



UNION BANCAIRE PRIVÉE

Terms, Conditions and Disclosures

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The Client's attention is drawn to the suitability terms set out in Clause 23. In certain circumstances the Bank is obliged to ensure financial products are reasonable suitable for the Client.

These General Conditions and any other documents applying to any Account or Service between the Bank and the Client will be deemed to have been concluded in Hong Kong. In the case of the Agreement for Account Opening, it will only be effective on the date the Bank notifies the Client of the acceptance of the Client as the Bank's client.

The Client consents to accept, rely on and act upon agreements or contracts that are entered into between the Bank and the Client which the Bank at its sole discretion has signed or executed by the use of digital or electronic signature or other electronic means.

The Bank recommends the Client should consider taking independent legal advice and / or professional advice before entering into these General Conditions, opening an Account or agreeing to receive Services (for the avoidance of doubt, including but not limited to entering into a credit line or facility, securities financing, margin financing or any other financing).

1. Scope of General Conditions

- 1.1 These General Conditions govern the entire business relationship between Union Bancaire Privée, UBP SA, Hong Kong Branch (the "Bank") and its client (the "Client"), and supersede any relevant prior agreements with the Client, oral or written.
- 1.2 Without prejudice to the generality of the foregoing paragraph, all "Accounts" (defined as any account opened with the Bank including without limitation any current account (in any currency), savings account (in any currency), time deposit (in any currency) (the foregoing three types of Accounts are also collectively referred to as "Deposit Accounts"), special account, trading account, precious metal account or custodian account in which financial instruments and any other Assets (as defined below) of whatever nature are deposited with the Bank, or liabilities owed by the Client are booked by the Bank, in each case now and in the future, and any sub-account of any description) and "Services" (defined as any products and / or services provided or to be provided by the Bank under these General Conditions and / or any other agreement(s) between the Bank and the Client, for the avoidance of doubt, including but not limited to any credit line or facility, securities financing, margin financing or any other financing) shall be subject to:
 - 1.2.1 these General Conditions;
 - 1.2.2 particular agreements entered into between the Bank and the Client which expressly state that the terms and conditions of such agreements shall prevail over these General Conditions to the extent of any inconsistency; and
 - 1.2.3 all applicable local and foreign laws, rules, regulations, notices, circulars, licence conditions, directions, requests or requirements, guidelines and / or directives of, and contractual arrangements with, any exchange, governmental, judicial, regulatory or self-regulatory body or authority (including without limitation the Hong Kong Monetary Authority ("HKMA") and the Securities and Futures Commission ("SFC") having jurisdiction over the Bank or the relevant transaction), as may be amended from time to time (each an "Applicable Law" and collectively, the "Applicable Laws").
- 1.3 The Bank reserves the right at any time to amend, delete and / or add new provisions to these General Conditions and any other document applying to any Account or Service between the Bank and the Client, including in particular in the event of changes in the legal or regulatory framework, laws, regulations, or changes to banking practices or changes affecting the conditions of the financial markets. Any amendments, deletions and / or additions to these General Conditions and / or any other document applying specifically to any Account or Service between the Bank and the Client shall be notified to, or made available or accessible by, the Client by any method the Bank deems fit, including without limitation, any electronic means and as set out in Clause 13 below. Unless the Bank has received, within thirty (30) days from, whichever is earlier, (i) the date of such notice or (ii) the first date of such amendments, deletions and / or additions being made available or accessible by the Client, written notice from the Client whereby the Client expressly objects to such amendments, deletions and / or additions, such amendments, deletions and / or additions shall be deemed to have been approved and agreed to by the Client without reservation, and in any event, by the use or continued use of such Services offered by the Bank or the issue of any Instruction (as defined in Clause 10.1). Subject to these General Conditions, if the Client does so object, the Client is deemed to have terminated its relationship with the Bank upon the date of receipt of such notice by the Bank. The amendments, deletions and / or additions will take effect after the expiry of the thirty (30) day notice period (or such shorter period if permitted by Applicable Law).
- 1.4 These General Conditions shall be interpreted as follows: References to the singular include the plural and vice versa. Headings used in these General Conditions are solely for convenience and shall not affect the interpretation of the General Conditions. Reference to provisions of ordinances, statutes, rules or regulations shall be deemed to include reference to such provisions as amended, modified or re-enacted from time to time. Reference to any document or agreement (including the General Conditions) shall be deemed to include reference to such document or agreement as it has been or may be amended, novated, supplemented or replaced from time to time. References to a masculine pronoun shall be deemed to include masculine, feminine and neuter pronouns. Whenever the words "include", "includes", "including" or "in particular" (or similar derivatives) are used, they are deemed to be followed by the words "without limitation".



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2. Acceptance of Assets for Deposits and / or Custody

- 2.1 The Bank may receive Assets (as defined in Clause 2.3 below) from and on account of the Client for the purpose of deposit and / or custody of such Assets and / or in relation to any other Services.
- 2.2 The Bank shall provide the Client with one or more Deposit Accounts as may be requested by the Client and agreed by the Bank.
- 2.3 “Assets” include cash (in such currencies as may be determined by the Bank from time to time), securities of all types and negotiable instruments or rights, including without limitation in physical or dematerialised form (e.g. stocks, bonds or similar debt instruments, notes, book debts, etc.), as well as financial instruments derived from them and combinations of such instruments in structured and / or synthetic products, etc.), money market and capital market investments, precious metals, fixed-term deposits, bank deposits, fiduciary placements, forward contracts, transactions on derivatives (in particular, options, warrants, financial futures, forwards or any other forward contract whether standardised or not, etc.), units or shares of Hong Kong or foreign collective investment schemes, whether or not they are authorised / recognised in Hong Kong, and whether or not they are managed by the Bank or its affiliated or related entity (including any member of the “UBP Group”, being Union Bancaire Privée, UBP SA and its subsidiaries, in each case including offices in all jurisdictions), alternative investment vehicles (such as hedge funds and funds of hedge funds), private equity investments and private placements.
- 2.4 The Client certifies that the Assets are and will remain free of all third-party claims (including relating to any type of legal or beneficial rights, ownership, mortgage, pledge, lien, charge or other security interests) for the entire period where the Assets are placed with the Bank for deposit and / or custody.
- 2.5 The Bank may, without giving its reasons and without any need to justify its decision, refuse to accept all or part of any Assets which the Client wishes to place with it. Without limiting the previous sentence, the Bank’s policy is not to accept the deposit of physical notes and coins. Transfers and withdrawals should be carried out between accounts (whether at the Bank or elsewhere) rather than by way of physical delivery.
- 2.6 In the case of which the Bank accepts any document evidencing title (including but not limited to physical share certificates) for safekeeping, the Client certifies that such document is authentic, valid and in force, that the Client has, unless otherwise specifically informed to the Bank in writing, sole and full legal and beneficial ownership of such document and the interests represented and/ or evidence thereby, and that all necessary approvals have been obtained to instruct the Bank to safekeep and as the case may be to effect any transport of such document and the conversion of all relevant shares into electronic shares. The Client further certifies that the deposit of such document with the Bank is made with no change of ultimate beneficial ownership. The Client acknowledges and accepts the risk of loss, destruction, damage and fraud of such document for whatever reason in relation to its safekeeping, transport and delivery. Without prejudice to the generality of Clause 41, the Client shall not hold the Bank liable for any consequence which may result from anything done or omitted to be done by any person other than the Bank in connection with the safekeeping service of such document.
- 2.7 Except as otherwise provided by law, the Client’s Account(s) (including any Deposit Account and / or subdivisions thereof maintained in different currencies or charged interest (if any) at different rates, and even if the transactions therein are reported in different statements of account) shall constitute one single and indivisible account. The Bank shall have the right to transfer the balance of any Account (or subdivision thereof) in credit to any other Account (or subdivision thereof) in debit or vice versa, at any time and without prior notice and may make such currency conversions as may be reasonably necessary for this purpose.
- 2.8 The Bank reserves the right to debit or credit any of the Client’s Account(s) (including Deposit Account(s)) if it has been improperly credited or debited.
- 2.9 The Bank shall make available to the Client at any time upon the Client’s request the terms and rates of interest (if any) payable to or by the Client on any credit or debit balance on each of the Client’s Deposit Account(s) and the Bank reserves the right, subject to the Client’s right of termination under Clause 47, to modify at any time such terms and rates of interest, the periods for which such interest is calculated, the timing of the credit or debit of any such interest, and other relevant terms. Unless otherwise specified, interest shall accrue on a day-to-day basis.
- 2.10 For the avoidance of doubt, the Bank does not act or purport to act in any way as custodian or trustee to hold any cash paid by or received for the account of the Client. The Client agrees and authorises that any and all cash received from time to time by the Bank from or for the account of the Client (including without limitation any cash from sale proceeds or proceeds of, or any purchase or subscription monies or any payment or sums payable in respect of, any transaction effected for or by the Client) is intended, and is to be, at all times credited into the Deposit Account(s) in the name of the Client established and maintained with the Bank as typical deposits with a bank and not in any way as custodian or trustee. As a result, unless expressly agreed by the Bank otherwise in writing, cash is not held in accordance with client money protection rules under the Securities and Futures (Client Money) Rules (Cap 5711 of the Laws of Hong Kong) under any circumstances.
- 2.11 The Client hereby authorises the Bank to draw on the cash balance and / or cash credit (as the case may be) in the Deposit Account (as designated by the Client, or failing which, as designated by the Bank) to effect any and all payment and settlement obligations in respect of any transaction effected for or by the Client, or fulfil any Collateral (as defined below in Clause 32.1) and / or Margin (as defined below in Clause 32.3) requirements, for discharging any obligations or liabilities of the Client, Bank or its agents incurred in connection with transactions entered into for or by the Client, or discharging any obligations or liabilities of the Client to any person under these General Conditions or any other agreement or transaction. Where the Bank credits proceeds of sale or proceeds of any transaction in the Deposit Account, such crediting shall be deemed to be full payment of such proceeds to the Client.



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- 2.12 For the avoidance of doubt, and without prejudice to the generality of Clause 2.11, the Bank shall make payments or effect settlements from or to the Deposit Account as follows:
- 2.12.1 for the purchase of securities or other investments by or for the account of the Client; or
 - 2.12.2 for the payment of usual and customary taxes, fees or expenses incurred by the Bank or Sub-Custodian(s) (as defined in Clause 5.2 below) in connection with the sale, purchase, conversion, exchange, registration or surrender of the securities or their registration in the name of the Bank / Sub-Custodian; or
 - 2.12.3 for payments in connection with insuring the securities or in providing for the safekeeping thereof; or
 - 2.12.4 for the payment of any cash or funds advanced to the Client by the Bank; or
 - 2.12.5 for the payment of management, investment advisory, custodian, secretarial, registrar, service or other fees and expenses (whether owed to the Bank or third persons and including, without limitation, fees and expenses for legal and accounting services, brokerage and commissions); or
 - 2.12.6 for payments of interest and payment of principal on all borrowings; or
 - 2.12.7 for payments of any negative interest rate charges, where applicable, at regular intervals determined in the sole discretion of the Bank; or
 - 2.12.8 for payments in respect of initial or variation margin requirements relative to the operation of any accounts with brokers or other intermediaries; or
 - 2.12.9 for the transfer of cash from one Account of the Client to another Account of the Client; or
 - 2.12.10 as otherwise required or permitted pursuant to these General Conditions or Applicable Laws; or
 - 2.12.11 as otherwise directed pursuant to the Instructions.
- 2.13 If there is no or insufficient cash held in Client's Deposit Account(s) in the currency in which the Client has instructed the Bank to make a payment, then the Bank is authorised by the Client to make such conversions of cash held in any other currency in the Client's Deposit Account(s) as may be required for such payment.
- 2.14 The Bank may at its sole discretion allow the Client to overdraw an Account (an "Overdraft"). Repayment of an Overdraft and interest and fees thereon shall be on demand. In accordance with Clause 2.7 above, the Bank will charge the Client interest on the amount of such Overdraft from time to time for each day that such Overdraft is outstanding. The Client may credit monies to clear or reduce an Overdraft at any time.

3. Deposit

- 3.1 Any deposit of cash in the Client's Deposit Account(s) shall be subject to the Bank's right to levy and / or charge any prevailing prescribed commissions and / or service charge and any negative interest rate charges, where applicable, and to the Bank's verification of authenticity of such cash deposits.
- 3.2 Without prejudice to Clause 3.1 above, where any deposits are so accepted by the Bank, they are accepted without any obligation on the Bank's part to ensure the authenticity and / or validity of all or any such deposits.
- 3.3 Where applicable, any deposits made in a currency other than the currency of the Client's Deposit Account would be given a value based on the prevailing exchange rate and method of conversion as determined by the Bank. The exchange rate and method of conversion shall be binding on the Client and the Bank shall be entitled to recover any Losses (as defined in Clause 41 below) arising from or in connection with such currency conversion from the Client.
- 3.4 No deposit via telegraphic transfers, cheques or other financial instruments shall be regarded to have been placed with the Bank unless acknowledged or validated by the Bank. The Bank's records of any deposits made by the Client shall, in the absence of any manifest error or fraud, be final and conclusive against the Client.
- 3.5 The Bank may (but is not obliged to) give immediate credit for cheques and / or other financial instruments when deposited into the Client's Deposit Account but such deposits shall not be available for withdrawal or transfer until such cheques and / or other financial instruments have been cleared and the proceeds have in fact been received by the Bank.
- 3.6 Subject to the provisions of Clause 3.4 and 3.7, the Bank may, in its sole discretion, accept foreign currency financial instruments for clearing in the manner prevailing for the acceptance of such foreign currency financial instruments provided that the Bank shall only credit the Client's Deposit Account with the proceeds after adjustments have been made for the difference in, where applicable, exchange rates, bank commissions, stamp duty and other charges upon clearance. All risks connected with the clearing of such foreign currency financial instruments, including but not limited to exchange rates movement, shall be borne by the Client.



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- 3.7 The Bank reserves the right to debit and / or revise any amount credited into the Client's Deposit Account without prior notice to or consent from the Client if:
- 3.7.1 the cheques and / or other financial instruments are subsequently dishonoured;
 - 3.7.2 the payment received by the Bank on any cheques and / or other financial instruments presented for deposit is less than the amount credited into the Client's Deposit Account; and / or
 - 3.7.3 the correspondent paying bank, financial institution or any agent and sub-agent in relation to any cheque, draft, money order, telegraphic transfer or other payment instructions or instrument claims a refund or repayment of monies credited to the Client's Deposit Account from the Bank on any grounds including but not limited to fraud or illegality or invalidity (whether or not disputed) and the Bank shall be under no obligation to dispute any grounds raised or the claim for refund or repayment.
- 3.8 Where time deposits are placed with the Bank:
- 3.8.1 The Client agrees that any deposit(s) to be made by the Client in any currencies with the Bank will be subject to such minimum amount and such minimum tenure as the Bank may from time to time determine to be applicable to such currencies.
 - 3.8.2 The Bank will issue an advice of credit which is only evidence of deposit and not a document of title.
 - 3.8.3 Unless the Bank receives prior valid Instructions at least two (2) business days prior to the maturity date of the deposit(s), the Bank shall renew the deposit(s) automatically together with all interest accrued thereon at its prevailing interest rates for a like term upon maturity and upon each successive maturity, subject to these General Conditions.
 - 3.8.4 If the date of maturity of a time deposit falls on a day which is not a business day, the deposit shall be deemed to mature on the following business day.
- 3.9 Subject to Clause 3.10 below, withdrawal of any deposit whether partially or in full before the maturity date may be made only with the Bank's consent and upon such terms and conditions as the Bank may deem fit to impose from time to time (including the minimum amount that may be allowed to be withdrawn by the Client) and may, at its sole discretion, be subject to the levy of a withdrawal charge or the payment of an administrative fee by the Bank to be calculated in accordance with such formula as the Bank may prescribe from time to time. The Client acknowledges that the imposition of such fee or charge may result in the Client receiving less than the principal amount of the deposit and / or the Client may earn less or no interest on the deposit.
- 3.10 If the deposit(s) is / are held by the Bank as security for the performance of any obligation or liability to the Bank, the amount thereof cannot be withdrawn, assigned, transferred or in any way encumbered by the Client.
- 3.11 Deposit Protection Scheme:
- 3.11.1 The Bank is a member of the Deposit Protection Scheme. Eligible deposits of cash taken by the Bank are protected by the scheme up to a limit of HK\$500,000 per depositor. Eligible deposits generally include current accounts, saving accounts, secured deposits and time deposits with a maturity not exceeding five (5) years.
 - 3.11.2 The Client acknowledges that not all financial products – whether or not described as deposits – are protected by the Deposit Protection Scheme. The following financial products are not protected:
 - (a) structured deposits, including those linked to foreign currencies, equities or indices;
 - (b) term deposits with a maturity exceeding five (5) years;
 - (c) deposits the repayment of which are secured on the assets of the Bank;
 - (d) bearer instruments such as bearer certificates of deposit;
 - (e) off-shore deposits, including deposits which are placed off-shore and deposits booked at branches or offices of the Bank outside Hong Kong; and
 - (f) deposits held by excluded persons, such as banks and certain persons related to the Bank.
- The above list of products is not exhaustive and does not imply that any of the Bank's products not stated in the above list are protected by the Scheme. The Bank will notify the Client of any other products described as deposits that are not protected by the Deposit Protection Scheme when the Client enters into a transaction in respect of such a product.



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4. Withdrawals

- 4.1 Withdrawal (which includes, where the relevant context so permits, transfer of funds, telegraphic transfers and demand drafts) from the Client's Accounts may be made up to the limit that the Bank may prescribe and in the manner and on such terms and conditions as the Bank may prescribe from time to time. The Bank may, in its absolute discretion, without disclosing any reasons therefor, refuse to allow any withdrawal from the Client's Deposit Account and / or limit the amount that may be withdrawn.
- 4.2 The Client shall maintain sufficient funds in the Client's Deposit Accounts to meet all withdrawals and the Client agrees and acknowledges that the Bank may impose fees for any unsuccessful debit Instructions. In addition to the foregoing, if in the Bank's reasonable opinion, there are insufficient funds in the Deposit Accounts for the purposes of settling any payments the Bank is liable to pay (whether as principal or agent) in connection with the General Conditions and / or any other applicable agreements between the Bank and the Client, the Bank may (without prior notice to or consent from the Client):
- 4.2.1 decline to undertake any transaction and / or investment or prohibit the utilisation of any Service by the Client;
 - 4.2.2 transfer such amounts as necessary from any of the Client's other Accounts into the Deposit Account; and / or
 - 4.2.3 permit the Deposit Account to be overdrawn and any interest and bank charges shall be computed on such overdrawn amount at such rate and on such basis, as the Bank may in its sole discretion, determine. Any such interest and bank charges shall be immediately repayable by the Client on demand.
- 4.3 In the event that the Bank receives any withdrawal Instruction (as defined in Clause 10.1 below) (whether by cheques, financial instruments or otherwise) for several payments or for other transactions or Services which in the aggregate would exceed the amount of the credit balance on the Client's Deposit Account or any authorised limit in respect thereof, the Bank shall have the right to process payments and withdrawals in any order or priority as shall be determined by the Bank, in its sole discretion.
- 4.4 Without prejudice to Clauses 4.1 to 4.3 above, and in respect of telegraphic transfers and / or demand drafts and / or other forms of remittances (collectively, the "Remittances"):
- 4.4.1 the Bank may use any correspondent or agent to effect a telegraphic transfer or issue a demand draft and the Bank shall not be liable for any errors, negligence, delay, default or omissions of any such correspondent or agent;
 - 4.4.2 the Remittance is subject to all Applicable Laws;
 - 4.4.3 any refunds of the Remittance will be made at the Bank's discretion and only after the Bank receive confirmation from the correspondent or agent that the funds transferred are at the Bank's free disposal;
 - 4.4.4 all refunds shall be made at the Bank's prevailing buying rate for the currency of the funds, less any charges and expenses incurred by the Bank on its behalf. All refunds shall be made in Hong Kong Dollars or in the currency in which the Remittance was effected at its sole discretion. In the case of a demand draft, the original thereof must be returned to the Bank; and
 - 4.4.5 the replacement or refund of a lost, stolen, or destroyed demand draft is subject to the Client providing the Bank with an acceptable letter of indemnity and complying with any other requirements as the Bank may reasonably stipulate. The Bank reserves the right to effect a refund instead of replacing the demand draft.

5. Custody of Non-cash Assets

- 5.1 The Bank shall have the sole discretion to deal with the non-cash Assets (which shall refer to Assets as defined in Clause 2.3 above except for cash (in such currencies as may be determined by the Bank from time to time)) ("Non-cash Assets"), as it deems fit for the purpose of providing custody and safekeeping thereof insofar as such dealing complies with all Applicable Laws. The custody and safekeeping of precious metals under a Precious Metals Account (defined below at Clause 36) is set out further below at Clause 36.
- 5.2 All Non-cash Assets which are received from the Client shall be deposited by the Bank in Accounts in the name of each Client or in one or more omnibus accounts opened in the name of the Bank but, subject to Applicable Laws, held on trust for clients of the Bank and so designated as such (hereinafter "Trust Account(s)") in one or more custodians, agents, delegates, sub-custodians, representatives, correspondents, nominees or third parties as the Bank may think proper to be custodian for the Assets ("Sub-Custodian(s)") as the Bank may select upon such terms as the Bank thinks fit.
- 5.3 In this connection, the Client hereby expressly authorises the Bank to appoint any person to be a Sub-Custodian in the Bank's sole and absolute discretion, without being liable for the acts of such persons provided that the selection of such persons was made by the Bank in good faith. For avoidance of doubt, the Bank shall not be bound to supervise the actions of, and shall not be in any way responsible for any Loss (defined in Clause 41 below) incurred as a result of the misconduct or default on the part of the Sub-Custodian(s). The Client further acknowledges that:
- 5.3.1 the Bank may have liability as principal in connection with the Non-cash Assets if deposited with a Sub-Custodian, and agrees that the Bank may take such action as it deems fit in relation to the Non-cash Assets in order to avoid any Loss (defined in Clause 41 below), including any expenses charged by the Sub-Custodian; and
 - 5.3.2 in the event any Sub-Custodian defaults, any shortfall in the Non-cash Assets registered collectively with the Sub-Custodian (including the Client's Assets) may be shared pro rata among all clients of the Bank.



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- 5.4 Without prejudice to the foregoing, where the Non-cash Assets are held by a Sub-Custodian, the Bank shall separately agree with the Sub-Custodian in writing the requirements for such custody. In these circumstances, the Non-cash Assets will still, for the avoidance of doubt but subject to Applicable Laws, be held in such a manner that it is readily apparent that the Non-cash Assets are not the beneficial property of the Bank or any Sub-Custodian(s).
- 5.5 The Client acknowledges that its Non-cash Assets may be commingled with the property or assets of other customers of the Bank or in the case of Non-cash Assets held with a Sub-Custodian, assets of other customers of the Sub-Custodian. The Client acknowledges and accepts that its interest in such Non-cash Assets therefore may not be identifiable by separate certificates or other physical documents of title or equivalent electronic records, but the Bank shall maintain records of the Client's interest in the Non-cash Assets which have been so commingled including holding or procuring to be held to its order and kept in retrievable form all documents evidencing ownership of the Client's Non-cash Assets and to identify in its books that the Assets belong to the Client. The Client has the right of co-ownership proportional to the number of securities or other Non-cash Assets deposited by the Client without being able to demand the return of specific Non-cash Assets. Unless otherwise agreed between the Bank and the Client, Non-cash Assets deposited with the Bank, or held or purchased by the Bank on behalf of the Client shall be regarded as fungible.
- 5.6 Instructions by the Client in relation to the Non-cash Assets in custody and in connection with any matters related to the custody of the Non-cash Assets may be in writing, scanned, faxed or given by way of telephone or by other means accepted by the Bank. In the absence of contrary Instructions or express terms in these General Conditions, the Bank (whether directly or through a Sub-Custodian) is authorised, but shall have no duty or obligation, at the Bank's sole discretion and at the Client's cost and expense, to do all such other things necessary in connection with the custody services as the Bank may deem fit including but not limited to:
- 5.6.1 requesting for payment of and receiving on behalf of the Client all interest, dividends, bonuses and other payments, distributions, or entitlements (whether of a capital or income nature) in respect of the Non-cash Assets;
 - 5.6.2 having the existing certificates cancelled and having them converted by the issuing company into rights not evidenced by a certificate;
 - 5.6.3 conducting the customary administrative tasks, giving the issuing company the necessary instructions and obtaining information from the issuing company and other persons during registration in safe custody;
 - 5.6.4 demanding that the issuing company print and issue the documents at any time;
 - 5.6.5 executing stock-exchange orders as a contracting party; and
 - 5.6.6 crediting all interest, dividends, bonuses and other payments, distributions or entitlements (whether of a capital or income nature) in respect of the Non-cash Assets received by the Bank on the Client's behalf into any of the Client's Account(s) or make payment of the same by any means that the Bank consider(s) appropriate. The interest, dividends, bonuses and other payments, distributions or entitlements credited to any Client's Account or otherwise paid to the Client shall be net of any applicable taxes, fees, charges or expenses incurred by the Bank and the Client agrees that the Bank shall not be required to ascertain, or otherwise be responsible for the adequacy of such interest, dividends, bonuses and other payments, distributions or entitlements received.
- The Bank will also normally request the Client to carry out certain formalities associated with these instruments. To that end, the Bank relies on the publications and lists available to it, without assuming any liability in respect of them.
- The Bank is not, however, obliged in any way to seek or disclose to the Client information concerning the Non-cash Assets and/or their issuers and, in general, the assets held. The fact that the Bank may provide certain important information to the Client when such information comes into its possession may not be interpreted as imposing any obligation on the Bank to do so.
- 5.7 The Bank shall provide information relating to the custody of the Non-cash Assets to the Client in accordance with the agreed means of communication pursuant to Clause 13.
- 5.8 The Bank may after becoming aware thereof, notify the Client of any partial redemption of any Non-cash Asset. If the Bank or any Sub-Custodian hold(s) any Non-cash Asset as part of a fungible mass, the Bank or the Sub-Custodian may select the Non-cash Assets to participate in partial redemptions, partial payments, or other actions affecting only some of such Non-cash Assets of the relevant class in any non-discriminatory manner that the Bank or the Sub-Custodian customarily use(s) to make such selection.
- 5.9 The Bank may, after receipt thereof, forward to the Client those communications relating to any rights offering by an issuer of any Non-cash Asset and, where the Bank has not received Instructions (either generally or specifically in respect of such rights offering), the Bank shall, to the extent permitted by Applicable Law and consistent with local market practice, sell such rights in the principal market for such rights and deposit the proceeds of such sale in the Client's appropriate Account.
- 5.10 The Bank may, sell any fractional interest in Non-cash Assets that the Bank receives as a result of a dividend or rights offering of such Non-cash Assets.
- 5.11 The Bank may exchange Non-cash Assets in temporary form into permanent or definitive form.
- 5.12 The Bank may sign in the Client's name or for the Client's Account any certificate of ownership and other certificate as may be required to obtain payment, or exercise any right, in respect of Non-cash Assets.
- 5.13 The Bank may accept and open all mail directed to the Client and received by the Bank.



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- 5.14 The Client agrees and acknowledges that where commingling and aggregation of the Client's Non-cash Assets with other persons' assets result in entitlements which otherwise (without such commingling or aggregation) would not have accrued to the Non-cash Assets (the "Bonus Entitlements"), the Bank shall have full discretion as to the allotment of such Bonus Entitlements (if at all) as amongst its clients, as it deems fit. The Bank may also sign, execute and / or complete such documents, certificates or forms from time to time required for fiscal and taxation purposes in connection with the collection of income from the Non-cash Assets, including bonds and note coupons.
- 5.15 When the Client transfers Non-cash Assets to the Bank, the Bank may require the Client to send the Non-cash Assets to the order of or to directly deliver the Assets to its Sub-Custodian(s), quoting the Bank's account number with the Sub-Custodian, the Client's Account number, or such other account or sub-account as may be specified by the Bank.
- 5.16 Without prejudice to the Bank's other rights, the Client agrees that the Bank may dispose of (or arrange the disposal of), at its sole discretion, Non-cash Assets of the Client to settle any liability owed by the Client to the Bank or any other person. Pursuant to Clause 34.4, all Non-cash Assets shall also be subject to a general lien in the Bank's favour.

6. Non-cash Assets denominated in Foreign Currency

- 6.1 Where the Non-cash Assets are denominated in a foreign currency or governed by a foreign law, the Client hereby consents that the Non-cash Assets may be held with a Sub-Custodian outside Hong Kong which is licensed, registered or authorised to act as a custodian in the country or territory where the Assets are held or Trust Account is maintained.
- 6.2 The Client accepts that where the Non-cash Assets are held with a Sub-Custodian outside Hong Kong, different settlement, legal and regulatory requirements and different practices (including without limitation relating to the segregation of Non-cash Assets) may apply and the Non-cash Assets will be subject to the laws and regulations of the jurisdiction in which the Non-cash Assets are custodised.
- 6.3 Where the laws and regulations of such jurisdiction render it difficult or impossible to return the Non-cash Assets or to transfer the proceeds from the sale of the Non-cash Assets (including but not limited to transfer restrictions, foreign exchange controls, compulsory transfers, foreclosures of any kind, decisions by the authorities in power, decisions by any Sub-Custodian, or any other similar factors beyond the Bank's reasonable control), the Bank shall only be obliged to assign to the Client the claim against the Sub-Custodian as may be applicable and permitted under the relevant Applicable Laws, but only to the extent that such claim may be transferable and has not already been transferred to the Client in another way. Save for the foregoing, the Bank shall not be bound to perform any other service or obligation in connection to the same.

7. Registration of Assets

- 7.1 All Non-cash Assets requiring registration shall be registered in the name of the Bank or its nominee(s) or in the name of its Sub-Custodian or such other name as the Bank may think proper, provided that the Non-cash Assets are, subject to Applicable Laws, listed in the records of the Bank as being held by the Bank as trustee for the Client and / or in the records of the Sub-Custodian as being held by the Sub-Custodian as trustee for the Bank.
- 7.2 Where Non-cash Assets are required to be registered in the name of the Client, the Client accepts disclosure of its name and such other information as may be required to the Sub-Custodian and the Client shall take, or permit the Bank to take, such steps as is necessary for such registration.

8. Client's responsibility as to Assets

- 8.1 Unless otherwise stipulated, the Client shall be responsible for safeguarding its rights attached to the Assets. In particular, the Client must give timely Instructions (defined in Clause 10.1 below) to exercise or sell subscription rights or conversion rights, make payments on partly paid-up shares, or make or accept delivery of Assets which have been sold, purchased, transferred or otherwise acquired or lent or disposed of by the Client.
- 8.2 The Client acknowledges and accepts that it is solely responsible for complying with any notification and / or substantial shareholding disclosure requirements that may apply to the Client as the beneficial owner of securities in the Account of the Client, including but not limited to any notification to a listed company, stock exchange or regulatory body in respect of any substantial shareholding or any connected or related party transaction. The Bank shall have no obligation whatsoever to issue any warning or advice to the Client in this respect. The Client shall indemnify the Bank for any Loss (defined in Clause 41 below) it may incur by failure to fulfil such notification or disclosure obligations.
- 8.3 The Bank shall also at its sole discretion be entitled (but not obliged) to refuse to execute Instructions which it believes may trigger a duty of notification or disclosure or breach of any Applicable Law or regulations or rules of exchange. Notwithstanding the preceding statements, the Bank may disclose any interest that the Client may have in securities listed on any stock exchange to any issuer of the securities, any agent of the issuer, any stock exchange upon which the securities or their derivatives are listed and any regulatory or self-regulatory body.



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- 8.4 Neither the Bank nor its Sub-Custodian(s) shall be under any obligation to act, join, initiate or participate, at the Client's request or otherwise, in any judicial action, legal, criminal, administrative or arbitration proceedings or any other contentious or non-contentious proceedings, whether in Hong Kong or abroad, for the purpose of representing the Client's interest with respect to the Assets, including but not limited to a claim for damages relating to the investments made on the Client's behalf including where the issuer of an investment product is unable to meet its obligations, is subject to an insolvency process, a class action or some other judicial or non-judicial process. The Client acknowledges and agrees that it will be responsible for taking all necessary measures to assert its rights.

Should the Bank or any of its Sub-Custodian(s) agree to represent or cooperate with the Client in any such proceedings, the Client hereby agrees to indemnify the Bank or such Sub-Custodian(s) in full against any and all costs (including without limitation legal costs on a full indemnity basis), damages and Loss (defined in Clause 41 below) suffered by the Bank or such Sub-Custodian(s) in connection with such proceedings. The Sub-Custodian(s) shall be entitled to enforce this Clause.

In some cases, and at the Client's request, the Bank may, at its sole discretion and where possible, assign its rights to the Client so the Client can act in its own name. The Client shall bear the costs associated with such an assignment.

9. Representation of rights in respect of Non-cash Assets

- 9.1 The Client confers on the Bank, with right of substitution, the power to attend as its attorney ordinary and extraordinary general meetings of shareholders and / or deal with any corporate event (including, but not limited to, any actual or proposed takeover, offer, sale, merger, compromise, arrangement, bankruptcy, insolvency or administrative proceeding affecting or in relation to any Non-cash Asset or the issuer of any Non-cash Asset or in relation to any rights for conversion, transfer or exchange of Non-cash Assets) and / or to take any other corporate action in relation to its Non-cash Assets. The Bank shall be entitled but not obliged to attend such meetings or deal or take such action with respect to such corporate event or action. Before each general meeting of shareholders or in respect of corporate event or action, the Client shall give precise Instructions to the Bank so that it can represent the Client and accordingly exercise the voting rights attached to the Non-cash Assets or take the relevant action. If the Client's Instructions are not given in good time (and in any event ten (10) business days prior to the meeting of shareholders) before the event or action, the Bank shall not be obliged to attend the meeting and / or exercise voting rights or take any action or may, in the absolute sole discretion of the Bank, exercise them or take such action in accordance with the proposals of the issuer's Board of Directors or any other competent body or as it deems fit. The foregoing is without prejudice to the Bank's rights as a chargee under these General Conditions. The Bank shall not have any responsibility for notifying or forwarding to the Client any proxies, notices or other documents relating to any Non-cash Asset.

- 9.2 In the event that the Bank represents several clients including the Client, the Client agrees and accepts that it may, in accordance with its own assessment of the situation, follow the Instructions of the majority of clients.

The exercise of voting rights by the Bank shall be subject to any restriction or limitation imposed on the Bank in respect of nominee proxy voting rights.

- 9.3 In all cases, and in particular in the event of contradictory, incompatible or absence of Instructions, the Bank may (but is not obliged to) abstain from exercising voting rights or exercise such rights as it deems fit. The Client expressly accepts the risks linked to the fact that the Bank or its Sub-Custodian(s) hold(s) the Non-cash Assets on a collective basis. The Client acknowledges and agrees that neither the Bank nor its Sub-Custodian(s) shall be liable for any damages, costs or Loss (defined in Clause 41 below) suffered by the Client arising from or in connection with any action taken or omission by the Bank and / or the Sub-Custodian(s) in accordance with these General Conditions. The Client declares and acknowledges that information has been supplied to it concerning the advantages, disadvantages, risks and expenses of the Non-cash Assets being held on a collective basis on behalf of the Client and the Bank's other clients. The Client has thus been informed about the following risks: (1) the risk of being unable to exercise the rights pertaining to the Non-cash Assets on an individual basis; and (2) the risk of foregoing the benefits of the characteristics of individual investment (in particular seniority, high water mark etc.), in terms of redemption fees, and the allocation of charges and fees for management and performance, the allocation of side pockets, the application of withholding tax on the redemption proceeds, and, in general, in relation to all rights linked to the Non-cash Assets where the collective exercise of the said rights may be hampered or restricted compared to the exercise of the same rights on an individual basis.

10. Client Instructions

- 10.1 All instructions, orders and / or other communications by the Client to the Bank ("Instructions") shall be given (a) by telephone; or (b) in written form (including without limitation through fax, e-banking platform or, subject to clause 11 of Annex 2 (Electronic Mail Terms), electronic mail ("email")) by the Client or its authorised signatories, personal representatives, attorneys or agents.
- 10.2 Where the Client gives Instructions by telephone, fax or email, the Client affirms that it is fully aware that communication by telephone, fax or email involves considerable risks and provides no guarantee of confidentiality, delivery, authenticity or integrity, and agrees to bear all risks in relation to the use of such mode of communication.
- 10.3 The Bank reserves the right, in its absolute discretion, to decline to undertake any transaction or provide any Services or accept any Instructions, in each case without disclosing any reasons therefor. If the Bank declines an Instruction, the Bank will, subject to Applicable Laws, notify the Client promptly, although the Bank will not be liable for any Loss (as defined in Clause 41 below) incurred by the Client if the Bank fails to notify the Client, unless caused by fraud, gross negligence or wilful default of the Bank or



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its employees. Without affecting the generality of the above, the Bank may suspend operations relating to an Account (and refuse to act in accordance with Instructions relating to the suspended Account) if the Bank believes that a Default (as defined below in Clause 47.7) has occurred in relation to the Client or that insolvency proceedings have been commenced against the Client or that the Client is of doubtful solvency. The Bank shall not be liable to the Client for any action taken or not taken by it in relation to any Account which is suspended or a transaction that is not undertaken or an Instruction that is not accepted unless directly caused by the Bank's gross negligence or wilful default.

- 10.4 The Client shall be solely responsible for ensuring that the Client complies with Applicable Laws when giving Instructions to the Bank or other members of the UBP Group. In particular, the Client shall ensure it does not carry out uncovered short sales on stock exchanges (including the Hong Kong Stock Exchange) where such activity is not permitted under Applicable Laws.
- 10.5 The Client shall be solely responsible for ensuring that it has sufficient funds in the Deposit Account when placing Instructions in respect of any purchase or relevant transaction. The Bank may but shall not be obliged to carry out any Instruction in circumstances where there is or will be insufficient funds in the Deposit Account, and the Bank shall not be liable in any way for any Losses whether or not such Instruction is carried out. If such Instruction is carried out, all Losses arising including without limitation from settlement default or liquidation or closing out of any transaction shall be solely for the Client's Account.
- 10.6 The Bank shall not be liable for any Loss (defined in Clause 41 below) or damages arising from the transmission, reception, interruption, interception, sending, delay, loss, misunderstandings, alteration, mutilations, forwarding or duplicate transmissions of any Instruction(s) whether in written form or by telephone, fax or email, or as a result of any fraudulent use of the aforesaid means of communication.
- 10.7 Subject to the provisions hereunder, the Client authorises the Bank to accept and act on any Instructions which the Bank reasonably believes to originate from the Client or to have been given on the Client's behalf, without having to verify its source. The Bank will not be responsible for any liability whatsoever or howsoever arising, directly or indirectly, from its acting in accordance with such Instructions.
- 10.8 It shall be the Client's responsibility to send to the Bank Instructions with sufficient notice such that the Bank may procure for or take any action required in performing its Services to the Client or in relation to the Assets, including Instructions, inter alia, to transfer, invest or convert the Assets. For the avoidance of doubt, the Bank shall not be required to take any action in relation to any Instructions on any day other than a business day (as defined in Clause 50.1).
- 10.9 In the absence of Instructions, or if the Instructions are not received in a timely manner or if such Instructions are not clear or are contradictory, the Bank shall be entitled, but not be obliged, to take whatever action it deems fit, within the limits of the law. Under no circumstances shall the Bank be liable to the Client for any Loss (defined in Clause 41 below) or damages incurred as a result of such actions, except in the event of gross negligence or wilful default on the part of the Bank. The Client shall, at all times, keep the Bank fully indemnified against all Loss (defined in Clause 41 below) referable to any such action taken or omission by the Bank, except in cases of gross negligence or wilful default on the part of the Bank.
- 10.10 The Bank shall be deemed to have received any Instruction by fax or email only when the Bank acknowledges such receipt or acts on such Instruction.
- 10.11 The Client alone bears the risks arising from badly-worded, incomplete, conflicting or erroneous Instructions.
- 10.12 The Client hereby acknowledges and consents to the Bank's recording and retention of all communication with the Client, including but not limited to the recording of telephone conversations. The Bank's voice records will be accepted by the Client as conclusive evidence of the Instructions or conversations recorded.

