity-Linked Structured Investments

The provisions in this Section are applicable to each Equity-Linked Structured Investment (“ELSI”) transacted between the Client and the Bank, as amended and supplemented by the applicable Confirmation and unless otherwise provided in the applicable Confirmation.

### 1 Scope

ELSIs are a type of Structured Investment where the amount of any coupon(s) payable or other amount(s) payable or Physical Delivery Amount(s) deliverable are to be calculated in whole or part by reference to changes in the market price of a single Share or a Basket of Shares, to Units (of an ETF) or ETNs or Baskets of Units or Baskets of ETNs, or a combination thereof, each as specified in the relevant Confirmation.

### 2 Maturity of ELSIs

Unless terminated prior to the Maturity Date or as otherwise provided in the applicable Confirmation and subject to this Section:

- 2.1 if Cash Settlement is specified in the applicable Confirmation, the Final Termination Amount as defined in the applicable Confirmation will be payable by the Bank to the Client on the Maturity Date;
- 2.2 if Physical Delivery is specified in the applicable Confirmation, the Asset Amount as defined in the applicable Confirmation will be deliverable by the Bank to the Client on the Maturity Date, subject to Section 1 (Clause 6); or
- 2.3 if Cash Settlement and/or Physical Delivery is specified in the applicable Confirmation, the Final Termination Amount and/or the Asset Amount as each term is defined in the applicable Confirmation, will be payable or deliverable, as the case may be, to the Client on the Maturity Date in accordance with the terms set out in the applicable Confirmation.

### 3 Disruption Events

#### 3.1 Consequences of a Disruption Event

Following the determination by the Calculation Agent of the occurrence of a Disruption Event in respect of an ELSI, the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the ELSI:

##### 3.1.1 Valuation Date Postponement

- (i) In case of a ELSI which references a single Share, Unit or ETN, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that Valuation Date Postponement shall apply.
- (ii) In case of an ELSI which references a Basket of Shares, Basket of Units or Basket of ETNs, if the Disrupted Day falls on a Valuation Date, the Calculation Agent may determine that:

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- (a) the relevant Valuation Date for each Share, Unit or ETN not affected by the occurrence of the Disrupted Day shall not be postponed; and the Valuation Date for each Share, Unit or ETN affected by the occurrence of the Disrupted Day shall be respectively postponed in accordance with Valuation Date Postponement.

OR

- (b) the relevant Valuation Date shall be postponed in accordance with Valuation Date Postponement as if references to “Disrupted Day” are references to “Disrupted Day for any one or more of the Shares, Units or ETNs”.

### 3.1.2 Termination of the ELSI

The Bank shall have the right to terminate the ELSI by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

## 3.2 Notification

Following the determination by the Calculation Agent of the occurrence of a Disruption Event, the Bank shall give notice to the Client as soon as reasonably practicable in accordance with Part One (Clause 29) of the occurrence of the Disruption Event and the applicable consequences as determined by the Calculation Agent. For the avoidance of doubt, failure to send a notice shall not affect the validity of any consequences determined by the Calculation Agent.

## 3.3 Additional Disruption Event

In relation to an ELSI, Increased Cost of Stock Borrow and Loss of Stock Borrow are also Additional Disruption Events with the consequences as set out in Section 1 (Clause 8).

# 4 Other adjustment events

## 4.1 Potential Adjustment Events

Following the declaration of the terms of any Potential Adjustment Event, or if the Calculation Agent otherwise determines that a Potential Adjustment Event has occurred, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the Shares or Basket of Shares, Units or Baskets of Units, or ETNs or Basket of ETNs, as the case may be. If so, the Calculation Agent will:

- 4.1.1 make the corresponding adjustment(s), if any, to any one or more of any Physical Delivery Assets and/or the Asset Amount and/or the Shares and/or the Basket of Shares and/or Units and/or Basket of Units and/or the ETNs and/or Basket of ETNs, as applicable, and/or any other terms of the ELSIs and/or the applicable Confirmation (including, for the avoidance of doubt, the substitution of any Share, Unit or ETN), as the Calculation Agent in its absolute and sole discretion determines appropriate to account for that dilutive or concentrative effect (including

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4.1.2 adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares, Units or ETNs, as the case may be); and

4.1.3 determine the effective date(s) of the adjustment.

The Calculation Agent may, but is in no way obliged to, determine the appropriate adjustment in respect of such Potential Adjustment Event by reference to the adjustment made by an options exchange or quotation system to options on the Shares, Units or ETNs, as the case may be, traded on that options exchange.

Upon making any such adjustment, the Bank shall give notice as soon as practicable to the Client in accordance with Part One (Clause 29), giving brief details of the adjustment and of the Potential Adjustment Event. For the avoidance of doubt, failure to send a notice shall not affect the validity of the adjustment.

Any adjustment to the terms of the ELSIs following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Bank and/or any of its Affiliates or a foreign investor or charged on subscription, acquisition or receipt of any Shares, Units or ETNs, as the case may be, or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent in good faith.

**4.2 Adjustments relating to Merger Events, Delisting, Nationalisation, Insolvency, Insolvency Filing, Tender Offer, ETF Events, ETN Events of Default and ETN Early Redemption**

Following the determination by the Calculation Agent of the occurrence of any one or more events of the following in respect of an ELSI,

4.2.1 in the case of ELSIs related to Share(s), a Merger Event, Delisting, Nationalisation, Insolvency, Insolvency Filing occurs and/or Tender Offer occurs in relation to a Share;

4.2.2 in the case of ELSIs related to ETF(s), a ETF Event, Delisting, Nationalisation or Insolvency occurs in relation to a Unit; or

4.2.3 in the case of ELSIs related to ETN(s), Nationalisation, an ETN Event of Default, an ETN Early Redemption or a Delisting occurs in relation to the ETNs,

the Calculation Agent may in its sole and absolute discretion, determine that any one or more of the following consequences shall apply to the ELSI:

(i) Calculation Agent Adjustment

The Calculation Agent shall determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Physical Delivery Assets and/or the Asset Amount and/or any of the other terms of the ELSIs and/or the applicable Confirmation (including, for the avoidance of doubt, the substitution of any Share, Unit or ETN) to account for the applicable event and its

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economic effect (including adjustments to account for charges in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Share, Unit or ETN, as the case may be), and determine the effective date of that adjustment. The Calculation Agent may, but is in no way obliged to, determine the appropriate adjustment in respect of the applicable event by reference to the adjustment made by any options exchange or quotation system to options on the Shares or Units or ETNs, as the case may be, traded on that options exchange or quotation system. If options on the Shares, Units or ETNs, as the case may be, are not traded on the relevant exchange or quotation system, the Calculation Agent will make such adjustment, if any, as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by any recognised exchange or quotation system on which options on shares, exchange traded funds or exchange traded notes are traded for dealing with the applicable event that in the determination of the Calculation Agent would have given rise to an adjustment by that exchange if such options over the Shares, Units or ETNs, as the case may be, were so traded; or

(ii) Termination of the ELSIs

The Bank shall have the right to terminate the ELSIs by payment of the Early Termination Amount either by the Client to the Bank or by the Bank to the Client, as the case may be, on the Early Termination Date.

Upon the occurrence of a Merger Event, Delisting, Nationalisation, Insolvency, Insolvency Filing, Tender Offer, ETF Event, ETN Events of Default or ETN Early Redemption, the Bank shall give notice as soon as practicable to the Client in accordance with Part One (Clause 29) giving brief details of the applicable event and the action proposed to be taken in relation thereto. For the avoidance of doubt, failure to send a notice shall not affect the validity of the adjustment.

## 5 Definitions applicable to ELSIs

“**Asset Amount**” has the meaning given in the applicable Confirmation.

“**Basket Company**” means a company whose equity securities are included in the Basket of Shares.

“**Basket ETF**” means an ETF of which Units are included in the Basket of Units.

“**Basket of Shares**” means a basket of Shares as specified in the applicable Confirmation.

“**Basket of ETNs**” means a basket of ETNs as specified in the applicable Confirmation.

“**Basket of Units**” means a basket composed of Units specified in the applicable Confirmation in the relative proportions or number of Units specified in the applicable Confirmation.

“**Delisting**” means, in respect of any relevant Shares, Units or ETNs, as the case may be, the SI Exchange announces that pursuant to the rules of such SI Exchange, such Shares, Units or ETNs, as the case may be, cease (or will cease) to be listed, traded or publicly quoted on the SI Exchange for any reason (other than, in the case of Shares, a Merger

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Event or a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on a major exchange or quotation system, as determined in the reasonable judgment of the Calculation Agent, located in the same country as the SI Exchange (or, where the SI Exchange is within the European Union, in a member state of the European Union).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which the Calculation Agent determines in its sole and absolute discretion that a Disruption Event has occurred.

“**Disruption Event**” means, in respect of a Share, ETF or ETN (as the case may be):

- (i) the occurrence or existence any time during the one-hour period that ends at the Valuation Time on any Scheduled Trading Day of:
  - (a) any suspension of or limitation imposed on trading (by reason of movements in price exceeding permitted limits or otherwise) by the relevant SI Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant SI Exchange or any Related Exchange or otherwise:
    - (1) relating to the Share, Unit or ETN, as the case may be, on the SI Exchange; or
    - (2) in futures or options contracts relating to the Share, Unit or ETN, as the case may be, on any Related Exchange; or
  - (b) any event (other than as described in sub-paragraph (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Share, Unit or ETN, as the case may be, on the SI Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share, Unit or ETN, as the case may be, on any Related Exchange,
 

which in either case the Calculation Agent determines is material; or
- (ii) the closure on any Exchange Business Day of the SI Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such SI Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (a) the actual closing time for the regular trading session on such SI Exchange(s) or such Related Exchange(s) on such SI Exchange Business Day or, if earlier, (b) the submission deadline for orders to be entered into the SI Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**ETF**” means, with respect to a Unit, the exchange traded fund of which Units relate to the ELSIs as specified in the applicable Confirmation.

“**ETF Administrator**” means the ETF administrator, manager, trustee or similar person with the primary administrative responsibilities for an ETF according to the relevant ETF Documents.

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**“ETF Adviser”** means any person or entity appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

**“ETF Disruption Event”** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:

- (i) ETF Valuation Disruption: **“ETF Valuation Disruption”** means (a) the failure of a Scheduled ETF Redemption Valuation Date in respect of a Unit to be an ETF Redemption Valuation Date in respect of such Unit or any continued postponement of such ETF Redemption Valuation Date, or (b) the failure of a Scheduled ETF Valuation Date in respect of a Unit to be an ETF Valuation Date in respect of such Unit or any continued postponement of such ETF Valuation Date;
- (ii) ETF Settlement Disruption: **“ETF Settlement Disruption”** means a failure by an ETF on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Unit scheduled to have been paid on or by such day according to the relevant ETF Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the ETF to delay or refuse redemption of Units).

**“ETF Documents”** means the constitutive and governing documents, offering/information memorandums or prospectuses, listing documents, subscription agreements and other agreements of an ETF specifying the terms and conditions relating to the related Unit, as amended from time to time.

