

General Investment Services Terms & Conditions

The following terms and conditions shall apply to investments made by Accountholders through The Hongkong and Shanghai Banking Corporation Limited ("HSBC"):

1. We may effect trades or transactions or provide any services hereunder for You with counterparties or through brokers or agents (including but not limited to Custodians, sub-Custodians, depository agents, clearing house) of Our own choice (including without limitation to the foregoing, any Group Office) upon such terms and conditions as We may deem fit and You shall be bound by the same. We shall not be responsible for any act or omission of any such counterparties, brokers or agents, save for any negligence or willful default on Our part in the selection and appointment of such counterparties, brokers or agents. In particular but without limitation, You shall bear the risk of the bankruptcy or insolvency of any counterparty, broker or agent with whom a transaction on any account is effected or through whom any service is provided.
2. We may charge Annual Service Fees from you to cover the administrative costs incurred by Us for investment services provided to You. The Annual Service Fee will be collected pro-rata on every coupon payment while the securities are outstanding. You may refer to your Relationship Manager for the latest Investment Tariffs.
3. We may pay to, or receive and retain from, any counterparty, broker, agent or from another company within the HSBC Group charges, commissions, fees or rebates (as the case may be) in any form in respect of any trades or transactions effected or services provided for You.
4. We shall be entitled at Our discretion to deal as principal on Our own account in relation to any transaction notwithstanding that We are also acting as Your agent without being liable to account for any profit derived by Us.
5. All sums payable by You to Us must be made in the currency specified by Us, in freely transferable and immediately available funds and in the manner customary for payments in the required currency unless otherwise specified by Us.
6. All payments must be made to Us without any set-off, counter-claim, withholding, deduction or condition of any kind unless any such withholding or deduction is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If any amount is so required to be deducted or withheld, the amount payable to Us will be increased so that the net amount actually received by Us will equal the full amount We would have received had no such withholding or deduction been required.
7. All indebtedness will be repayable on demand.
8. In addition to any general lien or other similar rights to which We may be entitled by law or otherwise, We have the right (but are not obliged) at any time and without prior notice to You, or any other person, to:
 - a. combine or consolidate all or any of your accounts with all liabilities to Us;
 - b. set-off or apply any indebtedness against any of Our obligation owed to the You;
 - c. transfer any sum or sums standing to the credit of any one or more of Your accounts in or towards satisfaction of any of the indebtedness; and/or
 - d. for the purpose of exercising any rights under (i) and/or (ii) above, sell or otherwise dispose of any of Your Property on such terms and in such manner as We may determine, regardless of the currency, place of payment or any account or booking office of any indebtedness. Where Your liabilities to Us and/or any other branch or contingent or future, Our liability to You to make payments of any sum or sums standing to the credit of any account shall to the extent necessary to cover such liabilities be suspended until the happening of the contingency of the future event. Where any set-off, combination or consolidation requires the conversion of one currency into another, We are entitled to convert either the currency for which You are liable or for which We are liable, at the applicable market exchange rate selected by Us on the relevant date. Where any indebtedness is unascertained or unliquidated, We may in good faith estimate the indebtedness and set-off in respect of the estimate, subject to the relevant party accounting to the other when the indebtedness is ascertained or liquidated.

9. Without prejudice to any other of Our rights to recover sums due from You, We shall have a lien on all of Your Property until all indebtedness is fully paid.

10. If on any date there are any amounts which would otherwise be payable hereunder in the same currency by Us to You and You to Us, if We so determine and direct on such date, each party's obligation to make payment of any such amount will be satisfied and discharged and, (if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party), replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay the other party the excess of the larger aggregate amount over the smaller aggregate amount.

11. If any document dispatched by You to Us, including any instruction, confirmation, contract or transaction, is for any reason undated, the time and date shown on Our time chop as imprinted on such document at the time of its recipient shall be conclusive evidence of the time and date of such document.

12. Under certain market condition, You may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move" or trading is suspended by the relevant exchange. In addition, there may not be a ready market for certain investments and market traders may not be prepared to deal in certain investments. Some investments may have to be held to maturity, for instance, some index options can only be exercised on the expiry date, while other index may be exercised at any time before expiry. Proper information for determining the value of certain investments may not be available.