11. Verification and Authentication of Signature(s)

- 11.1 Instructions on the identity of authorised signatories communicated to the Bank, whether in writing or otherwise, shall be considered to be valid by the Bank until it receives written notification of their revocation, regardless of any indication to the contrary in any public or commercial registers or any other official publication.
- 11.2 The Bank may but is not obliged to verify the Client's identity or that of its authorised signatories, attorneys or agents by comparing the signatures with specimen signatures in its possession. The Bank is not obliged to carry out any further checks, although it is entitled to do so.
- 11.3 Any Loss (defined in Clause 41 below) arising from undetected faults in authentication, or from falsification or forgery shall be borne solely by the Client except in the event of gross negligence or wilful default on the part of the Bank. The same shall apply in the case of falsified or forged Instructions, bills of exchange, promissory notes, cheques and other documents.

The Bank may, in its absolute sole discretion, but is not obliged to, refuse to recognise and / or act on any Instruction given by email that (a) has not been sent from an email address previously and separately supplied to the Bank for this purpose; or (b) does not appear to be authored or sent by the Client or its authorised signatories, attorneys or agents.



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12. Execution of Instructions

- 12.1 The Bank shall be authorised to procure the execution of Instructions for the Client with any broker, dealer, collection, remitting or settlement bank, custodian or sub-custodian, distributor or other person ("Agent") as the Bank may in its sole discretion deem fit. The Bank's policy, as amended from time to time, relating to the placement and execution of clients' orders on the best available terms is available at <https://www.ubp.com/en/our-offices/ubp-hong-kong>.
- 12.2 In the event of Loss (defined in Clause 41 below) resulting from the partial execution, non-execution or defective or late execution of an Instruction by such Agent due to the gross negligence or wilful default on the part of the Bank, the Bank shall only be liable for the potential loss of interest. Save in the case of gross negligence or wilful default on the part of the Bank in the selection of the Agent, the Bank shall not be liable for any Loss (defined in Clause 41 below) caused by any action, omission or default of the Agent.
- 12.3 The Bank shall be entitled, in its sole and absolute discretion, to refuse to accept or act on any Instruction for any reason and without providing the Client with any reason, including without limitation if:
- 12.3.1 the Bank is unable to verify the Client's identity (or the identity of the Client's authorised signatories, attorneys or agents) to its satisfaction;
 - 12.3.2 the Bank has any doubt on the authenticity, clarity or completeness of the Instruction;
 - 12.3.3 the form or content of such Instruction is not in accordance with the requirements or policies or practices as prescribed by the Bank from time to time;
 - 12.3.4 the Instruction is not in accordance with the mandate(s) for the time being in effect in respect of the operation of such Account; and / or
 - 12.3.5 the Bank has reason to believe that to accept or act on any Instruction may be in breach of any Applicable Law(s), and the Bank shall not be liable to the Client for any Loss (defined in Clause 41 below) as a result of such refusal.
- 12.4 The Bank shall be entitled to refuse to process any Instructions which may expose the Bank, in the absence of formal agreement, to a credit risk (e.g. in the case of short-selling of securities, or purchases without the necessary funds) or which indicate possible insider dealing or some practice in contravention of any Applicable Laws.
- 12.5 The Bank is authorised to reverse the payment of any sums wrongly credited to the Account, particularly in the case of error or fraud. Similarly, if the Client discovers that a credit has been made to the Account in error, the Client undertakes to let the Bank know immediately.
- 12.6 The Bank shall be entitled to refuse to process any Instructions and is authorised to reverse an account entry in question if a cash settlement is required by the applicable regulations and the counterparty fails to (or does not timely) pay the cash or deliver all or part of the relevant securities.
- 12.7 In the case of sales or redemption of rights and securities, sums credited to the Client are still subject to subsequent adjustment, following the final outcome of the operation concerned.
- 12.8 In order for a transaction to be processed, the Client must have an account balance or an account credit limit at the time of execution at least equivalent to the amount of the payment order.
- 12.9 Where the Bank is given a series of orders whose amount exceeds the Client's available account balance or credit limit, the Bank may procure the execution of such orders in full or in part, as it sees fit, regardless of their date or of the time they were received, or it may liquidate any or all of these transactions and / or borrow such securities from the market (as may be relevant) on such terms as the Bank deems appropriate for the closing-out / settlement of such transactions without notice to the Client. The Bank may but need not exercise this right on any day after the day on which the right to liquidate first arose. The Bank will not be liable to the Client for any Loss (defined in Clause 41 below) suffered by the Client as a result of the Bank's exercise of its rights under this Clause in good faith.
- 12.10 In the case of Instructions from the Client related to the purchase of securities of any nature, the Bank may at its full and absolute discretion refuse to execute such Instructions if the appropriate duly executed forms required by the Bank for such purpose are not provided by the Client.

13. Statements and correspondence

- 13.1 The Bank shall provide to the Client statements of accounts and / or portfolio valuations in respect of the Assets or liabilities in the Account or of other obligations of the Client, confirmations, advices, invoices or other documents as required by Applicable Laws or market practice (such statements of accounts, portfolio valuations, confirmations, advices, invoices or other documents shall hereinafter be collectively referred to as "Statements").
- 13.2 Positions shown in the Statements may be pending settlement. Settlement regulations vary depending on the rules applicable to the market in question and may require a cash settlement if the counterparty fails to deliver all or part of the securities or in case of non-timely settlement by the counterparty. Consequently, if a full or partial cash settlement takes place after the statement has been issued, the positions concerned may be totally or partially withdrawn from subsequent statements and may, for example, be displayed in the form of cash.



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- 13.3 The valuation of Assets, where relevant, in the Statements is based on data ordinarily available to the Bank and / or its Sub-Custodian(s). Some of the data can only be updated periodically and may come from unofficial sources, such as the issuers themselves or third parties linked to them and who are not independent from the issuer. Where such data is not or no longer available to the Bank, it may at its discretion use the most recent estimate values or may simply refrain from showing values for the positions concerned. All value of Assets shown in the Statements are for information only. In providing the Statements, the Bank shall not be deemed to be guaranteeing or representing the value of the Assets. The Bank shall not be liable for any inaccuracies or errors in the Statements unless such inaccuracies or errors are due to the gross negligence, wilful default or fraud on the part of the Bank.
- 13.4 All correspondence (including any Statements, other documents and notices) from the Bank to the Client are deemed to have been received by the Client:
- (a) if delivered personally (including by courier), at the time of delivery;
 - (b) if sent by letter, two (2) or seven (7) days after the date of the letter which is posted to the Client's mailing address in Hong Kong or outside Hong Kong respectively, notwithstanding that the letter may be returned undelivered;
 - (c) if sent by facsimile or email, at the time of dispatch; or
 - (d) if applicable, on the day when a correspondence is available via the Online Services including e-banking.
- 13.5 Notwithstanding any agreement between the Client and the Bank, the Bank may at its sole and absolute discretion without notice terminate or suspend any hold mail service provided by the Bank and deliver any correspondence to the Client in accordance with the contact and address details on the Bank's records.
- 13.6 For the purpose of the Bank corresponding with the Client, each of the contact and address details on the Bank's records (which the Client may from time to time instruct the Bank to update) shall be deemed to be the correct contact and address details.
- 13.7 The date mentioned on the copy of the correspondence or email (as the case may be) or on the mailing list kept by the Bank will be presumed to be the date of dispatch or posting.
- 13.8 The date on any correspondence (including any Statements, other documents and notices) retained by the Bank (pursuant to any hold mail service as may be requested by the Client and provided by the Bank at its sole and absolute discretion in certain circumstances and on such terms as may be prescribed by the Bank from time to time) shall be deemed to be the date on which the correspondence was delivered to and received by the Client.
- 13.9 Where the holder of an Account consists of more than one person, then any notice or communication given to or by any one of the persons who are holders of the Account shall be deemed to be given to or by all of them.
- 13.10 Any notice or communication from the Client to the Bank shall be effective only when actually received, during normal business hours of the Bank, by the Bank at its address, facsimile number or, subject to Annex 2 (Electronic Mail Terms), corporate email address or through e-banking platform, and marked for the attention of the relevant person as the Bank may from time to time notify the Client or containing any information acceptable to the Bank which enables the Bank to identify the relevant Account. Any notice or communication from the Client to the Bank actually received through any of the foregoing modes of delivery but outside normal business hours of the Bank, or on a day when the Bank is not open for business, shall only be effective on the next day that is a business day in Hong Kong. Any notice or communication from the Client to the Bank made via channels other than those stipulated will not be binding upon the Bank. It will be the obligation of the Client, particularly if its notice or communication is urgent, to ensure, for example by calling the Bank, that its notice or communication has been safely received and to check when the requested transaction may be carried out. The Bank does not guarantee that a notice or communication received at its address or by facsimile or email or through e-banking platform will be processed immediately, in particular because the recipient of said notice or communication may be absent or otherwise not be available to process the notice or communication.
- 13.11 Subject to the terms of use for the use of email in Annex 2 (Electronic Mail Terms) (the "Electronic Mail Terms"), the Client hereby authorises the Bank to communicate with the Client, and requests any correspondence (including Statements, other documents and notices and any other information with regard to the Client's banking relationship) to be sent, by email to the Client's email address(es) on the Bank's record, as such email address(es) may be modified or revised in accordance with the Client's instructions from time to time. The Client affirms that it is fully aware that email involves considerable risks (including the risk of a third party gaining unauthorised access to correspondence sent by email) and provides no guarantee of confidentiality, delivery, authenticity or integrity, and agrees to bear all risks in relation to the use of such mode of communication.
- 13.12 Unless there is an obvious error, the Bank's records in any form (including paper, electronic or other form) and any certificate (including any statement, report or communication) the Bank issues, or decision the Bank makes, about a matter or an amount payable is conclusive. The Bank may destroy, erase or stop maintaining any record after such time as is permitted by law.



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14. Examination of Statements

- 14.1 The Client agrees to examine all Statements (as defined above) issued and / or sent by the Bank to the Client, including for avoidance of doubt, where such Statement(s) are sent by email or made available via the Online Service (as defined in Annex 1 (Online Services Agreement)). The Client agrees that if, within fourteen (14) calendar days following the deemed receipt of Statements (other than statements of accounts and portfolio valuations) by the Client (or, for statements of account and portfolio valuations, within ninety (90) calendar days following the deemed receipt of such statements of account or portfolio valuations by the Client), no notice to the contrary has been given by the Client and received by the Bank, it shall be deemed that the Client has conclusively accepted and approved, without reservation, all matters in the Statements as true and accurate in all respects, including without limitation any and all transactions reflected in the Statements and any amount reflected as being owed by the Client to the Bank from time to time. Unless notice to the contrary is given by the Client and received by the Bank as stated above, all Statements shall be conclusive evidence against the Client of the matters stated therein.
- 14.2 Nothing in this Clause 14 shall however interfere with the Bank's right, which may be exercised by it at any time, to adjust any entries in an Account or any details in a Statement where they have been wrongly or mistakenly made by the Bank.

15. Fees and Expenses

- 15.1 The Bank shall be remunerated for the Services provided to the Client in accordance with the fee schedule then in effect. The Bank reserves the right to change its fees at any time. The Bank will notify the Client thereof by circular or letter, or by any other appropriate means as the Bank deems appropriate. If the Bank does not receive notice from the Client to the contrary within a period of thirty (30) days from the date on which the Bank gave notice of the changes to the Bank's fees, changes to the Bank's fees will be deemed to have been approved and agreed to by the Client without reservation, and in any event, by the use or continued use of any Services offered by the Bank or the issue of any Instruction to the Bank. The changes will take effect after the expiry of the thirty (30) day notice period (or such shorter period if permitted by Applicable Law).
- 15.2 The Client agrees to reimburse the Bank for costs and disbursements incurred in connection with the Bank's Services, including without limitation the costs and disbursements incurred by the Bank in engaging Agents or other third persons to effect the Client's Instructions or to provide the Bank's Services to the Client. In addition, the Bank may charge the Client the cost of postage, faxes, telephone calls etc., as well as all other costs.
- 15.3 The Client hereby confirms that it is aware of and expressly agrees to the fee schedule and other charges in force.
- 15.4 The Bank shall debit from the Assets in the Account or Deposit Account, on the basis of the Services provided, all applicable fees, stamp duties, government or fiscal taxes, levies, expenses, costs, disbursements, assessments and other charges ("Charges").
- 15.5 Where the Account does not have sufficient funds in the currency for which the Charges are to be debited, the Bank reserves the right to convert the amount for the Charges from the reference currency in respect of the Account, or where there is insufficient funds in the reference currency, such other currency in the Account at the discretion of the Bank. If any amount payable to the Bank is received in a currency other than that in which it is due, whether as a result of a judgment, set-off, enforcement of a security or otherwise, the Client authorises the Bank to convert – in accordance with its usual procedures or as it otherwise regards appropriate, including with respect to the exchange rate and the time of exchange – the amount received into the currency in which it is due and if the net proceeds (after deduction of conversion costs) of that conversion fall short of the amount due in such currency, the Client shall indemnify the Bank against the shortfall.
- 15.6 Without prejudice to the generality of the foregoing, the Client further agrees that if, in connection with any receipt, transfer or crediting of Assets to accounts maintained with the Bank, any tax, duty, goods or services tax, claim, interest, fine, penalty or damages are imposed on the Bank or paid by or charged to the Bank, the Bank shall be authorised to debit the Client's Account with any such amount and Clause 15.4 above shall apply mutatis mutandis as if such amount were a Charge. The Client also agrees to indemnify and hold the Bank harmless for such taxes, duties, claims, interest, fines, penalties, damages and reasonable expenses associated therewith.
- 15.7 Transactions and cross-border transfers in any currency shall be subject to the regulations (if any) laid down by the exchange control authorities of Hong Kong and of the country where such currency is the lawful currency.

16. Relationship of the Bank with the Client

- 16.1 The Client shall be deemed to be and is transacting with the Bank as sole principal, notwithstanding that the Client may, as between itself and a third party be effecting transactions for or on behalf of such third party. The Client acknowledges, undertakes and agrees to be always primarily liable for all transactions entered into under these General Conditions and / or any other agreements between the Client and the Bank and any obligations arising in connection thereto.
- 16.2 The Client agrees that the Bank in executing the Client's orders and / or acting on the Client's Instructions, the Bank may, at its absolute discretion, act as an intermediary, in its own name but on the Client's risk and behalf.
- 16.3 In certain situations, for instance, where the Bank uses another broker to execute the Client's orders or Instructions in foreign jurisdictions, the Bank may have to accept sole and principal responsibility to the Agent for any such executed order (notwithstanding that as between the Client and the Bank, the Bank is in fact the agent of the Client). Accordingly, the Client shall indemnify the Bank against any and all actions which the Bank deems in good faith necessary to ensure that the Bank will not be in default of its said



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principal obligation or responsibility. The foregoing right of the Bank will apply even though as between the Bank and the Client, the Client may be in actual or anticipatory default. The foregoing indemnity in favour of the Bank is in addition to any other right that the Bank may have (whether expressly provided as between the parties or implied by law).

- 16.4 The Client hereby agrees that the Bank may freely execute the Client's orders in its capacity as intermediary or principal for its own account and as counterparty to the Client.
- 16.5 The Client hereby agrees that the Bank has the right (but is not obliged) to enter into a transaction to buy from or sell to the Client any futures contract as an intermediary or for the Bank's own account, an account of a person associated or connected with the Bank or an account in which the Bank has an interest, in accordance with the business rules and practices of futures exchanges or recognised market operators.

17. Joint Accounts and Collective Accounts

- 17.1 The Bank is authorised to take Instructions in relation to the Account from each Account co-holder (each a "Co-Holder" and collectively, the "Co-Holders") individually, independently of other Co-Holders and without any restrictions whatsoever save as may be expressly provided in these General Conditions, including without limitation Instructions to dispose of the Assets in the Account, to manage the Assets, to carry out any transaction in relation to the Account, to make any transfer or withdrawal of all or part of the Assets, to sell the Assets, to enter into binding agreements in relation to the Account, to pledge, charge or otherwise encumber all or part of the Assets in the Account, and/or to appoint or dismiss any agent or attorney under a power of attorney. Each Co-Holder agrees that an Instruction of any Co-Holder shall be regarded as the Instruction of all Co-Holders. An Account to which Clauses 17.1 and 17.2 apply shall be termed as a "Joint Account". Except as expressly provided, all the provisions of this Clause 17 shall apply to a Joint Account (including a Joint Account which is a Collective Account (as defined in Clause 17.3 below)). For the avoidance of doubt, every reference to a "Client" in these General Conditions refers to the Co-Holders collectively. Every act or omission, or obligation or liability performed by or owed to or by a Client is deemed to be performed by, or owed to or by all the Co-Holders collectively, unless the context otherwise indicates.
- 17.2 Without prejudice to the generality of the foregoing paragraph, each of the Co-Holders may individually release the Bank from any and all liability, bind the other Co-Holders and their permitted assigns or successors under its sole signature and/or close the Account.
- 17.3 Notwithstanding Clauses 17.1 and 17.2 above, the Co-Holders may notify the Bank in writing that any Instruction shall only be given in writing under the collective signatures of all of the Co-Holders or the designated Co-Holders, including without limitation such Instructions as described in Clauses 17.1 and 17.2 above. In this case, for the avoidance of doubt, the collective signatures of all Co-Holders or the designated Co-Holders (as applicable) are also required to close the Account. A Joint Account to which this Clause 17.3 applies will be termed as a "Collective Account".
- 17.4 In the absence of instructions to the contrary, the Bank shall be authorised to deposit in or credit to the Account any Assets that it may receive from any of the Co-Holders.
- 17.5 If, prior to acting on Instructions received from a Co-Holder, (i) the Bank receives contradictory Instructions from other Co-Holder(s), (ii) the Bank becomes aware of any dispute between the Co-Holders or (iii) in any circumstances as the Bank deems appropriate, the Bank shall be entitled (but not obliged) to (1) decline to take any action on any Instructions (even if such declining may result in any loss) without being liable in any way, until it receives clear and definitive Instructions from such number of the Co-Holders as the Bank may require; (2) close the Account; and/or (3) take such other action as it deems fit, including choosing to act thereafter only on Instructions given by all the Co-Holders of the Account irrespective of whether or not the Account is a Collective Account.
- 17.6 Each Co-Holder is jointly and severally liable with all the other Co-Holders for any debit balance and/or liabilities of the Account. As such, each Co-Holder is fully and individually liable for the whole of all debts and liabilities incurred on the Account vis-a-vis the Bank or any third party. The Bank shall be entitled to deal separately with any one of the Co-Holders on any matter (including but not limited to the variation or discharge of any liability to any extent, or the granting of time or other indulgence to or making other arrangements with any Co-Holder) without prejudicing or affecting the Bank's rights, powers or remedies against any other Co-Holder(s). For the avoidance of doubt, no Co-Holder shall be discharged, nor shall his/her liability be affected, by any discharge, release, time, indulgence, concession, waiver or consent at any time given or effected in relation to any other Co-Holder(s).
- 17.7 The terms in this Clause 17 only govern the contractual relationship between the Co-Holders and the Bank. The Bank is not deemed a party to, and shall not take into consideration or have regard to the ownership rights of the Co-Holders pertaining to the Assets, or any internal legal relationship existing between the Co-Holders and/or beneficiaries or representatives of the latter parties, including without limitation with respect to succession, matrimonial or mental health laws.
- 17.8 In the event of the actual or alleged death, incapacity, bankruptcy or insolvency of any one of the Co-Holders:
- 17.8.1 The Bank may, in its sole and absolute discretion decline to take cognizance of any such event until satisfactory documentary evidence of such event has been provided to it, and shall not be liable for any Loss occasioned thereby. Without limitation to the generality of the foregoing, the Bank may continue to carry out standing instructions, accept instructions from the authorized representatives of the individual or entity said to be dead, incapacitated, or bankrupt (in accordance with the position before the alleged death, incapacity, bankruptcy or insolvency), and allow operation of any Joint Account (including a Collective Account) in accordance with Clauses 17.1, 17.2 or 17.3 above, and such actions shall continue to bind the Co-Holder and/or his estate. The determination by the Bank that any Co-Holder is, or is not, dead, incapacitated or bankrupt is final.



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17.8.2 Upon satisfactory evidence of death of a Co-Holder being provided to the Bank:

- (a) the Bank may treat the surviving Co-Holder(s) as having full authority and powers to operate the Account and all monies and Assets held by the Bank as standing to the credit of the Account, and all monies and liabilities due under or in connection with the Account to the Bank or other third parties, shall vest in the surviving Co-Holder(s) (without prejudice to any of the Bank's rights against the estate of the deceased Co-Holder);
- (b) the Bank may at its sole discretion, on the request of the surviving Co-Holder, and if more than one, the request of all the surviving Co-Holders, allow the Account to operate in the names of the surviving Co-Holders only, provided that any indebtedness of the deceased Co-Holder to the Bank has been fully discharged. In such an event, the deceased shall, from the date when the Account is in the names of the surviving Co-Holder(s), then cease to be a Co-Holder of the Account, and the Bank shall be fully released and discharged from any obligation to the deceased Co-Holder and/or his beneficiaries or personal representatives. Nothing herein shall prejudice any of the Bank's accrued rights against the estate of the deceased Co-Holder which were accrued before the date when the Account came to be in the name of the surviving Co-Holders;
- (c) without prejudice to Clause 17.8.2(b) above, the Bank shall be entitled to pay the credit balance in the Joint Account(s) to the surviving Co-Holder, and if more than one surviving Co-Holder, to the surviving Co-Holders in their joint names, to the exclusion of any heirs or other beneficiaries or personal representatives of the deceased Co-Holder, provided always that prior to such payment, the indebtedness of any or all of the Account(s) holders (including any deceased Account holder) to the Bank shall first be set-off from the credit balance such that the credit balance after set-off (if any) is held for the benefit of the surviving Co-Holder(s). Payment as aforesaid by the Bank to the surviving Co-Holder(s) shall constitute a valid, full and effectual discharge and release of the Bank's obligations to any and all of the Account(s) Co-Holder(s), and the Bank shall not be required to enquire, investigate or hold any credit balance in the Account(s) if there arises competing claims to the same. Without prejudice to the generality of the foregoing, the Bank is not liable for, and will be released from, all demands, claims, suits and actions by the beneficiaries or personal representatives of the deceased Co-Holder; and
- (d) notwithstanding the foregoing, the Bank shall have the right (but not the obligation) to take or decline to take any action which the Bank may in its absolute sole discretion deem desirable, in view of any claim by any person other than the surviving Co-Holder(s) or otherwise or any notice of severance of joint ownership of the Assets, including but not limited to requiring the surviving Co-Holder(s) to obtain the agreement of all the heirs of the deceased Co-Holder(s) as to the change of the account holders for the Account, disposing any Assets in the Account or freezing the Account until any dispute in relation to the entitlement to the Account is settled or accepting any beneficiary or personal representative of the deceased Co-Holder to be a Co-Holder of the Account in place of the deceased Co-Holder.

17.8.3 Upon satisfactory evidence of incapacity of a Co-Holder being provided to the Bank:

- (a) in relation to that Co-Holder, the Bank will decline to act on the instructions of the said Co-Holder;
- (b) in relation to that Co-Holder, the Bank will thereafter act only on the instructions of persons authorised or who appears to be authorised to represent the said Co-Holder in light of his incapacity, including the donee of an enduring or lasting power of attorney or a court-appointed deputy;
- (c) for the avoidance of doubt, the incapacity of any Co-Holder shall not prejudice the ability and authority of any other Co-Holder to give Instructions in relation to the Account under Clauses 17.1 and 17.2 above (which will continue to be binding on the incapacitated Co-Holder), or prejudice any of the Bank's rights under Clause 17.6 above; and
- (d) in the case of a Collective Account, the Bank shall only accept Instructions collectively given by all of the Co-Holders or the designated Co-Holders, notwithstanding the fact that, as a result of any of these Co-Holders being incapacitated, the Instructions cannot be obtained or that there would be a delay in obtaining such Instructions by an authorised representative of an incapacitated Co-Holder.

17.8.4 Upon satisfactory evidence of bankruptcy or insolvency of a Co-Holder being provided to the Bank:

- (a) in relation to that Co-Holder, the Bank will decline to act on the instructions of the said Co-Holder;
- (b) in relation to that Co-Holder, the Bank will thereafter act only on the instructions of persons authorised or who appears to be authorised to represent the said Co-Holder in light of its bankruptcy or insolvency, including the trustee-in-bankruptcy;
- (c) the Bank may freeze or suspend operations on the Account and refuse access to the funds in the Account until the Bank receives satisfactory evidence of the person(s) who have the legal authority to operate the Account on behalf of the bankrupt's estate-in-bankruptcy; and
- (d) thereafter, the Bank may require the Account to be operated as a Collective Account and can be operated or closed only by the joint signatures of the person(s) who have the legal authority to represent the bankrupt and the other Co-Holders.

17.9 The surviving Co-Holder(s) or the successors, heirs, beneficiaries or personal representatives of a deceased, incapacitated or bankrupt Co-Holder must inform the Bank as soon as possible in the event of the deceased Co-Holder's death, incapacity, bankruptcy or insolvency.



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- 17.10 If any Co-Holder of the Account is a partnership, each partner in the partnership is jointly and severally liable with all the other partners for any debit balance and/or liabilities of the Account. Upon any partner ceasing to be a partner, whether by death or otherwise, the Bank may treat the surviving or continuing partners for the time being as having full power to carry on the business of the partnership and to deal with its assets as freely as if there had been no change in partnership until the Bank receives written notice to the contrary from the partnership or a partner. Any authority for the operation of the Account shall remain in force and apply notwithstanding any change in the name, composition or constitution of the partnership, and change in the membership of the partnership by death, incapacity, bankruptcy, insolvency, retirement or otherwise or the admission of any new member(s), unless and until the Bank receives written authority to the contrary. Each partner agrees that the partnership shall notify the Bank immediately in writing of any change in name or membership of the partnership.
- 17.11 Without prejudice to the generality of Clause 41,
- 17.11.1 the Bank shall not be liable to any of the Co-Holder(s) or their respective successors, heirs, beneficiaries or personal representatives for any Loss (as defined in Clause 41 below) that may result, directly or indirectly, from the performance of the Bank's obligations or exercising of the Bank's rights under this Clause 17 (including, without limitation, the Bank's right to determine whether any Co-Holder is, or is not, dead, incapacitated or bankrupt), or for acting on the instructions of any persons authorized or appearing to be authorized in the event of the actual or alleged death, incapacity, bankruptcy or insolvency of any one of the Co-Holders and any other clauses of these General Conditions including without limitation taking Instructions from the surviving Co-Holder(s) such as to make a payment to the surviving Co-Holder(s); and
- 17.11.2 the Co-Holders, on behalf of themselves and their respective successors, heirs, beneficiaries or personal representatives (including the personal representatives of the estate of any deceased Co-Holder(s), undertake to hold harmless, guarantee and indemnify the Bank, its subsidiaries, related corporations, affiliates and nominees together with their respective employees, officers, agents and representatives in respect of all Losses (as defined in Clause 41 below) arising from:
- (a) the closing of the Account;
 - (b) the payment by the Bank to the surviving Co-Holder(s);
 - (c) the suspension and/or freezing of the operation of the Account; and
 - (d) any dispute between any of the surviving Co-Holder(s) and any personal representatives of the deceased Co-Holder;
- and the Bank shall be entitled to demand for or debit from the Account such amount of Losses at its sole and absolute discretion.
- 17.12 All correspondence (including any Statements) from the Bank to any one of the Co-Holders is deemed to have been received by all the Co-Holders as soon as it is sent to the last address given by the relevant Co-Holder (in respect of which, please see Agreement for Account Opening). The date mentioned on the copy or on the mailing list kept by the Bank will be presumed to be the date of dispatch and receipt by all the Co-Holders. The date on any correspondence retained by the Bank (pursuant to any hold mail service as may be requested by the Client) shall be deemed to be that on which the mail was delivered to and received by all the Co-Holders. Any Co-Holder may also individually countersign to acknowledge (on behalf of all Co-Holders) any and all Statements (as may be applicable).
- 17.13 Notwithstanding Clause 17.3 above, and/or any instructions by any of the other Co-Holders, the Bank shall be entitled, but not obliged, to provide any information and/or, documents pertaining to the Account to any Co-Holder (or their respective successors, heirs, beneficiaries or personal representatives) who requests for the same from the Bank, as if the Account was in the Co-Holder's sole name, and shall be entitled to charge administrative fees for the provision of such documents and/or information in accordance with the Bank's usual practice from time to time. The Bank may at its discretion debit such administrative fees from the Account or require payment of the administrative fees from the requesting Co-Holder. For the avoidance of doubt, the receipt of any request by the Bank and/or the decision of the Bank to accede to any request by a Co-Holder for information or documents shall not in any way prejudice the operation of Clause 17.3 above in respect of Instructions falling outside of this Clause 17.13.

18. Trust Accounts

- 18.1 Without prejudice to any provision in these General Conditions, where the Client is acting as trustee of a trust, the Client undertakes, represents and warrants to the Bank that:
- 18.1.1 the Client has full capacity, power and authority, in the capacity as trustee of the trust, in accordance with the terms of the documents constituting the trust (the "Trust Deed") and all Applicable Laws, to enter into and to perform and deliver these General Conditions and any other applicable agreement between the Bank and the Client (including any applicable agreement relating to credit facilities made available to the Client);
- 18.1.2 the Client shall ensure that all Instructions given and all investments and transactions undertaken by the Client, in the capacity as trustee of the trust, are in accordance with the terms of the Trust Deed and all Applicable Laws;
- 18.1.3 the Client shall ensure that only assets of the trust are deposited in the Account and the Client shall not commingle his private assets with those of the trust in the Account;



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- 18.1.4 the Client shall inform the Bank of any change regarding the trustee(s) of the trust immediately, in particular their appointment, removal or resignation, and take all necessary steps and fully cooperate with the Bank to update the Bank's records; and
- 18.1.5 without prejudice to the generality of Clause 20, the Client releases the Bank of its confidentiality obligations under any laws and regulations to the extent considered desirable by the Bank if the Bank wishes, at its sole discretion, to search, mandate or take any other actions in connection with identifying and/or appointing, as applicable, new trustee(s) and/or co-holder(s) and/or beneficial owner(s) of the Account.
- 18.2 The Client acknowledges and agrees that the Bank will not, nor shall the Bank be under any duty or obligation to, verify and/or monitor any of the matters referred to in Clause 18.1 above and/or review or retain a copy of the Trust Deed.
- 18.3 The Client agrees that the Bank shall deal solely with the Client, even if the Account has been opened in the Client's name "in trust" or "as nominee" or under some similar designation, for a third party, whether named or unnamed. The Bank shall in no circumstances assume any responsibilities or obligations towards any persons entitled, or claiming to be beneficially entitled to any Assets in the Account.
- 18.4 Where the Client acting as trustee of a trust is a sole Account holder, in the event of the Client's death, incapacity, insolvency, receivership or administration, the Bank may, but shall be under no obligation to, in its sole and absolute discretion, suspend and/or freeze the operation of the Account until the Bank is able to determine, to its satisfaction, the person(s) entitled to ownership, management or control of the assets therein, including the succeeding trustee of the trust.
- 18.5 Where the Account is in the name of more than one trustee, upon the death, incapacity, bankruptcy or insolvency of a Co-Holder who is a trustee, the Bank may hold the Assets in the Account to the order of the surviving or other trustee(s) who are also Co-Holders of the Account. For the avoidance of doubt, this will not prejudice the Bank's rights to request such trustee(s) to execute any document or provide any indemnity in a form satisfactory to the Bank.
- 18.6 Notwithstanding any other provision to the contrary, if there is no surviving or other trustee(s) of the trust as determined by the Bank, the Bank may (but is not obliged to) close the Account and transfer the Assets to the beneficiary of the trust, or each of the beneficiaries of the trust in equal shares, according to the Bank's records.

19. Cheques and Other Negotiable Instruments

- 19.1 The Bank may accept cheques and other negotiable instruments for clearing in the manner prevailing for the acceptance of such cheques or negotiable instruments as the Bank may determine from time to time and shall only credit the Account with the proceeds of such cheques or negotiable instrument after adjustments have been made for the difference in exchange rates, bank commission, stamp duty and other charges upon clearance of the cheques or negotiable instruments, and all risks connected with the clearing including but not limited to exchange rate movement shall be for the Account. Foreign currency cheques and other negotiable instruments received for collection will only be credited to the Account after the Bank receives payment of the foregoing charges.
- 19.2 The Bank may refuse to accept any cheque or other negotiable instrument for deposit. This includes but is not limited to any cheque on which the payee's name is not identical with that of the Client.
- 19.3 Cheques or negotiable instruments deposited by the Client which are dishonoured or cannot be processed by the Bank for any reason may be returned by ordinary mail to such mailing address in the Bank's records at the Client's risk and expense.
- 19.4 Unpaid cheques or other negotiable instruments credited or discounted in advance may be debited from the Client's Account. The Bank, however, retains the right to be paid the full amount of foregoing cheques and to pursue any other ancillary claims in connection to the same against any party liable under the said instruments, whether such amount is due pursuant to the law of commercial instruments or otherwise, until the debt has been fully discharged.
- 19.5 In accepting and / or collecting cheques and other negotiable instruments, the Bank acts solely as an agent for collection and therefore will not be responsible for any non-payment or Loss (defined in Clause 41 below) incurred in connection with the cheque or other negotiable instruments. Without prejudice to the generality of the foregoing, the Bank will not assume any liability as to the form, regularity or authenticity of those documents. For avoidance of doubt, the Bank assumes no obligation to pursue the recovery of such cheques and / or other negotiable instruments, save for as may be required under any Applicable Laws. The Client is liable for all damages resulting from any legal claim, even if made after the collection of such instruments by the Client, and the Bank is authorised to reverse the respective accounting entries.
- 19.6 The Bank shall not incur any liability arising in connection with a cheque or other negotiable instrument not being presented or contested in due time where the delay is not attributable to gross negligence or wilful default on the Bank's part. For avoidance of doubt, the foregoing includes but is not limited to situations where the Instructions to the Bank or the wording of the cheque(s) or other negotiable instrument(s) are incomplete or unclear, where the cheque(s) or negotiable instrument(s) do not reach the Bank within reasonable time before any due date for the presentation of such cheque(s) or other negotiable instrument, or in any other factual circumstances which render presentation or objection of the cheque(s) or negotiable instrument(s) difficult.



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20. Confidentiality of Client Information

- 20.1 The Bank and its officers and employees are bound by the requirements to observe customer confidentiality and banking secrecy according to Hong Kong law.
- 20.2 These General Conditions shall not create any obligation on the Bank to observe a higher degree of confidentiality in respect of any information than as for the time being prescribed under Hong Kong law.
- 20.3 The Client agrees that in the course of the business relationship, the Bank may collect, hold or come into possession of information in respect of the Client (including but not limited to the identity, background, origin of or any other information about any assets or wealth of the Client or other personal data of the Client or any direct, indirect or beneficial owner in respect of the Assets, details as to the Assets in the Account, transactions in respect of the Assets, information and documents in relation to the Account, facilities and Services of, or used by the Client ("Information")) and the Client agrees and undertakes to provide such Information as requested by the Bank. The Client further undertakes to notify or update the Bank as soon as reasonably practicable when any Information previously provided to the Bank becomes in any way incomplete, inaccurate or in any way deficient.
- 20.4 The Client's attention is explicitly drawn to the fact that when the Client transfers Assets, invests in a financial instrument or carries out a transaction, whatever its nature, the Bank or its Sub-Custodian(s) with which securities are lodged or registered, may be required under any applicable exchange rules, laws or regulations (including but not limited to any laws and regulations in respect of anti-money laundering or countering terrorism financing) of the jurisdiction where the Bank or its Sub-Custodian(s) is situated or where the transaction is effected or connected with, to obtain from the Client and to divulge Information in respect of the Client, and the Client expressly consents to the disclosure of such Information by the Bank and / or its Sub-Custodian(s) therefor. The Client further agrees and acknowledges that it may not hold the Bank liable for any damage that may be incurred as a result of such disclosure of Information.
- 20.5 Some jurisdictions may impose certain conditions for the transfer and / or custody of securities in that jurisdiction, including but not limited to requiring the Client to obtain certain registrations or authorisations, or that the Assets be held in a segregated account in the name of the Client (collectively "Market Restrictions"). The Client agrees to provide the Bank with such information and to complete such documentation as may be necessary to comply with such Market Restrictions. The Client agrees and acknowledges that any failure by the Client to fulfil such Market Restrictions may result in the said transfer, investment or transaction being blocked or rejected, and that the Bank shall not be liable in any way for any such Loss (defined in Clause 41 below) that may be incurred as a result of such non-disclosure.
- 20.6 The Client agrees that personal data or Information may have to be disclosed and transmitted for the purposes of transactions, such as when transfers of funds and financial instruments or transactions are processed by the Bank, by other banks or financial institutions involved in the settlement of the transactions and by other specialised companies, such as "SWIFT" (Society for Worldwide Interbank Financial Telecommunication). Such processing may be operated through centres located in foreign countries, acting in accordance with their local legislation. As a result, the Bank or its Sub-Custodian(s) may also be required under any and all other Applicable Laws, market practice and / or by the relevant correspondent to disclose such Information as may be required in connection with such processing including but not limited to where authorities of foreign countries request or obtain requests for access to personal data held in operating centres in foreign countries for the purposes of fighting terrorism. Any Client instructing the Bank to execute a payment instruction, a financial instruments transaction or any other type of transaction in relation to SWIFT, accepts that all data necessary for the correct completion of the transaction may be processed outside Hong Kong, including in countries where the level of data protection might not be equivalent to that in Hong Kong, and hereby irrevocably and unconditionally consents to the disclosure of such personal data and Information by the Bank as may be necessary and expedient, to effect any of the foregoing Instructions or transactions.
- 20.7 The Client agrees and consents to the terms of the Bank's privacy policy as amended from time to time, available below at Part III: Notice to Clients relating to the Personal Data (Privacy) Ordinance (the "Privacy Policy"). In addition to the above, the Client also hereby expressly consents to and authorises each of the Bank and/or other members of the UBP Group, as well as their representatives, agents or authorised service providers to collect, use, disclose and/or process Information:
- 20.7.1 to any person (including without limitation, any member of the UBP Group, affiliated or related entity, sub-custodian, co-custodian, intermediary, nominee, broker, depository, service provider, contractor, sub-contractor, issuer, manager, trustee, clearing house, exchange, authority, government, quasi-government, judicial or regulatory body, law enforcement agency, credit reference agency, debt collection agency, security provider, insurer, any other third party and any of their advisers, representatives and agents, as well as any other categories of persons stated in the Privacy Policy); and
- 20.7.2 in the following situations and / or for the following purposes:
- (a) for purposes indicated in the Privacy Policy;
 - (b) for the purpose of opening and / or maintaining an Account with the Bank and the provision of Services by the Bank to the Client;
 - (c) where the Bank deems it necessary or desirable for the proper execution of any Instruction and / or for the Bank to fulfil its obligations or take any action under these General Conditions or any agreement entered into with the Client;
 - (d) when the Client transfers Assets, subscribes, invests in, holds or divests a financial instrument or carries out a transaction, whatever its nature;



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- (e) for any exchange to conduct market surveillance and monitoring, conduct analysis for market oversight, or enforce any rules of the exchange;
- (f) for any authority to perform its statutory functions, or disclose to other authority in accordance with any Applicable Laws;
- (g) for the purpose of business continuity, anti-money laundering, “know-your-client” and / or client acceptance procedures;
- (h) to defend or exercise the Bank’s own rights and / or interests, whether through legal proceedings or otherwise, arising from its relationship with the Client or another person;
- (i) if and to the extent that the Bank considers, in its sole discretion, that non-disclosure of Information would result in the Bank or any member of the UBP Group, or any of their assets, operations or personnel becoming liable to seizure, interference, penalty, fine, sanction or any other prejudice;
- (j) if the Bank, or any other affiliated person, is subject to claims in connection with investments made on the Client’s behalf;
- (k) in order to secure, enforce or recover claims the Bank has against the Client or to enable it to assert its security rights against the Client or a third party;
- (l) if reproaches or accusations are made, or threatened or attempted to be made, by the Client or another person (directly or indirectly), against the Bank;
- (m) to assist the police, any public officer or any other law enforcement agency to conduct or purport to conduct an investigation in connection with any offence committed in Hong Kong or elsewhere;
- (n) where the Client is in breach of any of its obligations to the Bank;
- (o) to obtain professional advice;
- (p) where the disclosure is made in connection with legal or debt collection proceedings (whether threatened or initiated by or against the Bank and whether involving the Client or another person);
- (q) if the disclosure is only to the extent of the same coming into the public domain otherwise than through a breach of this Clause 20.7;
- (r) to any surety or other person who has undertaken liability or provided security in relation to the Account or any Asset or Service;
- (s) in the event a third party receives rights of pledge or other security rights on the Client’s assets held with the Bank, and the Bank shall be permitted to give notice of any assignments to third-party debtors;
- (t) to any person who may enter into (or may potentially enter into) a contractual relationship with the Bank;
- (u) to any person with (or through) whom the Bank enters into (or may potentially enter into) any transaction in connection with the purchase or sale of any credit insurance or any other contractual protection or hedging with respect to any obligations under the Account or any Asset or Service;
- (v) to any provider of credit protection in respect of any of the Bank’s rights and / or obligations in relation to the Account or any Asset or Service;
- (w) to any person to whom any fees, commissions or other amounts may be payable, for the exclusive purpose of determining the quantum of such fees, commissions or other amounts as may be necessary in order to properly calculate such quantum;
- (x) to such other person for such other purpose as may be permitted under or required or desirable for the compliance with any Applicable Law;
- (y) for purposes of data processing or storage or any other administrative or computer system services outsourced by (i) the Bank; or (ii) any other members of the UBP Group;
- (z) any other purposes in relation to which the Client has otherwise provided (i) the Bank; or (ii) any other members of the UBP Group with consent; and/or
- (aa) any other purpose relating to or reasonably necessary for any of the above.