**“ETF Event”** means the occurrence of each of an ETF Disruption Event and/or an ETF Extraordinary Event as determined by the Calculation Agent.

**“ETF Extraordinary Event”** means each of the following events:

- (i) Nationalisation;
- (ii) Insolvency;
- (iii) ETF Insolvency Event: **“ETF Insolvency Event”** means an ETF or relevant ETF Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar Applicable Laws affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar Applicable Laws affecting creditors’ rights, or a petition is

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presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (e) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (f) causes or is subject to any event with respect to it which, under the Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in (e) and (f) above;

- (iv) NAV Trigger Event: “**NAV Trigger Event**” means that (x) the aggregate net asset value of an ETF has decreased by an amount equal to or greater than 30 per cent. since the Start Date; or (y) an ETF has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any Applicable Laws, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant ETF Documents or any contractual restriction binding on or affecting the ETF or any of its assets;
- (v) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of an ETF’s ETF Adviser;
- (vi) ETF Modification: “**ETF Modification**” means any change or modification of the relevant ETF Documents that could reasonably be expected to affect the value of a Unit or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Start Date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Units;
- (vii) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant ETF Documents that is reasonably likely to affect the value of a Unit or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of an ETF, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that ETF is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that ETF;
- (viii) Regulatory Action: “**Regulatory Action**” means (a) the cancellation, suspension or revocation of the registration or approval of a Unit or the related ETF by any governmental, legal or regulatory entity with authority over such Unit or ETF, (b) any change in the legal, tax, accounting, or regulatory treatments of an ETF or its ETF Adviser that is reasonably likely to have an adverse impact on the value of the related Unit or on any investor therein (as determined by the Calculation Agent), or (c) an ETF or any of its ETF Administrator or ETF Adviser becoming subject to

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investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of Applicable Laws for any activities relating to or resulting from the operation of such ETF, ETF Administrator or ETF Adviser;

- (ix) Reporting Disruption: “**Reporting Disruption**” means (a) occurrence of any event affecting a Unit that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Unit in respect of a Scheduled ETF Valuation Date or a Scheduled ETF Redemption Valuation Date, and such event continues for at least two consecutive Scheduled ETF Valuation Dates or Scheduled ETF Redemption Valuation Dates, as the case may be; (b) any failure of an ETF to deliver, or cause to be delivered, (1) information that such ETF has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of an ETF Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Units, or (2) information that has been previously delivered to the Calculation Agent, in accordance with such ETF’s, or its authorised representative’s, normal practice and that the Calculation Agent deems necessary to monitor such ETF’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Units;
- (x) ETF Service Provider Cessation: “**ETF Service Provider Cessation**” means that one or more ETF Service Provider(s) in respect of an ETF ceases to provide the service as outlined in the relevant ETF Documents prevailing on the Start Date and any such ETF Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (xi) ETF Administrator Disruption: “**ETF Administrator Disruption**” means any event or circumstances compromising the independence of an ETF Administrator performing services for an ETF from the relevant ETF Adviser; or
- (xii) Related Agreement Termination: “**Related Agreement Termination**” means an ETF or any of its ETF Administrator or ETF Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

“**ETF Redemption Valuation Date**” means, in respect of a Unit, the date as of which an ETF (or its ETF Service Provider that generally determines such value) would determine the net asset value of such Unit for purposes of calculating the redemption proceeds to be paid to a Hypothetical ETF Investor that has submitted a valid and timely notice for redemption of Units based on the value determined as of such date.

“**ETF Service Provider**” means any person who is appointed to provide services, directly or indirectly, to an ETF, whether or not specified in the relevant ETF Documents, including without limitation any ETF Administrator, ETF Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

“**ETF Valuation Date**” means a date as of which an ETF (or its ETF Service Provider that generally determines such value) determines the value of the related Unit.

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**“ETN” or “ETNs”** means the exchange traded notes that relate to the ELSIs as specified in the applicable Confirmation.

**“ETN Event of Default”** means on or after the Start Date, any event of default occurs under the terms and conditions of the ETNs.

**“ETN Early Redemption”** means on or after the Start Date, the ETNs are redeemed in full prior to their scheduled maturity date for any reason in accordance with the terms and conditions of the ETNs.

**“Exchange Business Day”** means any Scheduled Trading Day on which each SI Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such SI Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**“Hypothetical ETF Investor”** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Units which is deemed to have the benefits and obligations, as provided in the relevant ETF Documents, of an investor holding Units at the relevant time. The Hypothetical ETF Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction.

**“Initial Stock Loan Rate”** means, in respect of a Share, Unit or ETN, the initial stock loan rate specified in relation to such security in the applicable Confirmation or, if no such specification is made in the applicable Confirmation, the stock loan rate of the relevant security as of the Start Date of the relevant ELSI, as determined by the Bank in its sole and absolute discretion.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or any analogous proceeding affecting the Share Company, Basket Company, ETF or Basket ETF, as the case may be, (i) all the Shares of that Share Company, Basket Company, or Units of that ETF or Basket ETF, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Share Company or Basket Company, or Units of that ETF or Basket ETF, as the case may be, become legally prohibited from transferring them.

**“Insolvency Filing”** means, that the Share Company or Basket Company, as the case may be, institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar Applicable Laws affecting creditor’s rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company, as the case may be, shall not be deemed an Insolvency Filing.

**“Maximum Stock Loan Rate”** means, in respect of a Share, Unit or ETN, the rate specified in relation to such security in the applicable Confirmation.

**“Merger Event”** means, in respect of any relevant Shares, any offer by, invitation to make an offer by, or other arrangement with, a person (the **“Bidder”**):

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- (i) to reclassify or change all or substantially all such Shares that, if accepted, made or effected (and, in the case of an invitation made, accepted) by or with all or substantially all holders of such Shares, would result in a transfer of or an irrevocable commitment to transfer all or substantially all of such Shares outstanding, or would result in a cancellation of all or substantially all such Shares outstanding on terms that new shares are issued to the Bidder or any entity controlled, directly or indirectly, by the Bidder;
- (ii) to consolidate, amalgamate or merge the Share Company or Basket Company, as the case may be, with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company or Basket Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all or substantially all of such Shares outstanding); or
- (iii) to take over all or substantially all such Shares that, if accepted, made or effected (and, in the case of an invitation made, accepted) by all or substantially all holders of such Shares, would result in a transfer of or an irrevocable commitment to transfer all of such Shares (other than such Shares owned or controlled by the Bidder),

which, in any such case, the Calculation Agent determines in its absolute discretion has been accepted or implemented such that:

- (a) a majority of such Shares of the relevant Share Company or Basket Company, as the case may be, or any shares issued in respect of such Shares of the relevant Share Company or Basket Company, as the case may be, are controlled, directly or indirectly, by (or on behalf of), the Bidder;
- (b) the Share Company or Basket Company, as the case may be, consolidates, amalgamates or merges with or into another entity; or
- (c) a majority of such Shares of the relevant Share Company or Basket Company, as the case may be, are taken over, directly or indirectly, by or on behalf of the Bidder,

where in each case, the Calculation Agent determines that such event occurs on or before, where Physical Delivery applies, the Maturity Date or, in any other case, the final Valuation Date. For the purposes of this provision, references to Shares in the phrase “all or substantially all the Shares” and analogous expressions shall exclude (x) those Shares controlled directly or indirectly by or on behalf of the Bidder and (y) those Shares held by persons in respect of which it is unlawful, under the Applicable Laws of any jurisdiction, to make any such offer, invitation to offer, arrangement or takeover.

“**Nationalisation**” means that all the Shares, Units or ETNs, as the case may be, or all the assets or substantially all the assets of the Share Company, Basket Company, ETF, Basket ETF, the issuer and/or guarantor of the ETNs, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any Government Authority.

“**Potential Adjustment Event**” means the occurrence of any of the following:

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- (i) a subdivision, consolidation or reclassification of the relevant Shares (save for a Merger Event) in the case of ELSIs related to Share(s), or of the relevant Units or ETNs, as the case may be, in the case of ELSIs related to ETF(s) or ETN(s), as the case may be, or a free distribution or dividend of any such Shares, Units or ETNs, as the case may be, to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares, Units or ETNs, as the case may be, of (a) such Shares, Units or ETNs, as the case may be, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company, Basket Company, ETF or Basket ETF and/or redemption amounts relating to the ETN, as the case may be, equally or proportionately with such payments to holders of such Shares, Units or ETNs, as the case may be, or (c) any other type of securities, rights or notes or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) in the case of ELSIs related to Share(s), a call by the Share Company or Basket Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Company, Basket Company, ETF or Basket ETF, as the case may be, of relevant Shares or Units, as the case may be, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in the case of ELSIs related to Share(s), in respect of a Share Company or Basket Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Company or Basket Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, notes, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares, Units or ETNs, as the case may be.

“**Relevant Price**” means, unless otherwise specified in the applicable Confirmation, and subject as referred to in relation to “Valuation Date”

- (i) in the case of ELSIs related to a single Share, a single Unit or a ETN, an amount equal to the price quoted at the Valuation Time on the relevant SI Exchange for such Share, Unit or ETN, as the case may be, on the Valuation Date, as determined by the Calculation Agent in its sole and absolute discretion, unless otherwise specified in the applicable Confirmation, without regard to any subsequently published correction; or if such official closing price is not available

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for any reason, the closing price as determined by the Calculation Agent in its sole and absolute discretion; and

- (ii) in the case of ELSIs related to a Basket of Shares or a Basket of Units or Basket of ETNs, the sum of the price for each Share, Unit, or ETN as determined in accordance with sub-paragraph (i) above, multiplied by the relevant Weighting.

**“Related Exchange”** means, in respect of ELSIs and in relation to a Share, a Unit or an ETN, each exchange or quotation system specified as such for such Share, Unit or ETN in the applicable Confirmation, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share, Unit or ETN has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share, Unit or ETN on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Confirmation, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share, Unit or ETN.

**“Scheduled Closing Time”** means, in respect of a SI Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such SI Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**“Scheduled ETF Redemption Valuation Date”** means the date as of which an ETF (or its ETF Service Provider that generally determine such value) is scheduled, according to the relevant ETF Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the ETF to delay or refuse redemption of Units), to determine the net asset value of the related Unit for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Units based on the value determined as of such date.

**“Scheduled ETF Valuation Date”** means, in respect of a Unit, a date as of which the related ETF (or its ETF Service Provider that generally determines such value) is scheduled, according to the relevant ETF Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the ETF to delay or refuse redemption of Units), to determine the value of the related Unit or, if the ETF only reports its aggregate net asset value, the date as of which such ETF is scheduled to determine its aggregate net asset value.

**“Scheduled Trading Day”** means any day on which each SI Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**“Share Company”** means the company whose Shares relate to the ELSIs as specified in the applicable Confirmation.

**“Shares”** and **“Share”** mean, in the case of ELSIs related to a Basket of Shares, the equity securities or an equity security of the relevant Basket Company and, in the case of ELSIs to a single equity security, the relevant Share Company and related expressions shall be construed accordingly.