13. Any trading in securities carries investment risks. In particular the price or value of any securities can and does fluctuate and may even become valueless, resulting in possible loss not only of profit but also of all or part of the principal sums invested. There is an inherent risk that losses may be incurred rather than profit made as result of buying and selling securities. Past performance of any investment is not necessarily indicative of future performance.

14. If the issuer of any securities or other instrument or a trading counter-party becomes unable to meet its obligations then such investments may become worthless and any trading costs and profits irrecoverable.

15. If an investment is made in any asset or issued by a party subject to foreign laws or transactions made on markets in other jurisdictions, including markets formally linked to a domestic market, recovery of the sums invested and any profits or gains may be reduced, delayed or prevented by exchange controls, debt moratorium or other actions imposed by the government or other official bodies. Before You trade You should enquire about any rules relevant to Your particular transactions and if Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where Your transactions have been effected. You should obtain details about the different types of redress available in both Your home jurisdiction and other relevant jurisdictions before You start to trade.

Where trading contracts or other investments are denominated in currencies other than Your primary reference currency, or where You convert funds from another currency upon making an investment, there is the risk that if the foreign exchange markets move against You, then upon maturity or any earlier dealing the net proceeds converted into Your primary reference currency, or the currency from which the initial funds were converted (as the case may be), may be significantly less than the equivalent figure on the date the contract was entered into or the investment made, and that any income or gains may be entirely negated. Where Your indebtedness to Us is secured by assets denominated in a currency different from the currency of the indebtedness, the foreign exchange market may move against You and the risk of loss can be substantial. In the case of foreign currency deposits, the net return on Your foreign currency deposit(s) will depend on market conditions prevailing at the time of maturity. In this regard, the You may suffer loss as a result of depreciation of the value of the currency paid or as a result of foreign exchange controls imposed by the country issuing the currency. Such loss may offset the net return on Your deposit(s) and may result in losses to such deposit(s). Repayment or payment of amounts due to You may be delayed or prevented by exchange controls or other actions imposed by governmental or regulatory bodies.

16. Transactions may be traded off-exchange or on an over-the-counter basis. Non-exchange traded or "non-transferable" instruments may not be readily realizable and are not regulated by the rules of any exchange. Situations may arise where no market traders are prepared to deal in them or no proper information may be available to determine their value. Sometimes it may not be possible to obtain a price quotation. Minimum transaction amounts may be imposed and/or changed by traders from time to time.

17. Income or profit from trading in any investments may be subject to withholding tax or capital gains tax or other tax of the country of the issue or the country in which the investments are traded. In such event, unless the issuer agrees to gross-up the income or profit received by the investors will only receive the interest payment or proceeds of sale or redemption of the investment less the withholding tax or capital gains tax or other tax.

18. We have no obligation to make a market price to You if Your favorable price level cannot be obtained or there is no buyer in the market, nor to buy back any securities or other investments from You unless We have written an option requiring Us to do so in certain circumstances.

19. Fixed income instruments may be issued with fixed, floating or zero interest rates. Instruments bearing fixed interest payments or zero coupon instruments issued at a discount will be adversely affected by rising market interest rates and the longer the term of the instrument, the greater the interest rate risk or benefit from the movement of the market interest rate.

20. Before You begin to trade, You should determine all commissions, fees and other charges for which You will be liable. These charges will affect Your net profit (if any) or increase the Your loss.

21. Trading in foreign exchange and/or commodities is entirely speculative and carries inherent risks not ordinarily experienced in less volatile investment arrangements. Foreign exchange markets and/or commodity markets may move abruptly or unpredictably and substantial losses may be incurred. The risk of loss from leveraged foreign exchange trading can be substantial.

22. Currency option-linked investments are inherently speculative in nature and carry risks not ordinarily experienced in single currency investments. In particular foreign currency market movements are unpredictable and may result in You receiving, at Our determination, on maturity of the investment an amount in the pre-selected currency (the alternative currency) which, if converted at the prevailing exchange rate back to Your original investment currency (the base currency), is less than the agreed amount in the base currency payable upon maturity. Other cross-currency arrangements carry similar risks.