20.8 With respect to the situations described in Clause 20.7.2(d) above, the Client acknowledges that late disclosure or non-disclosure may lead to the blocking of such financial instruments, for example, voting rights and other rights may not be exercised, dividends may not be received, or financial instruments may not be sold or otherwise disposed of.



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- 20.9 The Client accepts that the Bank may be obliged to comply with or choose to have regard to, observe or fulfil the market standards, good practices, or requests by, expectations of or agreements with public, judicial, taxation, governmental or other regulatory authorities or self-regulatory bodies in various jurisdictions as promulgated and amended from time to time in addition to any Applicable Laws. In this connection, the Client hereby expressly consents to and authorises the Bank to disclose Information and/or take such other action as may be desirable to ensure the Bank's compliance or adherence (whether voluntary or otherwise) with the foregoing requirements.
- 20.10 Any consent, authorization and/or agreement given by the Client in this Clause 20 in relation to or in connection with the collection, use, disclosure and/or processing of any personal data or Information shall relate to all past, present and future (i) collections, uses, disclosures and/or processings made in accordance with this Clause 20 by, and (ii) banking relationships with, the Bank. In addition, this Clause 20 and the consents, authorisations and agreements contained herein shall not expire in the event of the termination of the account relationship and/or in the event of the Client's bankruptcy, insolvency, death, incapacity, declaration of absence, winding-up and/or judicial management. The Bank's rights as stated in this Clause 20 are in addition to any other rights that the Bank may have under any relevant Applicable Laws.
- 20.11 The Client acknowledges and agrees that any information disclosed to a third party as permitted by this Clause 20 or otherwise shall no longer be subject to banking secrecy and, where it is transmitted outside of Hong Kong, may become available to foreign authorities. The Client accepts that such information may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country or region in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to differences in applicable laws and regulations.
- 20.12 The Client further acknowledges and agrees that the Client shall have no claim against the Bank (its governing bodies, employees, agents or affiliates) as a result of, or in connection with, any disclosure, sharing and/or processing of information or documents as permitted in these General Conditions.

21. Reports and other information

- 21.1 The Client acknowledges and agrees that any research publications, recommendations, analysis or reports (including from entities of the UBP Group) (collectively "Reports") provided by the Bank to the Client are solely by way of general information only and for the purpose of general circulation, and such Reports shall not be considered by the Client to be a representation, statement or advice by the Bank. The Bank does not in any way assume any responsibility or guarantee the truth, accuracy or completeness of any information in such Reports. Any recommendation or advice that may be expressed therein or inferred from such Reports therefore does not take into account and may not be suitable for the Client's investment objectives, financial situation and particular needs, may be subject to changes without prior notice and may not comprise current information, opinions or market views. The Bank is under no obligation to take into account any such Reports when providing any advice to the Client. The Bank may provide or may cease to provide such Reports at any time and without notice to the Client.
- 21.2 Any Reports or other information provided by the Bank are for the Client's personal use. The Client shall not distribute such Reports or other information to other persons (except to its advisers on a need-to-know and confidential basis).

22. Non-reliance on Representation by Bank

- 22.1 The Client represents and warrants that:
- (a) the Client alone is ultimately responsible for all decisions relating to any transaction undertaken by the Client, including but not limited to the decision to invest or divest, the choice of investment type and the composition of the Account;
 - (b) any such decision shall be made by the Client solely in reliance on the Client's own judgment and evaluation of the investment, and of any market or other risks such investments may entail, including the loss of the entire principal amount invested, and not in reliance on any representation, advice, view, opinion or other statement of the Bank or any of the Bank's employees, agents or representatives; and (c) the services provided by the Bank are provided on a strictly execution only basis. For the avoidance of doubt, this Clause 22.1 shall not apply if the Bank agrees to provide discretionary portfolio management service to the Client or if Clause 23.2 is applicable to the Client.
- 22.2 Unless otherwise agreed by the Bank in writing, the Bank does not and is not willing to assume any advisory, fiduciary or similar or other duties or act as investment adviser to the Client. The Bank assumes, and relies on the assumption, that the Client has taken and / or will take the necessary independent legal, tax, financial and other advice in relation to any Account or before accepting these General Conditions or entering into any transaction or Service. The Bank will assume that the Client has read and agrees to the relationship disclosure disclosed as part of any risk disclosure to the Client as may be provided by the Bank. For the avoidance of doubt, the Bank makes no representation, warranty or guarantee as to the performance, returns, loss or risks in connection with the Account, Assets contained therein or any other transaction undertaken by the Client.
- 22.3 For the avoidance of doubt:
- 22.3.1 Clause 23.2 shall not apply if a financial product is not solicited or recommended by the Bank to the Client; and
 - 22.3.2 in respect of such financial product, the Client shall be solely responsible for all decisions relating to such financial product and all risks in relation thereto and the Bank shall provide services to the Client based on the Client's representations and warranties in Clause 22.1.



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23. Suitability

23.1 For the purpose of this Clause 23, “financial product” means any securities or leveraged foreign exchange contract as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

23.2 This Clause 23.2 applies except where the Client is:

(a) an institutional professional investor; or

(b) a corporate professional investor that the Bank treats as having satisfied the assessment criteria set out in paragraph 15.3A of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission and having been subject to the procedures referred to in paragraph 15.3B(a) of that Code.

The terms “institutional professional investor” and “corporate professional investor” have the meaning given to them in the SFO and related codes and guidelines. Where this clause applies, if the Bank solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client’s financial position, investment experience and investment objectives. No other provision of these General Conditions or any other document that the Bank may ask the Client to sign and no statement that the Bank may ask the Client to make derogates from this Clause 23.2.

24. Provision of Investment Services

24.1 In Hong Kong, the Bank is an authorised institution within the meaning of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong) and a registered institution under the SFO carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Its CE number is ABZ544 and its current place of business in Hong Kong is at 26th Floor, AIA Central, 1 Connaught Road, Central, Hong Kong.

24.2 The Bank may, at the Client’s request, agree to buy, sell, hold, or otherwise deal in securities on the Client’s behalf, and to provide information advice and / or recommendations in relation to securities. When the Client requests the Bank to provide such services, these General Conditions and in particular the provisions stated below shall apply.

24.3 The Bank may, from time to time, act as a distributor or execute transactions or dealings for the Client in connection with a fund (including unit trusts, mutual funds and collective investment schemes). This service is referred to as the “Funds Dealing Service” and is subject to the provisions set out in Annex 4.

24.4 In connection with a fund that the Client identifies to the Bank for the purpose of the Client instructing the Bank to transact on the Client’s behalf (a “Client Identified Fund”) the Bank is not obliged to provide the Client with documentation relating to that fund. If such documentation is provided, it is provided on the terms set out in Annex 4.

25. Disclosure of Benefits when Distributing and Selling Investment Products

25.1 The Bank may from time to time act as a distributor of investment products, which may be issued by the Bank itself, another member of the UBP Group or a third party.

25.2 The Bank and other members of the UBP Group may receive benefits from distributing investment products to (or entering into derivatives transactions with) the Client. Such benefits may include benefits that are non-explicit, unquantifiable and / or non-monetary. For example, the UBP Group may benefit from non-explicit monetary benefits when distributing UBP Group products, as other members of the UBP Group may benefit from the origination and distribution of that product. The UBP Group may also benefit from: (i) monetary benefits that are not quantifiable at the time the relevant transaction is entered into (such as trailer fees and rebates) and (ii) non-monetary benefits such as research and advisory services, market analysis, portfolio analysis, training, and seminars.

25.3 Please also refer to the fee schedule.

25.4 The Bank will provide the Client with further transaction-specific information, as required by Applicable Laws, prior to or at the point of entering into the relevant transaction.

26. Securities trading

26.1 In the case of securities trading on an advisory or dealing basis, the Bank shall have no obligation other than to act in accordance with the Client’s Instructions to the Bank and, in particular, shall have no obligation to provide the Client with information as to any of the Client’s positions or the Client’s compliance with position limits imposed under Applicable Law and (except as directed by the Client) no obligation to close any position in any Account. The Bank shall have the right, in its absolute discretion and without assigning any reason therefor, to refuse to act for the Client in any particular transaction.



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27. Initial Public Offerings / Placings

- 27.1 “Initial Public Offering” or “IPO” means an offer of new securities to the public by an issuer or by a third party on behalf of an issuer “Placing” means the obtaining of subscriptions for, or the sale of securities by an issuer or intermediary primarily from or to persons selected or approved by the issuer or intermediary.
- 27.2 The Bank may undertake subscriptions to IPOs and Placings for the Client’s Account in accordance with these General Conditions and the terms of Annex 3 to these General Conditions (Terms and Conditions for Initial Public Offerings and Placings).
- 27.3 Unless otherwise specifically agreed in writing with the Bank, the Client acknowledges that the Bank accepts no responsibility to send the listing document or prospectus (each, a “Prospectus”) accompanying an IPO or Placing. By the Client’s application for subscriptions, the Client confirms that it has obtained such Prospectus (which may be from a source other than the Bank), has read and understood the terms and conditions, and its application is not in breach of such term and conditions. The Client confirms that it shall not request subscriptions to IPOs and Placings unless eligible to do so under Applicable Law.
- 27.4 The Client confirms that its requests for subscriptions or purchases are for its own personal account and not on behalf of any other third parties and that such subscriptions or purchases are not in breach of any taxation, exchange control or regulatory rules affecting the Client personally.
- 27.5 In order to restrict the participation by retail investors in institutional and private placements, in accordance with Applicable Law, the Bank may be required to give various warranties and undertakings to the placing agent responsible for the IPO and / or Placing concerning the placing of securities with the Client. In such circumstances, the agreement of the Bank to undertake subscriptions or purchases to such IPOs and Placings for the Client’s Account shall be subject to the Client giving appropriate warranties and indemnities to the Bank in such form as the Bank may require in relation to such transactions.
- 27.6 Subscription or purchase requests shall be accepted by the Bank up to such time as determined by it (regardless of whether or not such time has been communicated to the Client). Cleared funds to cover the subscription or purchase must be present in the Account by that end time, or a credit facility for the relevant amount must have been approved by the Bank. The Bank has no obligation to process subscriptions or purchases on behalf of the Client in the absence of such funding or credit facility.
- 27.7 The Bank may at its sole discretion decline to subscribe or purchase, or discontinue or cancel subscriptions and purchases, without prior notice to the Client. In such circumstances, the Bank shall notify the Client as soon as reasonably practicable of its decision not to subscribe or purchase and / or cancel subscription or purchase orders but shall be under no obligation to disclose the reason for it so acting.
- 27.8 The Bank shall receive allocations of securities from the issuer, third party or intermediaries, and shall allocate such securities to clients at its sole and absolute discretion.
- 27.9 The Bank shall make any such allocation pro rata so far as possible but shall not allocate securities which would result in an uneconomic holding, as assessed from time to time by the Bank at its absolute discretion. The Bank shall not accept requests to alter or waive allocations after the event.
- 27.10 The Client agrees to take up any amount of securities to the limit of the Client’s full subscription should such securities be allocated to the Bank.

28. Higher Risk Investments

- 28.1 The Bank may accept Instructions from the Client or its authorised signatories, attorneys or agents in respect of higher risk instruments, specifically transactions on derivatives (options, warrants, swaps, financial futures, forwards or any other forward contract whether or not it is standardised or authorised, etc.), alternative investment vehicles (such as hedge funds and funds of hedge funds) and private equity investments (collectively, “High Risk Investments”).
- 28.2 If the Client deals in or holds High Risk Investments, the Client represents and warrants that it is experienced and knowledgeable in dealing, trading and investing in High Risk Investments. The Client represents and warrants that the Client only conducts transactions in which the Client is fully aware of any risks involved and has sufficient experience in relation to such transactions.

The Client confirms that by instructing the Bank to carry out transactions in High Risk Investments, it is exposing itself to higher risk. The Client acknowledges that it is aware of such high risks, including but not limited to the risks related to fluctuations in value, lack of liquidity which may result in total loss of value or of the amount invested, and the Client unconditionally accepts such risks. To this end, the Client confirms that it has been duly informed by the Bank and is fully aware of and solely accepts in full all responsibility for the risks relating to the High Risk Investments or transactions effected thereunder. The Client further confirms that the Client’s personal assets are sufficient to enable it to assume the risks deriving from the said transactions.

- 28.3 Without limiting the Bank’s obligations set out in Clause 23 where they apply, the Client confirms that all Instructions given in respect of the purchase and sale of High Risk Investments is based on the Client’s own independent judgment and evaluation of the characteristics and risks involved. The Client shall be solely responsible to obtain and carefully review all relevant prospectuses, information memoranda and any other information in respect of the High Risk Investment. The Bank is not obliged to furnish the Client with any additional information unless otherwise agreed with the Client. In any event, notwithstanding any discussion that may take place between the Bank and the Client or information given by the Bank to the Client for the purpose of the Client making its decision to enter the said transaction in respect of the High Risk Investment, the Client shall not rely on any advice whatsoever given by the Bank. The Bank does not guarantee a fixed return or profits or freedom from loss and risk in relation to any investment or transaction in a High Risk Investment. Past performance is not a guarantee of future performance.



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29. Exchange Traded Options

- 29.1 In the event that the Client wishes to purchase or sell options contracts listed on the London Stock Exchange, the New York Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange and on any other exchanges which may be made available by the Bank from time to time, the terms in this Clause will apply.
- 29.2 The Client confirms to the Bank that:
- 29.2.1 the Client's options Account is operated solely for the Client's account and benefit, and not for the benefit of any other person;
 - 29.2.2 the Client will disclose to the Bank in writing the name of the person(s) for whose benefit the options Account is being operated; or
 - 29.2.3 the Client will request the Bank to operate the options Account as an omnibus Account, and the Client will immediately notify the Bank, on request, of the identity of any person(s) ultimately beneficially interested in options contracts.
- 29.3 The Bank will collect Margin and premium in accordance with all laws, rules and regulatory directions applying to the Bank.
- 29.4 For options contracts governed by the Options Trading Rules of The Stock Exchange of Hong Kong Limited, the Client agrees that the terms of the Standard Contract (as defined and set out in those Trading Rules) for the relevant options series shall apply to each Client Contract (as defined in those Trading Rules) between the Bank and the Client, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with all laws, rules and regulatory directions applying to the Bank.
- 29.5 The Client agrees to provide the Bank with Margin as referred to in Clause 33, as security for the Client's obligations and liabilities to the Bank under any options contracts. Such Margin should be paid or delivered as demanded by the Bank from time to time and the amounts required by way of Margin should not be less than, but may exceed, the amounts as may be required by Applicable Law in respect of the Client's open positions and delivery obligations, and further Margin may be required to reflect changes in market value.
- 29.6 If the Bank accepts securities by way of Margin, the Client will on request provide the Bank with such authority as the Bank may require under all laws, rules and regulatory directions applying to the Bank to authorise the Bank to deliver such securities, directly or through the exchange participant or member, to the relevant clearing house as collateral in respect of exchange traded options business resulting from the Client's Instructions to the Bank. The Bank does not have any further authority from the Client to borrow or lend the Client's securities or otherwise part with possession (except to the Client or on the Client's Instructions or otherwise agreed) of any of the Client's securities for any purpose.
- 29.7 If the Client fails to comply with any of its obligations and / or to meet its liabilities under any options contract, including failure to provide Margin, the Bank may:
- 29.7.1 decline to accept further Instructions in respect of options traded on the London Stock Exchange, the New York Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange, and on any other exchanges which may be made available by the Bank from time to time;
 - 29.7.2 close out some or all of the Client's options contracts with the Bank;
 - 29.7.3 enter into options contracts, or into transactions in securities or commodities, in order to settle obligations arising or to hedge the risks to which the Bank is exposed in relation to the Client's failure; or
 - 29.7.4 dispose of Margin, and apply the proceeds thereof to discharge the Client's liabilities to the Bank, and any proceeds remaining after discharge of all the Client's liabilities to the Bank will be paid to the Client.
- 29.8 The Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Bank has notified the Client from time to time.
- 29.9 In respect of all options contracts effected for the Client, the Client will pay the Bank within the time period notified by the Bank, premium, the Bank's commission and any other charges, and applicable levies imposed by the London Stock Exchange, the New York Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange and on any other exchanges which may be made available by the Bank from time to time. The Bank may deduct such premium, commissions, charges and levies from the Account. The Bank shall notify the Client of the levies imposed by the exchanges which are to be paid by the Client.
- 29.10 The Bank may place limits on the open positions or delivery obligations that the Client may have at any time.
- 29.11 On exercise of an options contract by or against the Client, the Client will perform its delivery obligations under the relevant contract, in accordance with the terms specified by the London Stock Exchange, the New York Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange and any other exchanges which may be made available by the Bank from time to time in the Standard Contract (as defined in Clause 29.4 above) and as the Client has been notified by the Bank.
- 29.12 The Bank agrees to provide the Client, upon request, with the product specifications for options contracts.
- 29.13 The Bank will notify the Client of material changes in respect of the Bank's business which may affect the services the Bank provides to the Client in relation to options contracts listed on the Hong Kong Stock Exchange.



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30. Spot, Forward Foreign Exchange Contracts and Precious Metals Contracts

- 30.1 The Bank may offer “Spot, Forward and Precious Metals Services”, being foreign exchange dealing services offered by the Bank for the purchase and sale of foreign currencies and / or Precious Metals to manage the Client’s foreign exchange exposure or any exposure against change in metal prices (as the case may be). “Precious Metals” in this regard means gold, silver, palladium or any other metal agreed from time to time between the Bank and the Client as a metal which may be transacted on an over-the-counter basis. The Client will be required to enter into additional terms for the Bank to provide Spot, Forwards and Precious Metals Services.
- 30.2 The Bank has the right (but is not obliged), upon the Client’s request and subject to additional terms having been agreed, to enter into for and on behalf of and at the risk of the Client contracts for the sale and / or purchase of:
- (a) foreign currencies approved by the Bank (“FX Contracts”); or
 - (b) precious metals (“Precious Metals Contracts”).
- 30.3 The Client acknowledges and accepts that the Bank may not be able to conclude those contracts at the specified prices or rates in the applicable product fact sheet due to circumstances which are beyond the control of the Bank including, but not limited to, changes in the prevailing market price or exchange rate.
- 30.4 The Client acknowledges and accepts that the Spot, Forward and Precious Metals Services, other than, if applicable, any services related to a spot transaction, may be provided on a margined basis subject to the additional terms entered into by the Client for the Bank to provide these services.
- 30.5 All FX Contracts are to be concluded on the basis that actual delivery or receipt of the underlying or cash settlement of differences is contemplated except where it is expressly provided that no actual delivery is possible.
- 30.6 In relation to Precious Metals Contracts, notwithstanding anything herein contained and except as otherwise agreed between the Client and the Bank in writing, there shall be no physical delivery by the Bank or the Client of any Precious Metals
- 30.7 For spot FX Contracts, delivery or payment, as the case may be, will be required two (2) business days after the contract is concluded. Delivery and / or payment for forward FX Contracts will be made on the future date specified in the FX Contract (“Settlement Date”). The Client shall promptly provide the Bank with delivery or settlement instructions and such other settlement documents as the Bank may require, failing which, the Bank shall be entitled (but not obliged) to liquidate the relevant FX Contracts by such time and in such manner as the Bank in its sole discretion considers reasonably appropriate or take such other action as the Bank may, in its sole discretion, consider reasonably appropriate without reference or notice to the Client. The Client must give the Bank Instructions to cover any outstanding forward FX Contract at least two (2) business days before the Settlement Date. Any profits or losses will be credited to / debited from an Account.
- 30.8 The Bank will send a confirmation to the Client in respect of each FX Contract or Precious Metals Contract.
- 30.9 The Bank may set off amounts payable under FX Contracts or Precious Metals Contracts of the same maturity and of equal amounts of currency, or as the case may be, the quantity of the Precious Metals against amounts receivable under these contracts, and the net difference calculated under such FX Contracts or Precious Metals Contracts (as the case may be) shall be paid by the Bank or the Client (as the case may be) by debiting or crediting the Client’s Account.
- 30.10 The number, type, currency and / or value of FX Contracts and Precious Metals Contracts shall not exceed at any time any limits (whether made known to the Client or not) placed by the Bank at its sole discretion. Such limits may be on a client by client basis and also an aggregate limit on the Bank.

31. Dual Currency Investments and Metal Linked Investments

- 31.1 A “Dual Currency Investment” is an investment where the Client may place a cash sum with the Bank and on maturity, the Bank will, at its sole option, pay by crediting the Client’s Account with the principal of and accrued interest on the investment in either the base currency or the alternative currency (each currency as specified in the relevant confirmation), effected at the Maturity Exchange Rate.

A “Metal Linked Investment” is an investment where the Client places an initial amount with the Bank denominated either in a base currency or a base metal (as specified in the relevant confirmation), and grants the Bank the right but not the obligation to pay the Client on maturity by crediting the Client’s Account with the principal of and accrued interest on the initial amount in either (a) (where the initial amount is denominated in a base currency) the base currency or the alternative metal (as specified in the relevant confirmation), or (b) (where the initial amount is denominated in a base metal) the base metal or the alternative currency, effected at the Maturity Exchange Rate.

“Maturity Exchange Rate” means (in the case of a Dual Currency Investment) the exchange rate between the base currency and the alternative currency agreed by the Client and the Bank when the Dual Currency Investment is entered into, and (in the case of a Metal Linked Investment) the exchange rate between the base currency and the alternative metal, or the base metal and the alternative currency (as the case may be) agreed by the Client and the Bank when the Metal Linked Investment is entered into.



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- 31.2 Where the Client enters into a Dual Currency Investment or Metal Linked Investment with the Bank to the extent the Bank accepts such investment at its sole discretion, the Client shall be required to grant the right but not the obligation to the Bank to convert the Dual Currency Investment or the Metal Linked Investment (representing the principal amount and interest accrued thereon) from the base currency (or the base metal) to the alternative currency (or alternative metal) at the Maturity Exchange Rate. The tenor, alternative currency or alternative metal, the applicable interest rate, the Maturity Exchange Rate and all other relevant terms of the option shall be agreed between the Client and the Bank in writing at the time of entering into the Dual Currency Investment or Metal Linked Investment and set out in a confirmation. Before the Client enters into a Dual Currency Investment or Metal Linked Investment with the Bank or another member of the UBP Group, the Client may be required to enter into other agreements with the Bank or another UBP Group member which shall, in addition to these General Conditions, govern the terms of any Dual Currency Investment or Metal Linked Investment.
- 31.3 The Bank shall be entitled, in its sole discretion, to determine from time to time, the minimum and maximum sum of monies which may be placed with the Bank as the Dual Currency Investment or the Metal Linked Investment. Such limits may be on a client by client basis and also an aggregate limit on the Bank.
- 31.4 On maturity, the Bank shall pay to the Client the Dual Currency Investment or the Metal Linked Investment (representing the amount of the principal amount and interest accrued thereon which is held by the Bank at that time) in the base currency or the base metal or, if the Bank has exercised its rights (using its absolute discretion), in the alternative currency (or alternative metal). The proceeds of the Dual Currency Investment or Metal Linked Investment payable to the Client on maturity will be deposited into the Client's Account.
- 31.5 A Dual Currency Investment or Metal Linked Investment cannot be withdrawn prior to maturity without the express consent of the Bank. Early withdrawal of a Dual Currency Investment or Metal Linked Investment is possible only with the consent of the Bank and shall be effected subject to such terms and conditions which the Bank shall conclusively determine to be sufficient to compensate the Bank for any losses, costs or expenses consequent on the premature withdrawal.
- 31.6 Investing in Dual Currency Investments or Metal Linked Investments involves risks. The Client is reminded of the contents of the Bank's Risk Disclosure Statement (provided to the Client separately). In particular, the Client should understand that its initial capital investment may be at risk in that the final payment to the Client on maturity may be less than the initial amount invested owing to fluctuations in exchange rate.

32. Credit Facilities and Margin Transactions

- 32.1 The Bank may at its sole discretion grant to the Client credit facilities from time to time on a collateralised basis and in accordance with any security and / or credit agreement entered into between the Client and the Bank. The Client shall inform the Bank as soon as possible of any difficulty or foreseen difficulty in repaying or servicing the debt over the credit period. The Client shall be responsible to maintain with the Bank such Assets (hereinafter, "Collateral") as may be determined by the Bank from time to time as a continuing collateral and security for all amounts, payments, expenses, costs and other liabilities that may be owed by the Client to the Bank in respect of the said credit facilities. The Bank may in its sole discretion determine the collateral value to be assigned to each type of Collateral.
- 32.2 In the event that:
- (a) any interest rate (such as HIBOR, SIBOR, SOR, SORA, LIBOR or EURIBOR) (a "Reference Rate") used to calculate the interest accruing on any loan or advance granted to the Client is not available anymore for any cause whatsoever;
 - (b) the Bank determines, at its own discretion, that a Reference Rate (or any feature of the calculation, methodology or convention used to determine interest of such loan or advance) is considered as being no longer representative, appropriate, recommended or required, in each case as stated by a competent regulator or court in a public order or recommendation or as set out in a new applicable law; or
 - (c) the Bank determines, at its own discretion, that a Reference Rate (or any feature of the calculation, methodology or convention used to determine interest of such loan or advance) is no longer representative or appropriate for the purposes of calculating interest of such loan or advance,

the Bank shall at its own discretion, and notwithstanding the fact that such Reference Rate may still continue to be published, replace such Reference Rate with a new interest rate determined by the Bank and reflecting its cost of funds, taking also into account the liquidity costs of the Bank and the situation on the financial markets. Each reference to that Reference Rate in the relevant agreement shall be construed as a reference to that new interest rate. In the event of such replacement, the Bank shall be entitled, from time to time, by written notice to the Client to make any technical or operational changes, as well as other amendments to the relevant agreement, considered by the Bank to be necessary or advisable to give effect to the replacement of the interest rate according to this Clause 32.2. Such changes and amendments may relate, without limitation, to (i) the timing and frequency of the determination of the interest rate, the interest payment dates and interest periods, as well as the calculation method for the accrued interest amounts, (ii) the calculation of applicable break costs, and (iii) other administrative matters. Any determination, decision, or election made by the Bank pursuant to this Clause 32.2 shall have conclusive effect (absent manifest error) and may be made in the sole discretion of the Bank and without further consent from the Client. The Bank will confirm in writing to the Borrower (with or without signature) the replacement rate and/or any changes in the terms relating to the calculation of interest and, as the case may be, in the amount of interest payable at maturity of any loan or advance.



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- 32.3 The Client may from time to time undertake or instruct the Bank to undertake for and on behalf of the Client transactions which the Client will or may be liable to make further payments or deliveries during the life of the transaction, including but not limited to short sales, forwards, futures, options, contracts for differences and other derivative instruments ("Margin Transactions"). The Client shall be responsible to maintain with the Bank such Assets ("Margin") in such form and amounts as may be determined by the Bank in its sole and absolute discretion from time to time as continuing collateral and security for all amounts, payments, expenses, costs and other liabilities that may be owed by the Client to the Bank in respect of the Margin Transactions, whether or not such requirement is identical to or reflects or is greater than any applicable Margin requirements of any governmental body, regulatory or other authority, exchange, clearing house, depository or self-regulatory organisation in any jurisdiction.
- 32.4 The Margin shall be fixed by the Bank. For the avoidance of doubt, the Bank may determine the value of any Margin in its sole and absolute discretion, provided always that the value of Margin required by the Bank meets or is in excess of any minimum margin requirements as may be stipulated under the Applicable Laws. No previous Margin requirements shall set a precedent or bind the Bank.
- 32.5 The Bank shall not execute the order unless the Margin requirement has been satisfied and a risk position limit has been allocated and informed to the Client. The Bank may, in its sole and absolute discretion, with or without notice to the Client, vary the Margin requirements for any Account at any time and by any level, and may also stipulate that such Margin requirements shall apply to existing positions as well as new positions in any Margin Transactions affected by such change. The Client acknowledges that the Bank may, in certain market conditions effect an immediate change in Margin limits or levels and / or require additional Margin to be deposited immediately or within a specified period of time which may be less than twenty-four (24) hours, and the Client waives any right to object on the grounds that such requirement is unreasonable.
- 32.6 The Client agrees to execute a Deed of Charge in connection with any Collateral or Margin and / or take any and all actions as may be required by the Bank (including obtaining any consents and registration with any entity and payment of any stamp or other duties, taxes or fees) to perfect the Bank's rights in the Collateral and / or Margin and ensure that the obligations and any security interest are valid, legally binding and enforceable and any security interest of the Bank will rank ahead of any other security interest in the Collateral.
- 32.7 The Bank shall be entitled to demand additional Assets (as the case may be) if the value of the Assets of the Client constituting Collateral or Margin (as the case may be) diminishes or if the Bank should for any reason no longer regard the Collateral or Margin as adequate, and the Client shall immediately upon such demand furnish the Bank with the required additional Assets, acceptable to the Bank, provided that notwithstanding any such demand, the Bank may continue to exercise its rights in relation to any Default (as defined below in Clause 47.7) of the Client. In the event that the Client does not comply with the Bank's request for additional Assets within the time limit notified to the Client by the Bank, the Bank may in its sole discretion but is not obliged to, liquidate such contracts as it deems fit, or without notice to the Client, liquidate part or all of the Assets constituting the said Collateral or Margin (as the case may be). The Bank may in its sole and absolute discretion decide as to which order it shall sell the Assets and the way in which it shall be apportioned. In the event of such liquidation, any and all Losses (defined in Clause 41 below) shall be borne by the Client.
- 32.8 In making any determination in respect of the Margin provided for any Account, the Bank shall not be required to take into consideration Margin held by the Bank for the Client in respect of any other Account.
- 33. Margin and Collateral: Absolute Title Transfer and Use**
- 33.1 Title to all Assets, whether cash or financial instruments, received by the Bank either from the Client or in respect of the Account as Margin or Collateral may be transferred to the Bank at its sole discretion for the purpose of securing or otherwise covering present or future, actual, contingent, or prospective obligations.
- 33.2 Assets received by the Bank shall – subject to Clause 33.3 below – be charged in favour of the Bank (and subject to the Bank's rights of set-off described in these General Conditions).
- 33.3 The Client agrees that all such Assets received or retained as Margin or Collateral may, at the sole discretion of and for the duration determined by the Bank, be absolutely transferred to the Bank, whereupon all right, title and interest in and to such Assets will pass to the Bank outright and absolutely for the purposes of covering the Client's obligations to the Bank. Subject to the following provisions, the Bank is obliged to retransfer to the Client assets equivalent, but not necessarily identical, to such Assets so transferred to the Bank. The Bank's obligation to retransfer will be reduced to the extent that such Assets are applied in accordance with the Margin and/or Collateral arrangements in place between parties in discharge of the Client's obligations to the Bank. The Bank will retransfer Assets to the Client either (a) at its absolute discretion; or (b) at the Client's request but only if and when the Bank determines in its absolute discretion that the Client has no present or future, actual, contingent or prospective obligations to the Bank or to the extent that the Bank determines in its absolute discretion that such liability is adequately covered by Collateral or Margin remaining held by the Bank. Any Assets received or retained by the Bank as Margin or Collateral (which have not been transferred to the Bank) may only be withdrawn from the Accounts or released from the possession of the Bank with the consent of the Bank.
- 33.4 This Clause 33 will not apply to the extent that the parties have expressly agreed in writing otherwise.



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- 33.5 The effects of an absolute title transfer under Clause 33.3 above are as follows:
- 33.5.1 Such Assets cease to be the Client's Assets and, subject to the Securities and Futures (Client Securities) Rules, the Client will no longer have a proprietary claim over them. Such Assets become the Bank's Assets and the Bank can deal with them in its own right.
 - 33.5.2 The Client will have (subject to the limitations described in Clause 33.3 above) an unsecured contractual claim against the Bank for retransfer of equivalent assets;
 - 33.5.3 As a result but subject to the Securities and Futures (Client Securities) Rules, such Assets will not be part of a trust or otherwise insulated in the Bank's insolvency. In such event, the Client may not receive back everything so transferred to the Bank and the Client will only rank as a general creditor.
- 33.6 Without prejudice to the Bank's other rights, the Client agrees that the Bank may dispose of (or arrange the disposal of) Margin or Collateral of the Client to settle any liability owed by the Client to the Bank or any other person.

34. Security Interest and Set-off

- 34.1 Without limiting any lien, right of set-off or other right which the Bank may be entitled under the general law, the Client hereby agrees that, as a continuing security and collateral for the payment and discharge of any and all monies, claims, indebtedness, obligations and / or liabilities (regardless of their due date or currency), whether actual or contingent, liquidated or otherwise, which may now or at any time in the future be due owing or incurred by the Client – whether alone, severally or jointly, as principal, guarantor, surety or otherwise – to the Bank and / or its head office or other branches (whether inside or outside of Hong Kong) or to other members of the UBP Group (hereinafter collectively "Claims"), the Client hereby grants, and the Bank (acting for itself and its other offices, branches and members of the UBP Group) hereby has, a first priority security interest, charge, right of set-off and retention over (to the extent permitted under Applicable Laws), all the Client's present and future Assets (including without limitation over book debts, rights, securities, intermediated securities, book-entry securities and claims, whether actual or contingent), held with the Bank or any Sub-Custodian whether in the Account or in any other account of the Client with the Bank and including Joint Accounts of all forms (such as Collective Accounts), without prejudice to any other agreement or deed of charge that the Client may have signed in favour of the Bank. The Client shall not create or permit to subsist any other security interest or rights over any Assets except as expressly permitted by the Bank in writing. Notwithstanding the above, this Clause 34 shall not create security to the extent that the Client would commit an offence were the grant of such security not registered at a companies registry or other similar registry, where the Client is registered. The Client shall at any time and from time to time upon the request of the Bank and at the Client's cost and expense, forthwith execute and deliver to the Bank any and all further instruments and documents and do all such deeds, acts and things as the Bank may deem necessary or desirable for giving effect to or obtaining the full benefits of the aforesaid covenants contained or implied or for perfecting or protecting such security or collateral created or intended to be created or, for facilitating the realisation of such Assets or the exercise of the rights, powers, remedies, authorities or discretions of the Bank under these General Conditions.
- 34.2 The Client authorises the Bank at any time without prior notice to the Client to realise (whether through a sale or disposal in such manner and on such terms as it sees fit and at the Client's expense without the Bank being responsible for any loss thereby occasioned) any part of the Assets as determined by the Bank in its sole discretion and apply the proceeds in or towards settlement of any accrued Claims and convert any sum from one currency to another at such rates of exchange and in such circumstances as it see fit for this purpose. Without prejudice to the generality of the foregoing, the Bank may liquidate the Assets by private contract or through legal proceedings. In the case of securities, including those held with an intermediary, the Bank may liquidate them on any market or exchange for its own profit, without further formalities and at its own discretion, at their market value or at their value as determined objectively in some other way at the time of the said liquidation. The Bank shall also be entitled to act as a counterparty and purchase the Assets, whether on any exchange or market or by private contract on the same terms as would apply to any other purchaser.
- 34.3 The Bank may at any time without prior notice to the Client combine, consolidate or merge all or any of the Client's accounts (including Joint Accounts of all forms (such as Collective Accounts)) held with, and liabilities to (regardless of whether a liability is disputed or is individual, joint or several, collateral, contingent or future), any one or more of the Bank, its head office, other branches and other members of the UBP Group, make transfers between those accounts and / or set off any sum standing to the credit of any such accounts in or towards satisfaction of any liabilities owed to any one or more of the Bank, its head office, other branches and other members of the UBP Group, whether under these General Conditions or otherwise. The Bank may do so notwithstanding that the balances on such accounts and the liabilities may not be expressed in the same currency. The Bank is authorised by the Client in the Bank's discretion at any time to transfer any Assets credited to the Client's Account maintained with the Bank or held to the order of the Bank, and any assets held with the Bank at its head office or other branches or with other members of the UBP Group or any Sub-Custodian, for the purpose of, or with a view to, application thereof in the discharge of any liability due from the Client to any one or more of the Bank, its head office, other branches and other members of the UBP Group. This right of set-off therefore means, amongst other things, that Client assets held in an Account with the Bank or any Sub-Custodian may be used to set off liabilities owed by the Client to another member of the UBP Group.
- 34.4 Without prejudice and in addition to any right of set-off or other similar right which the Bank may be entitled to exercise whether by law or otherwise over any of the Assets, all the Assets and any Collateral and Margin deposited with the Bank or any Sub-Custodian shall be subject to a general lien in the Bank's favour, insofar as there remain monies, claims, indebtedness, obligations and / or liabilities (regardless of their due date or currency) (whether actual or contingent, liquidated or otherwise) outstanding



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from the Client to any one or more of the Bank, its head office, other branches and other members of the UBP Group, until all such monies, claims, indebtedness, obligations and liabilities, including contingent liabilities, shall have been fully discharged and satisfied. The Bank may retain or freeze Assets, Collateral and Margin (even if it means dishonouring cheques) until all such liabilities are fully discharged and satisfied.

