

This Terms of Business (Appointment) set out the nature and scope of the services provided by HSBC Insurance Brokers (Philippines) Inc. (“HIBP”) with regard to your enrolment to The Hongkong and Shanghai Banking Corporation Limited / HSBC Savings Bank (Philippines) Inc. Group Mortgage Redemption Insurance Policy.

About HIBP

HIBP is licensed and principally regulated by the Insurance Commission and the Securities and Exchange Commission (SEC) of the Philippines. As a wholly owned subsidiary of HSBC Philippines, it is likewise subject to supervisory regulation of the Bangko Sentral ng Pilipinas.

HIBP is a member of the HSBC Group of companies. It is ultimately owned by HSBC Holdings plc. HSBC Holdings plc is also the ultimate parent company of a number of insurance companies around the world. We may place insurance with some of those companies from time to time. HSBC Group means HSBC Holdings plc, its subsidiaries and associated companies.

Who do we act for?

As an independent insurance intermediary we act as your agent and as agent of The Hongkong and Shanghai Banking Corporation Limited / HSBC Savings Bank (Philippines) Inc. As such we put the duties we owe to you above our own interests. With this Appointment, you authorize us to negotiate directly with the insurers with respect to any changes or amendments to the existing terms of your insurance contract and in changing, increasing, placing and binding of insurance carried.

We are not an insurer.

Our Respective Responsibilities

Proposal Forms

For certain classes of insurance you may be required to complete a proposal form, questionnaire or similar document. We will provide guidance if needed but we will not complete the document for you. In most cases, the information you provide will be the basis of or form part of the insurance policy.

The provision of incorrect or incomplete information may result in the insurer denying a claim or avoiding the policy (cancelling the policy from inception).

Renewals

You will be provided with renewal terms in accordance with applicable regulatory requirements, or otherwise notified that renewal is not being invited.

Payment of Premium

You will provide settlement with cleared funds and in the billing currency specified in our debit note or other relevant payment documentation of all monies due in time for us to make payment to insurers in accordance with the relevant payment date(s) specified in our debit note or other relevant payment documentation (“Payment Date”). Failure to pay by the Payment Date may lead to insurers cancelling your policy. We draw your attention to the significant time taken for non-Philippine Peso (non-PHP) cheques to clear and we therefore recommend that all non-PHP payments be made by electronic transfer. Payments in currencies other than in the billing currency shall be converted at the prevailing exchange rates of HIBP’s depository banks and HIBP shall not be liable should the converted amount be insufficient to cover the premium due. We are under no obligation to pay premium by the Payment Date to insurers on your behalf if we have not received cleared funds from you. Your liability for premium whether in full or pro rata may arise under policies where a participating insurer becomes insolvent. Premium may include any applicable insurance premium tax at the current rate.

Client Money

We are required to keep Client Money separate from our own money. We will normally do this by holding money in a client bank account. As is consistent with current arrangements, any interest earned on Client Money will be retained by us rather than paid to you.

Banking Arrangements.

We may, for the purposes of carrying out your transaction,

- hold your money in a general client account with The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, HSBC Bank plc, HSBC Bank USA (approved banks in the HK, UK and US respectively and members of the HSBC Group of Companies);
- hold your money in a general client account with another bank outside the Philippines;
- pass your money to another insurance intermediary or settlement agent, inside or outside the Philippines.

The legal and regulatory regimes that apply to entities outside the Philippines may be different from that in the Philippines. In the event of failure of such an entity, the money may be treated in a different manner from that which would apply if the money were held

in the Philippines. If you do not wish us to handle your money in any of the ways described above (or in any particular jurisdiction) you must notify us in writing. If we have not paid the money away (and are not legally obliged to do so) we will return the money to you.

Collection and Use of Client/Customer Information

The following terms used in this Clause on Collection and Use of Client/Customer Information ("this Clause") 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, settlor 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" means 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, or that of a Connected Person, 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 HSBC Holdings plc, 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 identify 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, colour, 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) any and all services related to or in connection with our function/role as an independent insurance intermediary and/or agent of our clients, and (b) 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 **HSBC Insurance Brokers (Philippines) Inc., The Hongkong and Shanghai Banking Corporation Limited, HSBC Savings Bank (Philippines) Inc., and/or any member of the HSBC Group.**

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

1. COLLECTION, PROCESSING AND SHARING OF CUSTOMER INFORMATION

This Clause explains 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 this Clause.

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 publically 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 authorise,
- (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 (the "**Purposes**").

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) any party 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.