23. Should You wish to invest in certain debt instruments and any synthetic instruments in respect thereof (including, but not limited to government treasury bills, commercial paper issued or guaranteed by banks or institutions, government bonds and notes, bankers acceptances and bills of exchange) ("Instruments") and whether We purchase or sell the Instruments from or to You as principal or whether we act as agent, You should also pay special attention to the following further factors:

- a. Instruments may be issued with fixed, floating or zero interest rates. Instruments bearing fixed interest payments or zero coupon instruments issued at a discount will be adversely affected by rising market interest rates and the longer the term of the Instrument, the greater the interest rate risk or benefit from the movement of the market interest rates.
- b. Floating rate instruments are issued with coupons based on a short-term rate index and are reset periodically. Interest rates are usually fixed at the beginning of each interest period and interest payments are effected at the end of that interest period. While fluctuations in the short-term interest rates will affect the price of floating rate notes, the impact is generally less pronounced when compared to that on bonds which have fixed or zero interest and longer maturities.
- c. Market movements are unpredictable and unless the Instrument is held to maturity it may not be possible to realize the Instrument either at a reasonable price or at all.
- d. In circumstances where Instruments constitute synthetic products which have resulted in different currencies, investments and interest terms to that of the underlying Instrument itself, the Instruments which may be so involved may mean additional risk or loss to You in the event that there are defaults or problems with the relevant underlying Instruments.
- e. The purchase of the whole or part of a debt Instrument which is issued by an issuer from, or denominated in a currency of, an emerging market country may expose You to additional risks and requires careful and independent assessment by You. Emerging markets may include low and medium income countries or countries whose markets' regulatory systems or financial infrastructures are not fully developed. Further, while such investments can yield high gains, there may be additional risks, including without limitation sovereign risk, issuer risk, liquidity risk, foreign exchange controls and high market volatility.

- f. Swap transactions risk. Swap transactions involve the obligation to exchange revenue flows of different types. Movements in exchange rates, interest rates or the market price of the underlying instruments of the swap transaction may significantly affect the Your position. Movements in exchange rates, interest rates or the market price of the underlying instruments of the swap transaction can also be affected by various factors, including inflationary fears and weakening currency. There may not be any logical reason for markets to act in a certain way, making it difficult to anticipate such movements.
- g. Options risk. Trading in options is not suitable for many members of the public and You should carefully consider whether trading in options is appropriate for You bearing in mind the following risks:
- i. Risk of loss
The risk of loss in trading options can be substantial. Options are wasting assets, which carry special risks. You should be familiar with the type of option (ie, put or call) which You contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for Your position to become profitable, taking into account the premium and all transaction costs.
 - ii. Nature of option
Buying options involves less risk than selling or writing options, as the option can be permitted to lapse worthless, but the purchaser will suffer a total loss of the premium paid for the option, plus transaction costs. If You are contemplating purchasing deep-out- of-the-money options, You should be aware that the chance of such options becoming profitable ordinarily is remote. If You exercise a call option then You will be exposed to any risks specific to the asset required. Selling or writing an option generally entails considerable greater risk than purchasing options and if You sell or write an option, You accept a legal obligation to purchase or sell the underlying asset if the option is exercised against You. Although the premium received by You is fixed, You may sustain a loss well in excess of that amount. If You are required to sell an asset which You do not already own, the risk of loss is unlimited. Only persons experienced in trading options should contemplate writing uncovered options and then only after obtaining full details of the applicable conditions and potential risk exposure.
 - iii. Premium
Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.
 - iv. Terms and conditions of contracts
You should enquire about the terms and conditions of the specific options which You are trading and associated obligations (e.g., expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of an outstanding options contract (including the exercise price) may be modified by the exchange or clearing house to reflect changes in the underlying interest.
 - v. Suspension or restriction of trading
Market conditions (e.g. illiquidity) and/or the operations of the rules of certain markets (e.g. the suspension of trading in any contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If You have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the option may not exist. The absence of an underlying reference price may make it difficult to judge "fair" value.

24. We do not offer investment or tax advice of any nature and while We may provide information or express opinions from time to time, such information or opinions are not offered as investment or tax advice. You should decide upon any dealing only after having made all such enquiries and assessments as You consider appropriate, and You should place no reliance on Us to give advice or make recommendations.