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**“SI Exchange”** means each exchange or quotation system specified as such for a Share, ETF or ETN (as the case may be) in the applicable Confirmation, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share, Unit or ETN, as the case may be, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, Unit or ETN, as the case may be, on such temporary substitute SI exchange or quotation system as on the original SI Exchange).

**“Tender Offer”** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Company or Basket Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**“Units”** and **“Unit”** mean a unit of interest in an ETF.

**“Valuation Date”** means, in respect of an ELSI, the dates specified as such in the applicable Confirmation or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

**“Valuation Time”** means the Scheduled Closing Time on the SI Exchange on the relevant date, provided that if the Exchange closes prior to the Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

**“Weighting”** means the weighting to be applied to each item comprising the Basket of Shares, Units or ETNs as specified in the applicable Confirmation.

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## PART THREE RISK DISCLOSURE STATEMENT

<b>Part A - Risks relating to Transactions and Services</b>
-------------------------------------------------------------

### 1 General

- 1.1** This Risk Disclosure Statement does not explain all the risks and other significant aspects of entering into a Transaction or accepting the provision of a Service. Such risks can be substantial. The Client should consult his advisors on the nature of the Transaction or Service. In addition, the Client should carefully consider the risks specific to the Transaction or Service and whether the particular Transaction or Service is appropriate and suitable for him in the light of his experience, objectives and personal and financial circumstances.
- 1.2** In particular, each Client should:
- 1.2.1** have sufficient knowledge and experience to make a meaningful evaluation of a Transaction or Service, including the merits and risks of such Transaction or Service;
  - 1.2.2** have access to, and knowledge of, appropriate analytical tools to evaluate a Transaction or Service and the impact the Transaction or Service will have on his overall investment portfolio;
  - 1.2.3** have sufficient financial resources and liquidity to bear all relevant risks;
  - 1.2.4** understand thoroughly the terms and conditions of the Transaction or Service; and
  - 1.2.5** be able to evaluate (either alone or with the help of an independent financial adviser) possible scenarios for economic, interest rate and other factors that may affect the Transaction or Service and his ability to bear the applicable risks.

By entering into a Transaction or agreeing to the provision of a Service, the Client acknowledges that he makes his own assessment and relies on his own judgement in relation to any and all investment or trading or other decisions in respect of such Transaction or Service and accepts any and all risks associated therewith and any Losses suffered as a result. The Bank is not responsible for any Losses whatsoever or howsoever arising from the Transaction or Service. In addition, the Client confirms that he has read and fully understood this Risk Disclosure Statement and all offering documents, term sheets, and documentation pertaining to the Transaction or Service, and that he fully understands the nature and terms and conditions of the Transaction or Service.

### 2 Risk of Securities trading

The prices of Securities fluctuate, sometimes dramatically. The price of a Security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling Securities. In addition, any representation of past performance is not necessarily a guide to future performance.

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### 3 Liquidity risks

At certain times, or under certain market conditions, the Client may find it difficult or impossible to liquidate a position, to assess the value or to determine a fair price. This is particularly so for unlisted Securities where there is no formal market for such Securities and are often thinly traded. In addition, there can be no certainty that market traders will be prepared to deal in Securities, in particular in relation to unlisted Securities, and proper information for determining their current value may not be available. Whilst generally it may be easier to liquidate a position or to assess the value or determine a fair price for listed Securities, there is no assurance that there will be a liquid market for such Securities or that the value or fair price can be obtained.

### 4 Trading of listed Securities on certain stock exchanges

There are certain stock exchanges which have been established as markets designed to accommodate companies to which a high investment risk may be attached, such as the Growth Enterprise Market in Hong Kong and the Catalist in Singapore. In particular, companies may list on these stock exchanges with neither a track record of profitability nor any obligation to forecast future profitability. There may be risks arising out of the emerging nature of companies listed on these exchanges and the business sectors or countries in which the companies operate (see paragraph 15 “Emerging Markets” below). Further, there is a risk that companies traded on such exchanges may be susceptible to market volatility and there is no assurance that there will be a liquid market in the Securities of such companies.

### 5 Trading of listed Securities outside the home jurisdiction

Trading of listed Securities in jurisdictions other than the jurisdiction where the Account is opened may expose the Client to additional risks. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Client trades in such markets, the Client should enquire about the relevant rules as the Client’s local regulatory authority may not be able to enforce such rules. The Client should ask the Bank for details on, and understand, the redresses available in his local jurisdiction as well as the relevant overseas jurisdictions.

### 6 Custodial services

There may be risks in depositing Securities in the safekeeping of the Bank or the Nominee, including the risk of loss of all of the Securities. The Bank may appoint foreign custodians/sub-custodians to provide custodial services. Additional risks in relation to such foreign custodians/sub-custodians may arise from the operation of foreign law, rules and regulations. The Client’s ability to withdraw the Securities may be affected if the Bank or the Nominee defaults or becomes insolvent.

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## 7 Credit risks

The Client should satisfy himself that the credit risk of the issuer of a Security or the counterparty to a Transaction or Service is acceptable to him, including but not limited to the failure by the issuer or counterparty to make good, valid or timely delivery or payment to the Client. Further, an issuer to a Security may experience adverse changes to its financial condition which may result in an increased volatility in the price of the Security (including in the case of a debt security, a possible downgrade to any credit rating assigned to such security), negatively affect the liquidity of the Security and thereby make it more difficult to sell the Security. In addition, changes in the economic and political conditions in general, or changes in economic and political conditions specific to an issuer of a Security or a counterparty a Transaction or Service, may have an adverse impact on the creditworthiness of the issuer or the counterparty. There is no assurance of protection against a default of its obligations by the issuer or counterparty. A Client who has received delivery of such Securities would be adversely impacted. Further, the value of a Structured Investment with such underlying Securities may also be adversely impacted as a result. The credit risks arising from the Bank acting as counterparty to Structured Investments are highlighted below in Part B, Clause 1.

## 8 Currency risk

Where the Client engages in a Transaction involving one currency to hedge an original investment in another currency, or where the Transaction entered into by the Client references two different currencies, fluctuations of the currencies against each other or against the other underlying elements of the Transaction may affect the Client's net profit on the Transaction or increase the Client's loss. In addition, where the Client's home currency differs from the currency in which payments pursuant to the Transaction are made, foreign currency fluctuations may affect the Clients who intend to convert profits or losses pursuant to the Transaction to their home currency. Foreign exchange rates may fluctuate significantly and suddenly and are determined by (among other things) the supply and demand for currencies in the international foreign exchange markets, inflation rates in the countries concerned, interest rate differences between the respective countries, currency convertibility and measures (e.g. exchange controls) taken by government and monetary authorities.

## 9 Risks of over-the-counter transactions

A Structured Investment is regarded as an over-the-counter transaction given that such Structured Investments are neither traded nor listed on any exchange. As prices and characteristics of over-the-counter financial instruments are often individually negotiated, there may be no central source for obtaining prices and there can be inefficiencies and a lack of transparency in the pricing of such instruments. In entering into an over-the-counter Transaction, the Client will bear the credit risk of the Bank as his counterparty defaulting (see below at Part C). It may also be difficult or impossible to liquidate an existing position. Unlike an on-exchange transaction, there will be no central clearing system that monitors or oversees the performance of the Structured Investment. Compared to on-exchange transactions, Structured Investments are less regulated or subject to a separate regulatory regime.

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## 10 Exchange traded instruments

For Transactions involving underlying contracts or instruments which are traded on Exchanges, disruption of the normal market operation or conditions of such Exchanges and/or the rules of operation of such Exchanges (e.g. discretion on the part of the exchange to suspend or limit trading of certain contracts or instruments under certain market conditions) may increase the risk of loss by making it difficult or impossible to close out the Transactions. The Client should inform himself of exercise and expiration procedures and his rights and obligations upon exercise or expiry of Transactions.

For Transactions in which the underlying contracts or instruments are supported by electronic trading facilities at Exchanges (e.g. computer-based component systems for order-routing, execution, matching, registration, or clearing of trades), any temporary disruption or power/system failure of such electronic trading facilities could result in a disruption in the trading activities at the Exchange and an unavailability of reference prices for the relevant Transaction. In such circumstances, the Client's order may not be executed according to his Instructions or at all, which may lead to losses. It is likely that such losses will not be recoverable from the relevant Exchanges as the rules thereof invariably exempt them from such liabilities.

## 11 Clearing House Protections

On many Exchanges, the performance of a Transaction on such Exchange is "monitored" or "administered" by the Exchange or clearing house. However, this protection is unlikely to directly extend to the Client, and may not protect the Client if the Bank defaults on its obligations to the Client.

## 12 Insolvency

In the event of the insolvency of the issuer of a Security or the counterparty to a Transaction or Service, the Client may experience delay in liquidating his investment and may suffer losses, including a decline in the value of his investment (which may be zero). Further, the insolvency of the issuer of a Security or the counterparty to a Transaction or Service may lead to positions being liquidated or closed out without the Client's consent. The Client could lose his entire investment, including any monies held in the Account, any payment to be made or Securities to be delivered to the Client, and any assets lodged by the Client as collateral. In the event of the insolvency of the issuer of a Security or the counterparty to a Transaction or Service, the Client's claims for recovery will generally be subordinated to the claims of the preferred or secured creditors of the issuer or counterparty.

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### 13 Risk of margin trading

The risk of loss in depositing collateral for the purposes of margin trading in a Transaction or pursuant to a Service can be significant. The Client may sustain losses in excess of the Client's assets deposited as collateral. The Client may be called upon at short notice to provide additional margin and this amount could be substantial. If the required margin is not provided within the prescribed time, the Client's collateral may be liquidated without his consent. The high degree of leverage resulting from a relatively small margin requirement can work against the Client as well as in the Client's favour. The use of leverage may also result in large losses as well as gains.

### 14 No investment advice or recommendations

The Bank is not obliged to, and does not, give investment advice or make recommendations. Whilst it may provide recommendations on request by the Client, such investment advice or recommendations are given or made (and the Client acknowledges and agrees that it is so given or made) without any responsibility on the part of the Bank unless otherwise agreed in writing by the Bank and on the basis that the Client will nevertheless make his own assessment and rely on his own judgment in respect of all Transactions executed or Services rendered under this Agreement.

### 15 Emerging markets

Transactions or Services related to emerging countries (e.g. Securities or underlying Reference Assets or Reference Entities of Structured Investments which are listed in or linked to emerging countries), including those located in Asia, Latin America and eastern Europe, may carry high investment risks. Such risks include political risks (including confiscation of assets, restriction of the Client's rights of disposal, or declines in the value of assets as a result of state intervention or the introduction of state monitoring and control mechanisms), risks of economic instability, greater prevalence of illegitimate market practices (e.g. insider trading) and laws and regulations which afford inadequate protection and safeguards to investors.

### 16 Risks associated with unsecured e-mail communication

The Client acknowledges that e-mail is sent via public and private data transfer networks and providers which are accessible worldwide, and available to anyone. It is therefore impossible to control the transmission route of an e-mail. The Client acknowledges and agrees that a multitude of risks are inherent in unsecured e-mail, for example, e-mail from the Bank can be faked as a result of e-mail or computer infections created or spread by third parties. The Bank accepts no responsibility for any losses arising from such risks.