- 34.5 Without prejudice to the rights set out above, the Bank shall also be entitled to apply any present, contingent and future Assets, monies or other property and claims of the Client or owing to the Client by the Bank and / or its head office, other branches or members of the UBP Group in or towards satisfaction of all or any of the monies, claims, indebtedness, obligations and / or liabilities (regardless of their due date or currency) whether actual or contingent, liquidated or otherwise which may now or at any time in the future be due, owing or incurred by the Client to the Bank and / or its head office, other branches or members of the UBP Group until all liabilities, including contingent liabilities shall have been fully discharged and satisfied.
- 34.6 Insofar as any of the Client's liabilities owed to the Bank and / or its head office, other branches or members of the UBP Group are contingent or future, the Bank's liability to make payment of any sum or sums standing to the credit of the Client's Accounts or to deliver investments in the Client's Account to the Client shall, to the extent necessary to cover such liabilities, be suspended until the contingencies or future events occur.
- 34.7 For the avoidance of doubt and without prejudice to the rights set out above, in the cases of Joint Accounts of all forms, including Collective Accounts, the Bank's rights under this Clause 34 extend to the Assets, the Accounts, the liabilities and the obligations of any one or some or all of the Co-Holders (whether singly or jointly entitled or incurred, or jointly entitled or incurred with any other person). This means, for example, that the Bank may enforce security, or set off, against Assets held in a Joint Account (including a Collective Account) to satisfy the Claims the Bank has against any one Co-Holder of that Account (such as where a Co-Holder individually in its sole name has Overdraft or other borrowings due to the Bank), which may result in losses to other Co-Holders. The Bank is not responsible to other Co-Holders for such losses.
- 34.8 The Bank's rights under this Clause 34 shall not be affected by the Client's bankruptcy, insolvency, death, incapacity, declaration of absence, winding-up or judicial management and the Bank shall not be liable for any loss, damages, costs and expenses suffered by the Client as a result of the Bank exercising its rights.

35. Renminbi Placements

- 35.1 All Renminbi (hereinafter, "RMB") placements in the Account shall be effected by (a) converting funds denominated in a non-RMB currency into RMB at the Bank's prevailing exchange rate; or (b) an inward telegraphic transfer of RMB from an account outside of the "PRC", being for the purpose of this agreement the People's Republic of China excluding Hong Kong, Macau and Taiwan. The Client may not deposit RMB denominated physical notes in the Account.
- 35.2 All withdrawals of RMB from the RMB Account may be made by way of (a) converting the RMB into a non-RMB currency selected by the Client that is freely convertible and available, at the Bank's prevailing exchange rate and subject to any commission and / or service charges of the Bank; or (b) an outward telegraphic transfer of RMB to an account located outside the PRC in compliance with Applicable Laws. The Client may not withdraw RMB denominated physical notes from the Account.
- 35.3 The Client may request an outward telegraphic transfer of RMB on condition that (a) the beneficiary's account is with a bank located outside the PRC that is acceptable to the Bank in its sole discretion; and (b) the RMB is debited from the Account. The Bank may accept an inward telegraphic transfer of RMB on the Client's behalf on condition that (a) such transfer of RMB is effected from an account outside of the PRC; and (b) such RMB are credited directly into the Account. For avoidance of doubt, all inward and outward telegraphic transfers of RMB are subject to clearance of anti-money laundering checks, and any other Applicable Laws.
- 35.4 Notwithstanding Clauses 35.1 to 35.3 above, the Bank has the right at any time to reject, refuse or reverse any telegraphic transfer in respect of RMB (whether in whole or in part) (a) for compliance with any Applicable Laws then prevailing; or (b) if the relevant correspondent bank, paying or agent bank recalls or claims a refund or repayment of the RMB transferred to the Bank for the Client; or (c) if the relevant correspondent bank, beneficiary or agent bank rejects or fails to accept an outward telegraphic transfer of RMB by the Bank on behalf of the Client.
- 35.5 In the event that the availability, credit or transfers of RMB are restricted, suspended or prohibited by any judicial, governmental or regulatory authority, agency or body, the Bank shall have no obligation whatsoever to (a) pay the RMB whether by way of draft or cash or by any other means in RMB or other currency to the Client (in the case of an inward telegraphic transfer of RMB) or the beneficiary (in the case of an outward telegraphic transfer of RMB); or (b) in the case of an outward telegraphic transfer of RMB, return the RMB to the Account until such RMB funds are refunded to and received by the Bank.
- 35.6 The Client acknowledges and accepts the risks associated with RMB deposits and RMB telegraphic transfers:
- 35.6.1 RMB Convertibility and Transferability Restrictions. As RMB is currently not a freely convertible currency and transfers of RMB to and from the PRC are restricted, conversion of RMB and RMB telegraphic transfers through the Bank or its correspondent is dependent on the availability of RMB outside of the PRC and may be subject to restrictions prevailing at the relevant time.
- 35.6.2 Exchange Rate Risk. The Client agrees that it is subject to RMB exchange rate risk if it is required to convert a non-RMB currency into RMB to effect a RMB deposit placement and subsequently convert RMB into a non-RMB currency for withdrawing any part of the RMB deposit. The Client acknowledges that it could therefore potentially receive less than the full value of the original amount used for the RMB deposit placement at the time of withdrawal.



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35.7 The Client accepts that the Bank may implement such changes as may be necessary to comply with any requirements or Applicable Laws as may be imposed on the Bank in relation to the RMB deposits with the Bank.

36. Precious Metals

36.1 The Client may request the Bank to open a precious metal account (hereinafter “Precious Metal Account”) in which the Client may purchase, hold and / or sell precious metals. No interest will be paid on assets in Precious Metal Account.

36.2 The Bank also may accept for custody precious metals in physical form (e.g. gold, silver, platinum, palladium). In the absence of express Instructions, precious metals in standard commercial grades and forms (e.g. bars, polished bars or granules) and negotiable quality coins without special numismatic value which are deposited by the Client, and accepted by the Bank at its sole discretion, will be kept in a collective and unallocated basis in the Bank’s own premises or in such other location or with the Sub-Custodian of the Bank as the Bank may determine from time to time, including abroad. Where the Bank holds the collective deposit with a Sub-Custodian, it shall do so in its own name but for and on behalf of and at the risk of the Client. Through the Bank, each Client will have the right of a co-owner to the value of their share of such collective precious metals deposit. The Client also accepts that any custody fees of Sub-Custodian(s) will be borne by the Client and the Bank may demand payment from the Client any and all fees and expenses incurred.

36.3 Unless otherwise agreed, the Bank reserves the right to discharge its obligation by delivering to the Client Precious Metals of the same kind, form and shape, and of the same grade and quality, as that indicated on the statement of receipt in the Precious Metal Account.

36.4 The Client is entitled to delivery at the Bank’s premises or such other location as may be specified by the Bank, of the quantity of Precious Metals physically deposited for custody or corresponding to the balance of its Precious Metal Account, provided that the Bank has been given reasonable advance notice of the request for such delivery. With respect to precious metal coins, unless otherwise agreed at the sole discretion of the Bank, the Client may not require remittance in coins of a particular date or mintage. Delivery at a location other than the Bank’s premises is executed at the risk and on the account of the Client. The Bank is entitled to claim advances on transport and insurance costs from the Client. Delivery is governed by the laws including tax laws applicable at the place and time of delivery. Costs, expenses, duties and taxes relating to delivery shall be borne fully by the Client. The Bank may refuse a delivery of precious metals if it deems that said delivery would contravene any Applicable Law or would threaten its reputation.

36.5 In case of loss of any Precious Metals, for which the Bank may be held responsible, the Bank may, at its choice, either replace what is lost or reimburse the equivalent cash value in a currency decided in the sole discretion of the Bank, calculated on the basis of the latest quoted sales price available on the day of settlement as determined by the Bank at its sole and absolute discretion or, in the absence of such information, in accordance with any other reasonable method of calculation that the Bank deems fit. Under no circumstances shall the Bank’s responsibility be extended beyond these limits.

37. Representations, Warranties and Undertakings

37.1 The Client represents, warrants, agrees and undertakes that:

37.1.1 without limiting the Bank’s obligations set out in Clause 23 where they apply, the Client has read, fully understood, accepted and agreed to these General Conditions and all agreement(s) entered into with the Bank based on the Client’s own judgment and not in reliance on any representation or statement of the Bank or any of its servants, employees, nominees, directors and agents and the Client solely accepts in full all risks relating to the investments or transactions effected thereunder;

37.1.2 the Client is not bankrupt or financially insolvent and no steps are being or have been taken to appoint a trustee in bankruptcy or receiver or receiver and manager or judicial manager or liquidator or other similar person over the Client or the Client’s assets;

37.1.3 as at the date of acceptance of these General Conditions, no litigation, arbitration, legal proceedings or administrative or regulatory investigation or proceedings by any person, governmental department or public body against the Client, or against any of its assets, are current, pending, or threatened. In the event such proceedings or investigation are commenced (whether now or in the future) which may impact upon the Client’s ability to perform its obligations under its agreements with the UBP Group, the Client will promptly inform the Bank of such event;

37.1.4 the Client has full capacity and authority to accept and agree to these General Conditions and all agreement(s) entered into with the Bank, to open, maintain and / or continue to maintain all Account(s) from time to time opened and / or maintained and / or continued to be maintained with the Bank, and to give the Bank Instructions thereon;

37.1.5 the Client has obtained and made, and will maintain in effect, all authorisations, consents, licences, approvals, exemptions, notifications and filings under all Applicable Laws or regulations, or any direction, request or requirement (whether or not having the force of law) of any competent government or other authority, required to accept and agree to these General Conditions and all agreement(s) entered into with the Bank, to open, maintain and / or continue to maintain all Account(s) from time to time opened and / or maintained and / or continued to be maintained with the Bank, and to give the Bank Instructions thereon;



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- 37.1.6 where the Client is a corporation, the Client's execution, delivery and performance of these General Conditions and each transaction does not and will not violate, contravene, conflict with or constitute a default under any of its constitutional documents or any law, regulation, rule, decree, order, judgment or charge, contract, trust deed or other instrument binding on the Client or any of the Client's Assets;
- 37.1.7 unless notified in writing to the Bank and agreed by the Bank, the Bank shall not be obliged to regard any person other than the Client as having an interest in any Assets in the Client's Account(s);
- 37.1.8 except with the express written consent of the Bank, and except for any security or encumbrance created hereunder, no person has or will have any lien, charge, security, any other encumbrance or restriction as to title and transferability over any Assets in any of the Client's Account(s);
- 37.1.9 any person(s) empowered to act on the Client's behalf have been duly authorised;
- 37.1.10 all information provided by the Client to the Bank, including but not limited to all information provided for the purpose of opening an Account with the Bank is true, accurate and complete and if and when there is any change in such information, the Client will immediately update the Bank;
- 37.1.11 except for any security or encumbrance created hereunder, the Client or such person(s) so declared by the Client to the Bank, is / are the legal and beneficial owner(s) of the Assets and no other person has or will have any security or other encumbrance over any of the Assets; and
- 37.1.12 the Client will comply at all times with all Applicable Laws in connection with any of the Services provided to the Client by the Bank, the management, operation and maintenance of the Client's Account(s) and the Client's entry into any transactions contemplated in these General Conditions and / or any agreement entered into with the Bank.

The above representations and warranties are repeated by the Client continuously. The Client shall immediately inform the Bank in the event that any of the representations or warranties is inaccurate or incorrect or that the Client breaches any of the agreements or undertakings.

38. Suspicious Transactions

- 38.1 Without prejudice to the generality of Clause 12 on Execution of Instructions, the Bank shall have the right not to procure the transfer of any Asset if it has reason to believe that to do so would be in breach of any Applicable Law(s), or if the Bank suspects that any Asset is the proceeds of crime or in any way relating to money laundering or terrorism financing. In the event of such non-transfer (whether the Client has notice or not), the Bank shall not be responsible for any Loss (defined in Clause 41 below) which the Client may suffer.
- 38.2 The Bank has the right (but is not obliged) to verify, enquire into and / or investigate either on its own or with the assistance of a third party, the authenticity or source of any Assets, as well as the absence of any notification that the Assets have been frozen or restricted. The Bank may delay the execution of any instructions until the verification has been completed. The Bank assumes no liability in this regard, including the amount of time required for the said verifications, enquiries and / or investigations to be carried out or any Loss (defined in Clause 41 below) which the Client may suffer during the time the said verifications, enquiries and / or investigations are carried out.
- 38.3 In the case of receipt of funds whose wire transfer order contains incomplete information about the originator, the Bank or its Sub-Custodian may, before any application of funds, request additional information from the financial intermediary which transferred the funds, return the funds received, or do such other act as the Bank or the Sub-Custodian may deem appropriate in the Bank's or the Sub-Custodian's sole and absolute discretion.
- 38.4 The Bank reserves the right to report any transaction (including any attempted transaction) which the Bank determines in its sole and absolute discretion to be a suspicious transaction to the Joint Financial Intelligence Unit, operated by the Hong Kong Police and Customs and Excise Department or any other relevant authority as the Bank may deem appropriate.

39. "Incomplete" Relationship and Use of Data

- 39.1 In the event the Bank has established a business relationship with the Client but the Bank does not, from time to time, possess all the information and documentation needed to comply with customer due diligence obligations under any Applicable Law(s), including without limitation any Applicable Law(s) in respect of anti-money laundering and countering terrorism financing (the "Due Diligence Information"), and Assets are received into the Client's Account, the relationship shall be considered as "incomplete". The Bank may, at its sole discretion, refuse to undertake any transaction or comply with any Instruction of the Client until the said information or documentation is obtained to the satisfaction of the Bank. The Bank shall not be responsible for any Loss (defined in Clause 41 below) which the Client may suffer from the Bank's refusal as aforesaid.
- 39.2 Without prejudice to Clause 39.1, the Client authorises and shall assist the Bank, and the Bank shall be entitled (but not obliged), to obtain from any person any Due Diligence Information from time to time as the Bank may determine at its sole discretion and at the Client's cost and expense, including but not limited to obtaining a certificate of incumbency on a regular basis.



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- 39.3 If missing information or documentation has not been obtained within one hundred and twenty (120) days after the Account is opened or the Bank has requested that information or documentation, the Bank reserves the right, with immediate effect, to terminate the business relationship with the Client, either totally or partially and / or freeze the Assets.
- 39.4 The Client acknowledges that any failure by the Client to provide the Bank with timely, accurate and complete information concerning the Client's personal circumstances, risk tolerance and investment objectives may impact upon the Bank's ability to provide services, or upon the standard of services, and may in some circumstances have or result in adverse consequences.
- 39.5 From time to time, it shall be necessary for the Client to supply the Bank with data (including "Personal Data" (as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) (the "PDPO")) in connection with the establishment or continuation of Accounts or the provision of banking or credit facilities or other services by the Bank and generally the Client's banking relationship with the Bank. Failure to supply, or to allow the Bank to use or disclose, such data may result in the Bank being unable to provide, or continue to provide, any of the above facilities or services to or for the Client. The Client acknowledges that data is collected from the Client in the ordinary course, for example, when the Client deposits money or applies for credit facilities.
- 39.6 The Client's attention is drawn to the provisions of the Bank's Use and Transfer of Personal Data form (provided to the Client separately), which contains important notices regarding the use by the Bank of data relating to the Client and, including the Client's Personal Data.

40. Remuneration received from Third Parties or paid by the Bank

- 40.1 The Services of the Bank to the Client are not deemed exclusive. Nothing in these General Conditions or any other agreement entered into with the Client shall in any way be deemed to restrict the right of the Bank, its related corporations or its affiliates from trading on its own account or on the account of its related corporations or affiliates or performing private wealth management or other Services for any other person or entity, and such trading on its own account or on the account of its related corporations or affiliates or the performance of such Services for others shall not be deemed to violate or give rise to any duty or obligation to the Client. The Bank may act as a counterparty principal, or for or on behalf of other clients as counterparties, in transactions that are also entered into by or on behalf of the Client.
- 40.2 In the course of its business, the Bank may receive retrocessions, remunerations, commissions or other pecuniary or non-pecuniary advantages (collectively "Remunerations") from third parties for Services rendered by the Bank, including in the circumstances referred to in Clause 40.1. For example, the Remunerations may be in the form of (a) non-recurrent commission charged on the issue price or amount invested in a financial product at the time of subscription, as well as commission charged on the amount of other transactions, and/or (b) recurrent commission charged on financial product management commission, as well as performance commission and other services rendered to the Client.
- 40.3 Unless otherwise required under any Applicable Law(s), the Bank shall be entitled to, and without having to disclose or account to the Client, retain for the Bank's account and benefit, these Remunerations and (where acting as principal) any profits made, and the Client expressly renounces all rights and waives all claims over such Remunerations and profits.
- 40.4 The Bank shall take its own administrative steps to avoid the Client's interests being harmed in relation to the rest of its clients in the event of possible conflicts of interest concerning the receipt of such Remuneration. In this respect, the Bank is not required to inform the Client of any actual or potential conflict of interest unless otherwise required under any Applicable Law(s).
- 40.5 The Client recognises and accepts, in particular, that the Bank or its affiliates may have to charge management fees, commission or distribution fees on collective investment instruments, derivative instruments and structured products in which the Client's Assets are invested. These fees and commissions shall be levied in addition to the management fees, commission or other fees charged by the Bank within the framework of any portfolio management agreement or other agreement entered into between the Bank and the Client.
- 40.6 The Client acknowledges and accepts that the Bank is free to agree with third parties on retrocessions to be paid by the Bank and/or on commissions of any kind whatsoever. In this respect, the Bank is not required to inform the Client about the existence and method of calculating any retrocessions and/or commissions which the Bank may have agreed with any third party.

41. General Indemnity and Exclusion of Liability

- 41.1 "Loss" or "Losses" means all liabilities, claims, costs (including without limitation legal costs on a full indemnity basis), detriment, demands, losses, expenses, prejudice and damages of any sort, including without limitation stamp duties and other taxes, duties and levies, but excluding taxation on profits.
- 41.2 The Client undertakes to hold harmless, guarantee and indemnify the Bank, its subsidiaries, related corporations, affiliates and nominees together with their respective employees, officers, agents and representatives (collectively "Indemnified Persons") in respect of all Losses brought against, incurred or suffered by the Indemnified Persons directly or indirectly in relation to any action or omission of the Client (or, where the Client is the legal owner but not the beneficial owner of the Assets, the relevant beneficial owner), and the execution and / or non-execution of any Instruction from the Client or performance or non-performance of the Bank's Services or obligations to the Client, except in the case of gross negligence or wilful default on the part of the Indemnified Person.



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- 41.3 The Client also undertakes to refund and / or advance to each of the Indemnified Persons, on first request, all out-of-pocket expenses and full legal fees incurred or liable to be incurred by them in the event of legal proceedings linked to any Loss, except in the case of gross negligence or wilful default on the part of the Indemnified Person.
- 41.4 The Client authorises the Bank to debit the Client's Account with all sums due to any of the Indemnified Persons in relation to the Claims pursuant to this Clause 41 without any prior notice notwithstanding that debiting may result in the Account being overdrawn.
- 41.5 The indemnity given under this Clause 41 shall not be in any way prejudiced or affected by the bankruptcy, insolvency, death, incapacity, declaration of absence, winding-up or judicial management of the Client or the termination of any Account.
- 41.6 If the Bank believes that any Instruction which it agrees to accept might expose it to claims, suits, losses, expenses, liabilities or damages whether directly or indirectly, the Bank may require an indemnity, surety bond, bank guarantee or any other form of security, surety or guarantee, in a form satisfactory to it before executing such Instruction.
- 41.7 Without prejudice to the generality of the other clauses in these General Conditions, the Indemnified Persons shall not be liable for any loss suffered or incurred by the Client arising from any cause whatsoever, including without limitation the following:
- 41.7.1 acting or relying on any Instructions from the Client or any authorised signatory(ies) in good faith even if it is subsequently shown that the Instructions were not given or authorised by the Client;
 - 41.7.2 any act, failure or omission or delay in negotiating, transmitting, carrying out or executing any Instructions, or the Bank's obligations under these General Conditions or any other agreement entered into between the Client and the Bank;
 - 41.7.3 any delay in transmission of Instructions, or breakdown or failure of any communication system, or for any cause beyond the reasonable control of the Bank;
 - 41.7.4 any improper or wrongful execution of any Instructions;
 - 41.7.5 alteration of Instructions and / or forgery of the signature of the Client or any authorised signatory(ies);
 - 41.7.6 in connection with the execution, demand and / or enforcement of the performance of any undertaking, stipulation, term, condition and / or provision of any of the terms in these General Conditions, any other agreements entered into between the Bank and the Client, or any transactions thereunder;
 - 41.7.7 any loss or reduction in return on the Client's Assets by any reason of any movement from time to time in exchange rates or any other applicable currency restrictions or any other local law governing any foreign exchange transaction or any change in Applicable Laws;
 - 41.7.8 any computer or system virus interference, sabotage or any other causes whatsoever which may interfere with the performance of any of the Bank's obligations, or any breakdown or malfunction due to any cause whatsoever, of computer software or equipment whether belonging to or operated by the Bank or not, used in connection with the performance of any of the Bank's obligations;
 - 41.7.9 any error of judgment on the part of the Indemnified Persons;
 - 41.7.10 any act of omission in the management of the Assets;
 - 41.7.11 any loss of, destruction to or error in the Bank's records, howsoever caused;
 - 41.7.12 any Loss arising from the dishonour by the Client of its obligations resulting from insufficient funds in its Accounts by reason of the Bank exercising rights of set-off or netting or lien or merging Accounts or charging Accounts for fees and / or expenses;
 - 41.7.13 any action by the Bank (or decision by the Bank not to take action) under Clause 20; except, in respect of a particular Indemnified Person, to the extent such Loss suffered or incurred by the Client is directly caused by that Indemnified Person's wilful default; and / or
 - 41.7.14 any action by the Bank (or decision by the Bank not to take action) to meet any obligation, including best practice and the requirements contained in the Bank's internal policies and procedures, in connection with the prevention of any unlawful activity including fraud, money laundering, terrorist activity, bribery, corruption, or tax evasion, or the enforcement of any economic or trade sanction, unless caused by the gross negligence or wilful default on the part of the Bank or its employees, officers, agents or representatives, as the case may be.
- 41.8 Without prejudice to the generality of the foregoing, the Indemnified Persons shall not in any event be liable to the Client for any indirect or consequential Loss or for any anticipated profits or special or punitive damages.
- 41.9 No action regardless of form arising out of or in connection with these General Conditions and / or any agreement entered into between the Client and the Bank may be brought by the Client against any of the Indemnified Persons more than one (1) year after the later of (i) the date on which the cause of action arose, and (ii) the date the Client should have become aware of the relevant breach or default.
- 41.10 Notwithstanding any other provision to the contrary, each Indemnified Person shall be entitled to personally enforce the benefit of this Clause.



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41.11 Nothing in these General Conditions removes, excludes or restricts any of the Client's rights or the obligations of the Bank under Applicable Law, except to the extent permitted by law.

42. Insolvency of Issuers

42.1 If the Client acquires any Assets from an issuer which becomes insolvent, or acquires Assets which are subsequently subject to composition, insolvency or restructuring proceedings, or to a class / corporate / derivative action, (i.e. an action brought by a group of shareholders or bondholders for damages usually of a financial nature against a company, or on behalf of the company against a third party) (such proceedings or action hereinafter referred to as the "Insolvency Proceedings"), the Bank may, at its sole and absolute discretion, assign or procure the assignment to the Client the claims concerning the said Assets and all ancillary rights attached thereto ("Insolvency Claims").

42.2 The Client irrevocably agrees to take on, at the Bank's first request, the Insolvency Claims in the Client's own name, or in the name of its nominee within the deadline set or notified by the Bank for that purpose. Furthermore, the Bank shall not be obliged to take any measures against the issuer concerned or any shareholders, even if it has not assigned or procured the assignment of the rights referred to in this Clause. It is incumbent upon the Client personally to assert the Client's rights in the Insolvency Proceedings and to obtain all information that may be useful in this respect.

43. Compliance with Good Practice and Market Standards; Freezing of Assets

43.1 The Client acknowledges that the Bank may be obliged to comply with or choose to have regard to, observe or fulfil the market standards, good practices, or expectations of or agreements with public, judicial, taxation, governmental or other regulatory authorities or self-regulatory bodies in various jurisdictions as promulgated and amended from time to time in addition to any Applicable Laws. In this connection, the Client hereby agrees that the Bank may disclose Information and / or take such other action as may be reasonably necessary to ensure the Bank's compliance or adherence (whether voluntary or otherwise) with the foregoing requirements. Such action shall be treated as not breaching any other term or agreement entered into between the Client and the Bank (and, in the event of inconsistency, this Clause 43.1 shall prevail over any other term or agreement).

43.2 If, following transactions on any market, any of the Client's Assets or the proceeds of their sale are frozen by an authority with jurisdiction over the location of such Assets or proceeds of sale, whether they are held on books of the Bank or its Sub-Custodian(s) or Counterparty(s) involved in the investment chain, the Bank shall similarly implement this freezing and the effects thereof on the Client's Account until the outcome of the proceedings is known. The Client shall be solely responsible to take all necessary measures to defend its interests in the jurisdiction(s) concerned. The Bank shall take reasonable measures to inform the Client of the existence of such a freezing to the extent that it is allowed under the Applicable Law. In the event of confiscation, the Assets or the proceeds of their sale shall be debited from the Client's Account without further notice and without any right of recourse by the Client against the Bank.

44. Force Majeure

44.1 The Bank or an Indemnified Person shall not be liable to the Client for any Loss or delay caused by events beyond the Bank's or any of the Indemnified Persons' reasonable control, such as but not limited to fire, earthquake, tsunami, flood, lightning, riots, strikes, lockouts, disease (including laws or regulations relating to controlling, preventing, containing or delaying the spread of disease and for connected purposes), government action, foreign exchange controls, war, terrorist activities, government directive, telecommunications disruption, computer failure, market disruption or failure or other similar events or events commonly known as "force majeure".

45. Dormant Accounts

45.1 To avoid the Client's Account becoming "dormant":

45.1.1 The Client shall take all necessary measures to ensure that regular contact with the Bank is maintained. The Client shall give the Bank immediate written notice of any relevant change of address;

45.1.2 In the absence of contact between the Bank and the Client, or between the Bank and the Client's authorised signatory(ies), attorney(s) or agent(s) over a period of more than five (5) years, and should the Bank be unable to re-establish contact, the Bank shall be entitled (but not obliged), either directly or by instructing agents, to undertake searches in Hong Kong and / or abroad — with no guarantee of obtaining results — to locate the Client, its authorised signatory(ies), attorney(s) or agent(s) or any beneficial owner(s) in respect of the Assets. Depending upon the scope of the search, and the prices charged by the service-providers, the resultant expenses could represent a substantial part of the Assets concerned. The Client hereby authorises the Bank to debit such charges from the Assets in the Account; and

45.1.3 The Client agrees that the Bank may inform relevant authorities in Hong Kong or Switzerland in respect of dormant client details where required to do so by any Applicable Law(s).



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46. Outsourcing

- 46.1 The Bank may entrust, commission, delegate, outsource or sub-contract, at its sole discretion, any business activities and tasks, in whole or in part, to its affiliated entities (including but not limited to other entities of the UBP Group) and/or to third-party service providers located in Hong Kong or abroad, and will do so on such terms as the Bank deems fit.
- 46.2 Provided that the subcontracted activities remain under their control, service providers may further subdelegate the provision of outsourced business activities to other service providers in their jurisdiction or abroad.
- 46.3 Business activities and tasks that may be outsourced from time to time, in whole or in part may, for example, include the maintenance and operation of information technology systems, the development, operation, maintenance and hosting of databases, software and applications, the establishment and implementation of processes and guidelines to ensure and/or improve the availability, usability, integrity and security of data, the completion of certain administrative or logistical tasks, or the provision of other specific services such as the preparation, printing and/or mailing to the Client of bank documents (such as the Bank's correspondence with the Client, including transaction advices, statements of account, portfolio valuations, tax statements and credit risk management statements), the management of corporate actions and the dispatch of relevant communications, or any other activities, including but not limited to those related to information and communication technologies (e.g. chat, videoconferencing, co-browsing, cloud, etc.) or any other middle or back office functions, business continuity management or disaster recovery.
- 46.4 The Client acknowledges and approves the outsourcing referred to in this Clause and any action or omission taken or suffered, and any delay in acting, by the Bank or any of the service providers in respect of the Account shall be binding on the Client so long as such action or omission has been undertaken in conformity with the applicable Hong Kong law and regulations.
- 46.5 The Client acknowledges and accepts that, within such outsourcing arrangements, the Information (for the avoidance of doubt, including but not limited to the data and information of any beneficial owner of an Account), may be transferred to, and processed by, the Bank and/or third-party service providers (including any sub-contractor(s) appointed or engaged by any third-party service provider) in Hong Kong or abroad, including in jurisdictions whose legislation may not provide the same level of confidentiality and data protection as Hong Kong law and regulations. In such jurisdictions, the Bank shall implement appropriate contractual safeguards to protect confidentiality of the Information.
- 46.6 To the extent permitted by law, third-party service providers shall be solely responsible for any consequences of their mistakes. Provided that the Bank selected such service providers in good faith, the Bank shall not be liable to the Client for any Loss incurred as a result of any act, omission, misconduct or default on the part of these service providers.

47. Termination

- 47.1 The Bank may terminate any provision of Services, these General Conditions and any other agreement(s) entered into with the Client, in particular any loans promised or granted, immediately on written notice to the Client and in each case without being required to provide a reason therefor. The Bank's rights of termination under this Clause 47.1 include but are not limited to:
- 47.1.1 the termination of the safekeeping service at any time and the Bank may, at the Bank's own free discretion, (a) send the Non-cash Assets to the Client at the Client's last known address in the Bank's records, at the Client's sole risk and expense (including but not limited to any tax obligations), require the Client to receive the Non-cash Assets at the premises of a Sub-Custodian or keep them to return to the Client upon the Client's next visit; or (b) dispose (without any liability whatsoever) any or all of such Non-cash Assets in such a manner at such time and at such price as it thinks fit and thereafter send a cheque in an amount representing the net disposal proceeds to the name of the Client at the Client's last known address in the Bank's records, at the Client's sole risk and expense (including but not limited to any tax obligations) or keep the cheque and pass it to the Client upon the Client's next visit; and
- 47.1.2 the termination of any loans promised or granted. This will result in all Claims becoming due for immediate repayment, and the termination provisions of specific agreements and relating to certain specific products may also be exercised. The Bank may, unless it indicates otherwise and until such time as any sums owed to it are repaid in full, invoke any special or general security granted to it and apply a contractual interest rate to amounts outstanding which should have been repaid which is greater than any applicable legal interest rate for loans yet to be repaid by the Client to the extent permissible under the Applicable Laws.
- 47.2 The Client may terminate any Service provided by the Bank to the Client immediately on written notice to the Bank to the extent possible and unless otherwise agreed subject to any applicable agreement between the Bank and the Client.
- 47.3 Notwithstanding Clause 47.1 above and subject to the following sentences, the Bank may not close an Account without first giving at least thirty (30) days' notice to the Client. The Client may request the Bank to continue the Account, where it is practicable to do so, for a period longer than such thirty (30) day notice period, which request the Bank shall consider at its sole discretion. The thirty (30) day notice period may be shortened in exceptional circumstances, and no request for continuance may be considered, for example, where the Bank suspects or determines, at its sole discretion, the Account has been used for any illegal activity, including but not limited to any fraud, money laundering, terrorist activity, bribery, corruption, tax evasion, breaching any economic or trade sanction or any other activity which has or may have an adverse impact on the Bank's operation or reputation.
- 47.4 Upon termination, all Claims owed to the Bank by the Client shall be immediately payable. Any costs will be charged in accordance with the fee schedule then in effect. The Bank reserves the right to waive the immediate effect of any default of the Client.



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- 47.5 Subject to these General Conditions, the bankruptcy, insolvency, death, incapacity, declaration of absence, winding-up or judicial management of the Client will not automatically result in the termination of the Client's banking relationship with the Bank but the occurrence of such an incident shall render all Claims owed to the Bank by the Client immediately payable.
- 47.6 Without prejudice to any other right the Bank may have under this Agreement or any other agreement with the Client or otherwise at law, the Bank may at any time after the occurrence of a Default (as defined below in Clause 47.7), take any action that the Bank may consider necessary or desirable in the circumstances to safeguard the Bank's position, including any one or more of the following without notice:
- 47.6.1 to treat any or all transactions then outstanding as having been repudiated by the Client, in which event the Bank's obligations under such transaction(s) will thereupon be cancelled and terminated;
 - 47.6.2 set-off, transfer or apply any cash and payment received by the Bank for or from the Client against the Client's Relevant Liabilities. "Relevant Liabilities" shall refer to all monies and liabilities of any kind and in any currency (whether present or future, actual or contingent and whether incurred alone or jointly with another and whether as principal or surety) which are now or may at any time hereafter, be due, owing or payable, or expressed to be due, owing or payable, to any of the Bank and / or its head office or other branches (whether inside or outside of Hong Kong) or to any other member of the UBP Group from or by the Client, including, but not limited to all liabilities in relation to borrowings, interest, commission, charges and all expenses (on a full indemnity basis) incurred by the Bank in connection with preparing, executing, enforcing or exercising any power under these General Conditions, any other agreement with the Client or any security or other document executed by the Client relating to or connected with any of the Client's cash, investments or other Assets or any Services provided by the Bank or any matter howsoever arising;
 - 47.6.3 to sell, pledge, deposit or otherwise deal with such of the Client's Assets as are in the possession of the Bank (or the possession of any nominee or third party appointed under or pursuant to these General Conditions), in each case when and upon such terms as the Bank thinks fit (without being responsible for any loss or diminution in value) in order to realise monies sufficient to cover any amount due from the Client hereunder; and / or
 - 47.6.4 to close out, replace or reverse any transaction, buy, sell, borrow or lend, or enter into any other transaction or take, or refrain from taking, such other action at such time or times and in such a manner as, in the Bank's sole discretion, the Bank considers necessary or appropriate to cover, reduce or eliminate the Bank's loss or liability under / or in respect of any of the Client's contracts, positions or commitments.
- 47.7 A "Default" shall be deemed to occur in the event that the Client:
- 47.7.1 convenes a meeting of the creditors or makes or proposes to make any arrangements or compositions with or assignments for the benefit of its creditors or ceases or threatens to cease to carry on its business;
 - 47.7.2 is subject to any proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency or other similar law, including without limitation a moratorium on the payment of any debts, the presentation of a petition / application for winding up, liquidation, judicial management, scheme or arrangement or any order has been made by any competent court or any resolution is passed 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 or a declaration of bankruptcy or insolvency, or the occurrence of any event which, under Applicable Laws or any other laws or regulations of any jurisdiction, has an analogous effect to any of the foregoing events;
 - 47.7.3 is a legal body other than an individual (such as, but not limited to, a corporation, trust, partnership or non-profit making or charitable body), and any step is taken towards the Client's dissolution or the Client ceases to exist, or ceases or threaten to cease to carry on substantially the whole of the Client's business;
 - 47.7.4 is an individual and the Bank determines (in its sole discretion) that the Client is mentally incapacitated or if the Client is dead;
 - 47.7.5 has committed a material breach or is in persistent breach of any terms of these General Conditions or any other agreement with the Bank (including any representation or warranty) and has not remedied such breach within thirty (30) days after the service of notice by the Bank requiring such breach to be remedied;
 - 47.7.6 failed to pay any amount due to the Bank in connection with any Account or by virtue of any Service or facility;
 - 47.7.7 fails to comply with a request from the Bank to provide or increase collateral or Margin within the specified period;
 - 47.7.8 owes the Bank a sum in respect of which an order has been made and where the such order is not discharged or dismissed within thirty (30) days of being granted;
 - 47.7.9 refuses to give any information or gives any inaccurate or misleading information, about its resources or financial position or if such information becomes inaccurate or misleading;
 - 47.7.10 is objectively deemed by the Bank to be involved or likely to be involved in money laundering activities, the financing of terrorism or any other criminal activities;
 - 47.7.11 fails to comply with any applicable legal, regulatory, accounting and tax rules (including but not limited to disclosure or reporting rules) with respect to the Accounts and Services; and / or



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- 47.7.12 any other matter or event arising including any regulatory requirement which in the Bank's reasonable opinion renders termination necessary or advisable in the Bank's interests.
- 47.8 The Client shall, after all Claims (as defined in Clause 34.1) are settled, give Instructions as to the transfer of Assets. If the Client gives no Instructions for the transfer of the Assets within the deadline set by the Bank, the Client authorises the Bank at its sole discretion:
- 47.8.1 to send any or all of the Non-cash Assets to the Client at the Client's last known address in the Bank's records, at the Client's sole risk and expense (including but not limited to any tax obligations), require the Client to receive the Non-cash Assets at the premises of a Sub-Custodian or keep them to return to the Client upon the Client's next visit; or
- 47.8.2 to liquidate (without any liability whatsoever) any or all of the Assets in such a manner at such time and at such price as it thinks fit, to convert – in accordance with its usual procedures or as it otherwise regards appropriate, including with respect to the exchange rate and the time of exchange – any amount into an internationally recognised and traded currency at such exchange rate as determined by the Bank and thereafter to send a cheque in an amount representing the net liquidation proceeds to the name of the Client at the Client's last known address in the Bank's records, at the Client's sole risk and expense (including but not limited to any tax obligations) or keep it to return to the Client upon the Client's next visit.
- 47.9 Where Instructions for transfer of Assets are not given or the cheque is not or not entirely cashed by the Client (regardless of whether the Client has received or has notice of such a cheque), and any Assets (or the liquidation proceeds) continue to remain in the Client's Account, the Bank may at its absolute and sole discretion:
- 47.9.1 impose such fees and charges as may be relevant for the continued custody of the Assets or the liquidation proceeds or any part thereof under these General Conditions;
- 47.9.2 exercise its rights under Clause 34 on security interest and set off; and
- 47.9.3 limit its services to the strict minimum, for example, returning any new sum received for the Account to the issuing bank, refusing any asset management instruction other than divestment, refusing to transfer any sum by debiting the Account, except to an account in the name of the beneficial owner within a country that is acceptable to the Bank, until the Client clears the cheque in its entirety or until the Bank receives Instructions as to the transfer of the Assets.
- 47.10 For the avoidance of doubt, all rights of the Bank against the Client to be made whole (whether by indemnity or otherwise) shall survive termination. Termination shall not affect accrued rights.

48. Incapacity

- 48.1 Any Loss resulting from the incapacity of the Client (be it a legal entity or natural person) or an authorised signatory, attorney or agent of the Client shall be borne by the Client, unless five (5) business days' prior written notice of such incapacity was given to the Bank.
- 48.2 The Client shall ensure that such incapacity is communicated immediately to the Bank. The Bank may, depending on the circumstances and at its own discretion, take provisional measures (particularly freezing measures), or alternatively to decline to take cognizance of such incapacity until the Bank deems that sufficient evidence is available (such as an order of court).

49. Assignment / Transfer

- 49.1 The Client shall not without the Bank's prior written consent assign, transfer or charge to any third party whether by way of security or otherwise howsoever any of the Client's rights, obligations, interest or benefit in or under any Account, these General Conditions or any other agreement entered into between the Bank and the Client. For the avoidance of doubt, nothing in this Clause 49 should affect the obligations of the Client to operate the Account in accordance with these General Conditions.
- 49.2 These General Conditions and all agreements subject to or connected to these General Conditions (including under any facilities) or in connection with any Account shall be binding and enure to the benefit of the Bank and the Client and their respective successors and assigns.
- 49.3 The Bank may at any time and from time to time assign or transfer any or all the Bank's rights and obligations under these General Conditions, or any instruments or agreements which are subject to or connected to these General Conditions (including under any facilities) or in connection with any Account and may deliver all or any of the property then held as security therefor, to its transferee(s), who shall thereupon become vested with all the powers and rights in respect thereto given to the Bank herein or in the instrument(s) transferred, and the Bank shall thereafter be relieved and fully discharged from any liability or responsibility with respect thereto, but, for the avoidance of doubt, the Bank shall retain all rights and powers hereby given with respect to any and all instrument(s), rights or property not so transferred. In respect of such transferee (including successors and assigns), in relation to the rights and obligations transferred to the transferee, the reference to the Bank in these General Conditions shall be regarded as referring to such transferee. Any security granted to the Bank in respect of obligations owed to the Bank shall, where those obligations are transferred to the transferee, to such extent be read and construed as security granted to the transferee to secure those obligations to the transferee.