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.

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 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.

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.

5. MISCELLANEOUS

In the event of any conflict or inconsistency between any of these Terms under this Clause and those in any other service, product, business relationship, account or agreement between you and us, these Terms shall prevail. Any consents, authorisations, 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.

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.

If you are not happy with our service

Your Rights

It is our intention to provide you with a high level of customer service at all times. However, if you are dissatisfied with any aspect of our insurance services, you may make a complaint either in writing or by any other means to your usual point of contact or to the President of HSBC Insurance Brokers (Philippines) Inc.

In the event of complaint

Should you have cause to complain about any aspect of the service provided, in the first instance please contact your Insurance Specialist or Account Officer. **HIBP** has a formal complaints handling process and you can be assured any complaint will be handled professionally and your concerns thoroughly investigated.

Our Commitment

We aim to resolve all complaints in a fair and speedy manner. .

Contact details of HIBP

HSBC Insurance Brokers (Philippines) Inc.

7F HSBC Centre 3058 Fifth Avenue West Bonifacio Global City Taguig City 1634

Telephone: (632) 581 8458

Fax: (632) 830 5176

Our Liability

You agree to keep **HIBP** indemnified at all times against, and to save **HIBP** harmless from, all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against **HIBP** or suffered or incurred by **HIBP** and which shall have arisen either directly or indirectly out of or in connection with:

- **HIBP** performing its obligation hereunder or accepting instructions, including but not limited to telephone instructions, and acting or failing to act thereon unless due to the wilful default of **HIBP**;
- Your breach of any of the terms and conditions herein or any applicable laws and regulations.

Such indemnity shall continue notwithstanding the termination of your relationship with **HIBP**.

This Appointment shall remain in full force until cancelled in writing.

CONFORME:

I HAVE READ AND UNDERSTOOD THE ABOVE TERMS AND CONDITIONS, AND HEREBY AGREE ON AND CONSENT TO SUCH TERMS AND CONDITIONS. I FURTHER CONFIRM RECEIPT OF ANNEX A CONTAINING THE BILLS OF RIGHTS OF POLICYHOLDERS ISSUED BY THE INSURANCE COMMISSION.

Signature

Name

Date

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Insurance Commission Philippines Bill of Rights of Policyholders

1. **Right to a financially sound and viable insurance company.** Policyholders shall have the right to an insurance company that is financially stable and solvent to ensure its ability to honor its contractual obligations to its policyholders.
2. **Right to access insurance companies' official financial information.** Policyholders shall have the right to access insurance companies' audited financial statements and annual reports.
3. **Right to be informed of the license status of insurance companies, intermediaries and soliciting agents.** Policyholders shall have the right to be informed if a particular insurance company, intermediary or soliciting agent is duly licensed to engage in doing insurance business in the Philippines.
4. **Right to be offered a duly approved insurance product.** Only duly approved insurance products in accordance with the Insurance Code and pertinent regulations shall be offered.
5. **Right to be informed of the benefits, exclusions and other provisions under the policy.** Policyholders shall have the right to be informed of the benefits, exclusions and all other provisions of the policy.
6. **Right to receive the policy.** Policyholders shall have the right to receive the policy within a reasonable period of time after payment of premium.
7. **Right to confidentiality of information.** Policyholders shall be protected from unauthorised disclosure of personal, financial and other confidential information by insurance companies, intermediaries and soliciting agents, except as otherwise allowed by law, regulations or valid court or government order.
8. **Right to efficient service from insurance companies, intermediaries and soliciting agents.** Policyholders shall have the right to timely and prompt delivery of service from insurance companies, intermediaries and soliciting agents.
9. **Right to prompt and fair settlement of claims.** Insurance companies shall process and settle policyholders' claims with utmost good faith and within a reasonable period. Policyholders shall have the right to: (i) receive a written acknowledgement of the claim; (ii) prompt payment of valid claims within the period prescribed under the Insurance Code or pertinent regulations; or, (iii) receive a written denial of claim with the stated ground and / or basis thereof.
10. **Right to seek assistance from the Insurance Commission.** Policyholders shall have the right to seek assistance in settling any controversy between an insurance company, intermediary or soliciting agent and policyholder. Policyholders shall have the right to: (i) report any wrongful act or omission of an insurance company, intermediary or soliciting agent; (ii) file a complaint against any insurance company for unreasonable denial of a valid insurance claim; and, (iii) institute action against any erring insurance company, intermediary and soliciting agent for any of the grounds provided under the Insurance Code and other pertinent regulations.