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## 17 Risks associated with Instructions via facsimile

Non-original signatures on the facsimile may be forged and such instructions may be transmitted to, and received at, wrong numbers, may never reach the Bank and may be disclose to third parties at the wrong number thereby losing their confidential nature.

## 18 Other Related Documentation

The Bank may, in appropriate cases, furnish the Client with term sheets and other documentation (whether issued by the Bank or third parties) setting out the material terms, associated obligations, underlying assumptions, pricing basis and sensitivity analysis to illustrate the impact of market movements on the proposed financial investment and/or such other information as the Bank may think relevant. Any sensitivity analysis which may be provided are for the purposes of illustration only. The provision of such term sheet or other documentation shall not detract from the Client's duty to take all such steps and make all such enquiries as may be necessary or desirable prior to making any investment decision and the Bank takes no responsibility or liability for the accuracy and completeness of such term sheet or other documentation or any information set out therein.

## 19 Commissions, Fees and Charges

Before the Client enters into any Transaction or accepts any Service, the Client should obtain a clear explanation of all commissions, fees and other charges for which the Client will be liable. These charges will affect the Client's net profit (if any) or increase the Client's loss.

## 20 Taxation

The Bank does not provide tax advice and the Client has full responsibility for any tax implication of entering into a Transaction or accepting the provision of a Service. Any tax treatment depends on a Client's individual circumstances and may be subject to change in the future. The Client should consult his tax adviser about his own tax situation.

### **Part B - Specific financial products or services**

#### 1 Equity securities and debt securities

In buying equity securities, the Client will become a member of the company and participate fully in its economic risk. The Client will be entitled to receive any dividend distributed each year (if any) out of the company's profits made during the reference period.

Buying debt securities means that the Client is, in effect, a lender to the company or the entity that has issued the securities. The Client is entitled to receive specified periodic interest payments, as well as repayment of the principal at maturity.

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Both holders of equity and debt securities will be exposed to the specific risks associated with the individual securities (and the financial soundness of their issuers), as well as the systemic risks of the equity and debt securities markets.

In the case of shares of smaller companies, there is an additional risk that there may be a greater risk of loss as there may proportionately be a large difference between the buying and selling prices to these shares. If they have to be sold immediately, the Client may get back much less than the amount that the Client has originally paid.

## 2 Derivatives

### 2.1 General

Derivatives are complex financial instruments. They can be linked to a wide range of reference underlying(s). Their nature and terms vary significantly.

Derivatives are linked to one or more reference underlyings, whereby the value of the derivatives and/or the rights and obligations under the derivatives depend on the performance of and/or occurrence or non-occurrence of event(s) related to the reference underlying(s). However, investing in derivatives is not the same as investing directly in the reference underlying(s). The Client does not acquire any right in respect of the reference underlyings(s). For example, where the relevant derivatives are linked to share(s), the Client does not acquire any right in respect of the share(s), including without limitation, the right to receive dividends or other distributions related to the share(s). Changes in the price or level of the reference underlying(s) may not lead to a corresponding change, or any change at all, in the value of, and/or the potential payment and/or deliveries under the derivatives.

Derivatives are volatile instruments and may be subject to considerable fluctuations in value and other inherent risks associated with the reference underlying(s). Changes in the price(s) of the reference underlying(s) can be unpredictable, sudden and large. Such changes may result in the price(s) of the reference underlying(s) moving adversely to the Client's interest. A small movement in the price(s) of the reference underlying(s) may result in a drastic change in the value of, and/or potential payments and/or deliveries under, the derivatives. When two or more factors are exerting effects on a derivative simultaneously, the value of the derivative may become unpredictable.

The value of, and/or potential payments and/or deliveries under, derivatives may be affected by various market factors such as, but not limited to, the price, level, yield, volatility and/or creditworthiness of the reference underlying(s) and time remaining until scheduled termination. The 'time value' of derivatives may depend partly upon the length of the period remaining to scheduled termination and expectations concerning the value or other attributes of the relevant reference underlying(s).

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Derivatives may employ leverage, which increases the exposure to the reference underlying(s), and can therefore magnify both returns and losses. Client should note that derivatives which employ leverage involve a higher level of risk, and that losses under such derivatives (other things being equal) will be higher than those of similar derivatives which are not leveraged.

There may not be an active market for a derivative or the liquidity for a derivative may be poor, particularly in the case of unlisted derivatives. A Client may not be able to dispose of or terminate the derivative before its scheduled maturity or termination date, or the payments and/or deliveries under the derivative may be substantially less than the original amount invested.

## 2.2 Options

Transactions in options carry a high degree of risk. The Client should familiarise himself with the type of option which he contemplates trading and the associated risks. The Client should calculate the extent to which the value of the options must increase for his position to become profitable, taking into account the premium and all transaction costs. There are many different types of options with different characteristics. Primarily however, an option means a right but not an obligation on the part of the buyer to purchase or sell an underlying asset at a specified price on an agreed date(s).

### Buying options

The purchaser of options may exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, the Client will suffer a total loss of his investment which will consist of the option premium plus transaction costs.

### Selling options

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Client may subsequently be called upon to pay margin on the option up to the level of his premium. If the Client fails to do so as required, his position may be closed or liquidated.

## 2.3 Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date at a pre-determined price, or in some cases to settle the position with cash. They carry a high degree of risk. The “gearing” or “leverage” often

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obtainable in trading in futures means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of the Client's investment, and this can work against the Client as well as for the Client.

## 2.4 Structured Investments

Structured Investments are derivative transactions entered into between the Bank and the Client that are linked to one or more reference underlying(s). Please refer to Part C of Part Three of this Agreement for details of the relevant risk factors.

## 2.5 Structured products

Generally structured products are financial instruments whose investment returns are linked to the performance of reference underlying(s). Examples include (but are not limited to) equity-linked notes, interest rate-linked notes and credit-linked notes. Structured products can come in a variety of forms and linked to a wide range of reference underlying(s) and can be complex financial instruments. The Client should read the offering document, term sheet, and documentation pertaining to the particular structured product carefully and fully understand the nature, terms and risks of such product.

# 3 Collective investment schemes

## 3.1 General

Collective investment schemes invest the funds paid in by the subscribers of units or shares in the collective investment schemes in different types of investments provided for in their offering documents or constitutional documents. The Client will therefore be exposed to the risks and returns associated with the nature of the financial instruments in which the collective investment scheme invests, including without limitation:

- 3.1.1 Market risk – the value of an investment will decrease due to moves in market factors, and this will impact on the net asset value of the collective investment scheme.
- 3.1.2 Risk relating to investment in equity – the equity markets may fluctuate significantly with prices rising and falling sharply, and this will impact on the net asset value of the collective investment scheme.
- 3.1.3 Risk relating to investment in debt securities – the value of the investments will depend on (among others) market interest rates, the credit quality of the issuer and liquidity considerations. Some collective investment schemes may invest in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments), however, the risk of depreciation and realisation of capital losses on such instruments will be significantly higher than on lower yielding debt instruments.

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- 3.1.4 Currency risk – since the investments held by a collective investment scheme may be denominated in currencies different from its base currency, the collective investment scheme may be affected adversely by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of the units in a collective investment scheme, and also may affect the value of dividends and interests earned by the collective investment scheme.
- 3.1.5 Investment grade risk – some collective investment schemes invest in investment grade debt securities, which, like other types of debt securities, involve credit risk of the debt security issuer and may be subject to ratings downgrades by the rating agencies.
- 3.1.6 Investment in derivative instruments – some collective investment schemes invest in derivative instruments which can involve additional material risks such as counterparty risks or credit and liquidity risk. Some derivative instruments may employ leverage which can cause greater volatility.
- 3.1.7 Country concentration – collective investment schemes which invest in one country or limited countries will have greater exposure to market, political, legal, economic and social risks of that country/countries than a scheme which diversifies country risk across a number of countries.
- 3.1.8 Holdings concentration – collective investment schemes which invest in a relatively small number of investments or may be concentrated in a specific industry sector are subject to higher concentration risk.
- 3.1.9 Emerging market risk – some collective investment schemes invest in part or in whole via the methods detailed above in emerging markets which may be more volatile and subject to greater political and economic risks.
- 3.1.10 Liquidity risk
- 3.1.11 Investments held by a collective investment scheme may need to be sold if insufficient cash is available to finance redemptions of the scheme by investors. If the size of the disposals is sufficiently large, or the market is illiquid, there is a risk that the investments might not be sold or the price at which they are sold may adversely affect the net asset value of the scheme.

### 3.2 Exchange traded funds

Exchange traded funds (“ETFs”) are closed-ended collective investment schemes, traded as shares on stock exchanges, and typically replicate a stock market index, market sector, commodity or basket of assets.

ETFs can broadly be grouped into two types. Traditional ETFs track, replicate and correspond to the performance of an underlying index. Synthetic ETFs mimic the behavior of traditional ETFs through the use of derivatives such as swaps and performance-linked notes.

ETFs are subject to tracking error risk, namely the disparity between the performance of the ETF as measured by its net asset value and the performance of the underlying index.

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Tracking error may arise due to various factors. These include, failure of the ETFs tracking strategy, the impact of fees and expenses, foreign exchange differences between the base currency or trading currency of an ETF and the currencies of the underlying investments, or corporate actions such as rights and bonus issues by the issuers of the ETFs underlying securities.

Trading on an Exchange does not, in and of itself guarantee that a liquid market exists for an ETF. A higher liquidity risk is also involved if an ETF invests in financial derivative instruments that not actively traded in the secondary market and where price transparency is not as easily accessible as physical securities. This may result in a bigger bid and offer spread. Further, an ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the underlying equity, commodity, asset or index that the ETF is designated to track. Synthetic ETFs typically invest in over-the-counter derivatives issued by counterparties. Such a synthetic ETF may suffer losses potentially equal to the full value of the derivatives issued by the counterparty upon its default. Synthetic ETFs are therefore exposed to both the risks of the securities that constitute the index as well as the credit risk of the counterparty that issues the financial derivative instruments for replicating the performance of the index.

### 3.3 Non-traditional funds (hedge funds)

Non-traditional funds (which may take a variety of legal forms such as investment companies or partnerships) differ from traditional investment funds such as equity or fixed income funds in respect of their investment style. A common type of a non-traditional fund is a hedge fund. Some of the common features of, and risks of investing in, a non-traditional fund include the following:

- 3.3.1 non-traditional funds have variable liquidity and tradeability, and may have limited subscription and redemption rights with lengthy notice periods (e.g. fund issues and redemptions are often allowed only on a monthly, quarterly or annual basis). Fixed holding periods are common, and liquidations may stretch out over a period of years;
- 3.3.2 the fund often aims to make an absolute return, under varying market conditions;
- 3.3.3 sometimes, the fund takes on very high levels of risk and may have significant leverage from the investment of borrowed capital;
- 3.3.4 the fund often uses derivatives, whether for hedging or for investment or speculation;
- 3.3.5 the fund may be able to carry out short sales;
- 3.3.6 the fund may not be subject to any restrictions on investment categories, markets or trading methods, and the strategies adopted by the fund may be speculative in nature;
- 3.3.7 the fund may require a high minimum investment amount; and
- 3.3.8 many non-traditional funds are located in “offshore” jurisdictions, and are subject to less stringent laws and supervision, which in turn provides relatively weaker investor protection relative to a traditional fund. There is no assurance that an investor's legal rights will be enforceable. There may be other risks associated with

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weaker regulation of such funds; for example, the fund may have poor or unsuitable operating systems and checking procedures.