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49.4 The Client undertakes to execute all such instruments or documents and do all such acts or deeds (at the Client's own cost) as may be required by the Bank in connection with any such assignment, transfer or change referred to in this Clause 49.

50. Business Days and Time

50.1 References to "business day(s)" in these General Conditions shall mean a day on which (i) the Bank is open for business in Hong Kong and (ii) such other financial centres as the Bank may choose for a particular service (such as locations where payment and settlement occur) are open for business, and shall exclude Saturdays, Sundays and all public holidays in Hong Kong, unless the context otherwise requires as determined by the Bank.

50.2 References to a time of day shall be to Hong Kong time unless the context otherwise requires as determined by the Bank.

51. Taxation — Client Liability for Tax Matters

51.1 The Client acknowledges and agrees that the Bank does not provide any legal, regulatory, accounting or tax advice (including without limitation any reporting or disclosure requirements under law). The Client shall therefore bear sole responsibility for complying with, and keeping itself informed of and updated on, the legal, regulatory, accounting and tax rules (including but not limited to disclosure or reporting rules) applicable in its country of citizenship, legal / tax residence or domicile with respect to bank accounts and to the jurisdiction of any relevant investment and shall request its own appropriate legal, regulatory, accounting or tax advice from relevant professionals before initiating transactions. The Bank shall not be held liable for any loss, cost, expenses, damage or other consequences that the Client may incur or suffer as a result of the Client's legal, regulatory or tax status and the Client will hold the Bank harmless and guarantee and indemnify the Bank under Clause 41 of these General Conditions for all such loss, cost, expenses, damage or other consequences.

51.2 The Client shall be solely responsible for its tax affairs, including any Hong Kong or foreign taxes, and for other fees to be paid in accordance with Hong Kong or foreign law applicable from time to time with respect to financial instruments or other Assets kept in the Account, for example withholding taxes on dividends or interest income. The Client shall be obliged to provide the Bank with any information upon request which the Bank deems necessary or desirable at its sole and absolute discretion in order to, but the Bank shall not be obliged to, assist the Client in fulfilling such obligations. In this regard, the Client's attention is drawn to the international obligations resulting from the transparency rules imposed by the network of international treaties on double taxation to which Hong Kong is a party, specifically in the cases of automatic exchanges of Information and requests for information on the Client's name or the beneficial owner, submitted by a foreign tax authority (mutual administrative assistance in tax matters). The Client will provide, at its own cost, any information and / or documentation relating to its tax affairs as may be so reasonably requested by the Bank from time to time and, without prejudice to the generality of Clause 20.8, authorises the Bank to disclose Information to any person with respect to such obligations. The Client understands that, if it fails to comply with its tax obligations, the Client or the beneficial owner may be subject to financial or criminal penalties, depending on the relevant Applicable Laws.

51.3 The Client shall indemnify the Bank against any goods or services tax (or any tax of a similar nature that may be substituted for it or levied in addition to it) chargeable in respect of any payment made by the Client under or in relation to an agreement with the Bank or in respect of any payment made by the Bank on the Client's behalf.

51.4 In the event that the Client is affected by an international agreement imposing a withholding tax, the Client is obliged to inform the Bank thereof, to fully disclose all relevant information and to guarantee the veracity of the information.

51.5 The Bank will not bear any liability for unpaid tax liabilities of the Client or beneficial owner, including any reclassification of its tax status by the tax authorities in its country.

51.6 If the Client or any beneficial owner of the Client has not taken measures to avoid the application of withholding tax by authorising the Bank to transmit the information required under the terms of the applicable agreements, the Bank may be obligated to act in its capacity as paying agent and levy withholding tax on the income considered taxable. The Bank shall determine which Assets are subject to withholding tax on the basis of information provided by the Client and by authorised information providers.

51.7 All payments by the Client to the Bank shall be made in full without (save to the extent as may be required by Applicable Law) any deduction or withholding (whether in respect of set-off, counterclaim, present or future taxes, levies, imposts, duties, charges, fees, deductions, withholding or other taxes howsoever incurred) and in freely and immediately available funds in such manner as may be notified to the Client from time to time by the Bank.

51.8 If the Client is required by Applicable Law to make any such deduction or withholding from any amounts payable or paid to the Bank, the Client shall be solely responsible for making payment in relation to such deduction or withholding and shall pay the Bank such additional amounts as may be necessary to ensure that the Bank receives on the due date a net amount equal to the full amount it would have received had no such deduction or withholding been made.

51.9 If the Bank is required to make any payment on account of tax with respect to any amount payable by the Client (not being a tax imposed on the Bank's net income) or if any liability in respect of any such payment by the Client is asserted, imposed, levied or assessed against the Bank, the Client shall, upon demand of the Bank, promptly indemnify the Bank against such payment or liability, together with any taxes, interest, penalties and reasonable expenses payable or reasonably incurred in connection therewith.



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51.10 The Client fully and exclusively assumes all the inherent risks of its personal situation as regards tax agreements, information transmitted to the Bank and all risks arising from the incorrect classification of assets. Consequently, the Bank shall incur no liability towards the Client as a result of classification errors committed by the Bank or by authorised information providers, other than in the event of gross negligence or wilful default on the part of the Bank.

52. Contract (Rights of Third Parties) Ordinance

52.1 These (together with any other agreements subject to or connected with these) General Conditions and documents confer benefits on Indemnified Persons, members of the UBP Group and Sub-Custodians (each a “Third Party”) – including without limitation the rights, security interests, indemnities, limitations and exclusions set out in Clauses 8 (Client’s responsibility as to Assets), 20 (Confidentiality of Client Information), 34 (Security Interest and Set-off) 41 (General Indemnity and Exclusion of Liability), 44 (Force Majeure), Annex 1 (Online Services Agreement) and Annex 3 (Terms and Conditions for Initial Public Offerings and Placings) – and, subject to the remaining provisions of this Clause, are intended to be enforceable by each Third Party by virtue of the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

52.2 The parties to this agreement do not intend that any term of this agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong), by any person other than a Third Party.

52.3 Notwithstanding the provisions of this Clause 52, these (and any other agreements subject to these) General Conditions may be rescinded or varied in any way and at any time by the Bank and the Client without the consent of any Third Party.

53. Client Waiver of Immunities

53.1 The Client irrevocably waives, to the fullest extent permitted by law, with respect to the Client and the Client’s assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction, order for specific performance or for recovery of property, attachment of assets (whether before or after judgment); and
- (d) execution or enforcement of any judgment to which the Client or the Client’s assets might otherwise be entitled in any suit action or other proceedings relating to these General Conditions any agreement that is subject to these General Conditions or the Client’s relationship with the Bank (“Proceedings”) in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by law, that the Client shall not claim any such immunity in any Proceedings.

54. Severability

54.1 Each of the provisions of these General Conditions shall be severable and distinct from one another and, if at any time any one or more of those provisions or any part of any provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired. In such circumstances, both parties shall use best efforts to agree revised terms fulfilling the same commercial effect to the fullest extent possible as the terms originally agreed and which are or have become invalid, illegal or unenforceable.

55. The Bank’s Right of Waiver

55.1 No indulgence or concession granted by the Bank and no omission or delay on the part of the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

55.2 The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

56. Applicable Law

56.1 These General Conditions shall be governed by and construed in accordance with the laws of Hong Kong without regard to conflict-of-law principles and the Client irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. Any proceedings whatsoever against or involving the Bank shall be instituted by the Client solely in the courts of Hong Kong unless the Bank otherwise agrees in writing. Nothing contained in this Clause shall be taken to have limited the right of the Bank to bring any suit, action or proceeding against the Client in any competent jurisdiction or jurisdictions whether concurrently or not.



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57. Language

These General Conditions and other documents may have been prepared and delivered to the Client in a language other than English for the Client's convenience. It is expressly understood and agreed by the Client that in the event of any conflict of interpretation between the English and other versions of these General Conditions or other documents, including in the event of any interpretation of these General Conditions or other documents by any court, tribunal or administrative body, the English language version of these General Conditions or the documents shall prevail for all purposes.

58. Other Treasury Services

The Bank may at its discretion undertake other treasury services for the Client's Account. Such services, which may include over-the-counter derivatives transactions such as forward exchange contracts, currency options, equity options, Interest rate caps, collars and floors, shall be provided in accordance with these General Conditions and the Master Terms and Conditions for Over-the-Counter Derivatives Trading, as the same may be supplemented and amended from time to time.

59. Complaints

If the Client is not satisfied with the service provided by the Bank, the Client in the first instance should write to the Bank's Business Management team in writing, by telephone or email as follows: Union Bancaire Privée, UBP SA Hong Kong Branch Level 26, AIA Central, 1 Connaught Road Central Hong Kong, Tel: +852 3701 9688, Fax: +852 3701 9668, Email: ClientserviceHK@ubp.com If the Client remains dissatisfied, the Client should next contact the Bank's Complaint Handling Officer as registered with the Hong Kong Monetary Authority. If the Client has filed a written complaint to the Bank, the Client may be eligible to also make an application to the Financial Dispute Resolution Centre. Further details are available at www.fdrc.org.hk

60. Conflict of Interest

- 60.1 The Client understands that the Bank may have a material interest in respect of investments or investment services on which it provides advice, or in respect of which it may make recommendations, to the Client, and the Bank may have a relationship of any description with another party which may involve an actual or potential conflict with its duty to the Client. In particular, the Bank may recommend the purchase or sale of investments for the Client which may be issued by companies maintaining banking relationships with the Bank or a member of the UBP Group and / or their affiliates or in which officers of the Bank or such other body corporates may serve as directors or act as principal. The Bank shall take all reasonable steps to ensure the Client receives fair treatment in the event that the Bank has any such material interest or in the event of any such actual or potential conflict arising.
- 60.2 The Bank may effect transactions for the Client through the agency of and / or with a counterparty which is a related organisation or a person otherwise associated with it even if a conflict of interest may arise. The Bank may also effect transactions in which it has a direct or indirect material interest.
- 60.3 The Client understands that for certain services the Bank may act as the counterparty to the Client on a transaction. This includes certain foreign exchange transactions.
- 60.4 The Client's attention is also drawn to Clause 15 which outlines the fees and commissions that the Bank or its agents may receive when they enter into certain transactions with the Client and Clauses 25 and 40 on disclosure of benefits when the Bank distributes investment products to the Client. The Client consents to the Bank receiving such fees and commissions as set out in the fee schedule then in effect or as otherwise notified by the Bank to the Client from time to time.
- 60.5 Where the Bank acts as the Client's agent, the Bank shall not be prevented or restricted from simultaneously acting as agent of the issuer of any securities purchased by the Client, or for any other person. The Bank shall not be deemed to be affected with notice of or to be under any duty to disclose to the Client any fact or thing which may come to the notice of the Bank or any of its employees, agents or Agents in the course of acting as agent for the issuer of any securities purchased by the Client or for any other person, or in the course of its business in any other capacity (whether as principal or otherwise) or in any manner whatsoever otherwise than in the course of providing services to the Client under these General Conditions.

61. Further Acts

- 61.1 The Client shall at its own cost and at the Bank's request, execute and do all such deeds, acts and things (including without limitation, the performance of such further acts or the execution and delivery of any additional instruments or documents) as the Bank may require for the purposes of these General Conditions, or as the Bank may consider necessary or desirable for the performance or implementation of services by the Bank associated with the Client or any Account, including but not limited to perfecting the security, set-off and lien rights of the Bank and its head office, other branches and members of the UBP Group as provided for in Clause 34.



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Annex 1 – Online Services Agreement

Where the Client applies for the online services offered by the Bank in respect of any Services (including any Account(s)), the Client does so in accordance with the terms and conditions of this Annex as set forth below:-

1. Online Services

- 1.1 Unless the context otherwise requires, capitalised terms used but not defined herein shall have the same meaning given to them in the General Conditions.
- 1.2 The Bank shall have the discretion from time to time to determine the scope of, withdraw or discontinue the online Services (the “Online Services”) without notice or responsibility to the Client.
- 1.3 The Online Services enable the Client to be connected to the Bank’s data and operation system through the internet to have direct access to any or all of the Client’s Accounts or to certain specified Services at any terminal with eligible technical features as advised by the Bank from time to time.
- 1.4 Subject to Clause 2.1 below, the Online Services are for the Client’s sole and exclusive use. The Client shall not use or knowingly allow any other person to use the Online Services for or in connection with any illegal purpose or activity and shall notify the Bank as soon as practicable if the Client becomes aware of such use.
- 1.5 Any exchange rate and other prices and information quoted by the Bank on the website or otherwise in response to an online inquiry through the Online Services are for reference only and are not binding or intended for trading or other purposes unless otherwise stated in writing by the Bank.
- 1.6 Information relating to any Account, Service, transaction or dealing made available through the Online Services is for reference only. The Bank’s records of such Account, Service, transaction or dealing shall be conclusive unless and until the contrary is established. The Client acknowledges and agrees that the Client may not rely upon such information made available through the Online Services and that only statements on the Client’s Account(s) prepared and made available to the Client in accordance with the General Conditions by the Bank according to its records shall be conclusive evidence.
- 1.7 The Client acknowledges that there may be a time lag in transmission of information or communication through the Online Services via the internet.
- 1.8 The Client’s use or continued use of the Online Services shall constitute the Client’s acceptance of these terms and conditions from time to time and without prejudice to Clause 9.1 below.
- 1.9 The Client’s use of the Online Services is subject to these terms and conditions, the General Conditions and all other terms and conditions applicable to the Client from time to time including those set out on the Bank’s website, mobile application, e-banking platform and any other Online Services platforms. Such other terms and conditions shall apply as if they were expressly extended to the use of the Online Services.
- 1.10 These terms and conditions are supplementary to and not in substitution for any provisions in the General Conditions. In case of inconsistency between these terms and conditions, the General Conditions and other terms and conditions applicable, the provisions in this Annex shall prevail.

2. Authorised Users

- 2.1 The Client may designate itself, any authorised signatory and / or any of its attorneys appointed by the Client by a general or limited power of attorney in respect of any of its Accounts, or any part or division thereof (collectively, the “Authorised Users”) to use the Online Services in respect of the Client’s relevant Account(s) in such manner and form as the Bank may prescribe from time to time.

3. Authentication Features

- 3.1 To access the Online Services, the Client or each Authorised User must input a password (“Password”) issued or assigned by the Bank or chosen by the Client or each Authorised User in such manner as the Bank may from time to time specify, any security code provided by the Bank for identification purposes and/or any other means of authentication (collectively the “Authentication Features”). The Client is advised to destroy any original printed copy of the Password issued by the Bank.
- 3.2 When choosing a Password the Client or Authorised User should ensure that it does not record the Password without disguising it and should not record it on any device which it uses for accessing the Online Services. The Client or Authorised User should avoid using Passwords with easily accessible information such as date of birth, and should not use the Password for accessing other services. The Client or Authorised User may choose to change the Password at any time upon acceptance by the Bank.
- 3.3 The Bank may, in its sole discretion, require the Client and / or each Authorised User to provide further information for extra security protection or for the provision of any or all of the Online Services as determined by the Bank from time to time.



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3.4 The Client is fully responsible for taking appropriate measures to monitor and control the use of the Online Services by, and the appointment and change of, the Authorised User(s), and to adopt proper safeguards against the Online Services being used by unauthorised Persons or for unauthorised purposes. The Bank may provide further security advice to the Client from time to time, which the Client should refer to.

3.5 Failure to comply with the Authentication Features may constitute negligence and could result in the Client being held liable for Losses.

4. The Client's Instructions

4.1 The Bank is hereby authorised (but is not obliged) to treat and consider as valid and binding on the Client any access to or use of the Online Services through the internet by any person using the Client's or any Authorised User's Authentication Features without making any inquiry as to the authority or identity of the person accessing or using or purporting to access or use the Online Services or the authenticity thereof notwithstanding any error, misunderstanding, fraud, forgery or lack of clarity in or authorisation for their terms.

5. The Client's Undertaking and Responsibilities

5.1 The Client agrees not to allow, and shall procure any Authorised User not to allow, anyone else to operate the Online Services on its / the Authorised User's behalf.

5.2 The Client shall keep and procure any Authorised User to keep the Authentication Features secure and confidential and shall not disclose or permit, and shall procure any Authorised User not to disclose or permit, any of them to be disclosed to any unauthorised person. For the avoidance of doubt, where there is more than one Authorised User for one Account or Service, no Authorised User may disclose such user's Authentication Features or permit any of them to be disclosed to any other Authorised User(s). If the Client or any Authorised User discovers or suspects that the Authentication Features are known to someone else, compromised, lost or stolen, the Client shall ensure and procure that it or the Authorised User, as the case may be, shall immediately inform the Bank by calling the designated Relationship Manager.

5.3 The Client undertakes to and shall procure any Authorised User to:

- (a) keep the Authentication Features secret and not to disclose or permit them to be disclosed to any unauthorised person;
- (b) inform the Bank immediately if the Client or any Authorised User knows or suspects that someone else knows the Authentication Features or that unauthorised use of the Online Services has taken place and if the Client or any Authorised User fail to do so the Client shall be liable for any unauthorised use of the Online Services; and
- (c) be liable for all losses if the Client or any Authorised User fails to properly safeguard or knowingly allows the use by others of the Authentication Features.

5.4 The Client shall be fully liable and responsible for all losses if it (or any of its Authorised Users) acts fraudulently or with gross negligence, or if it fails to inform the Bank as soon as reasonably practicable after the Client finds or believes that secret codes or devices for accessing the Online Services have been compromised, lost or stolen, or that unauthorised transactions have been conducted in respect of the Client's Accounts or Services provided to the Client. Furthermore, the Client shall be fully liable and responsible for all indirect consequences (being consequences excluding withdrawals of cash or investments from the Client's Accounts) arising from or in connection with use of the Online Services and / or access to any information as a result of such use by the Client or any other person whether or not authorised, including, without limitation, any Authorised User.

5.5 Subject to Clause 5.4 above, the Client is not responsible for direct loss arising from unauthorised use of the Online Services (if the Client or any Authorised User have not acted fraudulently or with gross negligence) caused by:

- (a) a computer crime not prevented by the Bank's security system; or
- (b) human or system error caused by the Bank.

5.6 The Client shall check the status of its Account(s) or Services provided to it on a regular basis and inform the Bank as soon as reasonably practicable about any errors or unauthorised transactions.

5.7 In case any Account or Service which is accessible through the Online Services is a joint or partnership Account or Service, the Client shall be responsible for the liabilities and obligations of the other Account holder(s) howsoever arising on a joint and several basis.

5.8 The Client shall indemnify the Bank and its directors, officers and employees against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including, without limitation, legal fees on a full indemnity basis) which may be reasonably and properly incurred by any of them and all claims and proceedings which may be brought by or against any of them in connection with the provision of the Online Services, the information available through the Online Services or the exercise or preservation of the Bank's powers and rights hereunder, unless due to the gross negligence, fraud or wilful misconduct of the Bank or its directors, officers or employees or unless Clause 5.5 above applies.



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- 5.9 The Client is aware that when using the Online Services outside Hong Kong, the Client or any Authorised User may be in breach of applicable local law. The Client shall obtain and procure any Authorised User to obtain information regarding such laws and to act in accordance therewith. The Client shall bear all risks associated with such use. The Client and any Authorised User shall not use the Online Services in breach of any applicable local law. The Bank excludes all liability in respect of any breach of foreign law due to use of the Online Services by the Client, any Authorised User or any other persons (whether authorised or not).
- 5.10 The Client shall obtain and procure any Authorised User to obtain information about software components such as encryption algorithms which may be subject to import and export restrictions. The Client shall bear the risks associated with the use of such components. The Bank excludes all liability in respect thereof.
- 5.11 The Client confirms that it has read and accepted the Bank's Risk Disclosure Statement (referred to in Clause 31.6 of the General Conditions).

6. Liabilities of the Bank

- 6.1 Unless there is fraud or wilful misconduct of the Bank, the Bank shall not be liable to the Client for:
- (a) (subject to Clause 5.5 above) use of the Online Services and / or access to any information as a result of such use by the Client, any Authorised User or any other person whether or not authorised; and
 - (b) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing the Online Services (including but not limited to any interruption, interception, suspension), in transmitting information relating to the Online Services or in connecting with the website caused by any acts, omissions or circumstances beyond the Bank's reasonable control, including without limitation any computer, telecommunication, electrical or network failure.
- 6.2 Subject to the provisions herein, if the Bank is found liable for its acts or omissions for any reason whatsoever, the Bank's liability shall be limited to the amount of the Client's direct damages. The Bank shall not be liable to the Client for any indirect, special or consequential loss or damages.
- 6.3 The Bank does not warrant, represent or guarantee the sequence, accuracy, truth, reliability, adequacy, timeliness or completeness of any of the information provided through the Online Services or whether it is fit for any purpose. The Bank assumes no liability (whether in tort or contract or otherwise) for any reliance on such information by the Client or any other person.

7. Service Fee

- 7.1 The Bank may from time to time charge a service fee at such rate as the Bank may notify the Client for the Client's and / or any Authorised User's use of the Online Services. All costs, charges and expenses associated with gaining access to the Online Services will be borne by the Client.

8. Supply and Disclosure of Information

- 8.1 The Client and (if applicable) each of the Client's partners / committee members / directors understand and agree that the Client's / his / her use of any of the Bank's facilities and Online Services and all Account(s) opened by the Client / him / her with the Bank will be governed by the Privacy and Security Policy contained in the Bank's Use and Transfer of Personal Data form (provided to the Client separately). The Client and (if applicable) each of the Client's partners / committee members / directors hereby understand that the Privacy and Security Policy contains the Bank's policies and practices from time to time in force relating to Personal Data (as defined in the PDPO), including without limitation its collection, use, possession, dispatch, transmission, access and correction and other matters incidental thereto.
- 8.2 The Client and (if applicable) each of the Client's partners/committee members / directors understand that the Client's / his / her data may be disclosed to, processed or kept by the Bank's service providers and other classes of persons as set out in the Privacy and Security Policy.
- 8.3 The Client and (if applicable) each of the Client's partners / committee members / directors may always contact such persons referred to in the Privacy and Security Policy to gain access to and request correction to the Client's / his / her information provided to the Bank.

9. Amendments, Suspension and Cancellation

- 9.1 The Bank has the right to amend, add, delete, replace or supplement any of these terms and conditions at any time by giving notice to the Client, and the same shall become binding on the Client from the date of their adoption by the Bank and shall be deemed to have come to the Client's attention by their being displayed at the websites or any other mode which the Bank deems fit.
- 9.2 The Client may suspend or terminate the use of the Online Services at any time by giving prior notice in writing or by using any other methods as the Bank may notify the Client from time to time, whereupon the Client shall and shall procure that each Authorised User shall forthwith return to the Bank the Client's security token and destroy all of the Authentication Features (in each case to the extent applicable).



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9.3 The Bank shall be entitled in its sole discretion to suspend or terminate the Client's use of any or all of the Online Services at any time without giving any reason or notice to the Client, in which case the Client shall and shall procure that each Authorised User shall, upon the Bank's request, forthwith return to the Bank any security token and destroy all of the Authentication Features (in each case to the extent applicable).

10. Risks of accessing the Online Services

10.1 The Client acknowledges the risk associated with the use of the internet for the purpose of accessing the Online Services, including in particular:

- 10.1.1 the routes by which data is transmitted are outside the Bank's control and use the infrastructure of various service providers who have no connection to the Bank;
- 10.1.2 with the internet network, there is no guarantee of availability of service or timely delivery of transmitted data;
- 10.1.3 there is no guarantee of confidentiality with regard to the existence of an electronic connection between the Bank and the user;
- 10.1.4 the Client is strongly advised to take every possible precaution against dangerous viruses etc. transmitted over the internet by installing security applications such as anti-virus software which the Client should keep regularly updated; and
- 10.1.5 connecting to a website leaves records on the user's computer terminal in the form of files which would potentially be used by a third party gaining access to that terminal to reconstruct part of the information exchange.

11. Other parties providing services to the Client

11.1 The Bank may from time to time enter into arrangements for a third party to provide services to the Client, such as online monitoring of accounts. Where the Client decides to use such services, the Client will be directed to that third party (including to the third party's webpage). The Client's use of such online services will be subject to the terms and conditions and the data protection policy of that third party. The Client may contact the third party for those terms and conditions and data protection policy.



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Annex 2 – Electronic Mail Terms

The Electronic Mail Terms in this Annex are supplementary to and not in substitution for any provisions in the General Conditions. In case of inconsistency between the Electronic Mail Terms, the General Conditions and other terms and conditions applicable, the Electronic Mail Terms shall prevail.

The Client hereby agrees and acknowledges that:

1. the Bank may send the Client by email any document which it may send the Client in hard copy including (but not limited to) Statements, Account information and any documents relating to the Bank's products or services such as research reports, factsheets, or prospectuses.
2. The Bank considers any person who identifies him / herself by using the email address agreed and as set out in the account application as entitled to receive information by email.
3. The Bank is entitled to refuse Instructions in regards to the use of email at any time and without giving reasons, and it may insist that the Client provides alternative proof of identity (by means of a signature or meeting in person). The Bank accepts no liability for any Loss incurred as a result of such a refusal.
4. The Bank retains the right at all times to suspend the use of email at its sole discretion. The Bank is not obliged to provide reasons for its actions. The Bank accepts no liability for any Losses incurred as a result of such interruptions.
5. It is relatively easy to adopt the identity of another person electronically. The possibility that external systems may be accessed and misused means, for example, that an intruder is able to fraudulently take on the address or name of a familiar system vis-à-vis the recipient computer. The Client bears all the risks and consequences which arise from the manipulation or use of access to the Client's email address, whether unauthorised or not.
6. If there is reason to suspect that unauthorised third parties have obtained access to the Client's email and / or are misusing the same, the Client shall inform the Bank immediately and apply to have the email blocked as a channel of communication. In such an instance, normal business hours will be observed, and only the responsible Bank office should be contacted. The block will be confirmed in writing by the Bank. For the avoidance of doubt, the Bank shall seek to act expeditiously at all time but shall not be held responsible for loss, cost or damage arising or related to any manipulation or use of or access to the Client's email address whether before or after notice is received and acknowledged by the Bank including any use of or release of any confidential information forwarded to the email address.
7. It is the Client's responsibility at all times to inform the Bank in writing of any change of email address subject to the terms herein, including observation of normal business hours or if notified by post, then the receipt of written confirmation from the Bank.
8. The Bank does not provide technical access to email services on the internet. This is the Client's responsibility alone. The Bank does not accept any liability for damages sustained by the Client as a result of transmission errors, technical defects, interruptions, faults, unlawful access, network overload, malicious blockage of electronic access by third parties or other shortcomings on the part of network operators or service providers.
9. The Bank accepts no liability for (a) Losses resulting from negligence on the part of support staff going about their normal duties or (b) the consequences of faults and interruptions (in processing in particular), in each case in the context of email communications.
10. Only information is transmitted electronically. Processing and execution of any investment order or instruction, whether given by electronic means or otherwise, may still take place by means of conventional means of communication (e.g. post, telephone), whereby normal business hours and normal business procedures are still observed.
11. The Bank will usually not accept or act on Instructions (including but not limited to Instructions for the operation or usage of the Client's Account(s) or other Services provided to the Client, or for any investments that the Client may purport to enter into) that are sent by the Client to the Bank through email, but may, in certain limited and / or exceptional circumstances, and always at its sole discretion (on a case by case basis), agree to accept such Instructions transmitted through email subject to (but without any obligation on the Bank to implement or apply) any technical protection measures implemented by the Bank and/or verification measures decided upon by the Bank. In the event that the Bank, in its sole discretion, agrees to accept Instructions transmitted through email, the Client agrees and accepts that the Bank shall not be liable for any Loss or cost incurred as a result of or arising from the Client issuing Instructions to the Bank via email, including but not limited to any delay in reading or processing, or failure to read or process, such emails. It will be the obligation of the Client, particularly if its instruction is urgent, to ensure, for example by calling the Bank, that its message has been safely received and to check when the requested transaction may be carried out. The Bank does not guarantee that an instruction received by email will be processed immediately, in particular because the recipient of said email may be absent or otherwise not be available to process the email. The Bank shall also not be liable for any Loss or cost incurred as a result of its refusal to accept Instructions via email.
12. The Bank reserves the right at all times to determine at its sole discretion the type, form, extent and content of the information which is transmitted electronically or by hard copies. The Bank does not warrant or represent in any way that the same information transmitted electronically will be sent out to the Client in hard copies by post or fax or any other form of communication but reserves its right to take such action if in its discretion it sees fit so to do.



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13. Contents of emails are carried on a publicly accessible network (i.e. the internet) and, under certain circumstances, third parties may discover that a relationship exists with the Bank. Furthermore, the contents of the emails are transmitted in unencrypted form, such that some of the contents of the email can be read by anyone. The Bank shall not be held responsible for Loss, cost or damage arising or related to any use of or release of any information forwarded or otherwise sent to the email address.
14. The Bank reserves the right to alter these conditions at any time by giving the Client reasonable notice. The Client will be notified of any such amendment by suitable means (e.g. email).
15. This authority for the Bank to communicate with the Client via email may be terminated by one (1) month's written notice from either party at any time. Notice of termination from the Client should be sent to the Bank office at which the relevant Account is held. Written confirmation from the Bank must be received for the termination to be effective.
16. The Client acknowledges that emails are sent via open installations (such as public and private data transfer networks and providers that are accessible worldwide) available to anyone. It is therefore impossible to control the transmission route of an email, and emails are often routed through more than one country (even when the sender and recipient are located in the same country). The Client acknowledges and agrees that a multitude of risks are therefore inherent in unsecured email, including but not limited to lack of confidentiality, risk of manipulation of content and forgery, transmission failures and / or errors, and viruses.



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Annex 3 – Terms and Conditions for Initial Public Offerings and Placings

Where the Client has indicated that the Client would like to undertake subscriptions or purchases in respect of Initial Public Offerings and Placings for an Account, the Client does so in accordance with the terms and conditions of this Annex as set forth below:

1. The terms and conditions in this Annex are supplementary to and not in substitution for any provisions in the General Conditions. In case of inconsistency between the terms and conditions in this Annex, the General Conditions and other terms and conditions applicable, the provisions in the terms and conditions in this Annex shall prevail.
2. The Bank hereby agrees to undertake subscriptions to IPOs and Placings for the Client's Account in accordance with the terms and conditions in this Annex.
3. The Client confirms that the Client's requests for subscriptions are for the Client's own personal Account and not on behalf of any other third parties and that such subscriptions are not in breach of any taxation, exchange control or regulatory rules affecting the Client personally.
4. In order to restrict the participation by retail investors in institutional and private placements, in accordance with Applicable Law, the Bank may be required to give various warranties and undertakings to the placing agent responsible for the IPO and / or Placing concerning the placing of securities with the Client. In such circumstances, the agreement of the Bank to undertake subscriptions to such IPOs and Placings for the Client's Account shall be subject to the Client giving appropriate warranties and indemnities to the Bank in such form as the Bank may require in relation to such transactions.
5. Without limiting the Bank's obligations set out in Clause 23 of the General Conditions where they apply, the Client understands that the Bank may (but is not obliged to) make available information to the Client about IPOs and Placings from time to time.
6. The Client's Instructions (whether by telephone or other means of communication acceptable to the Bank from time to time) to subscribe for securities in connection with any IPO or Placing will be binding on the Client and will not be subject to any rights of rescission or withdrawal.
7. The Client's agreement to purchase securities offered in an IPO or a Placing will provide the Bank with an authority on the Client's behalf to complete and / or execute any documents and take all such other actions as the Bank (or its Agents or other agents) may consider necessary or desirable to effect the Client's Instruction to subscribe for the securities (including provision of a declaration on the Client's behalf to the Issuer and / or any relevant authorities based on the Client's representations and warranties herein, which the Bank will rely upon as true and accurate).
8. The Client agrees to sign and return all documentation as may be required by the Bank in relation to any IPO or Placing within the time frame stipulated by the Bank in order to enable the Bank to effect the subscription or purchase of the securities on the Client's behalf. If the Client fails to return the required documentation before the stipulated time frame, the Bank may:
 - (a) treat the Client's subscription or purchase as cancelled and may not allocate the securities to the Client; and
 - (b) take such actions as it in its discretion considers appropriate or desirable to deal with such securities including disposing of such securities at such price(s) as it deems appropriate. The Client shall bear any economic losses arising out of the disposal of such securities and shall indemnify the Bank for all costs, expenses and / or losses incurred in connection with such disposal pursuant to the indemnity in the General Conditions.
9. Time is of the essence in relation to the agreement constituted by the Client's acceptance of any IPO or Placing.
10. Subscription requests shall be accepted by the Bank by no later than the time which the Bank may from time to time specify before the relevant Cut-off Time (as defined below) after which subscriptions shall not be accepted by the relevant Issuer (or the relevant intermediary or third party), after which time the Bank may, at its sole discretion, decline to subscribe for securities on the Client's behalf. The "Cut-off Time" is the time after which subscriptions or purchasers for Initial Public Offerings and Placings shall not be accepted by the relevant Issuer, intermediary or third party.
11. The Bank may at its sole discretion decline to subscribe or discontinue or cancel subscriptions, without prior notice to the Client. In such circumstances, the Bank shall notify the Client as soon as reasonably practicable of its decision not to subscribe and / or cancel subscription orders but shall not be under any obligation to disclose the reason for its so acting.
12. The Bank shall receive allocations of securities from the issuer, third parties or intermediaries, and shall allocate such securities to its clients in its sole and absolute discretion. The Bank shall make any such allocation pro rata so far as possible but shall not allocate securities which would result in an uneconomic holding, as assessed from time to time by the Bank at its absolute discretion. The Bank shall not accept requests to alter or waive allocations after the event.
13. The Bank will within normal business hours inform the Client of the results of the Client's allocation (if any) as soon as practicable after the allocation results are notified to the Bank. The Bank is not liable to the Client if such notifications are made after dealings commence.
14. There is no guarantee or assurance on the number of securities that the Client may ultimately be allocated in respect of any IPO or Placing. The Client agrees to take up any amount of securities to the limit of the Client's full subscription should such securities be allocated to the Bank. If no securities are allocated to the Client, the Client's contract with the Bank for the placement of the securities will immediately be terminated and all obligations and liabilities arising from such placement shall cease without prejudice to any accrued obligations made under any financing in relation to such placement.



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15. The Client confirms that the Client has received, read and understood, the contents of the relevant Prospectus, offering circular or other disclosure document and agrees to be bound by them before making an application to subscribe for the securities, and the Client's application is not in breach of such terms and conditions. In the case of a secondary market offering of any IPO or Placing, the Client understands that no offering circular or other disclosure document has been prepared in connection with the subscription or purchase and placing of the securities. The Client confirms that the Client shall not request subscriptions to IPOs and Placings unless eligible to do so under the applicable securities legislation.
16. The Client acknowledges that the Bank makes no representation regarding, shall have no liability for, has not authorised and shall not be deemed to have authorised, the contents of the Prospectus, offering circular and other disclosure document. In particular, the Bank does not represent that the information in the Prospectus, offering circular and other disclosure document is complete, accurate, clear, fair and not misleading. Neither the Bank nor any member of the UBP Group or any of the Bank's or such member's affiliates, controlling persons, directors or employees accepts any liability for, or makes any representation as to the truth, completeness or accuracy of, the contents of the Prospectus, offering circular and other disclosure document.
17. The Client understands the nature of and the terms governing the securities and is capable of evaluating the risks and merits of an investment in the securities, has adequate means of providing for the Client's current and contingent needs and the ability to assume such risks or sustain a loss of the Client's investment in the securities.
18. The Client has received all the information it believes to be necessary or appropriate in connection with its subscription for securities in relation to any IPO or Placing. Without limiting the Bank's obligations set out in Clause 23 of the General Conditions where they apply, the Client confirms that the Client is acting entirely on the basis of its own investigations and evaluation of any IPO or Placing and the Prospectus, offering circular or other disclosure document, if any, (including without limitation the legal and tax consequences of purchasing, holding and disposing of the securities whether in respect of the Client's own situation or tax residence(s), as well as any consequences arising under the laws of any other applicable tax jurisdiction). The Client has made his or her own investment decisions on the securities based on the Client's own knowledge and information the Client may have or which is publicly available with respect to the Issuer and the Securities. The Bank shall not be responsible for the performance of any securities subscribed under the terms and conditions in this Annex, including but not limited to any loss which the Client may suffer as a result of subscribing for or purchasing the securities in connection with any IPO or Placing.
20. The Client is and will be in compliance with all relevant laws, regulations and other requirements (including without limitation selling restrictions) applicable to any securities the Client subscribes for or purchases in relation to any IPO or placing, and the terms of any final Prospectus, offering circular or other disclosure document issued by the Issuer, if any, and the Client is able to and hereby makes all purchaser's representations in the Prospectus, offering circular any other disclosure document.
21. In case of an IPO of securities on The Stock Exchange of Hong Kong Limited where the securities are offered to the public and by a private Placing tranche, the Client confirms and undertakes that the Client:
 - (a) has not subscribed for or purchased and will not subscribe for or purchase the securities under both the public and the private Placing tranches; and
 - (b) has not made and will not make multiple applications under either or both of the public and the private Placing trenches.
22. The Client has the full right, power and authority to enter into and perform its obligations under the terms and conditions in this Annex.
23. The Client will on demand indemnify and keep indemnified the Bank and its affiliates (including its head office or other branches (whether inside or outside of Hong Kong) and members of the UBP Group) and the Bank's and / or such members' officers, agents and employees for all losses, liabilities, costs and expenses, fees, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may incur or suffer arising out of or in connection with: (i) the provision of services by the Bank pursuant to the terms and conditions in this Annex; (ii) any breach of any of the applicable selling restrictions or transfer restrictions, or the oral contract to subscribe for or purchase the securities, or any other breach of the Client's obligations hereunder; or (iii) any statement or indemnity given by the Bank to the Issuer or lead manager / sponsor / underwriter in relation to any subscription or purchase by the Client. If the placing / offering of the securities fails for whatsoever reason, neither party shall have any claim against the other for costs, damages, compensation or otherwise arising from such failure provided that the Client shall reimburse the Bank any legal fees and out-of-pocket expenses which the Bank has or shall be obliged to pay.
24. The Bank shall not be liable for any loss, damage or expense which the Client may suffer by virtue of any delay in acting on any Instruction issued by the Client in connection with an application for subscription or purchase of securities under an IPO or Placing, or any partial completion of, or failure or inability to act on, any such Instruction for whatever reason.
25. In accordance with the listing rules of the relevant stock exchange and applicable laws, rules and regulations governing the Issuer and the IPOs and Placings:
 - (a) the Client is not the chief executive, a director (or an immediate family member of a director), a promoter, a supervisor, an existing shareholder, a connected person or any person connected with or in relation to the control of the Issuer or its subsidiaries, or an associate of any of them, nor any connected client or employee of the lead manager / sponsor / underwriter;
 - (b) the Client is independent of, and not connected or acting in concert with any other placees or persons, including but not limited to the Issuer, any director (or an immediate family member of a director), promoter, supervisor, chief executive, existing shareholder, connected person or any person connected with or in relation to the control of the Issuer or any of its subsidiaries or any of their respective associates, nor any connected client or employee of the lead manager / sponsor / underwriter, and has not offered or sold, and will not offer or sell, any securities to any such persons;



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- (c) the Client is not directly or indirectly funded or backed by the directors, promoters, supervisors, substantial shareholders, chief executive, connected persons or any person connected with or in relation to the control of the Issuer or its subsidiaries or associates of any of them, nor any connected client or employee of the lead manager / sponsor / underwriter;
 - (d) the Client is not and will not, as a result of the securities placed to the Client, become a substantial shareholder of the Issuer or an immediate family member, related corporation, associated company or sister company, of a substantial shareholder of the Issuer, and has not offered or sold, and will not offer or sell, any securities to any such persons;
 - (e) the Client is not in possession of any information which would, pursuant to applicable securities laws, preclude the Client from applying for or purchasing the securities; and
 - (f) the Client is not accustomed to take Instructions from a connected person of the Issuer in relation to the acquisition, disposal, voting or any of other dispositions of securities in the Issuer.
26. The Client agrees to be irrevocably bound to pay in full for the securities subscribed / purchased and allocated by the Bank to the Client, including without limitation the final acquisition price for each unit of the securities, stamp duty, trading fee, brokerage, stock exchange transaction levy and all other costs and expenses in connection therewith (in aggregate, the "Purchase Moneys") no later than such business day as the Bank may inform the Client. The Client hereby acknowledges and agrees that the Bank's determination of the amount of the Purchase Moneys shall be final, conclusive and binding on the Client except in the event of manifest error.
27. The Client shall pay the Purchase Moneys in the currency in which the securities are respectively denominated in immediately available cleared funds into the Client's Account, or otherwise ensure that such immediately available cleared funds are available in that Account for the Bank's debit of the Purchase Moneys no later than such business day as the Bank may notify the Client from time to time, and the Client authorises the Bank to debit all Purchase Moneys from the Account (or any other Account of the Client) for such purpose.
28. The Client undertakes to inform the Bank as soon as possible of any difficulty in repaying the Bank any indebtedness arising from the Client's agreement to purchase securities in an IPO or a Placing, and to accept the securities as subscribed and / or allocated by the Bank on and subject to the terms and conditions of the relevant Prospectus, offering circular or other disclosure document.
29. If full payment of the Purchase Moneys is not received in accordance herewith by the time stipulated in Clause 26 above, the Bank shall have the right:
- (a) to demand immediate full repayment of any outstanding amount and to terminate any applicable contract, verbal or written, in relation to the Client's acquisition of the securities and in such event, all obligations and liabilities on the Bank's part arising in connection herewith shall cease and determine but without prejudice to any claim which the Bank may have against the Client arising out of the Client's failure to comply with the Client's obligations hereunder;
 - (b) to refuse to act on the Client's Instructions or perform any services to the Client or in relation to the Client's Accounts whatsoever without reason and without liability;
 - (c) to advance or arrange for the advance of (provided that the Bank is not in any way obliged to advance or arrange for the advance of) funds to meet such payment for the securities subscribed / purchased and allocated, in which case the Client shall be bound to pay or repay the Bank such amount together with interest on the unpaid amount as notified by the Bank to the Client. The Client acknowledges that all advances made under the terms in this Annex are made available subject to the condition that the proceeds thereof be applied for the specific purpose of payment for the securities subscribed / purchased and allocated under an IPO or Placing and for no other purpose;
 - (d) without further notice to the Client, overdraw any of the Client's Accounts to the extent required to cover the shortfall in respect of the Purchase Moneys and the Client agrees to be fully responsible for such resulting Overdraft including all interest thereon as notified by the Bank to the Client; and / or
 - (e) without further notice to the Client, to sell on the Client's behalf but at the absolute discretion of the Bank (provided that the Bank is not obliged to effect any sale of all or any of the securities) at the Client's cost and expense all or any of the securities at any time and apply the proceeds thereof (after deduction of fees and expenses incurred by the Bank in selling the securities) towards satisfaction of amounts payable by the Client to the Bank, whether due under the terms in this Annex or otherwise. The Client shall not have any claim against the Bank (or any of its Agents or other agents) in respect of any loss arising out of such sale howsoever caused and whether or not a better price could or might have been obtained. Notwithstanding the realisation and application of any proceeds through the sale of all or any of the securities, the Client shall remain liable for any and all outstanding balance owing by the Client to the Bank in connection with the terms in this Annex and the securities. The Bank may notify or instruct such other party as it considers necessary to enable, effect or perfect the disposal of the securities, and the Client undertakes to do all acts and things as the Bank considers necessary to enable, effect and perfect the aforesaid sale of securities.
30. Payment of the Purchase Moneys by the Client to the Bank in accordance herewith shall constitute irrevocable authority and Instructions to the Bank to pay the Purchase Moneys for the securities. The Purchase Moneys shall not carry any interest prior to settlement of the Purchase Moneys for the securities allocated to the Client (or prior to the return of the Purchase Moneys to the Client, as applicable).