25. If You are in any doubt about the risks involved in any trading or investment arrangements or You are uncertain of or have not understood any aspect of these risk disclosures, You should seek independent advice from a professional financial adviser. However You should note that the final decision to invest and/or redeem an investment must be based on the Your own judgment without relying on any information given by Us and/or Our representative.

26. If You wish to make an investment, it is Your duty to fully understand the investment and all the risks associated with such investment. These risks include but are not limited to principal risk, market risk, return risk, credit risk,

liquidity risk, currency risk, early redemption by the investor risk, early redemption by the issuer risk, hedging risk, potential conflict of interest risk, calculation risk, re-investment risk, interest rate risk, settlement risk, sovereign risk, tax risk, inflation risk and any other risk as stated in the relevant documents in relation to the investment. It is Your duty to determine whether the investment is suitable for the You in light of Your experience, objectives, financial position and other relevant circumstances before making the investment. Accordingly, You will not hold Us responsible for any losses that You may suffer in connection with Your investment.

27. If You wish to make or redeem an investment, You accept that any price quoted or provided by Us and/or Our representatives on any investment is indicative and no guarantee as to their accuracy is given and no liability is accepted.

28. You understand that all redemption proceeds are based on the prevailing market price at the time of redemption, and You may suffer substantial losses if the prevailing market price is lower than subscription price.

29. You are aware that You may incur fees and charges as a result of (i) the disposal of, or reduction in interest in, an existing investment product; and (ii) the acquisition of, or increase in interest in, a new investment product. Before switching from one investment product to another, it is Your responsibility to find out if You are entitled to free switching (for designated unit trusts) and to consider carefully whether any fees, charges and/or disadvantages arising from the switch may outweigh any potential benefits. In addition, You understand that any decision to switch will be made by You independently.

30. Collection and Use of Customer Information

The following terms used in this Clause 29 shall mean:

“Authorities” includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

“Compliance Obligations” means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

“Connected Person” means a person or entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include, but is not limited to, any guarantor, a director or officer of a company, partners or members of a partnership, any “substantial owner”, “controlling person”, or beneficial owner, trustee, settler or protector of a trust, account holder of a designated account, payee of a designated payment, your representative, agent or nominee, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

“Controlling persons” mean individuals who exercise control over an entity. For a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control.

“Customer Information” means your Personal Data, confidential information, account information, and/or Tax Information or that of a Connected Person, including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group.

“Financial Crime” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any Laws relating to these matters.

“HSBC Group” means The Hongkong and Shanghai Banking Limited, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and “member of the HSBC Group” has the same meaning.

“Laws” include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to HSBC or a member of the HSBC Group.

“Personal Data” means any information, whether recorded in a material form or not, (a) from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual, (b) about an individual’s race, ethnic origin, marital status, age, color, gender, health, education and religious affiliations, (c) referring to any proceeding for any offense committed or alleged to have been committed by such individual, the disposal of such proceedings, or the sentence of any court in such proceedings, and (d) issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers and licenses.

“Services” includes (a) the opening, maintaining and closing of your bank accounts, (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

“Substantial owners” means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“Tax Authorities” means Philippine or foreign tax, revenue or monetary authorities (for example, Her Majesty’s Revenue and Customs).

“Tax Certification Forms” means any forms or other documentation as may be issued or required by a Tax Authority or by us from time to time to confirm your tax status or the tax status of a Connected Person.

“Tax Information” means documentation or information about your tax status and the tax status of any owner, “controlling person”, “substantial owner” or beneficial owner.

“We”, “our” and “us” refer to The Hongkong and Shanghai Banking Limited and/or any member of the HSBC Group.

Reference to the singular includes the plural (and vice versa).

30.1 COLLECTION, PROCESSING AND SHARING OF CUSTOMER INFORMATION

These clauses explain how we will use your information and that of Connected Persons. By using the Services, you agree that we and members of the HSBC Group shall use Customer Information in accordance with such clauses.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- We are legally required to disclose;
- We have a public duty to disclose;
- Our or a third party’s legitimate business purposes require disclosure;
- The disclosure is made with your consent; or
- It is disclosed as set out in this clause.