Non-traditional fund investments involve a high degree of risk. Before making any investments, the Client should seek independent advice about the particular risks involved and carefully study the relevant information memorandum, subscription agreement and other information on the investments.

## 4 Renminbi (“RMB”) denominated Investment Products

### 4.1 RMB currency risks

RMB is currently not a freely convertible currency. It is subject to foreign exchange control policies of Mainland China. The exchange rate of RMB may fluctuate from time to time. Any devaluation of RMB may adversely affect the value of the Client’s investment in RMB denominated assets.

### 4.2 Repatriation and conversion limitations

The relevant authorities in Mainland China have imposed restrictions on the repatriation of RMB out of Mainland China, which may limit the amount of RMB available outside Mainland China and reduce the liquidity of the Client’s investment. In addition, the Mainland China’s government policies on repatriation restrictions may be subject to change, which may adversely affect the Client’s investment.

Further, conversion of RMB through banks outside Mainland China may be subject to restrictions (including limitations on the amount that can be converted). The Client may have to allow time for the conversion of RMB from/to another currency of an amount exceeding such limit and is subject to further currency risk in the interim.

### 4.3 Limited availability of underlying investments denominated in RMB

Where a RMB denominated Investment Product is referenced to underlying investments denominated in RMB, it may not have access to invest directly in Mainland China. The pool of underlying investments denominated in RMB outside Mainland China (“**Offshore RMB Instruments**”) may be limited, which may adversely affect the return and performance of RMB Investment Products. Further, the Offshore RMB Instruments may not be regularly traded and there may not be an active secondary market. The bid and offer spread of the price of Offshore RMB Instruments may be large. Trading in RMB Investment Products may therefore incur significant trading and realisation costs.

### 4.4 Projected returns which are not guaranteed

Where the offering documents, term sheet or documentation pertaining to the RMB Investment Products contain a statement of illustrative return of the products which is not guaranteed, the Client should note that the return is not guaranteed and should pay attention to the assumptions on which the illustrations are based.

### 4.5 Long term commitment to investment

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Some RMB denominated Investment Products involve a long period of investment. If the Client wishes to redeem his investment before the maturity date or during the lock-up period (if applicable), the Client may incur a significant losses if the proceeds are substantially lower than the amount invested. In addition, heavy penalties or charges may be payable for the early termination or surrender of such products.

#### 4.6 Credit risk of counterparties

Where a RMB denominated Investment Product invests in underlying instruments, such product is exposed to the counterparty risks associated with the issuers of or counterparties to such instruments. In particular, RMB denominated Investment Products may invest in instruments whereby the investment is not supported by any collateral, such RMB products will be fully exposed to the credit/insolvency risk of the relevant counterparties. Further, where RMB products invest in derivative instruments, counterparty risk may arise as the default by the derivative counterparty may adversely affect the performance of the RMB products and result in substantial losses.

#### 4.7 Interest rate risk

Where RMB denominated Investment Products invest in RMB debt instruments, such instruments are susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB denominated Investment Products.

#### 4.8 Liquidity risk

It is possible that the RMB denominated Investment Products may suffer losses in liquidating the underlying investments, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads.

#### 4.9 Possibility of not receiving RMB upon redemption

For RMB denominated Investment Products with a significant portion of non-RMB denominated underlying investments, the Client may not receive the full amount in RMB upon redemption or sale of his investment. Even if a product aims to deliver RMB, it may not be able to pay the Client in RMB if the product has to sell non-RMB-denominated investments to meet the Client's redemption or sale request or if it encounters conversion restriction when converting the proceeds in non-RMB currencies to RMB. Even if the investments are denominated in RMB, there may not be sufficient RMB to satisfy the redemption or sale requests due to repatriation or other controls on RMB. As a result, the Client may not receive RMB when the Client redeems or sells his investments.

### Part C – Risks relating to Structured Investments

**AN INVESTMENT IN A STRUCTURED INVESTMENT MAY INVOLVE SUBSTANTIAL RISKS AND WILL ONLY BE SUITABLE FOR CLIENTS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF INVESTMENTS IN STRUCTURED INVESTMENTS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE CLIENTS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, ALL THE INFORMATION SET FORTH IN THE AGREEMENT, INCLUDING, WHERE RELEVANT THE APPLICABLE CONFIRMATION AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. THE AGREEMENT AND,**

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WHERE RELEVANT, THE APPLICABLE CONFIRMATION CANNOT AND DOES NOT DISCLOSE ALL POSSIBLE CONSIDERATIONS RELATING TO THE STRUCTURED INVESTMENTS. PROSPECTIVE CLIENTS SHOULD MAKE SUCH ENQUIRIES AND SEEK INDEPENDENT PROFESSIONAL ADVICE AS THEY DEEM NECESSARY WITHOUT RELYING ON THE BANK.

AN INVESTMENT IN A STRUCTURED INVESTMENT LINKED TO ONE OR MORE REFERENCE ASSETS MAY ENTAIL SIGNIFICANT RISKS, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. IF THE BANK IS REQUIRED TO PAY AN AMOUNT ON TERMINATION OF A STRUCTURED INVESTMENT, SUCH AMOUNT MAY BE SUBSTANTIALLY LESS THAN THE INITIAL AMOUNTS INVESTED, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE BANK IS REQUIRED TO DELIVER ONE OR MORE SPECIFIED ASSET(S) UPON TERMINATION OF A STRUCTURED INVESTMENT, THE VALUE OF SUCH SPECIFIED ASSET(S) MAY BE SUBSTANTIALLY LESS THAN THE INITIAL AMOUNTS INVESTED, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

## 1 Factors relating to the Bank's ability to fulfil its obligations under the Structured Investments

### 1.1 Structured Investments are unsecured obligations of the Bank

Structured Investments are bilateral contracts entered into between the Client and the Bank and constitute direct, unconditional, unsubordinated and unsecured obligations of the Bank and rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Bank, from time to time outstanding. The Bank may incur a large amount of obligations, including the Structured Investments and, at any given time, the obligations outstanding may be substantial.

### 1.2 Payments may not occur at all or be limited or substantially delayed in case of the Bank's bankruptcy

If a court institutes bankruptcy, insolvency or composition proceedings to avert bankruptcy or similar proceedings against the assets of the Bank, or the Bank applies for the institution of such proceedings concerning its assets, payments of coupon, principal or other amounts on or in connection with the Structured Investments and/or delivery of any specified asset(s) in connection with the Structured Investments may not occur at all or may be limited and/or may be substantially delayed.

### 1.3 The value of the Structured Investments is expected to be affected, in part, by the creditworthiness and credit ratings of the Standard Chartered Group

The value of the Structured Investments is expected to be affected, in part, by investors' and others' (including, but not limited to, credit rating agencies) general appraisal of the creditworthiness of the Standard Chartered Group. Such perceptions may be influenced by the ratings accorded to outstanding securities of the Standard Chartered Group by well-recognised rating agencies, such as Moody's Investors Service Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or other internationally recognised credit rating agencies. A reduction in the rating, if any, accorded to outstanding securities of the

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Standard Chartered Group, by one of these rating agencies could result in a reduction in the value of the Structured Investments.

## 2 Factors which are material for the purposes of assessing the risks associated with the Structured Investments

### 2.1 Structured Investments may not be suitable for all investors

Each Client must determine the suitability of an investment in a Structured Investment in light of his own circumstances.

Some Structured Investments are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A Client should not invest in any Structured Investment which is a complex financial instrument unless he has the expertise (either alone or with his financial and other advisers) to evaluate how the Structured Investment will perform under changing conditions, the resulting effects on the value of the Structured Investment and the impact this investment will have on the potential investor's overall investment holdings.

### 2.2 Investors may lose the original invested amount

Investors may lose the entire value of their investment in a Structured Investment as a result of the occurrence of any one or more events, including, among others, the following events:

- 2.2.1 the Bank is subject to insolvency proceedings or some other event impairing its ability to meet its obligations under the Structured Investments;
- 2.2.2 the relevant Reference Asset(s) perform in such a manner that pursuant to the terms and conditions of the Structured Investment, the Final Termination Amount, Early Termination Amount or other relevant amount(s) payable or the specified asset(s) deliverable upon termination is less than or is worth less than the initial amount invested; and
- 2.2.3 certain adjustments in accordance with the terms and conditions of the Structured Investment that may result in the Final Termination Amount, Early Termination Amount or other relevant amount(s) payable or the specified asset(s) deliverable upon termination being reduced to or being valued at an amount less than the initial amount invested.

### 2.3 Country risks

By seeking exposure to the Reference Asset(s) through an investment in the Structured Investments, the Client may also be exposed to the economic and political risks of the country or countries in which the Reference Asset is located or domiciled. Whilst the existing market condition and regulatory framework may be conducive for an investment linked to such a country or countries, such investments may be sensitive to any significant

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(i) changes in market conditions, political, social or economic policy, or (ii) changes in laws and regulations in such a country or countries. No assurance is given as to that country's or countries' government's future control of currency conversion, free transfer of monies and securities, and movements in exchange rates may or may not affect the performance of, or returns under, the Structured Investments.

#### 2.4 Market risks

The value of a Structured Investment is affected by various market factors such as (but not limited to) the price, level, yield, volatility and/or creditworthiness of the Reference Asset(s), the level of interest rates and time remaining until scheduled termination. Where the Reference Asset(s) are listed, traded or otherwise negotiable securities, the value of a Structured Investment may also be affected by the applicable dividend rate and/or the financial results and prospects of the issuer(s) of the Reference Asset(s). The amount payable and/or deliverable in respect of a Structured Investment at any time prior to scheduled termination may be less than or may be worth less than the value of such Structured Investment at that time. The difference may reflect, among other things, a "time value" for the Structured Investment. The "time value" of the Structured Investment will depend partly upon the length of the period remaining to scheduled termination and expectations concerning the value of the relevant Reference Asset(s).

Structured Investments are volatile instruments and may be subject to considerable fluctuations in value and other inherent risks associated with financial markets relevant to the Reference Asset(s). The value of a Structured Investment may fall as rapidly as it may rise. Past performance is neither a guarantee nor a reliable indicator of future performance.

#### 2.5 Initial amount of investment may be more than the value of a Structured Investment

The initial amount of investment in respect of any Structured Investment will likely be more than the value of the Structured Investment as at the Start Date and during the term of the Structured Investment. In particular, the initial amount of investment will take into account amounts with respect to fees and/or costs relating to the offer of the Structured Investment and amounts relating to the hedging of the Bank's obligations under the Structured Investment.