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31. The Client represents and warrants that information provided above as well as matters referred to in the terms in this Annex are true and correct at the time of each subscription for securities, and undertakes to notify the Bank promptly if any representation, warranty or undertaking of the Client herein is no longer accurate and complete or is breached. The Client acknowledges and agrees that in accepting Instructions to subscribe for securities for the Client's Account, the Bank shall be entitled to rely on the representations, warranties and undertakings contained herein and / or provided orally by or on behalf of the Client, unless the Client notifies the Bank otherwise in writing.
32. The Client confirms that the Client has read and accepted the Bank's Risk Disclosure Statement (referred to in Clause 31.6 of the General Conditions).



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Annex 4 – Terms and Conditions for Funds Dealing Service

- A. If the Client instructs the Bank to transact in any unit trust, mutual fund or collective investment scheme (together, “Funds”) on the Client’s behalf, the Client will be deemed to represent, warrant and undertake (which representations, warranties and undertakings shall be deemed to be repeated on each date on which the Client instructs the Bank to transact in any Fund on the Client’s behalf), that in respect of each transaction:
1. the Client has received, read and fully understood this Annex 4 and the General Conditions. The Client hereby agrees to be bound by this Annex 4 and the General Conditions and the Client hereby instructs the Bank to transact in the Fund on the Client’s behalf, subject to and in accordance with this Annex 4 and the General Conditions.
 2. the Client has read and understood the Fund’s prospectus, constitutional documentation, subscription agreement or financial statement (together, the “Fund Documentation”) in particular any sections dealing with the risks involved in investing, whether or not such Fund Documentation is provided by the Bank;
 3. the Client meets the subscription requirements and is otherwise permitted to invest in the Fund under the Fund Documentation and all Applicable Laws;
 4. the Client will be bound by (and will comply with) the Fund Documentation as amended from time to time as if the Client had subscribed in its own name and accept the risks specified in the Fund Documentation and generally in relation to the transaction in the Fund;
 5. Without limiting the Bank’s obligations set out in Clause 23 of the General Conditions where they apply, the Client confirms that:
 - (a) the Client does not rely upon the Bank and its representatives or any “Fund Information” – being generic or general reports, generic or general information in connection with a Fund and / or other materials in relation to a Fund excluding any Fund Documentation in making investment decisions; and
 - (b) the Client has sources of research, information and recommendations other than the Bank and its representatives that the Client uses in evaluating investments, and that the Client has made and will make his / her own assessment of such investments and rely on the Client’s own judgment in making any investments in a Fund.
- In particular, the Client has consulted his / her own tax and other professional and financial advisers to the extent the Client considers necessary and is fully informed as to the legal, tax and other requirements within the Client’s own country regarding subscription, holding, sale or transfer of an interest in the Fund and the Client acknowledges and agrees that the Bank will not be responsible for the accuracy or completeness of any Fund Information or Fund Documentation;
6. where the Client is a corporate professional investor (as defined in Clause 23.2), the Client acknowledges and represents to the Bank that the Client is and will continue to be a “professional investor” as defined in sections 3(a), (c) and (d) of the Securities and Futures (Professional Investor) Rules.
- B. The Client fully understands and is prepared to accept the risks and potential financial impact of an investment in the relevant Fund.
- C. The Client understands that any comments, observations, statements, suggestions or comparables provided by the Bank and its representatives are not to be taken as any endorsement of the investment or representation that the Bank has performed any due diligence in connection with any Fund or its offering, and that the Bank does not, unless otherwise agreed in writing, provide any advice to the Client in respect of the Client’s transactions in such Client Identified Fund.
- D. The Bank may from time to time send the Client Fund Information in connection with a Fund identified by the Bank. Such Fund Information may be prepared in whole or in part by the Bank and / or a third party. Without limiting the Bank’s obligations set out in Clause 23 of the General Conditions where they apply, the Client confirms that the Bank has no obligation to update the Fund Information and has not and will not take into consideration the Client’s individual needs and requirements in the issuance of any Fund Information or the making of any recommendation therein. The Bank will not provide the Client with any individualised or tailored investment advice on any Fund, unless the Bank provides the Client with advisory services.
- E. Any Fund Information which the Bank provides should not be taken as a substitute for a proper review of the Fund Documentation and / or taking such independent advice and / or conducting such further research as the Client thinks appropriate both initially and on an ongoing basis.
- F. The Client acknowledges that any Fund Information is proprietary to the Bank or any such third party and agrees that the Client will use it for the Client’s own personal use only and will not reproduce, distribute or publish it or use it for any other purpose without the Bank’s consent.



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Part II: Risk Disclosure Statement “Characteristics and risks of certain financial operations”

1. Introduction

Union Bancaire Privée, UBP SA (hereafter “UBP”), whose registered office is in Geneva, is a Swiss bank with an international network of financial and banking branches and subsidiaries (the “UBP Group”). The UBP Group ensures it complies with the laws and regulations of all countries in which it operates, in particular as regards its duty to provide information on investment risk.

Without claiming to cover every possible situation, the following sets out to inform clients of UBP Group entities on the risks of investing in the main types of financial instrument.

Other documents issued by the UBP Group (see below) set out the client’s situation as regards applicable local laws and regulations.

The fiscal and legal implications of investing in securities (e.g. the obligation to declare) are not covered by this disclosure. If necessary, expert advice should be sought.

Please read this risk disclosure statement carefully and consult the UBP Group entity which handles your account if you have any further questions.

2. Definitions

2.1 Financial intermediary

The term “financial intermediary” refers to the UBP Group entity with which you conduct business relations.

2.2 Financial instrument

In this document, the term “financial instrument” covers the following elements

The concept of “standardised security suitable for mass trading” within the meaning of Article 4 SESTO – FINMA (Ordinance of the Swiss Financial Market Supervisory Authority on Stock Exchanges and Securities Trading), namely standard securities and rights suitable for large-scale distribution (equities, bonds, units of investment funds, derivatives, etc.) which are offered to the public or sold to more than twenty clients in uniform units and standard form.

The concept of “financial instrument” covers

- ▶ transferable securities,
- ▶ money market instruments,
- ▶ units in collective investment undertakings,
- ▶ options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates and yields, and other derivative instruments, financial indices or financial measures which may be settled physically or in cash,
- ▶ options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event),
- ▶ options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or a multilateral trading system (hereafter: “MTF”),
- ▶ options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled, not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls,
- ▶ derivative instruments for the transfer of credit risk,
- ▶ financial contracts for differences, and
- ▶ options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.



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2.3 Derivatives

Derivatives are financial instruments for which the price is derived from that of an underlying or basket of underlyings: assets (equities, bonds, units of mutual funds, precious metals and other commodities), benchmark rates (exchange rates, interest rates, indices), the occurrence of an event (credit incident, natural disaster), or derivatives (notes, certificates, warrants, futures, forwards, options, swaps).

For instance, in the case of an equity option, the equity is the underlying from which the option derives its value. The following chapters will illustrate the different types of derivatives, including forwards and structured products as well as options and swaps.

3. Specific local Asia rules

Clients of entities of the UBP Group that are in Asia should contact their relationship manager directly to discuss any questions concerning the effects of local regulations on their dealings with the Group. If necessary, additional information will be provided by the entity with which they are dealing.

4. General risks of investing in financial instruments

4.1 Normal risks

The term “normal risks” refers to the risks attached to widely-used financial instruments, such as equities, bonds and collective capital investments (e.g. units in mutual funds). These normal risks can also affect the underlying's of derivatives.

Normal risks include: Counterparty risk

The debtor (issuer) can encounter financial difficulties and become insolvent (credit and default risks).

Country risk

Country risk arises if a country restricts securities trading, for instance by imposing economic sanctions or currency restrictions.

Settlement risk

Settlement risk occurs when the client is required to pay the purchase price of a security in advance but does not actually receive the security until later. In this event, the risk is that the securities are delivered late or not at all, despite the fact that they have already been paid for. Settlement risk also arises where securities which have been sold are delivered before the sale proceeds are received. Settlement risks mainly occur in emerging markets

Custody risk

Financial instruments can be held either in Switzerland or abroad. Generally, they are held where they are most frequently traded, and are governed by the regulations that apply in the country concerned. In the case of the insolvency of a bank, Swiss law stipulates that financial instruments held on deposit are subject to a reservation of title in the client's favour and do not form part of the bankruptcy assets. However, insolvency proceedings can delay their transfer. If a third party custodian becomes insolvent, the law in many foreign countries provides, like Swiss law, that the financial instruments deposited with that custodian by the bank are protected. In less advanced markets (see 230 ff.), however, financial instruments deposited may be included in the bankruptcy assets.

Liquidity risk

Liquidity risk is the risk that it is impossible to redeem an investment at the desired time and price. When a market is in this condition, it is said to be ‘illiquid’. Liquidity risk occurs especially with shares in unlisted or poorly-capitalised companies, investments with sales restrictions, and certain structured products.

4.2 Risks when dealing in negotiable securities

What do you particularly need to bear in mind when carrying out securities transactions?

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.

Securities, and especially derivatives, entail financial risks. Derivatives are often composed of a number of financial instruments, which sometimes makes them difficult to understand. This is particularly true for “exotic” options. This risk disclosure statement explains these financial instruments and their associated risks. However, it is no substitute for the product descriptions provided by issuers and financial intermediaries. If you have any further questions, please consult your bank.



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Can risks be unlimited?

There are basically two distinct types of financial instruments: those with limited risk and those with unlimited risk. The purchase of equities or options involves limited risk. At worst, you will lose the entire amount of your invested capital and not make a profit.

CAUTION: Certain types of derivatives can require an additional outlay of capital over and above the original investment. The obligation to respond to margin calls can amount to several times the purchase price of the securities. Unlimited risk is particularly associated with:

- ▶ selling uncovered call options,
- ▶ selling forwards and futures.

When selling a put option, the seller incurs a limited risk equal to the strike price of the underlying.

CAUTION: Certain types of trading account involve securities borrowing and lending pursuant securities borrowing and lending agreement. If you do not require margin facilities or do not wish your securities to be lent or pledged, do not sign such authorities. Such arrangements are subject to local regulatory requirements and therefore you should carefully consider such financial arrangements. Note for Margin Trading the risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with UBP. Market conditions may make it impossible to execute contingent orders, such as “stop-loss” or “stop-limit” orders. You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

CAUTION: Risk of trading in leveraged foreign exchange contracts

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

CAUTION: Risk of providing an authority to repledge your securities collateral etc.

There is risk if you provide the licensed or registered person with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, re-pledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If your securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than twelve (12) months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if the licensed or registered person issues you a reminder at least fourteen (14) days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by licensed or registered persons, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. The licensed or registered person should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although the licensed or registered person is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

Risk of trading in Growth Enterprise Market Equities in Hong Kong

Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.



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Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazette newspapers.

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

Risk of trading Nasdaq-Amex securities at The Stock Exchange of Hong Kong Limited

The securities under the Nasdaq-Amex Pilot Program (“PP”) are aimed at sophisticated investors. You should consult UBP and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

Risks of Client assets held in different jurisdictions

Client assets held by locally regulated branches of UBP outside the jurisdiction are subject to the applicable laws and regulations of the relevant jurisdiction in which the assets are held and therefore may not enjoy the same protection as conferred on client assets received or held in the local jurisdiction.

4.3 Transactions involving special risks

Options

CAUTION: Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they 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.

What are your rights and duties in an option transaction?

As the buyer of an option, you have the right to buy a specified amount of an underlying from the seller (call option) or sell it to the seller (put option) at a predefined price (strike price) up until a set time (expiration date). The price you pay for this right is called the 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.

As the seller (writer) of an option, you must sell the underlying to the buyer at the strike price (call option) or buy the underlying from him/her at the strike price (put option) up until the expiration date, irrespective of the market value of the underlying asset at the time, if he/she chooses to exercise the option.

What is the “leverage effect” in the context of options?

The price of an option is closely linked to that of the underlying. Any change in the market value of the underlying will result in a greater change in the price of the option. This is termed the leverage effect. It means you participate disproportionately with a higher coefficient in any rise or fall in the market value of the underlying.

Which underlyings can options be based on?

The most common underlyings for options are assets such as equities, bonds, units in mutual funds, precious metals and other commodities; benchmark rates such as currencies, interest rates and indices; derivatives; any item whether tangible or intangible (inflation, unemployment, the weather, natural risks, etc.); or any combination of the above.

What are “American-style” options?

“American-style” options can normally be exercised on any trading day up to the expiration date.

What are “European-style” options?

“European-style” options can only be exercised on the expiration date, in other words the date set out in the contract. This does not, however, normally affect their tradability on the secondary market (e.g. on a stock exchange).

When are options settled physically, and when are they settled in cash?

Where a call option provides for physical settlement, you can require the seller of the option (writer) to deliver the underlying asset when you exercise the option. With a put option, the writer is obliged to buy the underlying asset from you.

If an option provides for cash settlement, you are only entitled to a sum of money corresponding to the difference between the strike price and the current market value of the underlying asset.



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When is an option

- ▶ In the money,
- ▶ out of the money,
- ▶ at the money?

A call option is in the money if the current market value of the underlying asset is above the strike price. A put option is in the money if the current market value of the underlying asset is below the strike price. An option that is in the money is said to have an intrinsic value.

A call option is out of the money if the current market value of the underlying asset is below the strike price. A put option is out of the money if the current market value of the underlying asset is above the strike price. In this case, the option has no intrinsic value.

If the current market value of the underlying asset is the same as the strike price, the option is at the money. In this case, it has no intrinsic value.

What determines the price of an option?

The price of an option depends on its intrinsic value and on what is referred to as the time value. The latter depends on a variety of factors, including the remaining life of the option and the volatility of the underlying. The time value reflects the chance that the option will be in the money. It is higher for options with a long duration and a very volatile underlying and for options that are at the money.

What types of options are there?

Warrants are options in securitised form that are traded on an exchange or over the counter (OTC).

Exchange Traded Options are non-securitised, but are traded on an exchange.

OTC (Over-the-Counter) options are neither securitised nor traded on-exchange. They are agreed directly off-exchange between the seller and the buyer. If you wish to cancel (close out) an OTC option before the expiration date, you must make a corresponding offsetting trade with your counterparty or with another counterparty. OTC options with precious metals and currencies as their underlying are offered publicly as standardised products. Tailor-made OTC options, by contrast, are specially created for individual investors.

What is “margin cover”?

If you sell an option, you have to deposit either an amount of the underlying asset or another form of collateral for the entire duration of the contract. The level of this collateral or margin is determined by the financial intermediary. The exchange stipulates a minimum margin for traded options.

CAUTION: If the margin cover proves insufficient, the financial intermediary can require you to provide additional collateral (via a margin call). You may sustain losses in excess of the initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. If you do not provide funds for the margin call within a prescribed time your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options, you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

What risks do you face as the buyer of an option?

Generally speaking, if the market value of the underlying asset falls, so does the value of your call option.

The value of your put option tends to fall if the underlying asset rises in value. Normally, the less your option is in the money, the larger the fall in the option's value. In such cases, value reduction normally accelerates close to the expiration date.

The value of your call option can drop even when the value of the underlying remains unchanged or rises. This can happen as the time value of your option falls or if supply and demand factors are unfavourable. Put options behave in precisely the opposite manner.

CAUTION: You must therefore be prepared for a potential loss in the value of your option, or for it to expire entirely without value. In such a scenario, you risk losing the whole of the premium you paid.

The purchaser of options may offset or 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 option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium 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.



What risks do you face as the seller (writer) of a covered call option?

If, as writer of a call option, you already have a corresponding quantity of the underlying at your disposal, the call option is described as covered. If the current market value of the underlying exceeds the strike price, your opportunity to make a profit is lost since you must deliver the underlying to the buyer at the strike price, rather than selling the underlying at the (higher) market value. You must have the underlying assets freely available as long as it is possible to exercise the option, i.e. they may not, for example, be blocked by being pledged for other purposes. Otherwise, you are essentially subject to the same risks as when writing an uncovered call option (see below).

What risks do you face as the seller (writer) of an uncovered call option?

If, as writer of a call option, you do not have a corresponding quantity of the underlying at your disposal, the call option is described as uncovered. In the case of options with physical settlement, your potential loss amounts to the price difference between the strike price paid by the buyer and the price you must pay to acquire the underlying assets concerned. Options with cash settlement can incur a loss amounting to the difference between the strike price and the market value of the underlying.

CAUTION: Since the market value of the underlying can move well above the strike price, your potential loss cannot be determined and is theoretically unlimited.

As far as American-style options in particular are concerned, you must also be prepared for the fact that the option may be exercised at a highly unfavourable time when the markets are against you. If you are then obliged to make physical settlement, it may be very expensive or even impossible to acquire the corresponding underlying assets.

American options on equities with physical delivery are liable to be exercised as the dividend date approaches.

You must be also aware that your potential losses can be far greater than the value of the underlying assets you lodged as collateral (margin cover) either when entering into the contract or thereafter.

What risks do you face as the seller (writer) of a put option?

As the writer of a put option, you must be prepared for potentially substantial losses if the market value of the underlying falls below the strike price you have to pay the seller. Your potential loss corresponds to the difference between these two values.

As the writer of an American-style put option with physical settlement, you are obliged to accept the underlying assets at the strike price if the buyer exercises the option, even though it may be difficult or impossible to sell the assets and may well entail substantial losses.

CAUTION: Your potential losses can be far greater than the value of any underlying assets you may have lodged as collateral (margin cover).

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 on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). 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.

What is a covered option?

With a covered option (sale of a covered call), you purchase an underlying (equity, bond or currency) and simultaneously write a call option on that same underlying. In return, you are paid a premium, which limits your loss in the event of a fall in the market value of the underlying asset. By the same token, however, your potential return from any increase in the asset's market value is limited to gains up to the option's strike price. Traditional covered options require that the underlying asset be lodged as collateral, which makes you the covered writer.

Synthetic covered options are based on the idea of replicating traditional covered options. However, this is achieved by means of only one transaction. Both the purchase of the underlying and the writing of the call option are carried out synthetically using derivatives. The purchase price of such a product is identical to that of the underlying, less the premium received for the sale of the call option. Hence, the synthetic product is sold more cheaply than its underlying.

What are the risks of a covered option?

Covered options do not contain a hedge against falls in the market value of the underlying. However, by writing a call option (traditional covered option) or by calculating the return from the sale of a call option into the product price (synthetic covered option), any loss in market value of the underlying has less impact than it would in the case of a direct investment. In effect, the option premium thereby limits any loss in the market value of the underlying. Either cash settlement or physical delivery of the underlying takes place on the expiration date. If the market value of the underlying on expiration is higher than the strike price, the holder of an option with cash settlement is paid a specified cash amount as settlement.



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CAUTION: If, however, the market value of the underlying is lower than the strike price, the holder of an option with physical settlement receives physical delivery of the underlying asset. In this case, the option holder bears the full risk associated with the underlying.

What are option strategies?

If you acquire two or more options, based on the same underlying, which differ in either the option type (call or put), the quantity, the strike price, the expiration date or the type of position (long or short), this is referred to as an option strategy.

CAUTION: Given the large number of possible combinations, we cannot go into detail here about the risks involved in any particular case. Before entering into any such transaction, be sure to consult your financial intermediary about the particular risks involved.

What are exotic options?

Unlike the “plain vanilla” put and call options described above, exotic options are linked to additional conditions and agreements. Exotic options come in the form of tailor-made OTC options or as warrants.

Given the special composition of exotic options, their price movements can vary markedly from those of their “plain vanilla” cousins.

CAUTION: You must be aware that larger transactions can trigger price movements even shortly before expiration and that these can render an option worthless. Before buying or selling any exotic options, be sure to seek comprehensive advice about the particular risks involved.

There is no limit to the possible structures for exotic options. We cannot describe in full here the risks involved in any particular case.

The examples of exotic options listed below can be broadly divided into two categories: path-dependent options and options on more than one underlying.

What are path-dependent options?

Unlike “plain vanilla” options, for path-dependent options, it is not just when the option expires or is exercised that the market value of the underlying is important. You also need to take into account fluctuations in the market value of the underlying during the life of the option when contemplating such an investment. The following are examples of path-dependent options:

► Barrier options

Your exercise rights for knock-in barrier options only arise if the market value of the underlying reaches a fixed threshold (barrier) within a specified period. Exercise rights for knock-out barrier options expire if the market value of the underlying reaches the specified barrier during the given time period.

If this barrier is between the market value of the underlying at the time the option was entered into and its strike price, it is referred to as a kick-in/kick-out barrier option.

Double-Barrier options have both an upper and a lower barrier and may take the form of knock-in and knock-out barrier options.

CAUTION: When buying a barrier option, you must be aware that your exercise rights only arise when the market value of the underlying reaches the barrier (knock-in/kick-in option) or that they expire irrevocably when that barrier is reached (knock-out/kickout option).

► Payout options

Payout options accord you the right to payment of a fixed amount agreed in advance.

In the case of a digital (otherwise known as “binary”) option, you receive payment if the market value of the underlying reaches a fixed value once during a specified time period (one-touch digital option) or precisely on the day of expiration (all-or-nothing option). For the one-touch digital option, payment occurs either immediately the barrier is reached or on the date of expiration (lock-in option).

With lock-out options, you only receive the fixed payment if the market value of the underlying does not reach the agreed barrier during a specified time period.

CAUTION: If you sell a payout option you owe the fixed amount if the barrier is reached, regardless of whether or not the option is in the money when exercised or on the expiration date, or to what extent. This means that the amount you owe can be considerably larger than the option’s intrinsic value.

► Asian options

For Asian options, an average value is derived from the market value of the underlying over a specified time period. This average is used to determine the underlying’s value for an average-rate option and to calculate the strike price for an average-strike option.

CAUTION: The calculation of an average value for the underlying in the case of the average-rate option can result in the value of the option on the expiration date being considerably lower for the buyer and considerably higher for the writer than the difference between the strike price and the current market value on expiry.



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CAUTION: For an average-strike option, the average strike price of a call option can be considerably higher than the price originally set. For an equivalent put option, the strike price can similarly be lower than the price originally set.

► Lookback options

With a lookback option, the market value of the underlying is recorded periodically over a specified time period.

For a strike-lookback option the lowest value (call option) or the highest value (put option) of the underlying becomes the strike price.

The strike price remains unchanged for a price-lookback option, with the highest value (call option)/lowest value (put option) being used in calculating the option value of the underlying.

CAUTION: For lookback options, both the calculated strike price and the calculated value of the underlying can vary considerably from the market prices prevailing on the expiration date. If you sell an option of this type, you must be aware that it will always be exercised at the most unfavourable value for you.

► Contingent options

When you buy a contingent option you must pay the premium only if the market value of the underlying reaches or exceeds the strike price during the life of the option (American-style option) or on the expiration date (European-style option).

CAUTION: You will have to pay the entire premium even if the option is only just at the money or just in the money.

► Cliquet and Ladder options

For cliquet options (also known as ratchet options), the strike price is modified for the following period, normally at regular intervals, in line with the market value of the underlying. Any intrinsic value of the option is locked in. All lock-ins arising over the entire life of the option are accumulated.

For ladder options, these modifications take place when the underlying reaches specified market prices, rather than at regular intervals. Normally, only the highest intrinsic value is locked in. In rare cases, all the intrinsic values recorded are added together.

CAUTION: If you sell a cliquet option, you are required on the expiration date to pay the buyer all the accumulated lock-ins in addition to any intrinsic value of the option. If you sell a ladder option you must pay the buyer the highest lock-in amount, which can be considerably higher than the option's intrinsic value on the expiration date.

What are options on more than one underlying?

Examples of options on more than one underlying are:

► Spread and outperformance options

Both spread and outperformance options are based on two underlyings. With a spread option, the absolute difference in movement between the two underlyings forms the basis for calculating the option's value. By contrast, the value of an outperformance option is based on the relative difference, i.e. the percentage outperformance of one underlying compared to the other.

CAUTION: Even if the underlying performs positively, the difference between the underlyings may be equal or lower in absolute as well as relative terms, thus having a negative impact on the value of the option.

► Compound options

Compound options have an option as their underlying, i.e. they are options on options.

CAUTION: Compound options can have an especially large leverage effect. If you sell an option of this type, you can be faced with very substantial obligations.

► Credit default options

With a credit default option, a credit risk of the original risk-taker (risk seller) is transferred to a third party (risk buyer), who receives a premium in return. If the defined credit event occurs, the risk buyer is obliged to effect a cash settlement or take on the non-performing loan (or another delivery obligation) by way of physical settlement at a previously determined price. Credit default options are a form of credit derivatives.

CAUTION: The risk of chain reactions on the credit market is high and can easily be underestimated. There is also the risk that lack of liquidity will lead to price distortions when volumes are low. This may mean that the investment can only be sold at a low price, longer term or even not at all.



SWAPS

What is a swap?

A swap is a contract between two counterparties negotiated over-the-counter to exchange future cash flows over a specified period; it only involves an exchange of the difference in value between a fixed and a variable amount.

What duties and obligations do you have in a swap transaction?

The floating amount payer has to pay the variable amount of the swap. The fixed amount payer has to pay the fixed amount of the swap.

The cash flows (variable and fixed amounts) are based on a theoretical principal sum (the notional) on one or several predetermined dates during the life of the contract, or on the expiration date.

What are the possible underlyings for swaps?

The underlyings for a swap can be:

- ▶ assets such as equities, bonds, precious metals and other commodities;
- ▶ benchmark rates such as exchange rates, interest rates or indices;
- ▶ derivatives;
- ▶ any tangible or intangible item (inflation, unemployment, the weather, natural risks, etc.); or
- ▶ any combination of the above.

When does physical settlement take place and when is there cash settlement?

For swaps with physical settlement, you can require the swap counterparty to deliver the underlying on expiration or on the payment dates if there are several of them.

When the swap contract stipulates cash settlement, you merely receive a sum of money equal to the difference between the fixed amount and the floating amount (these amounts being calculated on the notional principal sum).

What are the different types of swap?

The most common swap contracts are:

- ▶ a 'plain vanilla' interest rate swap which exchanges the interest on a notional variable-rate loan or deposit for interest at a fixed rate;
- ▶ a currency swap, in which there is an exchange of the interest and principal on the maturity of a loan or deposit in one currency for its value in another;
- ▶ a credit default swap, in which there is an exchange of protection on the credit risk of the issuer of a bond for periodic and regular payments over the life of the swap; and
- ▶ a commodity swap, which exchanges a fixed price, calculated when the swap contract is signed, for a variable price, normally calculated as the average of an index for a future period.

However, there are many other types of swap, including:

- ▶ a cross-currency swap, or currency interest rate swap (CIRS) in which there is an exchange of medium-or long-term interest rates in two different currencies; a standard basis swap, which exchanges two variable rates indexed to short-term benchmark rates in the same currency or in two different currencies;
- ▶ a constant maturity interest rate swap, which allows a variable rate indexed to a short-term interest rate to be exchanged for another variable rate indexed to a medium-or long-term rate with a constant maturity (i.e. the maturity of the interest rate is repeatedly converted into medium or long term); an asset swap is a combination of two products: a fixed-rate bond and a corresponding swap (an over-the-counter contract with an exchange of fixed interest for variable interest between two counterparties in accordance with a predetermined timetable). The fixed leg of the swap replicates the precise characteristics of the bond so that the asset swap enables a synthetic variable-rate bond to be created out of a fixed-rate bond.
- ▶ an equity swap;
- ▶ a variance swap and volatility swap pay the volatility of an underlying;
- ▶ a correlation swap pays the correlation of a basket of assets – i.e. correlation either between the assets themselves or against a benchmark; an inflation swap, in which a fixed or variable rate is swapped for an inflation rate; a total-return swap, which exchanges the income and market risk of the value of two different assets over a given period. For example: one leg of the swap is a variable short-term rate, the other is a fixed amount linked to any type of financial investment (an index, equity, bond, etc.).



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What is a margin cover?

When you sign a swap contract, you will have to deposit collateral for the entire duration of the contract in the form of a corresponding number of underlyings or other assets to cover the appreciation or depreciation of that contract or its underlying. The amount of the collateral required (the margin) is defined by the counterparty.

CAUTION: If the margin cover proves insufficient, the counterparty can require you to provide additional collateral (via a margin call).

What risks do you run as a party to a swap contract?

The principal risk in a swap is counterparty risk. However, margin calls or the deposit of collateral can virtually eliminate this risk.

Counterparty risk is the potential loss incurred by the party to the swap as a result of a future default of his counterparty. This risk covers two intrinsically different risks: settlement risk and credit risk.

Settlement risk is involved in any market transaction involving a simultaneous exchange of financial flows. Settlement risk arises from the failure to make the simultaneous transfers over the time required to complete the transaction.

Credit risk can be defined as the total loss incurred in a transaction if the counterparty defaults. It is also sometimes referred to as 'signature risk'.

However, in a floating rate swap (i.e. one in which payment of the financial flows is made on regular predetermined dates and not on maturity), in the event of default by the counterparty, the only loss will be the latest performance, as the non-defaulting party will stop paying if the (defaulting) counterparty does not meet its contractual obligations.

CAUTION: For each type of swap, there is a specific risk linked to the underlying or to the financial flows exchanged. Your bank will be pleased to provide any further information.

For instance, a variable-rate borrower wishes to fix his cost of borrowing, and signs a swap contract as the payer of a fixed rate. Having previously been liable for a variable rate, he is now liable for a fixed rate, regardless of the level of the variable rate. Thus, the borrower has hedged his risk of an increase in the cost of borrowing. The risk for the party paying the fixed rate is of not receiving the benefit of any fall in the variable rate and therefore missing the opportunity of cheaper borrowing. Conversely, the counterparty paying the variable rate bears the risk of an increase in interest rates.

FORWARDS AND FUTURES

What obligations do you have with forwards and futures?

With forwards and futures you undertake to deliver or take delivery of a defined quantity of an underlying on a specified expiration date at a price agreed on the contract date. Unlike with options, which (for the buyer at least) only give rise to rights, forwards and futures involve both parties entering into obligations. You do not have to pay a premium when the contract is concluded.

CAUTION: Forwards and futures can involve special risks. You should therefore only make investments of this type if you are familiar with this type of instrument, have sufficient liquid assets and are able to absorb any losses that may arise. You should carefully consider whether forwards and futures trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

Note following with regard to forwards and futures trading:

Effect of "Leverage" or "Gearing": Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

Risk-reducing orders or strategies: The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

What is the difference between futures and forwards?

Futures are traded on an exchange. They take the form of contracts in which the quantity of the underlying and the expiration date are standardised.

Forwards are not traded on an exchange; hence they are referred to as OTC (over-the counter) forwards. Their specifications may also be standardised; otherwise they may be individually agreed between the buyer and seller.



What underlyings can provide the basis for forwards and futures?

The most common underlyings for forwards and futures are:

- ▶ assets (equities, bonds, precious metals and other commodities);
- ▶ benchmark rates such as currencies, interest rates and indices; and
- ▶ any asset.

What is a margin?

When you buy or sell (short) an underlying asset on the futures market, you must supply a specified initial margin when entering into the contract. This is usually a percentage of the total value of the contracted instruments. In addition, a variation margin is calculated periodically during the life of the contract. This corresponds to the book profit or loss arising from any change in value in the contract or underlying instrument. The way in which the variation margin is calculated will depend on the rules of the exchange concerned and/or the conditions of the contract.

As the investor, you are obliged to deposit the required initial and variation margin cover with the financial intermediary for the entire life of the contract.

CAUTION: In the event of a book loss, the variation margin can be several times larger than the initial margin. The risk of loss in trading futures contracts is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives.

How is a transaction closed out?

As the investor, you are entitled to close out the contract at any time prior to the expiration date. How this is done depends on the type of contract or stock exchange practice. You either “sell” the contract or agree an offsetting trade with identical terms. Concluding such an offsetting trade means that the obligations to deliver and receive cancel one another out, but the initial contract is not cancelled: two contracts with opposite strategies are open.

CAUTION: If you do not close out the contract prior to the expiration date, you and the counterparty must settle it.

How is the transaction settled?

If the underlying in your contract is a physical asset, settlement is achieved by physical delivery or a cash payment. Generally, the asset is physically delivered. Only in exceptional cases do the contract provisions or stock exchange practice call for cash settlement. All other fulfilment specifications, especially the definition of the place of fulfilment, can be found in the relevant contract provisions.

The difference between physical delivery and cash settlement is that with physical delivery, underlyings amounting to the entire contractual value must be delivered, whereas with cash settlement, only the difference between the agreed price and the market value on settlement needs to be paid. This means that you need more funds available for physical delivery than for cash settlement.

If the underlying in your contract is a reference rate or benchmark, fulfilment by physical delivery is not permitted (except for currencies). Instead, settlement is always in cash, except for futures on benchmark rates where, at the end of the contract, there is a physical delivery of bonds (the least expensive, regardless of the reference currency or issuer) in accordance with the terms of the contract.

What special risks do you need to bear in mind?

For forward sales, you must deliver the underlying at the price originally agreed even if its market value has since risen above the agreed price. In such a case, you risk losing the difference between these two amounts.

CAUTION: Theoretically, there is no limit to how far the market value of the underlying can rise.

Hence, your potential losses are similarly unlimited and can substantially exceed the margin requirements.

CAUTION: For forward purchases, you must take delivery of the underlying at the price originally agreed even if its market value has since fallen below the agreed price. Your potential loss corresponds to the difference between these two values. Your maximum loss therefore corresponds to the originally agreed price. Potential losses can substantially exceed the margin requirements.

In order to limit price fluctuations, an exchange may set price limits for certain contracts. Find out what price limits are in place before effecting forward or futures transactions. This is important since closing out a contract can be much more difficult or even impossible if a price limit of this type is reached.



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CAUTION: If you sell forward an underlying which you do not hold at the outset of the contract, this is referred to as a short sale. In this case, you risk having to acquire the underlying at an unfavourable market value in order to fulfil your obligation to effect delivery on the contract's expiration date.

What special factors apply to OTC forwards?

The market for standardised OTC forwards is transparent and liquid. Hence, contracts can normally be closed out without difficulty. There is no actual market for OTC forwards agreed individually, and hence the positions they entail may only be closed out with the agreement of the counterparty.

What special factors apply to combinations?

Since combinations comprise a number of elements, closing out individual elements can considerably alter the risks inherent in the overall position. Before entering into any such transaction, be sure to consult your financial intermediary about the particular risks involved.

Given the many possible combinations, we cannot go into detail in this brochure about the risks involved in any particular case. Before making a purchase, be sure to seek comprehensive advice about these risks.

What additional risks are common to futures and options?

Terms and conditions of contracts: You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Suspension of restriction of trading and pricing relationships: Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or 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 futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair value".

Deposited cash and property: You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

Commission and other charges: Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

Transactions in other jurisdictions: Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. 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 ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

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

Trading facilities: Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

Electronic Trading: Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.



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Off-exchange transactions: In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

STRUCTURED PRODUCTS

What are structured products?

Structured products are issued either publicly or privately. Their redemption value depends on the performance of one or more underlyings. They may have a fixed or unlimited term and consist of one or more components. They can be static or actively managed by the issuer of the structured product or by a third party. Dividends may or may not be reinvested.

What are the common types of structured products?