COLLECTION

We and other members of the HSBC Group may collect, use and share Customer Information. Customer Information may be requested by us or on our behalf or that of the HSBC Group, and may be collected from you directly, from a person acting on your behalf, from other sources (including from publicly available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

PROCESSING

Customer Information will be processed, transferred and disclosed by us and/or members of the HSBC Group in connection with the following Purposes:

- a. the provision of Services and to approve, manage, administer or effect any transactions that you request or authorize,
- b. meeting Compliance Obligations,
- c. conducting Financial Crime Risk Management Activity,
- d. collecting any amounts due and outstanding from you,
- e. conducting credit checks and obtaining or providing credit references,
- f. enforcing or defending our rights, or those of a member of the HSBC Group,
- g. for our internal operational requirements or those of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes),
- h. maintaining our overall relationship with you including marketing or promoting financial services or related products and market research.

SHARING

By using the Services, you agree that we may, as necessary and appropriate for the Purposes, transfer and disclose any Customer Information to the following recipients globally (who may also process, transfer and disclose such Customer Information for the Purposes):

- a. any member of the HSBC Group;
- b. any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- c. any Authorities, in response to their requests;
- d. persons acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);
- e. any party to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services;
- f. other financial institutions, credit reference agencies or credit bureaus, for the purposes of obtaining or providing credit references;
- g. any third party fund manager who provides asset management services to you;
- h. any introducing broker to whom we provide introductions or referrals;
- i. in connection with any HSBC business transfer, disposal, merger or acquisition; wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

CUSTOMER/CLIENT OBLIGATIONS

You agree to inform us promptly, and in any event, within 30 days in writing if there are any changes to Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request from us or a member of the HSBC Group.

You must ensure that every Connected Person whose information (including Personal Data or Tax Information) you (or anyone else on your behalf) provided, or will from time to time provide, to us or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms before their information is provided. You must at the same time advise them that they have rights of access to, and correction of, their Personal Data.

Where:

- you fail to provide promptly Customer Information that we reasonably requested, or
- you withhold or withdraw any consents that we may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you), or
- we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk, we may:
 - a. be unable to provide new, or continue to provide all or part of the, Services to you and reserve the right to terminate our relationship with you;

- b. take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or
- c. block, transfer or close your account(s) where permitted under local Laws.

In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status, including whether you are reportable to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to the appropriate Tax Authority.

You agree that We shall not be liable for any loss or damage arising from or incidental to our use, collection, processing and sharing of Customer Information, and any action we have taken in relation to this Clause 29.

30.2 DATA PROTECTION

Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

30.3 FINANCIAL CRIME RISK MANAGEMENT ACTIVITY

We, and members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds (c) combining Customer Information with other related information in the possession of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status.

Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither we nor any other member of the HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

30.4 TAX COMPLIANCE

You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group. Each Connected Person acting in their capacity as a Connected Person (and not in their personal capacity) also makes the same acknowledgement in their own regard. Certain countries may have tax legislation with extra-territorial effect regardless of your or Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations in any jurisdiction which they may arise including any that may relate specifically to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group.

30.5 MISCELLANEOUS

In the event of any conflict or inconsistency between any of these Terms under Clause 29 and those in any other service, product, business relationship, account or agreement between you and us, these Terms shall prevail. Any consents, authorizations, HSBC requested waivers and permissions that already exist from you in

relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.

If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms in that jurisdiction.

30.6 SURVIVAL UPON TERMINATION

These Terms shall continue to apply notwithstanding their termination, any termination by us or a member of the HSBC Group of the provision of any Services to you or the closure of any account.

31. Bangko Sentral ng Pilipinas (BSP Circular 885)

BSP Circular 885 was implemented on 8 September 2015, outlining the guidelines governing the Segregation of customer funds and securities received by banks that are duly registered by the Securities and Exchange Commission to act as securities broker. Complete details may be found in BSP's official website:

<http://www.bsp.gov.ph/regulations/regulations.asp?id=3493>

In compliance with said regulation, HSBC / HSBC Savings Bank require all customers dealing in securities brokering transactions to open a Broker Customer Account for Settlement effective 1 January 2016.