#### 2.6 It may not be possible to use a Structured Investment as a perfect hedge against the market risk associated with a specific investment or asset

Clients intending to invest in a Structured Investment to hedge against the market risk associated with a specific investment or asset should recognise the complexities of utilising a Structured Investment in this manner. For example, there is no assurance that the value of the Structured Investment will match movements in the value of the specific investment or asset.

#### 2.7 Significant risks in investing in Structured Investments which reference one or more emerging market Reference Asset(s)

Where the terms and conditions of a Structured Investment reference one or more emerging market Reference Asset(s), investors in such Structured Investment should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such

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countries may lack the social, political and economic stability characteristics of more developed countries, including, among other things, a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian government or military involvement in political and economic decision making; changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious or racial conflict. Certain emerging market countries may have failed in the past to recognise private property rights and may have at times nationalised or expropriated the assets of private companies. In addition, unanticipated political or social developments may affect the values of a Reference Asset connected to such countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Asset(s) connected to such countries illiquid and more volatile than those in more established markets. There may be little financial or accounting information available with respect to issuer(s) of Reference Asset(s) in emerging market countries and it may be difficult as a result to assess the value or prospects of the Reference Asset(s). As a result, the risks from investing in a Structured Investment whose performance is linked to Reference Asset(s) associated with such countries may be heightened when compared to Reference Asset(s) associated with more developed countries.

### 3 General risks related to a particular Structured Investment

#### 3.1 No claim against any Reference Asset

A Structured Investment will not represent an ownership interest in any Reference Asset to which the amount(s) payable or amount of specified asset(s) deliverable in respect of the Structured Investment is dependent and a Client will not be able to make any ownership claims to any Reference Asset.

Investing in a Structured Investment is not the same as investing in the Reference Asset(s). The value of the Structured Investment, amount(s) payable and/or asset(s) deliverable under the Structured Investment may not reflect movements in the price, level or value of the Reference Asset(s). Unless the terms and conditions of a Structured Investment provide otherwise, a Client will not be entitled to any dividends, distributions, payments or voting rights in respect of any Reference Asset or, in the case of an Index-Linked Structured Investment, any component of the relevant index.

#### 3.2 Under-performance risk

There can be no assurance that the return on an investment in a Structured Investment will match or exceed any potential return, including interest and/or dividend income, that the Client may otherwise earn on a direct investment in the Reference Asset(s) or in a bank deposit or non-structured fixed coupon bond or any other kind of investment.

#### 3.3 Unwind costs for hedging transactions

Upon the termination of a Structured Investment, the Standard Chartered Group may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish its hedging

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transactions, resulting in a gain to, or losses and costs incurred by, the Standard Chartered Group. Under the terms and conditions of the Structured Investment, the Client may receive an amount from the Bank in respect of such gain, or, as the case may be, be required to make a payment to the Bank in respect of such losses or costs. In such a case, any amount that would otherwise be received by the Client in the case of cash settlement of the Structured Investment may be adjusted accordingly. Similarly, in the case of physical settlement of the Structured Investment, the Client may be required to make certain payments in respect of such losses and costs incurred by the Standard Chartered Group as a condition of the delivery of any specified asset(s) by the Bank, or, as the case may be, the Client may receive certain payments from the Bank with the delivery of any specified asset(s) by the Bank in respect of such gain to the Standard Chartered Group.

### 3.4 Reinvestment risk

In the event that a Structured Investment is early terminated due to any reason, the Client is exposed to reinvestment risk as the Client may not be able to reinvest any amount(s) received upon early termination at such time at the same rate or for the same return as under the terminated Structured Investment.

### 3.5 Risk of Structured Investments linked to interest rates

The amount(s) payable under a Structured Investment may be dependent upon the level or changes in the level of one or more interest rates. Coupons under a Structured Investment may be calculated by reference to a fixed interest rate, a floating interest rate or such other rate specified in the applicable Confirmation. Changes in the level(s) of the relevant rate(s) may affect the coupon or other amount(s) payable and/or the value of a Structured Investment.

### 3.6 Specific risks of Structured Investments linked to floating or variable linked interest rates

A key difference between a Structured Investment linked to a fixed interest rate and that linked to a floating or variable linked interest rate is that coupons payable on the latter cannot be anticipated. Clients are not able to determine a definite yield of the Structured Investment linked to a floating or variable linked interest rate at the time they invest in them (particularly if there are frequent interest determination dates) and the return on investment cannot be compared with that of a Structured Investment having longer fixed interest periods.

### 3.7 Foreign exchange rate exposure in respect of Structured Investments which provide for payment to be made in a currency which is different to the currency of the Reference Asset(s)

Where the terms and conditions of a Structured Investment provide that the settlement currency will be a currency which is different from the currency of the Reference Asset(s), and the Structured Investment does not have a “quanto” feature (i.e. a feature that shields the investor from changes in foreign exchange rates), the Client will be exposed not only to the performance of the Reference Asset(s) but also to the exchange rate(s) between the currency of the Reference Asset(s) and the settlement currency of the Structured Investment, which cannot be predicted. Clients should be aware that foreign exchange rates are highly volatile and determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including,

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among other things, inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks (e.g. imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency).

**3.8** Risks relating to currency-shielded or “quanto” Structured Investments with a settlement currency which is different to the currency of the Reference Asset(s)

If one or more Reference Asset(s) are not denominated in the currency of a Structured Investment and at the same time only the performance of the Reference Asset(s) in their denominated currency is relevant to the payout on the Structured Investment, such Structured Investment is referred to as currency-shielded or “quanto” products. The investment return depends only on the performance of the Reference Asset(s) in their denominated currency and any change in the foreign exchange rates is disregarded. Accordingly, Clients holding such “quanto” Structured Investment will not have the benefit of any (favourable) change in the foreign exchange rate between the currency of the Reference Asset(s) and the settlement currency of the Structured Investment that would otherwise increase the performance of the Reference Asset(s) in the absence of such “quanto” feature. In addition, changes in the relevant foreign exchange rate may indirectly influence the price of the relevant Reference Asset(s) which, in turn, could have a negative effect on the return and/or value of the Structured Investment.

**3.9** Exchange rate risks and exchange controls

Amounts payable under a Structured Investment will be paid in the currency specified in the applicable Confirmation for the Structured Investment. This presents certain risks relating to currency conversions if the Client’s investment and other financial activities are denominated principally in a currency (the “**Client’s Currency**”) other than the specified settlement currency. These include, among other things, the risk that foreign exchange rates may change significantly and/or suddenly (including changes due to devaluation of the specified settlement currency or revaluation of the Client’s Currency) and the risk that government or monetary authorities with jurisdiction over the specified settlement currency and/or the Client’s Currency may impose or modify exchange controls (as some have done in the past). An appreciation in the value of the Client’s Currency relative to the specified settlement currency would decrease the Client’s Currency equivalent yield on and value of the Structured Investment. As a result, Clients may receive amount(s) in the Client’s Currency that are lower than expected.

**3.10** Clients may receive physical delivery of certain specified asset(s) in lieu of payment of cash amount(s)

Where the terms and conditions of a Structured Investment include the right of the Bank to terminate the Structured Investment at their maturity by delivering certain specified asset(s), the Client may receive such specified asset(s) rather than monetary amount(s) upon termination. The Client will, therefore, be exposed to the issuer of such specified

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asset(s), where applicable, and the risks associated with such specified asset(s). The Client should not assume that he or she will be able to sell such specified asset(s) for a specific price after the termination of the Structured Investment, and in particular, not for an amount equal to or greater than the initial amount invested or the price, level or value of the Reference Asset(s) on any date. Under certain circumstances, the specified asset(s) may have a very low value or may be worthless. The Client may be subject to laws and/or regulations that may impose restrictions, conditions and/or requirements in respect of taking delivery and/or holding of such specified asset(s). The Client will be responsible for ensuring compliance with any laws and/or regulations applicable to them. The Client may be subject to certain documentary or stamp taxes or settlement and custody charges in relation to the delivery, holding and/or disposal of such specified asset(s). The Client may also need to hold certain account(s) (e.g. foreign securities accounts) in order to take delivery and/or hold such specified assets.

### 3.11 Clients' obligation to pay expenses in relation to Structured Investments subject to physical delivery

Clients subject to physical delivery must pay all expenses relating to the delivery and holding of the specified asset(s) to be delivered. No delivery of the specified asset(s) will be made until all such expenses have been paid to the satisfaction of the Bank. Under the terms and conditions of the Structured Investments, Clients will be required to pay all such expenses. It may also be necessary for Clients to pay on-going custody charges after the delivery has been made.

### 3.12 Risk of leveraged exposure

#### 3.12.1 Leverage embedded within Structured Investments

Leverage involves the use of a number of financial techniques to increase the exposure to the Reference Asset(s), and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Reference Asset(s) move in the anticipated direction, it will conversely magnify losses when the Reference Asset(s) move in the non-anticipated direction. If a Structured Investment employs leverage, the Client should note that the Structured Investment will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of similar Structured Investments that are not leveraged. Clients should therefore only invest in a leveraged Structured Investment if they fully understand the effect of leverage. If the amount(s) payable or specified asset(s) deliverable under a Structured Investment are determined in conjunction with a multiplier greater than one, or by reference to some other leverage factor, the effect of changes in the prices, levels or values of the Reference Asset(s) on amount(s) payable or specified asset(s) deliverable under the Structured Investments will be magnified.

#### 3.12.2 Leverage obtained separately from Structured Investments

Further, a Client must be aware that where leverage is obtained through a loan or other credit facility separate from a Structured Investment, the Client will always have an obligation to repay such loan or credit facility (including interest) regardless of the amounts paid (if any) to the Client under the Structured

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Investment. This means such a loan or credit facility would still need to be repaid by the Client even if the Client loses the entire amount invested in the Structured Investment.

### 3.13 Certain risks in Structured Investments that include an averaging feature

The calculation of the performance of a Reference Asset in respect of a Structured Investment may be based on the average of the price or level or other measure of such Reference Asset over two or more scheduled times and/or dates. The effect of such averaging may be that the performance of the Reference Asset will not increase proportionately if the price or level or other measure of the Reference Asset sharply increases towards the end of the term or temporarily during the term. Accordingly, the effect of the averaging feature may be to lead to a reduced performance (and therefore a reduced return on the Structured Investment) than if the performance of the Reference Asset was measured at a single valuation time and/or on a single valuation date. On the other hand, a temporary decrease of price or level or other measure of the Reference Asset will not lead to a proportionate decrease of the performance of the Reference Asset if the price or level or other measure of the Reference Asset has been correspondingly higher on the remaining valuation times and/or dates.