With such large numbers of structured products available on the market, this risk disclosure statement does not claim to cover all risks of investing in this type of instrument. We illustrate below the characteristics and risks associated with investment in the structured products most frequently used by the UBP Group.:

- ▶ capital protection products;
- ▶ yield enhancement products;
- ▶ participation products; and
- ▶ leverage products.

Can products of this type be traded on an exchange?

Structured products may be listed for trading on an exchange, but do not have to be.

Can you sell a structured product?

The tradability of a structured product depends on whether the issuer or a market maker is prepared to make a price. Even if they are, liquidity risks can still arise. If the market is not liquid, you run the risk of having to either hold the financial instrument until the end of its term or sell it during the term at an unfavourable price. It can also be difficult or impossible to determine a fair price or even compare prices at all, as there is often only one market maker.

What is the issuer risk?

You bear the risk that the debtor of a structured product may become insolvent (issuer risk). The instrument's value is therefore dependent not only on the performance of the underlying asset but also on the creditworthiness of the issuer, which may change over the term of the structured product. In the event of a default of the issuer, all or part of the investment may be lost, regardless of the type of product.

What special risks do you need to bear in mind?

Every structured product has its own risk profile, and the risks of its individual components may be reduced, eliminated or increased. In particular, it may profit to different degrees from rising, constant or falling market values of the underlying, depending on the product involved.

CAUTION: It is extremely important to find out exactly what the risks are before acquiring a product of this kind. This information can be found in, for example, the issue documents or the product description concerned.

Are structured products covered by the European UCITS Directive?

Structured products are not categorised as collective investments under the European UCITS Directive. Unlike with collective investments, the issuer is liable with his or her own assets (as is any guarantor, to the extent of a guarantee they have provided), and there is no backing from specially protected assets. You therefore need to bear in mind that in addition to a potential loss resulting from a decline in the market value of the underlyings (market risk), you may in the worst case lose your entire investment because the issuer or guarantor becomes insolvent (issuer or guarantor risk).

Do you have an entitlement to voting rights and dividends?

You do not normally have any entitlement to voting rights or dividends if you buy a structured product. Some structured products provide for the payment or reinvestment of dividends.



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CAPITAL PROTECTION PRODUCTS

What types of capital protection are there?

Some structured products offer capital protection. The level of this protection is fixed by the issuer when the product is issued and indicates the percentage of the nominal value that will be repaid to the investor on expiration. However, capital protection generally only applies at the end of the term and may, depending on the product conditions, be (far) lower than 100% of the invested capital.

CAUTION: Some structured products offer only conditional capital protection, which can be lost if the value touches, falls below or rises above a predefined threshold (barrier, knockout level). Repayment is then dependent on the performance of one or more underlying's.

What are structured products with capital protection?

Structured products with capital protection consist of two elements, such as a fixed income investment (especially a bond or a money market investment) and an option. This combination enables the holder to participate in the performance of one or more underlying's (via the option or participation component) while at the same time limiting potential losses (via the fixed-income investment or capital protection component). The capital protection component may only cover a portion of the capital invested.

What is the purpose of the capital protection component?

The capital protection component determines the minimum repayment you receive on expiration, regardless of how the participation component performs.

What does the capital protection relate to?

The capital protection is linked to the nominal value rather than the issue price or purchase price. Hence, if the issue/purchase price you pay exceeds the nominal value, only the nominal value is capital-protected. The protection of your capital outlay drops accordingly. If, however, the issue/purchase price is less than the nominal value, the protection of your capital outlay rises accordingly.

YIELD ENHANCEMENT PRODUCTS

What are structured products with yield enhancement?

Structured products with yield enhancement consist of two elements, such as a fixed-income investment and an option (mainly on equities or currencies), and possibly a currency swap. This combination enables you to participate in the performance of one or more underlyings (via the option component). However, these financial instruments offer no or only conditional capital protection. The interest that is paid means you receive a higher return than with a direct investment if the price of the underlying remains essentially unchanged. On the other hand, you will not benefit from the full potential return of the underlying.

If the market value of the underlying rises, you will receive the stipulated interest and the nominal value on expiration (equally, the product may provide for a discount on the issue price). If the market value of the underlying rises sharply, you could possibly have earned a higher return on a direct investment. However, if the market value of the underlying falls, you will receive both the interest payment and the underlying on expiration or the equivalent in cash (i.e. the shortfall) in the event of cash settlement (unless the product offered a discount on the issue price).

What special risks do you need to bear in mind?

Many products with yield enhancement refer to several underlyings. You as investor receive the security with the worst performance on expiration (either physically or in the form of cash) if the underlying touches, rises above or falls below a predefined barrier during the term of the financial instrument. If the performance of the underlying is negative, the financial instrument can trade some way below the issue price during its term even if the barrier is not touched, exceeded or undershot.

The level of interest rate is directly related to the level of the barrier. The nearer the barrier is to the market price of the underlying on the day of issue, the higher the interest you receive will generally be, but the higher the risk that the barrier will be reached, and vice versa.

What is the maximum possible loss?

CAUTION: When you invest in a structured product with yield enhancement, you could in the worst case scenario lose the entire capital that you have invested, apart from the coupon which is guaranteed (except in the event of the issuer's default).

What are structured products with participation?

Structured products with participation enable you to participate in the performance of one or more underlyings. However, they offer no capital protection, or the protection offered is limited or conditional. If the participation product offers conditional capital protection, the risk is smaller than with a direct investment provided the market value of the underlying does not reach a specific barrier (termed the "knock-out").



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If the market value of the underlying touches, rises above or falls below the barrier, you will lose the capital protection.

What special risks do you need to bear in mind?

The risk of a structured product with participation is generally the same as that of the underlying. Unlike with a direct investment, however, you do not receive voting rights and you are not entitled to a dividend. You do, though, bear the credit risk of the product's issuer.

Many products with participation refer to several underlyings. You as investor receive the security with the worst (or sometimes best) performance on expiration (either physically or in the form of cash) if the market value of the underlying touches, rises above or falls below a predefined barrier during the term of the financial instrument. The financial instrument can trade some way below the issue price during its term even if the barrier is not touched, exceeded or undershot. Moreover, the level of participation is directly related to the level of the barrier. If you have a higher risk tolerance when selecting the barrier, you will enjoy a higher participation.

What is the maximum possible loss?

CAUTION: When you invest in a structured product with participation, you could in the worst case scenario lose the entire capital that you have invested.

LEVERAGE PRODUCTS

What are structured products with leverage?

Structured products with leverage enable you to achieve a leverage effect by investing less capital than you would have to if you invested directly in the underlying. This means you can benefit from short-term trends while committing very little cash or only a fraction of the face value.

Structured products with leverage are suitable for short-term speculation but also for strategically hedging a portfolio.

What special risks do you need to bear in mind?

Because of the leverage effect, you need to carefully and regularly monitor the underlying, since structured products with leverage can produce a profit or loss proportionate to the amount of leverage used.

What is the maximum possible loss?

CAUTION: When you invest in a structured product with leverage, you could in the worst case lose the entire capital that you have invested more quickly than with a direct investment in the underlying.

What exactly are these products?

The financial instruments discussed in this section have the same or similar profit and loss structures as certain conventional financial instruments (equities or bonds).

Such financial instruments may be listed for trading on an exchange, but do not have to be.

The risks associated with these products are not necessarily the same as those of the financial instruments they contain. It is therefore extremely important to find out exactly what the risks are before acquiring a product of this kind. This information can be found in, for example, the product description concerned.

What are credit and catastrophe derivatives?

There are some products that are mainly used to transfer risks. These include credit and catastrophe derivatives. They are financial instruments where the "underlying" is an event such as a credit event (default of a loan or bond) or a natural disaster. Derivatives of this type can be used by the bearer of a risk to transfer it to others. Credit derivatives come in the form of swaps, options or hybrid financial instruments.

CAUTION: Credit and catastrophe derivatives involve a liquidity risk. Often such instruments cannot be sold before the end of their term, because there is no market for them.

Credit bonds securitise the risks and transfer them to third parties as credit-linked notes, collateralised debt obligations and asset-backed securities.

As a result, the buyer takes on the risk associated with a loan portfolio.

Credit-linked notes (CLN)

CLN are bonds whose redemption and interest payments depend on the performance of a specific underlying or benchmark portfolio (e.g. loan, bond).



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CAUTION: Look closely at the creditworthiness of the debtor to which the CLN is linked, as the CLN can end up being valueless if a credit event occurs. There is an issuer risk, i.e. a credit risk of the issuing bank, just as with structured products. The secondary market for CLN is highly illiquid, and you should therefore assume that you will not be able to sell one before the end of its term.

Collateralised debt obligations (CDO)

CDO are bonds backed by a diversified debt portfolio (mostly loans, bonds or credit default swaps). They give you access to investments that are unattractive or even unattainable for individual investors. Since CDO are often divided up into a number of tranches with differing credit risks, you can decide what credit risk you wish to take on. If a debtor in the debt portfolio experiences a credit event, the equity-like tranches are affected first: they may be only partially redeemed, or not redeemed at all. If a number of debtors default, this affects the remaining tranches in order of creditworthiness, until finally the tranche with the highest credit rating (comparable to that of first-class bonds) may only be partially redeemed, or not redeemed at all.

The value of a CDO is based primarily on the probability of a credit event affecting the individual companies in the portfolio. This probability of default is determined using statistical methods and on the basis of historical data, and can cease to be meaningful in extreme market conditions.

Before you invest in a CDO, you should also look at the track record of the manager in charge of it: he or she will receive a performance-related bonus and will often have a holding in the CDO him/herself. If the portfolio is not run by a manager (which is termed a “static” portfolio), its composition remains unchanged throughout its term. In this case you should pay special attention to the composition of the portfolio.

CAUTION: CDO typically have a term of several years. As there is generally no secondary market, you should assume that you will not be able to sell the CDO before the end of its term.

Asset-backed securities (ABS)

In ABSs, risks (such as a range of receivables) are grouped together and transferred to a special purpose vehicle (SPV). The SPV finances this transaction by issuing securities backed by a pool of assets or a portfolio. If the collateral is a mortgage, this kind of instrument is called a mortgage-backed security (MBS). The individual components of the portfolio would be unattractive or even unobtainable in this form for individual investors. However, the composition of the portfolio makes it possible to combine together and sell a range of assets and risks. By grouping together different types of credit risk, different risk profiles can be created.

Even if a pool or portfolio is created, lack of diversification can lead to a concentration of risk.

CAUTION: Credit bonds are often issued by particular types of offshore companies (SPV). In this event you should pay special attention to the issuer risk and the quality of government supervision of such SPVs.

4.4 Further information

Alternative (Non-Traditional) Investments

What are alternative or non-traditional investments?

Alternative or non-traditional investments are investments that do not fall within the traditional asset classes, such as equities, bonds or money market products. They include a wide range of instruments and strategies. This section focuses on the classes that are most important in terms of risk information:

- ▶ hedge funds;
- ▶ private equity;
- ▶ real estate; and
- ▶ precious metals and other commodities.

This list is not exhaustive and this risk disclosure statement cannot point out all the risks and issues that need to be taken into account in connection with alternative or non-traditional investments.

CAUTION: Be sure to obtain comprehensive advice before investing in alternative or non-traditional investments and examine the offering carefully.

What do you need to bear in mind when making direct investments?

Instruments allowing for direct investment can make sense in terms of diversifying a portfolio (risk distribution) because their returns are less dependent on factors such as the performance of the markets and levels of interest rates than those of conventional investments. However, the minimum outlay required for direct investments is generally very high, and they are often not accessible to all investors.



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What about indirect investments?

To overcome these obstacles and avoid the risks of the large direct investments required, the financial sector has developed instruments for indirect investment. They include certificates, notes, investment funds, funds of funds, commodity futures and forward contracts. All these structures are based on one or more of the asset classes mentioned below. If you are interested in indirect investments, you need to bear in mind not just the risks of alternative investments as an asset class, but also the risks of the instrument concerned – the risks associated with structured products, for example. Please note that this section does not deal with the risks of structured products, forward contracts and futures, as these were discussed in the preceding sections (see “Forwards and Futures” and “Structured Products”).

What are offshore funds?

Offshore investments are often structured as funds or partnerships (such as limited partnerships) and domiciled in countries where legislation and supervision can be weak – hence the name “offshore funds”.

CAUTION: The legislation and supervision applying to offshore funds are much less strict than for traditional investments, which means that investors may enjoy less protection. They may find it difficult to enforce their rights, and problems and delays may occur when settling buy and sell orders for units of such funds.

HEDGE FUNDS

What are hedge funds?

Hedge funds are the best-known form of alternative or non-traditional investments. Despite what their name suggests, hedge funds do not necessarily have anything to do with hedging. Indeed, they take on sometimes very high levels of risk in order to obtain an above-average return. Hedge funds include all forms of investment funds, investment companies and partnerships that use derivatives not just for hedging but also for investment, that are able to engage in short selling or take on significant leverage by borrowing. Other features typical of hedge funds include their freedom to choose their asset classes, markets (including emerging markets) and trading methods. Hedge funds normally require high minimum investments. They frequently offer only limited opportunities for subscription and redemption, with long notice periods. The portfolio managers of hedge funds receive performance-related bonuses and often hold a personal stake in the funds.

What should you particularly bear in mind about hedge funds? CAUTION: Pay special attention to the following:

A hedge fund may be less transparent than a traditional investment fund, for example, as investors are not always informed about planned strategies and changes to them, or changes of portfolio manager. Hedge funds are also not subject to any disclosure requirements.

Unlike traditional collective investments, hedge funds have limited liquidity (units may generally only be redeemed once a month, quarterly or annually). Normally, investors can only invest in a hedge fund at specific times. There are generally long notice periods for redemptions and long lock-up periods (periods during which investors are obliged to leave their capital in the fund).

Delays may occur, and unfavourable prices may result, when settling buy and sell orders for hedge fund units. There is no guarantee that investors will be able to enforce their rights.

What are funds of hedge funds or multi-manager hedge funds?

Investors invest in funds of hedge funds or multi-manager hedge funds in order to reduce risk. These funds invest their capital in a number of hedge funds and spread it across a range of hedge fund managers that cover different investment styles, markets and instruments. There are also structured products that you can use to invest in hedge funds or hedge fund indices.

What strategies do hedge funds pursue?

The main hedge fund strategies seen on the market are as follows:

► Equity hedge (“long”, “short”)

Equity hedge funds identify undervalued (buy or long position) and overvalued (short selling or short position) equities in specific regions or market segments and attempt to make profits in the belief that sooner or later these positions can be closed out at a profit.

► Arbitrage

Arbitrage strategies identify price differences between identical or similar investments in different markets and try to exploit them. Such strategies include equity-market neutral, fixed-income arbitrage, convertible-bond arbitrage and mortgage-backed securities arbitrage.



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► Event-driven

Managers that pursue this kind of strategy try to make a profit from events such as upcoming changes in a company (mergers, takeovers, restructurings, turnarounds, etc.). Examples of such strategies are merger arbitrage, distressed securities and special situations.

► Global macro

Hedge funds that pursue global macro strategies attempt to identify macro-economic developments such as changes in interest or exchange rates at an early stage and exploit them for profit. This category includes growth funds and emerging market funds.

► Managed futures

This type of hedge fund deals in futures (standardised, exchange-listed contracts) on financial instruments, currencies and commodities.

What risks do you take on when you invest in a hedge fund?

Generally speaking, hedge fund managers do not need to be licensed by an authority and are largely unregulated. In particular, hedge funds are not subject to the numerous investor protection regulations that apply to authorised collective investments. These include rules on liquidity, redemption of fund units at any time, avoiding conflicts of interest, fair prices for fund units, disclosure and limitations on borrowing.

Since these rules do not apply to hedge funds, they can use much more leverage than traditional authorised funds, and engage in complex investment transactions that are not permitted for traditional collective investments. A hedge fund is allowed to adopt aggressive strategies including the widespread use of short selling, leverage, swaps, arbitrage, derivatives and programme trading.

Their investment strategies are often highly complex and lacking in transparency. You will often receive little or no information about changes of strategy that may lead to a significant increase in risk, or receive such information only at a late stage.

As part of their investment strategy, hedge funds can also use derivatives such as futures, options and swaps that may be listed for trading on an exchange but do not have to be. These instruments may be subject to significant price volatility, resulting in a high risk of loss for the fund. The low margins typically required to build up a position in such instruments mean that high levels of borrowing can be used. Depending on the instrument, a relatively small change in the price of the contract can therefore lead to a large profit or loss in comparison with the capital lodged as collateral and hence to further unforeseeable losses that can exceed any margin cover.

CAUTION: Investment vehicles that are not listed on an exchange also involve further risks as there is neither an exchange nor a secondary market where units can be sold or open positions closed out. It may be impossible to unwind an existing position or determine the value or risk of a position. If a hedge fund sells uncovered options on securities, it may be exposing itself to an unlimited risk of loss.

What are side pockets?

Within the portfolio of an investment fund, side pockets are a way of separating illiquid investments (primarily private equity or real estate) from liquid ones. As a general rule, only investors who were initial subscribers for the units of a given fund (or who are holders of the fund at the time when an investment in the portfolio is separated) will make a profit or incur a loss from this illiquid investment when it is sold or when some event affecting its liquidity occurs (e.g. an IPO).

How are investors' rights of repayment affected by side pockets?

Investors may continue to exercise their redemption right in respect of the liquid portion of their investment in a fund.

However, that right may not be exercised for any portion of their investment which is segregated in a side pocket.

The portion placed in a side pocket will therefore remain invested either until it is sold or until some event affecting its liquidity occurs. At that point, an investor exercising his redemption right can receive the net amount less performance and management fees and any other charges applicable.

What are the drawbacks of side pockets?

When an investor exercises his redemption right, he will not be redeemed for his entire investment; the liquid part of the investment will be repaid in cash, and he will remain invested in side pockets which may take several years to be sold. Investors may therefore be unable to realise their investment in full for an indefinite period, and consequently the value of that investment could fall (or rise) over that period.

Furthermore, there is no guarantee that an investment segregated in a side pocket can be disposed of by the fund at its published value when an event affecting its liquidity occurs or where it may have to be realised urgently.



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Side pockets are not normally transferable.

Investors should also bear in mind that the creation of a side pocket may occur between the time a redemption request is made and the repayment date.

What are gates?

These are redemption limits expressed as the maximum percentage of units in a mutual fund which can be redeemed on each liquidity date (normally 20/25% for funds with annual liquidity and 10% for those with more frequent liquidity). These limits are intended to protect unit holders remaining in the fund in the event of massive withdrawals from the fund by other investors; they also enable managers to increase exposure to illiquid assets without the fear of liquidity problems when approaching a date on which sale orders are permitted.

How is an investor's redemption right affected by gates?

We can illustrate this by taking the example of a fund with the following characteristics: thirty (30) days' notice, monthly liquidity, exit gate of 10%. An investor places his sale order on 3 January 2009; the order is accepted on 3 January 2009 for thirty (30) days hence, i.e. for 2 February 2009. As the fund's liquidity is monthly, the investor sells his units at the net asset value at the end of February. If sale orders for the same period exceed 10% of the units of the fund, redemptions will be reduced pro rata for each investor wishing to sell, based on the number of units for which each investor has submitted a redemption request. All units not redeemed during that month owing to application of the 10% limit will have priority the following month, up to the 10% limit, over units for which sale orders are placed in that month.

What are the disadvantages of gates?

If the limit on redemptions is applied, an investor naturally retains his investment in the fund in respect of those units not redeemed, and continues to be exposed to the investment risk. In the period between the date of his sale order and the date on which he receives the proceeds of his investment (which can be very long if successive gates are applied) performance can be poor.

What is a lock-up in a mutual fund?

A lock-up is a period in which the funds invested are frozen and are unavailable to the investor. In alternative investments where this condition applies, the lock-up period is normally one (1) year.

How is an investor's redemption right affected by a lock-up?

In the case of a 'hard lock-up' the investor cannot seek redemption during the lock-up period. If it is a 'soft lock-up', he can apply for redemption during the lock-up period but will have to pay a redemption penalty.

What are the disadvantages of a lock-up?

An investor subject to a lock-up naturally has to remain invested for the lock-up period and therefore continues to be exposed to the investment risk, with no possibility of disposing of his investment during that period (except in the case of a 'soft lock-up' when he can sell on payment of a penalty).

PRIVATE EQUITY

What is private equity?

Private equity is a form of risk capital financing for companies that either are not exchange-listed or – occasionally – wish to delist. Investments are usually made at an early stage in a company's development, when its chances of success are uncertain and the risks are therefore high.

Where private equity flows into young companies (start-ups) or small companies with growth potential that are at an early stage in their development, the term venture capital is also used. Private equity now also extends to risk capital made available to a company immediately before it goes public (late-stage financing, mezzanine financing). Normally the financing is constructed in such a way that the proceeds of the initial public offering are used to wholly or partially redeem the holdings of the shareholder entrepreneurs. If a change of ownership is financed, for example a delisting, the term "buyout" is customarily used.

The success of a private equity investment depends on the correct timing of the "exit" or sale and – especially with indirect investments via a fund, for example – on the quality of the private equity manager. The exit can be effected by going public (initial public offering or IPO), a sale to another company (trade sale) or to another private equity fund (secondary sale), or a management buyout. The choice of solution will depend largely on the market conditions prevailing at the time. How easy or difficult the exit phase is, and whether the proceeds meet expectations, will depend on factors such as the performance of the equity markets.

What are the risks of private equity investments?

Private equity investments are regulated less strictly than equities listed for trading on an exchange. This means that investors may be exposed to more risks, for example due to lack of transparency (e.g. limited access to financial statements, lack of publication).



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Private equity investments involve considerable risks and can lead to substantial losses. They are based on a long-term approach and are much less liquid than exchange-listed equities. Normally, private equity investments cannot be sold until some years after the original investment. You should be aware that your capital will be tied up, either completely or with access subject to restrictions, for a long time. No distributions are made prior to exit from investments. You do not normally have any entitlement to exit early. Companies that are potential candidates for private equity investments may have high levels of borrowing and therefore be more sensitive than established companies to negative market developments such as rising interest rates. There is also a greater danger of the company becoming insolvent and going bankrupt than with listed companies.

CAUTION: It is not unusual for further calls for capital to be made at short notice after the initial investment. If you fail to comply with such a demand, you may lose all the capital you have invested up to that time.

CAUTION: A change of management in a young company where the personality of the individuals occupying key functions is a particularly important factor can have a highly detrimental effect on a private equity investment.

What do you need to bear in mind when making indirect investments?

With indirect investments, there is no guarantee that the manager of a private equity fund will be able to make investments and generate profits that fulfil the expectations for this form of investment. The abilities of the private equity manager are therefore crucial to the success of an indirect investment.

REAL ESTATE

How can you invest in real estate?

Investments in real estate can be made directly or indirectly. Real estate comprises office buildings, retail and industrial premises, residential property and special real estate (such as hotels or hospitals). The variables that determine the value of a property are its location, construction, equipment fittings and the variety of ways in which it can be used.

What do you need to bear in mind when making direct investments?

A direct investment involves actually buying property. This will usually require a high capital outlay, a long-term investment horizon, in-depth knowledge of the sector, familiarity with the location and often personal involvement, as property needs to be professionally managed.

What about indirect investments?

Indirect investments in real estate generally require a lower capital outlay than direct investments.

Indirect investments are divided into those that are exchange-listed and those that are not. Examples of unlisted indirect investments include real estate funds, shares of real estate companies that are not listed for trading on an exchange, and certificates on real estate funds. Real estate funds can reduce risk by diversifying across geographical areas and real estate categories. The main category of exchange-listed indirect investments is real estate investment trusts (REITs). These enable investors to invest in real estate without incurring certain disadvantages, such as illiquidity.

What risks do you need to be aware of?

Real estate investments are based on physical assets – land and buildings – that are ultimately unique, and in which trading is not regulated.

Where real estate is concerned, it is therefore often difficult, or even impossible, to spread risks adequately or diversify investments sufficiently. With direct real estate investments especially, the high capital outlay required and the illiquidity of the property market makes diversification difficult or even impossible.

Property markets are also frequently lacking in transparency, and require precise knowledge of local circumstances. It is therefore vital to involve local experts, which hampers access to the market.

Real estate often reacts to interest rate changes in a similar way to bonds: when interest rates are low, for instance, mortgages are cheap and it is easy to generate above-average profits. Conversely, high interest rates cause profits to contract. Fiscal incentives offered by the state to promote home ownership and attractive lending conditions can also lead to excessively high prices.

PRECIOUS METALS AND OTHER COMMODITIES

What are commodities?

Commodities are physical goods that are produced via agriculture and mining, for example, and standardised for use as the underlying of a transaction. Derivatives on commodities such as energy sources, precious and other metals, and agricultural products are traded on futures markets.

Contractual agreements allow investors to buy or sell futures linked to the performance of a particular commodity. This means that they can buy a standardised amount of a commodity at a specific time in the future for a specific price.



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The most common way in which private individuals invest indirectly in commodities is via structured products. There are other alternatives, such as commodity swaps and options that are not listed for trading on an exchange. These are traded directly between the parties concerned and are tailor-made products.

CAUTION: With commodity futures, you may receive physical delivery of the commodity concerned on expiration, while structured products normally provide for cash payment. If you prefer cash settlement, you will have to sell the futures before their expiration date. Such products are therefore more risky than, for instance, equities or collective investments.

What are the risks of commodity investments?

The price of commodities is influenced by a number of factors. These include:

- ▶ the relationship between supply and demand;
- ▶ climate and natural disasters;
- ▶ state programmes and regulations, national and international events;
- ▶ state intervention, embargoes and tariffs;
- ▶ movements in interest and exchange rates;
- ▶ trading in commodities and the corresponding contracts; and
- ▶ provisions relating to monetary policy, trading, fiscal and currency controls. These variables can lead to additional investment risks.

Commodities investments are more volatile than conventional investments, and yields on commodities can collapse at short notice. The volatility of commodity prices also affects the value, and hence the price, of a futures contract based on those commodities.

Conventional futures on oil, base and precious metals are normally easy to trade, regardless of their term.

CAUTION: When market activity is limited, a contract can become illiquid. Depending on how the yield curve moves, such illiquidity can lead to significant price changes. This is a typical feature of commodities.

INVESTMENTS IN EMERGING MARKETS

What are emerging markets?

There is no standard definition of the term “emerging markets”. In the broadest sense it includes all economies that are not regarded as “advanced” (see 232 below). Common criteria for defining an emerging market are: per capita income, the level of development of the financial sector, and the proportion of the total economy that is made up by the service sector.

The creditworthiness of countries that fall within this definition can vary widely: from very high to very low, with – in the latter case – very high default risk.

Although they can be at very different stages in their economic development, most emerging markets have a political system that is very new (for instance they have only recently become democracies) or is currently changing. This means that the political system and its institutions may be less stable than in an advanced nation.

Which countries are deemed to be “advanced economies”?

The list of emerging markets is changing constantly. According to the criteria applied by the International Monetary Fund in October 2007, they include all countries except: Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the U.K. and the U.S. These nations are classed as advanced economies.

Which factors should you be especially aware of when making investments in emerging markets?

There are risks linked to investments in emerging markets that are not encountered in their advanced counterparts. This is also the case when the issuer or provider of a product has its headquarters or primary focus of activity in an emerging nation.

CAUTION: Investing in products linked to emerging markets is therefore often speculative. Before investing in emerging markets, you should form an impression of them that allows you to assess the risks involved.

What are the individual risks involved?

When investing in emerging markets, the following risks should be taken into account. The list is not exhaustive. Depending on the type of investment product, there may be additional risks involved as described elsewhere in this risk disclosure statement.



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Political risk

A government's political inexperience or the instability of the political system increases the risk of short-term, fundamental shifts in a nation's economy and politics. The consequences for you as an investor can include the confiscation of your assets with no compensation, the restriction of your rights of disposal over your assets, or government-imposed controls. State intervention in specific sectors of industry can result in a dramatic fall in the value of investments in those sectors.

Economic risk

Emerging market economies are more sensitive to changes in interest and inflation rates, which are in any case subject to greater swings than in the developed nations. The focus of such economies is often relatively narrow, allowing single events to have a magnified impact. In addition, emerging nations generally have a lower capital base. Finally, their financial markets often lack an adequate structure and sufficient supervision.

Credit risk

Investments in debt securities (e.g. bonds, notes) issued by emerging market governments or companies tend to entail higher levels of risk than advanced market debt. This can be due to inferior creditworthiness, a high level of government debt, debt restructuring, a lack of market transparency or a lack of information. It is also much more difficult to assess credit risk due to inconsistent valuation standards and the absence of ratings.

Currency risk

The currencies of emerging market nations are subject to unpredictable fluctuations in value that are larger than those of advanced countries. Some countries limit the export of their currency or can impose short-term restrictions, or stop pegging their currency to a reference currency such as the dollar. Hedging can help limit losses resulting from currency swings, but they can never be entirely eliminated.

Inflation risk

Large fluctuations in the value of the currency and an insufficiently developed financial market can make it difficult for an emerging market nation's central bank to stick to its inflation targets. As a result, inflation may fluctuate more than in advanced countries.

Market risk

Because there is little or no supervision of financial markets in emerging market nations, regulation, market transparency, liquidity and efficiency are often inadequate. Moreover, high volatility and large price differences are characteristic of these markets. Finally, the inadequacy or absence of regulatory measures gives rise to an increased danger of market manipulation or insider trading.

Market liquidity risk

Liquidity is dependent on supply and demand. The impact on the emerging markets of social, economic and political changes or natural disasters can involve a much more rapid and lasting change to this supply and demand equation than would be the case in the advanced markets. In an extreme case, illiquidity can be the result. This can make it impossible for an investor to sell his/her investments.

Legal risk

The absence or inadequacy of financial market supervision can lead to your legal rights being difficult or impossible to enforce. Moreover, legal uncertainty may exist due to the inexperience of the emerging nation's judiciary.

Settlement risk

Certain emerging markets have an array of different clearing and settlement systems. These are often outmoded and prone to processing errors as well as considerable delays in settlement and delivery. Some countries do not have any such systems at all.

Shareholder risk and creditor risk

Legislation to protect the rights of shareholders and creditors (e.g. duties of disclosure, insider trading ban, management responsibilities, minority shareholder protection) may often be inadequate or non-existent.



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Part III: Notice to Clients relating to the Personal Data (Privacy) Ordinance (the “PDPO”)

1. Definitions

“PDPO” means the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). “Personal Data” has the meaning given to it in the PDPO.

Unless otherwise stated or the context requires otherwise, defined terms in this Notice shall have the meaning given to them in the Bank's General Conditions.

2. Data Security

- 2.1 The Bank will strive at all times to ensure that Client's data (including the Information, data relating to the Client's Accounts as well as the Client's Personal Data) (“Client Data”), will be protected against unauthorised or accidental access, processing or erasure. The Bank maintains this commitment to data security by implementing appropriate physical, electronic and managerial measures to safeguard and secure the Client's data.
- 2.2 The secure area of the Bank's website supports the use of industry standard encryption technology for encryption over the internet to protect data.
- 2.3 The Bank's web servers are protected behind “firewalls” and the Bank's systems are monitored to prevent any unauthorised access.
- 2.4 All practical steps will be taken to ensure that Client Data will not be kept longer than necessary and that the Bank will comply with all statutory and regulatory requirements in Hong Kong concerning the retention of Personal Data.

3. Security Assurance

- 3.1 You play an important role in protecting against online fraud. You should be careful that your Accounts details including the Authentication Features (defined in Annex 1 of the General Conditions) are not compromised by ensuring that you do not knowingly or accidentally share, provide or facilitate unauthorised use of them. You must not share any of the Authentication Features or allow access to or use of any of them by others. You must not disclose your personal information (e.g. information on your identity card or passport, addresses, or bank accounts) to any persons failing to prove their identities or any doubtful websites. The Bank endeavours to put in place high standards of security to protect your interests and precautions that protect you from being confused or deceived by fraudulent emails or websites.
- 3.2 You should safeguard your unique Password (defined in Annex 1 of the General Conditions) by keeping it secret and confidential. You must not write it down or share it with anyone. The Bank will never ask you for the Password, in order to ensure that you are the only person who knows this information. When you choose a unique Password for the first time, you must not create it using easily identifiable information such as your birthday, telephone number or a recognizable part of your name. You should avoid using the same password for accessing other online services (e.g. for internet access).
- 3.3 You should not access the Services through public or shared computers (e.g. at cyber cafes or public libraries). You should ensure that your personal computer through which you access the Services is securely configured and that it is adequately protected from computer viruses and malicious programmes, for example, by installing a personal firewall and regularly updating its anti-virus software.

4. Collection of Personal Information

- 4.1 Your visit to the Bank's website may be recorded for analysis on the number of visitors to the site and general usage patterns. Some of this information will be gathered through the use of “cookies”. Cookies are small bits of information that are automatically stored on a person's web browser in the person's computer that can be retrieved by the Bank's site. Cookies can make the site more useful by storing information about the Client's preferences on particular sites, thus enabling website owners to provide more useful features for their users. The information collected by “cookies” is anonymous aggregated research data, and contain no name or address information or any information that will enable anyone to contact you via telephone, email or any other means. Most browsers are initially set to accept cookies. If you would prefer, you can set your browser to seek your consent each time cookies are accepted (or to reject cookies).

5. Why the Bank Collects Your Data

- 5.1 From time to time, it is necessary for you (and the directors, officers, shareholders, beneficial owners, authorised signatories, employees, settlors, attorneys, contributors and beneficiaries of your company/entity and other related, connected or affiliated



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persons) (each a “Data Subject”) to supply the Bank with personal data in connection with the opening or continuation of accounts and the establishment or continuation of banking or credit facilities or provision of banking, credit card, fiduciary, financial, insurance, investment, securities and related services and products to you.

- 5.2 Failure to supply such data may result in the Bank being unable to open or continue accounts or establish or continue any of the above facilities or provide any of the above services, unless provision of such data is specified to be voluntary.
- 5.3 It is also the case that data is collected from Data Subjects in the ordinary course of the continuation of the banking relationship, for example, when you deposit money or apply for credit facilities.
- 5.4 The purposes for which data relating to a Data Subject may be used are as follows: -
- (a) the processing of applications for, and the daily operation of, the services (including third party services) and credit facilities provided to you or other persons from whom you act as guarantor or for whom you provide third-party security;
 - (b) carrying out your instructions or responding to any enquiry from a Data Subject or on behalf of the Data Subject;
 - (c) conducting credit checks at the time of application for credit and at the time of regular or special reviews which normally will take place one or more times each year;
 - (d) creating and maintaining the Bank’s credit and related risk models;
 - (e) assisting other financial institutions to conduct credit checks and collect debts;
 - (f) ensuring and monitoring your ongoing creditworthiness;
 - (g) providing or using a credit reference service or debt collection service;
 - (h) designing banking, credit card, fiduciary, financial, insurance, investment, securities and related services and products for your use or potential use;
 - (i) marketing banking, credit card, fiduciary, financial, insurance, investment, securities and related services and products for your use (please see further details in paragraph 7 below);
 - (j) conducting of market research, surveys and data analysis relating to any service or product provided by the Bank (whether conducted by the Bank or jointly with another party);
 - (k) determining amounts owed to or by you;
 - (l) collection of amounts outstanding from you and those providing security for your obligations;
 - (m) any purposes in connection with any claims made by or against or otherwise involving you in respect of any services (including third party services) and credit facilities provided to you or other persons from whom you act as guarantor or for whom you provide third-party security, including any investigation of claims;
 - (n) complying with any obligations, requirements or arrangements for disclosing and using data that apply to the Bank or any other member of the UBP Group or with which such entities are expected to comply according to:
 - (i) any law binding or applying to it within or outside Hong Kong existing currently or in the future;
 - (ii) any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers within or outside Hong Kong existing currently or in the future;
 - (iii) any present or future contractual or other commitment with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers that is assumed by or imposed on the Bank or any other member of the UBP Group by reason of its (or its clients’) financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other authority, or self-regulatory or industry bodies or associations;
 - (o) sharing with a member of the UBP Group in order to enable the Bank or such member of the UBP Group to:
 - (i) assess and process applications, provide you with services and manage the Bank’s (or their) relationship with you;
 - (ii) understand your preferences, expectations and financial history in order to improve the service the Bank or such member of the UBP Group offers them;
 - (iii) carry out financial (including credit) and insurance risk assessments;
 - (iv) develop, test and review the performance of the UBP Group’s products, services and internal systems;
 - (v) find and make more relevant offers of the UBP Group’s products and services to you;
 - (vi) recover debt;
 - (vii) confirm your identity;
 - (viii) prevent and detect crime, including fraud and money laundering; and



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- (ix) consolidated management and supervision of the operations of the Bank.
- (p) complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within the UBP Group in accordance with any group-wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities;
- (q) enabling an actual or proposed assignee or transferee of the Bank, or participant or sub-participant of the Bank's rights in respect of you to evaluate and assume the transaction intended to be the subject of the assignment, transfer, participation or sub-participation;
- (r) preparing and providing credit reports and credit watch lists, conducting consumer credit scoring and preparing and maintaining a consumer credit database and providing access to that database;
- (s) disclosing details of remittances and wire transfers;
- (t) matching from time to time any data held which relates to you for any purposes directly related to, or in connection with, any of the above paragraphs; and
- (u) any purposes directly related to, or in connection with, any of the above paragraphs.

6. Disclosure of Client Data

- 6.1 Personal Data held by the Bank relating to a Data Subject will be kept confidential but you expressly authorise the Bank to disclose your Client Data, including but not limited to the your trade related data (which includes, for the avoidance of doubt, over-the-counter derivative transactions), in each and any case, whether relating to historical, current or future trades or information, to the following parties whether within or outside Hong Kong, for the purposes set out in paragraph 5 above:
- (a) the Bank or any other member of the UBP Group;
 - (b) any external service providers of the Bank or third parties to whom the Bank outsources the performance of certain functions or activities of the Bank (including data processing firms, market research companies, translators, contractors or third party service providers which provides financial, administrative, telecommunications, computer systems, payment, mailing, debt collection, securities clearing or depository, settlement, custodian, professional or other services to the UBP Group in connection with the operation of its business and computer firms to which the processing of personal information is to be, or may be, outsourced) or who are agents, advisors, bankers, attorneys, depositories, managers, or nominees selected or used by the Bank;
 - (c) any other person under a duty of confidentiality to the Bank including any other member of the UBP Group which has undertaken to keep such information confidential;
 - (d) the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
 - (e) credit reference agencies, and, in the event of default, to debt collection agencies;
 - (f) any person (including private investigators) in connection with any claims made by or against or otherwise involving you in respect any services (including third party services) and credit facilities provided to you or other persons from whom you act as guarantor or for whom you provide third-party security, including any investigation of claims;
 - (g) any third party with whom the Bank contracts or proposes to contract with regard to the sale, transfer, participation, sub-participation or sharing of any of the Bank's rights, obligations or risks under any account, investment or other services, credit facilities or accommodation provided to customers or under any agreement or document in connection with or relating thereto;
 - (h) third party financial institutions, insurance brokers, insurers, credit card companies, securities and investment services providers with which you have or propose to have dealings (including intermediaries or providers used or proposed to be used by the Bank or such third parties in relation to such dealings);
 - (i) any person acting or proposing to act as surety (whether as guarantor or provider of security or other collateral);
 - (j) any person or entity (including members of the UBP Group) who has established or proposes to establish any business relationship with the Bank or the recipient of the data;
 - (k) the third parties described in paragraph 7(c) for the purposes of direct marketing described in paragraph 5.4(i);
 - (l) any person in accordance with Applicable Law;
 - (m) any regulator with the authority or ability to regulate the Bank or its activities and / or in relation to whose directives, recommendations or practices the Bank is required, expected or accustomed to comply; and
 - (n) any exchange, depository clearing house or settlement system, swap data repository or trade repository (whether local or global) where the Bank and / or other members of the UBP Group is required to disclose, or makes such disclosure in order to comply with regulatory requirements or best practice.