Subsection X907.2 of the MORB provides the Definition of Terms in line with the guidelines:

- a. Securities Brokering – A securities brokering transaction refers to the act of buying and selling evidences of indebtedness, shares and all types of securities by order of and for the account of customers.
- b. Securities Broker – A securities broker refers to an entity which is duly-registered by the SEC to engage in securities brokering transactions.
- c. Customer – A customer refers to any person from whom, or on whose behalf, a securities broker receives, acquires or holds funds or securities for the account of such person.
- d. Customer Securities – Customer securities refer to (a) securities received by a securities broker in behalf of any customer; (b) securities carried long by a securities broker for the account of any customer; (c) securities sold to, or bought for, a customer, by a securities broker.
- e. Customer Funds – This shall refer to funds received from a customer by a broker under a securities brokering arrangement.
- f. Broker Customer Account for Settlement of Customer Trades – This shall refer to the separate cash account and margin account of the customer which shall be used exclusively for the settlement of securities brokering transactions.
- g. Broker Customer Securities Account – This shall refer to customer securities held in accordance with securities brokering agreements such as securities held as margin and/or prior to the settlement of a customer securities transaction.

Subsection X907.4 further states that Customer Funds received by banks in its brokering activities shall be recorded in the liability account "Broker Customer Account for Settlement of Customer Trades". This account shall be governed by the following guidelines:

- a. All funds under this account are held by the bank in a fiduciary capacity.
- b. It shall be free from any and all liens on the Bank's assets and shall not be held to answer for any liability of the Bank.
- c. It shall not earn interest and will not be included under the coverage of an insured deposit under Republic Act No. 3591, as amended.
- d. It shall also be excluded from the monies/assets for which the BSP requires reserves.


Below are the Terms & Conditions in line with the operation of a Broker Customer Account for Settlement:


- a. Each account package dealing in securities brokering is required to have a Broker Customer Account for Settlement. A brokering transaction will not proceed unless a Broker Customer Account for Settlement is opened for a customer.


- b. Separate Broker Customer Account for Settlement will be created for each currency of securities transacted by the customer.
- c. A Broker Customer Account for Settlement will be used exclusively for brokering transactions. Coupons and maturity proceeds will be credited directly to a customer's appointed settlement account, which may be the customer's regular Savings or Checking Account.
- d. Customer Funds received for the purchase of a security will be credited to the customer's Broker Customer Account for Settlement on settlement date. The account will also be debited on the same day to settle the transaction.
- e. Customer Funds received from the sale of a customer's security will be credited to the customer's Broker Customer Account for Settlement on settlement date. Funds will be transferred the same day to the client's Regular Settlement account.
- f. A Broker Customer Account for Settlement can only be opened or closed by an HSBC / HSBC Savings Bank employee from the Branch, Personal Telephone Banking team, or Personal Internet Banking team. Client cannot open a Broker Customer Account for Settlement via the Personal Internet Banking as this facility is disabled.
- g. The Bank must receive a signed instruction or an instruction via recorded line before a Broker Customer Account for Settlement will be opened. However, the same account may be closed by an HSBC / HSBC Savings Bank employee with or without instructions from the client if the reason is due to administrative reasons.
- h. An ATM or Debit Card will not be issued to the customer relating to the Broker Customer Account for Settlement.
- i. There is no fee or charge to open or maintain a Broker Customer Account for Settlement.
- j. There is no minimum account opening requirement for the Broker Customer Account for Settlement.
- k. The Broker Customer Account may be closed subject to the following:
 - i. Receipt of instructions from the customer to close the account, or
 - ii. The Bank closes the account for administrative reason/s. The customer will be advised prior account closure.
- l. Funds kept in the Customer's Broker Customer Account for Settlement will form part of the Customer's Total Relationship Balance (TRB) requirement.
- m. The Broker Customer Account for Settlement will be included in the customer's monthly statement of account.


CONFORME:

I HAVE READ AND UNDERSTOOD THE ABOVE TERMS AND CONDITIONS, AND HEREBY AGREE ON AND CONSENT TO SUCH TERMS AND CONDITIONS.

_____ 
Customer's signature over printed name
Date:

_____ 
Customer's signature over printed name
Date:

_____ 
Customer's signature over printed name
Date:

_____ 
Customer's signature over printed name
Date:

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