### 3.14 Discretion exercised by the Calculation Agent or the Bank may have an adverse impact on the Structured Investments

The terms and conditions of a Structured Investment provide for the Calculation Agent or the Bank to make calculations, determinations, elections and/or adjustments in relation to the Structured Investment that may impact on the Structured Investments, including, among others, amount and/or timing of payment(s) and/or delivery(ies) under and/or the timing of termination of the Structured Investments. Any adjustment may also include substitution of any Reference Asset. As a result of the exercise of such discretion, the timing of the termination of the Structured Investments and/or the method of settlement upon termination may be affected. Any decision made by the Calculation Agent or the Bank may have an adverse impact on the return and/or value of the Structured Investments, result in an increased risk of the Client losing all or part of his investment and/or a delay in the Client receiving payment(s) and/or delivery(ies) under the Structured Investment.

The Calculation Agent or the Bank, when exercising any of its discretion, will not take into account the Client's specific circumstances and/or tax or other consequences of such adjustments in any particular jurisdiction.

### 3.15 Bank Early Termination Option

Where the terms and conditions of a Structured Investment provide that the Bank has the right to call for the early termination of (a "Bank Early Termination Option") a Structured Investment, this will generally mean that (i) the Client will not be able to participate fully (or some cases partially) in any future upside performance of the Reference Asset(s) following the early termination and (ii) the value of the Structured Investments may be limited.

One situation in which the Bank may be expected to exercise a Bank Early Termination Option is when its cost of borrowing is lower than the interest rate on the Structured Investments.

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A Bank Early Termination Option is likely to limit the value of the Structured Investment. During any period when the Bank may elect to early terminate the Structured Investment, the value of the Structured Investment generally will not rise substantially above the amount at which they can be early terminated. This also may be true prior to any termination period.

- 3.16** Timing of valuation(s), payment(s), delivery(ies), settlement and/or termination may be affected by disruption and/or adjustment events

The terms and conditions of a Structured Investment provide that the Calculation Agent or the Bank may determine that an event which amounts to a disruption has occurred in relation to the Structured Investment on any date relevant for valuation(s), payment(s), delivery(ies), settlement and/or termination under the Structured Investment. In such an event, the Calculation Agent or the Bank may, among other potential consequences, make necessary adjustment(s) or postponement(s) to the affected dates. The timing of such dates (as scheduled or as so postponed or adjusted) or any other consequential adjustment may adversely affect the amount(s) payable and/or specified asset(s) deliverable under and/or the value of the Structured Investment. Any such adjustment or postponement may also result in the delay of the date(s) of payment, delivery and/or termination of the Structured Investment.

Clients should review the terms and conditions of the Structured Investment and familiarise themselves with the specific circumstances in which such disruption and/or adjustment events may arise and the potential consequences of such events.

- 3.17** Timing of settlement and/or termination and/or method of settlement may be affected by disruption events

Where a Structured Investment provides for physical delivery, the Calculation Agent or the Bank may determine that a Settlement Disruption Event has occurred. A Settlement Disruption Event is an event beyond the control of the Bank, as a result of which, in the opinion of the Calculation Agent, delivery of the specified asset(s) by the Bank is not possible or commercially practicable. Any such determination may result in any physical settlement in respect of the Structured Investment being postponed until the Settlement Disruption Event is no longer continuing. The Bank may also elect in its sole and absolute discretion to pay a cash amount equal to the fair market value of the specified asset(s) instead of delivering the specified asset(s).

## 4 Conflicts of interest

- 4.1** Discretion exercised by the Calculation Agent or the Bank

Potential conflicts of interest may exist between the Standard Chartered Group and/or the Calculation Agent and the Clients, including with respect to certain discretions exercised by the Calculation Agent or the Bank, in their sole and absolute discretion, without regard to the circumstances of the Clients, pursuant to the terms and conditions of a Structured Investment. Please refer to Paragraphs 3.14 and 3.15 regarding how an exercise of discretion by the Calculation Agent or the Bank may affect a Structured Investment.

- 4.2** Information relating to Reference Asset(s)

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The Standard Chartered Group may, prior to or at the Start Date or at any time hereafter, be in possession of information in relation to a Reference Asset that is or may be material in the context of a Structured Investment and may or may not be publicly available to the Clients. The Standard Chartered Group is not under any obligation to disclose, and will not in fact disclose, to the Clients any such information. Clients must therefore make an investment decision based upon their own due diligence and transact in Structured Investments in the knowledge that non-public information which the Standard Chartered Group may have will not be disclosed to Clients.

The Standard Chartered Group is not under any obligation to: (i) conduct any due diligence, investigation or performance review of any issuer of any Reference Asset; (ii) review on the Client's behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of the any issuer of any Reference Asset; or (iii) other than as may be required by applicable laws and regulations relating to a Structured Investment, make available any public or non-public information relating to any issuer of any Reference Asset linked to a Structured Investment.

#### 4.3 Business relationships with or in relation to an issuer of any Reference Asset

The Standard Chartered Group and/or the Calculation Agent may have existing or future business relationships with or in relation to any issuer of any Reference Asset (including, but not limited to, lending, depositary, risk management, advisory, underwriting and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for any Client.

#### 4.4 Hedging

In the ordinary course of its business, including, without limitation, in connection with its proprietary trading, market-making activities, underwriting or advisory activities, the Standard Chartered Group may effect transactions for its own account or for the account of its Clients and hold long or short positions in Structured Investments, any related Reference Asset(s) or derivatives and/or other transactions. In addition, the Standard Chartered Group may enter into one or more hedging transactions with respect to a Structured Investment, any related Reference Asset(s) or derivatives. Such hedging transactions may affect the liquidity or value of Structured Investments and/or any related Reference Asset(s) and could be adverse to the interests of relevant Clients.

## 5 Legal risks

### 5.1 Change of law

The terms and conditions of the Structured Investments are prepared based on the Governing Law of the Agreement. No assurance can be given as to the impact of any possible judicial decision or change to the Governing Law or administrative practice after the Start Date.

### 5.2 There may be regulatory consequences to Clients who invest in Structured Investments

There may be regulatory and other consequences associated with the investment by Clients in Structured Investments. For example, a Client may be required to be licensed by

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a government authority in order to invest in Structured Investments. Each Client must conduct his own investigation into his regulatory position with respect to the potential investment in Structured Investments, and the Bank does not assume any obligation or liability whatsoever to such Client in such regard.

## 6 Risks associated with Structured Investments linked to baskets comprising various Reference Assets

### 6.1 Exposure to performance of a basket and its underlying constituents

Where a Structured Investment references a basket of Reference Assets, the Clients are exposed to the risk and the performance of such basket as a whole and each Reference Asset in the basket.

### 6.2 A high correlation of basket constituents may have a significant effect on amount(s) payable or specified asset(s) deliverable

A high correlation of Reference Assets in a basket may have a significant effect on the amount(s) payable and/or specified asset(s) deliverable under a Structured Investment. Correlation of Reference Assets in a basket indicates the level of interdependence of the performance of the individual Reference Asset in the basket. If, for example, all of the Reference Assets in the basket are from the same sector and the same country, a high positive correlation might exist. Past rates of correlation may not be a reliable indicator of future rates of correlation: investors should be aware that, even where Reference Assets in a basket may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the Reference Assets in a basket are subject to high correlation, any event which affects the Reference Assets in the basket will result in an exaggerated effect on the performance of the Structured Investment linked to such basket.

### 6.3 Effect of weighting of each Reference Asset in a basket

Clients must be aware that the negative performance of a single Reference Asset in a basket may outweigh the positive performance of one or more other Reference Asset(s) in the basket and cause the performance of the basket as a whole to be negative.

A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value(s) of the Reference Asset(s) in the basket with higher weighting(s).

### 6.4 A change in composition of a basket may have an adverse effect on basket performance

Where a Structured Investment grants the Calculation Agent or the Bank the right, in certain circumstances, to adjust the composition of the Reference Assets in a basket, Clients should be aware that any replacement Reference Asset in the basket may perform differently from the original Reference Asset in the basket. Such replacement may have an adverse effect on the performance of the basket.

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## 7 Risks related to the structure of a particular Structured Investment

A Client should be aware that, depending on the terms and conditions of a Structured Investment, (i) the Client may not receive any coupon, other amount or specified asset or only a limited amount of coupon, other amount or specified asset, (ii) the payment of any coupon or other amount or delivery of any specified asset may occur at a different time than scheduled and (iii) the Client may lose all or a substantial portion of the initial investment amount.

The amount(s) payable and/or the specified asset(s) deliverable under a Structured Investment will be dependent upon the performance of Reference Asset(s). Accordingly, an investment in a Structured Investment may bear similar risks to a direct investment in the Reference Asset(s).

Changes to the performance or other attributes of Reference Asset(s) cannot be reliably predicted. Although historical data may be available, historical performance is not a reliable indicator of future performance. In addition, the performance or other attributes of Reference Asset(s) may be subject to significant changes that may not be in line with changes in interest rates or other Reference Asset(s) and the timing of changes may affect the actual return of a Structured Investment to the Client, even if the average performance or general attributes of Reference Asset(s) are consistent with their expectations.

The value of a Structured Investment may be volatile and may depend on the time remaining to maturity and the volatility of the relevant Reference Asset(s).

### 7.1 Currency-Linked Structured Investments

#### 7.1.1 Currency-Linked Structured Investments in general

The currency exchange rate(s) to which a Currency-Linked Structured Investment is linked will affect the nature and value of the return on the Currency-Linked Structured Investment. The performance of currency exchange rates are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic and political factors in one or more jurisdictions, including, among other things, inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, among other things, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect foreign exchange rates and the availability of a specified currency.

#### 7.1.2 The Standard Chartered Group is a foreign exchange dealer and there may be conflicts of interest between the Standard Chartered Group and the Client

Clients should note that the Standard Chartered Group is a regular participant in the foreign exchange market and in the ordinary course of its business may effect

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transactions for its own accounts or for the accounts of its Clients and hold long and short positions in currencies and related derivatives, including in the currency or currencies that are linked to a Currency-Linked Structured Investment. Such transactions may affect the relevant foreign exchange rates, the liquidity and/or value of the Currency-Linked Structured Investment and could be adverse to the interests of the Client. The Standard Chartered Group has no duty to enter into such transactions in a manner which is favourable to the Clients.

### 7.1.3 Currencies of emerging market jurisdictions pose particular risks

A Client investing in a Currency-Linked Structured Investment linked to one or more emerging market currencies should note that emerging market currencies may experience greater volatility and less certainty as to the future rate of exchange as against other currencies.

## 7.2 Commodity-Linked Structured Investments

### 7.2.1 Commodity prices may be more volatile than other asset classes, making investments in Commodity-Linked Structured Investments riskier than other Structured Investments

Trading in commodities may be speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and foreign exchange rates and changes and suspensions or disruptions of market trading activities in commodities and related contracts.

### 7.2.2 Commodity-Linked Structured Investments may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or “under-regulated” exchanges

Commodities comprise both (i) physical commodities, which need to be stored and transported, and which are generally traded at a spot price, and (ii) commodity contracts, which are agreements either to (a) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period (which may be referred to as a delivery month), or to (b) make and receive a cash payment based on changes in the price of the underlying physical commodity.

Commodity contracts (such as futures or options) may be traded on regulated specialised futures and options exchanges. Commodity contracts may also be traded directly between market participants off-exchange or “over-the-counter” on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such “over-the counter” contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts.

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**7.2.3** Commodity-Linked Structured Investments which are linked to commodity futures contracts will carry certain unique risks and may provide a different return than Commodity-Linked Structured Investments linked to the relevant physical commodity

The price of a futures contract on a commodity may be at a premium or at a discount to the spot price of the underlying commodity. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, Commodity-Linked Structured Investments which are linked to commodity futures contracts may provide a different return than Commodity-Linked Structured Investments linked to the relevant physical commodity.

Investments in futures contracts involve certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain commodity exchanges limit fluctuations in such futures contract prices pursuant to daily limits on price. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless holders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Any such losses in such circumstances could have a negative adverse effect on the return of any Commodity-Linked Structured Investments linked to the affected futures contract.

A Client investing in Commodity-Linked Structured Investments linked to the price of commodity futures contracts do not participate in the interest yields that may be available in connection with the collateralisation of a direct investment in commodity futures contracts.

**7.2.4** Additional risks in relation to the “rolling” of commodity futures contracts (including commodity futures contracts which are components of a commodity index)

In the case of Commodity-Linked Structured Investments linked to a commodity contract, the referenced commodity contract will simply be changed without liquidating or entering into any positions in the commodity contracts. Accordingly, the effects of “rolling” on a direct investment in commodity futures contracts or a commodity index do not apply directly on the Reference Asset and the Commodity-Linked Structured Investments. Thus, Clients will not participate directly in possible effects of “rolling”. However, other market participants in commodity futures contracts or commodity index sponsors may act in accordance with the mechanism of “rolling” and such behaviour may have an indirect adverse impact on the value of the Reference Asset of the Commodity-Linked Structured Investments.

**7.2.5** Commodity Accounts

If Commodity Account(s) apply to a Commodity-Linked Structured Investment, the Client should note that physical settlement under the Commodity-Linked Structured Investment may occur by way of a transfer of the specified asset(s) to the Commodity Account(s). Any specified asset(s) delivered in such manner will be

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reflected in the Commodity Account(s) as a credit balance of such specified asset(s).

The only method for a Client to withdraw such balance of specified asset(s) is to convert such balance with the Bank at the Spot Conversion Rate which is determined by the Calculation Agent in its sole discretion. The Client cannot obtain physical delivery of the specified asset(s) in any form and is not entitled to any rights, title or interest to such specified asset(s). The Client cannot transfer or convert such balance of the specified asset(s) to any party other than the Bank. The Client may receive less than what the specified asset(s) reflected in the balance subject to conversion are worth in the open market if the Spot Conversion Rate is lower than the market price of such specified asset(s). If a Commodity in a Client's Commodity Account is sold to the Bank, the Client may receive less than its initial investment if the Spot Conversion Price is less than the price at which the relevant Commodity was acquired.

### 7.3 Index-Linked Structured Investments

#### 7.3.1 Index-Linked Structured Investments in general

Indices to which the Index-Linked Structured Investments are linked may comprise a synthetic portfolio of shares, commodity contracts or other components, and as such, the performance of an index is dependent upon the factors relating to the relevant components that comprise such index, which may include interest and price levels on the capital markets, currency developments, economic or political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

Index-Linked Structured Investments are not in any way sponsored, endorsed, sold or promoted by the relevant index sponsor(s) and the index sponsor(s) make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant index or indices and/or the figure(s) at which the relevant index or indices stand at any particular time on any particular day or otherwise. The index sponsor(s) shall not be liable (whether in negligence or otherwise) to any person for any error in the relevant index or indices and the index sponsor(s) shall not be under any obligation to advise any person of an error therein.

An index may be a property index referencing certain property price data which will be subject to market price fluctuations. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Index-Linked Structured Investment. Or, an index could be a proprietary index referencing an index sponsor's proprietary strategic algorithm or quantitative strategy. A proprietary index may not perform as expected or predicted by

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underlying strategic algorithm or quantitative strategy. The index sponsor of such an index is not responsible or liable for the performance of the underlying strategic algorithm or quantitative strategy. Further, the historical results and/or backtesting data corresponding to a proprietary index do not guarantee, and are not reliable indicators of, future performance of the proprietary index.

The rules of an index or indices may be complex and may also contain provisions that may in certain circumstances adversely affect the Client's investment in an Index-Linked Structured Investment. The applicable Confirmation for the Index-Linked Structured Investment will contain information relating to the index or indices (which may include the rules for and additional risk considerations in relation to such index or indices).

### 7.3.2 Adjustment to index or indices

If an index adjustment event (as described in the terms and conditions of the relevant Index-Linked Structured Investments) occurs, the Calculation Agent or the Bank may make such adjustments as it determines appropriate (in its sole discretion) to the terms of the Index-Linked Structured Investments or terminate the Index-Linked Structured Investments. Such action may have an adverse effect on the amount(s) payable and/or specified asset(s) deliverable under the affected Index-Linked Structured Investments.

### 7.3.3 Returns on the Index-Linked Structured Investments do not reflect direct investment or ownership rights in underlying shares or other components comprising the index or indices

The return on an Index-Linked Structured Investment may not reflect the return a Client would realise if the Client actually owned the components of the relevant index or indices. For example, if the components of the index or indices are shares, the Client will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the relevant index or indices take(s) such dividends into account for purposes of calculating the relevant level. Similarly, the Client will not have any voting rights in the underlying shares or any other components of the relevant index or indices. Accordingly, the Client who invested in an Index-Linked Structured Investment may realise a lower return upon termination of such Index-Linked Structured Investment than the Client would have realised if the Client had invested in the components of the relevant index or indices directly.

### 7.3.4 A change in the composition or discontinuance of an index could adversely affect the value of Index-Linked Structured Investments

In some cases, the index sponsor can add, delete or substitute the components of an index or make other methodological changes that could change the level of one or more components. The changing of components of any index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the performance of an Index-Linked Structured Investment. The index sponsor may also alter, discontinue or suspend calculation or dissemination of such index. The index sponsor will have no involvement in the offer of any Index-Linked Structured

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Investment and will have no obligation to any Client investing in any Index-Linked Structured Investment. The index sponsor may take any actions in respect of an index without regard to the interests of the Clients, and any of these actions could adversely affect the performance of the Index-Linked Structured Investments.

#### 7.3.5 Commodity Index-Linked Structured Investments

Commodity Index-Linked Structured Investments may be linked to indices that are not commonly utilised or have been recently developed. The lack of a trading history may make it difficult to anticipate the volatility or other risks to which the Structured Investment is subject. In addition, there may be less trading in such indices or instruments underlying such indices, which could increase the volatility of such indices and decrease the value of or return on the Index-Linked Structured Investments relating to them. Risks highlighted above relating to the 'rolling' of commodity futures contracts (where such contracts are components of a commodity index) would also apply.

#### 7.3.6 An entity within the Standard Chartered Group may be the index sponsor of an index which is referenced by an Index-Linked Structured Investment

Clients should note that an Index-Linked Structured Investment may be referenced to an index or indices developed, owned, calculated and maintained by an entity in the Standard Chartered Group (including, but not limited to, proprietary indices). Under the rules of such index or indices, the Standard Chartered Group as Index Sponsor may be given wide discretion in the calculation and compilation of the index or indices and any exercise of such discretion by the Standard Chartered Group may be adverse. In such circumstances, the Standard Chartered Group as Index Sponsor would not be under any obligation to take into account the interests of the Clients in relation to any Index-Linked Structured Investments that reference such index. In such capacity as Index Sponsor, the Standard Chartered Group will have the authority to make determinations that could materially and adversely affect the value of the Index-Linked Structured Investments.

### 7.4 Equity-Linked Structured Investments

#### 7.4.1 Equity-Linked Structured Investments in general

The amount(s) payable and/or specified asset(s) deliverable under an Equity-Linked Structured Investment may depend upon the performance of equity securities, exchange traded funds ("ETF") and exchange traded notes ("ETN"), to which the Equity-Linked Structured Investment are linked. The performance of such equity securities is dependent upon, among other things, macroeconomic factors, such as interest and price levels of capital markets, currency developments, economic and political factors and company specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

#### 7.4.2 Risks relating to ETFs

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ETFs are closed-ended collective investment schemes, traded as shares on stock exchanges, and typically replicate a stock market index, market sector, commodity or basket of assets.

ETFs can broadly be grouped into two types. Traditional ETFs track, replicate and correspond to the performance of an underlying index. Synthetic ETFs mimic the behaviour of traditional ETFs through the use of derivatives such as swaps and performance-linked notes.

ETFs are subject to tracking error risk, namely the disparity between the performance of the ETF as measured by its net asset value and the performance of the underlying index. Tracking error may arise due to various factors. These include, failure of the ETFs tracking strategy, the impact of fees and expenses, foreign exchange differences between the base currency or trading currency of an ETF and the currencies of the underlying investments, or corporate actions such as rights and bonus issues by the issuers of the ETFs underlying securities.

Trading on an Exchange does not, in and of itself guarantee that a liquid market exists for an ETF. A higher liquidity risk is also involved if an ETF invests in financial derivative instruments that not actively traded in the secondary market and where price transparency is not as easily accessible as physical securities. This may result in a bigger bid and offer spread. Further, an ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the underlying equity, commodity, asset or index that the ETF is designated to track. Synthetic ETFs typically invest in over-the-counter derivatives issued by counterparties. Such a synthetic ETF may suffer losses potentially equal to the full value of the derivatives issued by the counterparty upon its default. Synthetic ETFs are therefore exposed to both the risks of the securities that constitute the index as well as the credit risk of the counterparty that issues the financial derivative instruments for replicating the performance of the index.

#### 7.4.3 Risks relating to ETNs

An Equity-Linked Structured Investment may be linked to ETNs that are structured financial instruments such as asset-backed securities, mortgage-backed securities, collateralized loan obligation securities, credit-linked securities and other structured securities. The return on such ETNs may be linked to and/or backed by any items and/or assets. Such ETNs may be subject to a high degree of complex risks and may lose all or substantially all of their value upon the occurrence of certain event(s). The performance of ETNs may be affected by numerous factors, including, without limitation, supply and demand relationships, general asset and/or market conditions, interest rates, currency exchange rates, the financial situation of each relevant obligor and each reference entity, changes in political and economic conditions generally and/or changes in specific industry segments, changes in governmental rules, regulations and fiscal policies, financial mismanagement, war or acts of violence or force majeure.

Amounts payable under certain ETNs may depend upon the performance of one or more underlying or referenced items and/or assets and/or the occurrence or non-occurrence of events which may include, without limitation, credit events and other risk related events.

#### **WARNING:**

**THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

THIS RISK DISCLOSURE STATEMENT DOES NOT DISCLOSE ALL THE RISKS AND SIGNIFICANT ASPECTS OF THE INVESTMENTS. THE CLIENT IS ADVISED TO STUDY CAREFULLY THE TERMS AND CONDITIONS OF THE RELEVANT INVESTMENT AND SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER ADVICE, AS APPROPRIATE, BEFORE ENTERING INTO ANY INVESTMENT.

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