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- 6.2 The following data relating to you or a surety provider (including any updated data of any of the following data from time to time) may be provided by the Bank, on its own behalf and/or as agent, to a credit reference agency:
- (a) full name;
 - (b) capacity in respect of each mortgage (as borrower, mortgagor or guarantor, and whether in your sole name or in joint names with others);
 - (c) Hong Kong Identity Card Number or travel document number;
 - (d) date of birth;
 - (e) correspondence address;
 - (f) mortgage account number in respect of each mortgage;
 - (g) type of the facility in respect of each mortgage;
 - (h) mortgage account status in respect of each mortgage (e.g., active, closed, write-off (other than due to a bankruptcy order), write-off due to a bankruptcy order); and
 - (i) if any, mortgage account closed date in respect of each mortgage.

The credit reference agency will use the above data supplied by the Bank for the purposes of compiling a count of the number of mortgages from time to time held by you with credit providers in Hong Kong, as borrower, mortgagor or guarantor respectively and whether in your sole name or in joint names with others, for sharing in the consumer credit database of the credit reference agency by credit providers (subject to the requirements of the Code of Practice on Consumer Credit Data approved and issued under the PDPO).

7. Use of the Data in Direct Marketing

The Bank intends to use and transfer a Data Subject's data for direct marketing purposes and the Bank requires the Data Subject's consent (which includes an indication of no objection) for that purpose. In this connection, please note that:

- (a) the name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data of you held by the Bank from time to time may be used by the Bank in direct marketing;
- (b) the following classes of services, products and subjects may be marketed:
 - (i) banking, credit card, fiduciary, financial, insurance, investment, securities and related services and products;
 - (ii) reward, loyalty or privileges programmes and related services and products;
 - (iii) services and products offered by the Bank's co-branding partners (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be); and
 - (iv) donations and contributions for charitable and/or non-profit making purposes;
- (c) the above services, products and subjects may be provided or (in the case of donations and contributions) solicited by the Bank or:
 - (i) any other member of the UBP Group;
 - (ii) third party financial institutions, insurers, credit card companies, fiduciary, securities and investment services providers;
 - (iii) third party reward, loyalty, co-branding or privileges programme providers;
 - (iv) co-branding partners of the Bank and any other member of the UBP Group (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be); and
 - (v) charitable or non-profit making organisations;
- (d) in addition to marketing the above services, products and subjects itself, the Bank also intends to provide the data described in paragraph 7(a) above to all or any of the persons described in paragraph 7(c) above for use by them in marketing those services, products and subjects as described in paragraph 7(b) above, and the Bank requires your written consent (which includes an indication of no objection) for that purpose;
- (e) The Bank may receive money or other property in return for providing the data to the other persons in paragraph 7(c) above and, when requesting your consent or no objection as described in paragraph 7(d) above, the Bank will inform you if it will receive any money or other property in return for providing the data to the other persons.

If you do not wish the Bank to use or provide to other persons your data for use in direct marketing as described above, you may exercise your opt-out right by notifying the Bank.



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8. Personal Data Access Requests

- 8.1 Under and in accordance with the terms of the PDPO and the Code of Practice on Consumer Credit Data, any natural person customer has the right:
- (a) to check whether the Bank holds data about him and of access to such data;
 - (b) to require the Bank to correct any data relating to the customer which is inaccurate;
 - (c) to ascertain the Bank's policies and practices in relation to data and to be informed of the kind of personal data held by the Bank;
 - (d) to be informed on request which items of data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the making of an access and correction request to the relevant credit reference agency or debt collection agency; and
 - (e) in relation to any account data (including, for the avoidance of doubt, any account repayment data) which has been provided by the Bank to a credit reference agency, to instruct the Bank, upon termination of the account by full repayment, to make a request to the credit reference agency to delete such account data from its database, as long as the instruction is given within five (5) years of termination and at no time was there any default of payment in relation to the account, lasting in excess of sixty (60) days within five (5) years immediately before account termination. Account repayment data include amount last due, amount of payment made during the last reporting period of a specified duration, remaining available credit or outstanding balance and default data.
- 8.2 In the event of any default of payment relating to an account, unless the amount in default is fully repaid or written off (other than due to a bankruptcy order) before the expiry of sixty (60) days from the date such default occurred, the account repayment data (as defined in paragraph 8.1(e) above) may be retained by the credit reference agency until the expiry of five (5) years from the date of final settlement of the amount in default.
- 8.3 In the event any amount in an account is written-off due to a bankruptcy order being made against a customer, the account repayment data (as defined in paragraph 8.1(e) above) may be retained by the credit reference agency, regardless of whether the account repayment data reveal any default of payment lasting in excess of sixty (60) days, until the expiry of five (5) years from the date of final settlement of the amount in default or the expiry of five (5) years from the date of discharge from a bankruptcy as notified by the customer with evidence to the credit reference agency, whichever is earlier.
- 8.4 In accordance with the terms of the PDPO, the Bank has the right to charge a reasonable fee for the processing of any data access request.
- 8.5 The person to whom requests for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed is as follows:
- Security and Data Protection Officer
- Union Bancaire Privée, UBP SA, Hong Kong Branch**
Address: 26th Floor, AIA Central, 1 Connaught Road Central, Hong Kong
Telephone: +852-3701 9688
Fax: +852-3701 9668
- 8.6 The Bank may have obtained a credit report on you from a credit reference agency in considering any application for credit or for the provision of Services. In the event you wish to access the credit report for free, the Bank will advise the contact details of the relevant credit reference agency.

9. General

- 9.1 The Bank may access your consumer credit data by a credit reference agency for the purpose of reviewing a Data Subject's existing credit facilities/ exposures to credit facilities from time to time. Such review may involve consideration by the Bank of any of the following matters:
- (a) an increase in the credit amount;
 - (b) the curtailing of credit (including the cancellation of credit or a decrease in the credit amount); or
 - (c) the putting in place or the implementation of a scheme of arrangement with you.
- 9.2 The information disclosed pursuant to this Notice may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to differences in the applicable law.
- 9.3 Where you supply the Bank with any data (including Personal Data), you represent and warrant to the Bank that you have taken all action necessary to authorise the disclosure of such data to the Bank and the use by the Bank of such data as set out in the General Conditions or as otherwise notified to you in accordance with the PDPO.
- 9.4 Nothing in this Notice shall limit your rights under the PDPO, to the extent that such limitation is not permitted thereunder.



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9.5 Where the Client is not a natural person, the Client shall ensure that the Client's directors, officers, shareholders, beneficial owners, authorised signatories, employees, settlors, attorneys, contributors and beneficiaries of the Client company / entity and other related, connected or affiliated persons are aware of the matters set out in this Notice, before the Client, or anyone on the Client's behalf, provides the Bank with any Personal Data relating to them in connection with the Client's Accounts or with Services provided by the Bank.

10. Other Parties Providing Services to You

10.1 The Bank may from time to time enter into arrangements for a third party to provide services to you, such as online monitoring of accounts. Where you decide to use such services, you will be directed to that third party (including to the third party's webpage). Your use of such online services will be subject to the terms and conditions and the data protection policy of that third party. You may contact the third party for those terms and conditions and data protection policy.



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Part IV: Stock Connect Special Conditions

IMPORTANT:

THIS DOCUMENT CONTAINS A BRIEF SUMMARY OF SOME (AND NOT ALL) OF THE FEATURES AND RISK DISCLOSURES OF INVESTING AND TRADING IN ELIGIBLE SHANGHAI STOCK EXCHANGE-LISTED SECURITIES AND ELIGIBLE SHENZHEN STOCK EXCHANGE-LISTED SECURITIES ('STOCK CONNECT SECURITIES') THROUGH SHANGHAI-HONG KONG STOCK CONNECT AND SHENZHEN-HONG KONG STOCK CONNECT ('STOCK CONNECT') AND IS NOT MEANT TO BE AN EXHAUSTIVE SUMMARY. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN INVESTING AND TRADING IN STOCK CONNECT SECURITIES, YOU ARE ADVISED TO SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER PROFESSIONAL ADVICE. THE CONTENTS OF THIS DOCUMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY.

Before trading in any eligible Stock Connect Securities through UBP, clients are reminded of the following important factors:

Custodian Arrangement

Your securities are held in the special segregated account ('SPSA') of UBP's appointed custodian (the 'Custodian') in the Central Clearing and Settlement System ('CCASS') as a CCASS Participant for the account of UBP.

Cash Settlement Arrangement

Both stock and cash settlement for all A-Shares trades executed through UBP will be settled on the Trading Day. UBP will check against the designated RMB settlement account to ensure the necessary funding is in place before accepting a buy order. Funding for executed buy trades will be debited on the same trading day. Similarly, sales proceeds for executed sell trades will be credited to your settlement account on the same day.

UBP reserves the absolute right to revise the cash settlement schedule by giving a reasonable notice of no less than seven (7) calendar days in the future.

Orders submitted before end of Opening Call Auction Session

All orders submitted before the end of Opening Call Auction Session (i.e. 9:25 a.m.) will be submitted as an auction limit order and participate in the Opening Call Auction.

Order Submission Time

To ensure sufficient time for routing orders to the Shanghai Stock Exchange, Shenzhen Stock Exchange, and/ or a stock market in the PRC acceptable to SEHK ('Stock Connect Market'), the last submission time for Shanghai A shares orders is before 14:59, those for Shenzhen A shares is before 14:57 of each trading day.

Capital Gain Tax & Business Tax

The Ministry of Finance and State Administration of Taxation ('SAT') in China have provided a temporary exemption to Hong Kong and foreign investors from the capital gain tax and business tax in relation to gains derived from trading of eligible Stock Connect Securities via Stock Connect. There is a risk that investors trading in Stock Connect Securities may be subject to capital gains tax and/or business tax in the future once the temporary exemption is no longer in force. Investors should consider this risk when investing in Stock Connect Securities.

UBP has provided a tax indemnity to a third party custodian in regards to Stock Connect Securities. There is a risk that the SAT will, in the future, require either UBP or its custodian to make payment of your capital gains tax and/or business tax liability, on your behalf. In this event, UBP will recover the amount paid on your behalf from you.

1. Order Placing

- a) At the time of placing a SELL trade order on your behalf:
 - i) we will provide our broker with the investor identification number assigned by SEHK to the relevant SPSA;
 - ii) we will proceed with the trade only if there are sufficient Stock Connect Securities held on your account in such SPSA to settle such SELL trade. If such order is executed on a Stock Connect Market, the relevant Stock Connect Securities will be delivered to us for settlement from such SPSA; and



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- iii) in the event of a Short Selling order (as defined in the SEHK Rule), you are deemed to confirm to us that such Short Selling complies with SEHK Rules 14A17 and 14B17, the borrowed Short Selling Securities (as defined in the SEHK Rule) are held in the relevant SPSA and meet the pre-trade checking requirements set out in SEHK Rules 14A06(7A) and 14B06(9), as appropriate. If such order is executed on a Stock Connect Market, the relevant borrowed Stock Connect Securities will be delivered to us for settlement from such SPSA.
- b) Where you request the cancellation of an order, such cancellation shall not be effective until you receive a confirmation from us that the order has been cancelled and you shall be responsible for any orders executed prior to your receipt of such confirmation. Such confirmation may be communicated by phone or in writing.

2. Trade Confirmation Dispute Window

You have 24 hours after receipt of our trade confirmations to raise any disputes regarding the content of the trade confirmations. Such confirmation may be communicated by phone or in writing. However due to the regulatory requirement to settle Stock Connect Securities on trade day ('T'), you are required to raise disputes regarding trade confirmations with respect to Stock Connect Securities by 4:30pm Hong Kong time on T, failing which the trade confirmations shall be deemed conclusive and binding.

3. Trade Settlement

With respect to BUY trades:

- a) subject to (c) below, you are required to settle the trades by delivering the purchase price to us on the settlement date specified in our trade confirmation ('Settlement Date') and we will deliver the purchased Stock Connect Securities to you on the same day via settlement mode provided by and agreed between us from time to time.
- b) before placing a BUY order, you shall ensure you have sufficient funds to deliver to us for settlement.
- c) you acknowledge and agree that if for any reason we do not receive by T all or any part of the Stock Connect Securities purchased on your behalf on T, released from the HKSCC or UBP's broker or custodian, we shall, if applicable, only deliver to you on T the Stock Connect Securities in the quantity actually released to us on T by UBP's execution broker or custodian, and you shall deliver to us on T the purchase price for the quantity of Stock Connect Securities we deliver to you on T. You shall, if applicable, deliver to us the remaining purchase price for the remaining quantity of Stock Connect Securities on the Business Day that we deliver to you the remaining quantity of Stock Connect Securities we purchased on your behalf on T. 'Business Day' means a day on which commercial banks are open for business in (i) Hong Kong and Shanghai (in the case of Stock Connect Securities traded on SSE) and (ii) Hong Kong and Shenzhen (in the case of Stock Connect Securities traded on SZSE).
- d) in the event after we have delivered the Stock Connect Securities to you, that funds are not received by us for full settlement of the relevant Stock Connect Securities trade by close of business of the Settlement Date for such trade ('Failed Trade'), we shall have the right not to deliver any Stock Connect Securities for any other Stock Connect Securities trades we execute for you unless and until funds in full settlement of such Failed Trades are received by us.

With respect to SELL trades:

- a) you represent and warrant to us on each settlement date that the Clients are the beneficial owner of the Stock Connect Securities you deliver to us for settlement of a trade.
- b) you are required to settle each trade by delivering the Stock Connect Securities to us on the settlement date as specified in our trade confirmation. Such confirmation may be communicated by phone or in writing at our discretion.
- c) in the event of a failure to deliver Stock Connect Securities for settlement of a trade, we or HKSCC may require certain information and/or supporting documents including those relating to such trade and you agree to provide such information and/or supporting documents to us or directly to HKSCC immediately upon request.

Any changes you request to the settlement method of Stock Connect Securities trades executed through us shall be subject to our agreement at our discretion.

4. Holding of Stock Connect Securities

- a) We may deposit Stock Connect Securities in our clearing account with CCASS or CSDCC (each a 'Clearing System'). We may pool Stock Connect Securities and treat them as fungible with the same Stock Connect Securities of other clients and us. We may at any time allocate equivalent Stock Connect Securities to you and shall not be bound to return to you the original Stock Connect Securities delivered to us.
- b) No interest will be payable on the Stock Connect Securities held by us on your behalf.
- c) You acknowledge that we shall use reasonable endeavours to deliver or pay to you (net of any fees or other expense payable by you to us) any distribution or payment received by us in respect of the Stock Connect Securities on your behalf on the Business Day following the day on which we received such amount from HKSCC. You must give us promptly such instructions as may be required to authorise receipt of such payment.



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- d) We shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting rights or participating in capital raising or tender events) in relation to any payment or distribution or voting in respect of Stock Connect Securities held by us on your behalf or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of Stock Connect Securities. If we shall make any such collection or receipt, take any such action or give you any such notification or take any action pursuant to any such notification, we shall not have:
- i) any liability in respect of any inaccuracies or delays; and
 - ii) any obligation to continue or repeat any such action.

5. Power of Sale

- a) Where an aggregate prescribed limit on shareholding of foreign investors in respect of an A share issuer is breached, the relevant Stock Connect Market may instruct us directly or indirectly (including through SEHK) to require our clients to arrange for a sell down of the specified Stock Connect Securities ('Forced Sale Notice'). Upon receipt of a Forced Sale Notice, we shall determine in good faith based on our books and records on a last-in-first-out order which clients of ours are required to sell such Stock Connect Securities and if you are required to sell such Stock Connect Securities:
- i) we shall notify you as soon as reasonably practicable the quantity and the time within which you are required to sell such Stock Connect Securities;
 - ii) we shall not allow any transfer by you of such Stock Connect Securities out of your custody account with us other than to settle the sales required by the relevant Authority;
 - iii) if at the time of the receipt of the Forced Sale Notice, such Stock Connect Securities:
 - a. are held in our account at CCASS and you have not sold such Stock Connect Securities within three (3) Business Days after the Forced Sale Notice is issued, you authorise us to sell or arrange for the sale of such Stock Connect Securities to the extent necessary to comply with Applicable Regulations;
 - b. have been transferred out of our account at CCASS to another entity ('Recipient') and are no longer held in our account at CCASS, you authorise us to instruct the Recipient on your behalf to return such Stock Connect Securities to our account at CCASS for sale and liquidation in accordance with the Forced Sale Notice. Upon receipt of such Stock Connect Securities, you authorise us to sell or arrange for the sale of such Stock Connect Securities within the time limit of the Forced Sale Notice;
 - iv) we shall exercise the power of sale under this Clause on such price and terms as we may determine in a commercially reasonable manner.
- b) You authorize us to carry out any action in relation to Stock Connect Securities owned by you, as may be required by Applicable Regulations (as defined below) or SEHK, the relevant Stock Connect Market or other exchanges, clearing systems, regulators, agencies or authorities ('Authorities'), with prior notice to you to the extent permitted by Applicable Regulations (as defined below) or Authorities, including but not limited to:
- i) where we have received Stock Connect Securities purchased by you through another entity ('Broker') who has subsequently been instructed by a Forced Sale Notice to sell such Stock Connect Securities, to return such Stock Connect Securities to the Broker; and
 - ii) selling or arranging for the sale of Stock Connect Securities owned by you on such price and terms as we may determine in a commercially reasonable manner if we receive notice from any Authority requiring you to disgorge any profits as a result of the short swing profit rule.
- c) You agree that we shall have no liability for any losses or risks you may incur directly or indirectly from any actions taken by us under or in accordance with this Clause, to the extent not caused by our fraud, negligence or wilful default.

6. Compliance with applicable laws and regulations

- a) You acknowledge that trading of the Stock Connect Securities is subject to both laws, regulations, rules and guidelines of Hong Kong and the People's Republic of China (excluding Hong Kong, Macau and Taiwan, 'PRC') as may be amended from time to time (including but not limited to filing and registration obligations and those relating to disclosure of interest, 'short swing profit rule', foreign ownership limits) ('Applicable Regulations') and you agree that it is your obligation to comply and you will comply with the Applicable Regulations. Please see Stock Connect Disclosure Statement in Appendix 1 for more details.
- b) You acknowledge that the SEHK has the power to require us to issue warning statements (verbally or in writing) to you, not accept your order or terminate your access to the Stock Connect Services and you may be liable to regulatory investigations and legal consequences in circumstances such as if it is found that we or you have or may have committed any abnormal trading set out in or fail to comply with Applicable Regulations or upon request by the relevant Stock Connect Market.
- c) You acknowledge that if the Applicable Regulations have been breached or you fail to comply with Applicable Regulations, the relevant Stock Connect Market:



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- i) has the power to carry out investigations and may through SEHK require us to provide relevant information (including any personal data) and materials and to assist in its investigations; and
 - ii) may request SEHK to take appropriate regulatory actions or commence disciplinary proceedings against us or request SEHK to require us to issue warning statements to our clients and not to extend Stock Connect Services to us or to our clients.
- d) You agree that we shall not execute a Stock Connect Securities order if it is, or in our opinion it may be, in breach of or not in compliance with Applicable Regulations.
- e) You agree, upon our request, to provide such information (including any personal data) and materials (including but not limited to your identity and trading activity, your profile and the type and value of Stock Connect Securities orders and trades executed for you at such intervals and in such form as the SEHK may specify from time to time) as UBP may be required by an Authority and you authorize us or the SEHK to provide such information and materials to and co-operate with the relevant Authorities as requested. Please see 'Personal Information Collection Statement concerning Northbound Stock Connect Orders' notice in Appendix 2 for more details.
- f) Each time you place an order with us with respect to shares accepted for listing and admitted to trading on the ChiNext market operated by SZE which are accepted as Stock Connect Securities (the 'ChiNext Shares'), you represent and warrant to us that you are eligible to trade under the Applicable Regulations prevailing at the time of giving us your instructions. For as long as the Applicable Regulations restrict the trading of ChiNext Shares to Institutional Professional Investors (as defined below), you represent and warrant to us that you are a 'professional investor' within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of 'professional investor' in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance and unless the context otherwise requires, any subsidiary legislation made thereunder ('Institutional Professional Investor'), unless you received such ChiNext Shares as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or special circumstances arising from Stock Connect Securities. You acknowledge that under current SEHK Rules, if you are not an Institutional Professional Investor, you may only sell ChiNext Shares received as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or special circumstances arising from Stock Connect Securities.
- g) Where you are an intermediary or a person which carries on business outside Hong Kong in an activity in respect of which you are regulated overseas and which, if carried on in Hong Kong, would constitute a regulated activity under the Securities and Futures Ordinance (Cap.571), and place orders with us with respect to ChiNext Shares, you shall ensure that only Institutional Professional Investors are allowed to buy ChiNext Shares.

7. Representations

You make the following representations to us (which representations will be deemed to be repeated by you to us each time you place a Stock Connect Securities order with us) that:

- a) you are not (1) a PRC Citizen resident in the PRC, (2) a PRC Citizen resident outside the PRC who is not a permanent resident of another country or permanent resident of Hong Kong, Macau or Taiwan, or (3) a legal person incorporated or registered in the PRC, (each a 'Domestic Investor'). 'PRC Citizen' means any person holding a resident identification card or other equivalent government issued identification of the PRC, and none of your authorized agents with authority to give northbound trading executions with respect to Stock Connect Securities meet the criteria of a Domestic Investor;
- b) in the case where the Stock Connect Securities trade is entered into by you as trustee for a trust, the management decision over the trust is not controlled by any Domestic Investors. For the avoidance of doubt, in the case only where a trust's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this representation by reason only of it being able to control the decision-making in relation to the entity's financial, investment and/or operating policies;
- c) to the best of your knowledge, the execution of any instructions you give to us shall not result in any breach of any Applicable Regulations;
- d) with respect to SELL orders of Stock Connect Securities:
 - i) you do not know of any fact that might impair the validity of such Stock Connect Securities and have full authority to receive, deal with and give instructions, authorisations or declarations in respect of them;
 - ii) there is no adverse claim to, or restriction on the transfer of, such Stock Connect Securities other than those expressly provided for under the SEHK Rules (including but not limited to SEHK's CCASS Rules);
- e) you understand and have assessed the risks relating to Stock Connect Services and are willing to undertake the risks relating thereto.

8. Disclosure Statement

The Hong Kong Stock Connect Disclosure Statement (the 'Statement') in Appendix 1 sets out and draws your attention to certain factors related to your trading via the Stock Connect Services and holding of Stock Connect Securities. You acknowledge and accept that there are material risks in trading via the Stock Connect Services and holding of Stock Connect Securities and confirm that you are prepared to accept those risks.



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Due to the unique settlement and other regulatory requirements that apply to Stock Connect trades, including but not limited to prohibitions in relation to trading Stock Connect Securities, liability or responsibility for breaching the Rules Governing the Listing of Stocks on SSE, the Rules Governing the Listing of Stocks on SZE, the Rules Governing the Listing of Stocks on the ChiNext market, SSE Stock Connect Rules, SZE Stock Connect Rules, business and trading rules and regulations of the Stock Connect Markets and other Applicable Regulations (as amended, supplemented, modified and/or varied from time to time), you agree to review these requirements carefully before conducting any Stock Connect trades.

By instructing us to execute any Stock Connect trades, you are deemed to have read and agree to these Special Conditions including the Appendices.



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APPENDIX 1 to Stock Connect Special Conditions – Stock Connect Risk Disclosure Statement

The 'Stock Connect Services' are the order-routing services through which orders for buying and selling certain securities listed and traded on the Shanghai Stock Exchange (the 'SSE') and Shenzhen Stock Exchange (the 'SZE', together with SSE, the 'Stock Connect Markets') may be placed by certain exchange participants of the Hong Kong Stock Exchange (the 'SEHK') on a Stock Connect Market (the 'Stock Connect Securities'). Trading via the Stock Connect Services present many different risks of which investors should be aware prior to investing.

We strongly recommend that you read this Disclosure Statement and ensure you understand the nature and risks of Stock Connect Services. Any description of legal or regulatory requirements in these disclosures is for information and summary purposes only and is not intended to convey the full extent or details of such requirements that may apply. These disclosures are not exhaustive and we do not represent that these disclosures are up to date or comprehensive, and do not undertake to update them.

The decision to trade via Stock Connect Services is yours. You should consider carefully (and consult your own advisers where necessary) whether trading via Stock Connect Services is suitable for you in light of your circumstances and only do so if you fully understand and are willing to assume the risks associated with Stock Connect Services. We are at your disposal should you wish to receive any further information or explanation regarding these disclosures.

1. Trading days and hours

- (a) Stock Connect Securities may only be traded through the Stock Connect Services on the days that both the SEHK and the relevant Stock Connect Market are open. The trading days and operational hours of the Stock Connect Services are as set out in the SEHK Rules.
- (b) Unless otherwise provided by the China Securities Regulatory Commission (the 'CSRC') or Applicable Regulations (including but not limited to SSE, SZE and General Rules of CCASS, the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited ('HKSCC')), UBP will not trade or provide services to facilitate trading of any Stock Connect Securities through any venue other than the Stock Connect Services and UBP shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from its clients in respect of any Stock Connect Securities in any manner otherwise than through Stock Connect Services in accordance with Applicable Regulations. 'Applicable Regulations' means laws, regulations, rules and guidelines of Hong Kong and the People's Republic of China ('PRC') as may be amended from time to time (including but not limited to filing and registration obligations and those relating to disclosure of interest, 'short swing profit rule', foreign ownership limits).
- (c) SEHK has absolute discretion to suspend or restrict all or part of the order routing and related supporting services or determine or change from time to time the operational hours of the Stock Connect Services without advance notice. UBP shall not be under any obligation to inform you of any such events. During such suspension, restriction or cessation, there is no assurance that your orders will be accepted or processed, notwithstanding that SSE securities and/or SZE securities may be traded through other channels. You may remain exposed to fluctuations in the value of Stock Connect Securities caused by trading on the relevant Stock Connect Market during any period when the Stock Connect Services are suspended.
- (d) The applicable legal and regulatory restrictions or limitations of the Stock Connect Services may have adverse effect on the liquidity and performance of an investment in the Stock Connect Securities due to factors such as dealing restrictions, adverse tax treatments, higher commission costs and regulatory reporting requirements. As a result, you may suffer losses in the Stock Connect Securities.
- (e) If a Typhoon Signal No.8 or above is hoisted or a Black Rainstorm Warning is issued in Hong Kong after the relevant Stock Connect Market opens, UBP may cancel or clients may request UBP to cancel their Stock Connect Securities orders that have not been executed (UBP retains discretion whether or not to accept such request). Any Stock Connect Securities orders that have not been cancelled and are executed on that day are required to be settled on the same day pursuant to Applicable Regulations. Further details on trading hours and settlement requirements in the event of Typhoon Signals No.8 or above or Black Rainstorm Warnings are set out in the Applicable Regulations.
- (f) We will not accept any SSE Stock Connect Securities orders received from clients through our Electronic Trading Services between 2:59pm and 3:00pm Hong Kong time, despite the SSE Stock Connect Securities market remaining open in such period.
- (g) We will handle client orders fairly, and during market hours we will submit them in the order in which they are received. All orders inclusive of client orders as well as our own and our affiliates' orders which we receive outside of market hours will be considered to have the same priority and each will be handled accordingly by our order management systems upon the resumption of market hours.

Under the Applicable Regulations, only limit orders may be submitted. Where you send to us an order without a limit price ('Market Order'), you acknowledge and agree that we will convert your Market Order into a 'limit order' by assigning it a limit price determined by our algorithmic trading engine using indicative pricing data provided by the exchanges before sending to the market. Given the additional processing requirements and depending on the availability of exchange data, these orders may experience a delay in submission to the exchanges compared with other orders, and therefore you are advised to submit limit orders whenever possible.

Due to quota restrictions or other requirements or limitations of the Stock Connect Services under the Applicable Regulations, you acknowledge and agree that there can be no guarantee that your orders will be completed.



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2. Trading Restrictions

- (a) SEHK will only accept Stock Connect Markets limit orders to trade Stock Connect Securities. Clients note that Stock Connect Markets limit orders are different from SEHK limit orders and can be matched at the specified price or a better price, whereas SEHK limit orders can only be matched at the specified price.
- (b) Stock Connect Securities orders are subject to price limits prescribed by Authorities (as defined above). The price limits may be changed from time to time. All orders in respect of Stock Connect Securities must be within the prescribed price limits. Any orders with a price beyond the prescribed price limit will be rejected by the relevant Stock Connect Market.
- (c) Stock Connect Securities orders are subject to a limit on the daily maximum value of all Stock Connect Securities buy trades under the Stock Connect Services on each trading day ('Daily Quota'), and Client acknowledges that its Stock Connect Securities execution orders may be rejected by UBP if there has been a breach of the Daily Quota.
- (d) The Stock Connect Markets do not accept amendments of orders. Exchange participants must cancel the outstanding order and place a new order if they wish to modify a Stock Connect Securities order. Accordingly, order priority will be lost and the new order will be subject to the Daily Quota balance restrictions at the time the new order is placed. Please note that we may not be able to send in your order cancellation request in case of contingency such as when the SEHK loses all its communication lines with the relevant Stock Connect Market.
- (e) Situations exist under which Stock Connect Securities may be restricted or suspended from trading, e.g. Stock Connect Securities under 'risk alert' or its corresponding H shares are suspended from trading on the relevant Stock Connect Market. Any change to the risk alert board of a Stock Connect Market or suspension or restriction from trading may occur without prior notice. If an SSE or SZE security which is eligible for Stock Connect Services trading subsequently becomes suspended or restricted from trading through Stock Connect Services, investors may only be allowed to sell the relevant security under Stock Connect Services and may be restricted from further buying of such security.
- (f) For Stock Connect Securities that you have purchased, you may not sell such Stock Connect Securities before the purchase transaction of such Stock Connect Securities has been settled (i.e. no day trading is allowed), unless the relevant Stock Connect Market otherwise determines. Settlement shall be effected when the on hold status has been released in accordance with the SEHK's CCASS Operational Procedures.
- (g) There will be no manual or block trade facility for the Stock Connect Securities.
- (h) It is a breach of Applicable Regulations to enter into or carry out directly or indirectly any fictitious or artificial transaction or device or any other act with the intention of, or being reckless as to whether it has or is likely to have the effect of, artificially using or filling quotas or causing any such quota limit to be exceeded.
- (i) Buy orders involving odd lots through Stock Connect Services are not permitted. Sale of odd lots through Stock Connect Services is allowed provided that such order relates to the sale of all and not part of the odd lots held in respect of Stock Connect Securities for a Stock Connect Services participant or for a client (as the case may be).
- (j) Where we provide Margin Trading (as defined in the SEHK Rules), you acknowledge and agree that such Margin Trading services and resulting transactions shall be subject to restrictions, requirements and conditions under the SEHK Rules in relation to Margin Trading, including but not limited to, the condition that we may conduct Margin Trading only in respect of the Stock Connect Securities that are within the List of Eligible SSE Securities for Margin Trading, or List of Eligible SZE Securities for Margin Trading and any flagging requirements.
- (k) Trading of ChiNext Shares through the Stock Connect Services are restricted to 'professional investors' within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of 'professional investor' in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap.571) ('SFO') and unless the context otherwise requires, any subsidiary legislation made thereunder ('Institutional Professional Investor'), 'ChiNext Shares' mean shares accepted for listing and admitted to trading on the ChiNext market operated by SZE which are accepted as Stock Connect Securities, unless such ChiNext Shares were received by an investor as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or special circumstances arising from Stock Connect Securities. If you place orders with us with respect to ChiNext Shares where you are not an Institutional Professional Investor, it will constitute a breach of SEHK Rules and UBP may request you to unwind the positions of ChiNext Shares as soon as possible. You will be subject to disciplinary action which may include SEHK issuing warning letters, conducting further enquiries, commencing investigations and reporting the matters to the SFC and regulators and/or exchanges in the PRC. Trading ChiNext Shares present additional and/or different risks, including but not limited to those set out in the Appendix hereto.

3. Settlement

- (a) You must have Stock Connect Securities in custody with UBP by the business day before the trade date ('T-1') if you want to sell such Stock Connect Securities on trade day ('T'), unless appropriate arrangements are put in place as permitted by and in accordance with Applicable Regulations.
- (b) Where an investor uses securities held in SPSAs to comply with Stock Connect Market pre-trade check requirements and there is a failure in delivering the required Stock Connect Securities to the broker for settlement, Hong Kong Securities and Clearing Company Limited ('HKSCC') may, upon the broker's request, on T adjust sellable balances of:



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- a) the broker;
- b) such selling investor's SPSA; and
- c) SPSAs of any investors who purchased the relevant Stock Connect Securities from the broker on the same trading day ('Buying Investors').

Such adjustments to sellable balances made by HKSCC will only have the effect of adjusting the snapshot image of the broker's and the relevant SPSA investor's stock holdings for pre-trade checking purposes. The actual stock holdings of the parties concerned will not be adjusted. If you are a Buying Investor, you may receive the full amount of Stock Connect Securities purchased in your SPSA or your custody account on the Business Day following T or thereafter. If you wish to sell such Stock Connect Securities after T, you must ensure the actual holding of such Stock Connect Securities are sufficient to settle the SELL transaction. 'Business Day' means a day on which commercial banks are open for business in (i) Hong Kong and Shanghai (in the case of Stock Connect Securities traded on SSE) and (ii) Hong Kong and Shenzhen (in the case of Stock Connect Securities traded on SZSE).

In the event that we wrongly input (i) your investor identification number for a SELL trade order for another client or (ii) another client's investor identification number for a SELL trade order for you and, as a result, a SELL trade is recorded in respect of your SPSA or the other client's SPSA, respectively and we become aware of this before stock settlement on T, we shall notify you.

- (c) Investors are prohibited from using Stock Connect Securities purchased through Stock Connect Services to settle any sell orders placed through channels other than the Stock Connect Services. Accordingly, there may be a limited market and/or lower liquidity for the Stock Connect Securities (as compared to the same securities purchased through other channels). In addition, any scrip entitlements received by clients in respect of Stock Connect Securities are not eligible for trading through Stock Connect Services. Accordingly, there is a risk of low or no liquidity for such securities received by way of scrip entitlement.

4. Foreign Shareholding Restrictions

- (a) Under Applicable Regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC company which is listed on a PRC stock exchange ('PRC Listco'), and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. It is your responsibility to comply with requirements under Applicable Regulations in relation to such limits. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Stock Connect Services, Qualified Foreign Institutional Investors ('QFII') or RMB Qualified Foreign Institutional Investors ('RQFII') regime or other investment channels).
- (b) If aggregate foreign shareholding of a Stock Connect Securities reaches 28%, SEHK will not accept any further purchase orders until the shareholding reduces to 26%.
- (c) If aggregate foreign shareholding reaches 30%, SEHK will identify the relevant exchange participants (on a Last-In-First-Out basis) and require such exchange participants to sell such Stock Connect Securities within a time specified by SEHK.
- (d) If within five (5) days of the aggregate foreign shareholding reaching 30%, such shareholding is reduced below 30%, you may apply for permission to hold the relevant Stock Connect Securities without a sale down.
- (e) Disclosure of Interest Requirements
 - i. Under Applicable Regulations, if an investor holds or controls shares (on an aggregate basis, i.e., across both domestically and overseas issued shares of the same PRC Listco, whether the relevant holdings are through Stock Connect Services, QFII/RQFII regimes or other investment channels), up to a certain threshold as may be specified from time to time by the relevant exchanges, clearing systems and regulators (the 'Authorities'), the investor must disclose such interest within the period specified by the relevant Authority and the investor must not buy or sell any such shares within the period specified by the relevant Authority. The investor must also disclose any substantial change in their holdings as required by the relevant Authority.
 - ii. Where a company incorporated in the PRC, has both H shares listed on the SEHK and A shares listed on a Stock Connect Market, if an investor has interests in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A shares purchased through Stock Connect Services) in such PRC incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the Securities and Futures Ordinance ('SFO'). Part XV of the SFO does not apply where the PRC incorporated company has not listed any shares on the SEHK.
 - iii. It shall be your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant authority and arrange for any relevant filings.

5. Short Swing Profit Rule Requirements

Under Applicable Regulations, the 'short swing profit rule' requires a client to return any profits made from purchases and sales in respect of shares of a PRC Listco if:

- (a) the client's shareholding in the PRC Listco exceeds the single foreign investor threshold prescribed by the relevant Authority from time to time; and
- (b) the corresponding transaction occurs within six (6) months after a purchase transaction or vice versa, the client shall, and it is the client's responsibility to, monitor its activities and comply with such 'short swing profit rule'.



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6. Corporate Actions

- (a) Any corporate action in respect of Stock Connect Securities will be announced by the relevant issuer through the SSE website and/or the SZE website (as the case may be) and four officially appointed newspapers. HKSCC will also record all corporate actions relating to Stock Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors may refer to the SSE website and/or the SZE website (as the case may be) and the relevant newspapers for the latest listed company announcements or, alternatively, the SEHK website's China Stock Markets Web for corporate actions in respect of Stock Connect Securities issued on the previous trading day. Clients should note that (i) issuers that are listed on the Stock Connect Markets publish corporate documents in Chinese only, and English translations will not be available and (ii) issuers listed on the ChiNext market are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.
- (b) In addition, HKSCC has indicated that it will endeavour to collect and distribute cash dividends relating to the Stock Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC has indicated that it will to the extent practicable arrange to distribute to relevant clearing participants on the same day.
- (c) Unlike the current practice in Hong Kong in respect of SEHK-listed shares, investors engaged in trading of the Stock Connect Securities may not be able to attend shareholder meetings by proxy or in person.
- (d) UBP does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and UBP accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. UBP expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

7. Disclosures

- (a) SEHK may disclose your information (including any personal data) without your prior approval to SEHK's affiliates and relevant Authorities, including but without limitation for surveillance or investigation purposes.
- (b) In order to comply with Applicable Regulations (including but not limited to requirements to conduct pre-trade checks and settlement of Stock Connect Securities trades in Renminbi), UBP may disclose your Stock Connect Securities data to third parties outside the UBP Group for use in compliance with Applicable Regulations.

8. Investor Protection

- (a) As the Stock Connect Securities are not listed or traded on the SEHK, clients will not have protection under the Securities and Futures (Client Securities) Rules, unless otherwise specified by an Authority. As a result, clients trading under the Stock Connect Services do not have protection under the SFO and related subsidiary legislation.
- (b) Trading in Stock Connect Securities does not enjoy the protection afforded by the Investor Compensation Fund established under the SFO. Accordingly, unlike the trading of SEHK listed securities, clients will not be covered by the Investor Compensation Fund in respect of any loss clients trading in Stock Connect Securities may sustain by reason of a default by Securities and Futures Commission licensed or registered persons.
- (c) China Securities Depository and Clearing Corporation ('CSDCC') has established a risk management framework and measures that are approved and supervised by CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation) to take any legal action or court proceeding to seek recovery of the outstanding Stock Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of CSDCC's positions. HKSCC will in turn distribute the Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant authorities. UBP in turn will only be distributing the Stock Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Stock Connect Securities trading.
- (d) Our provision of Stock Connect Services also depends upon the performance by HKSCC, our custodian and our broker of their respective obligations. Any action or inaction of these parties or a failure or delay by these parties in the performance of their respective obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and you may suffer losses as a result. We shall have no responsibility or liability for any such losses.
- (e) The responsibilities and liabilities of the relevant Authorities are set out in the SEHK rules and regulations and the relevant Authorities shall not be responsible or held liable for any loss or damage directly or indirectly suffered by us, you or any third parties arising from or in connection with trading of Stock Connect Securities or the operation of the CSC, in respect of Stock Connect Securities, unless expressly provided for under the Applicable Regulations. 'CSC' means China Stock Connect System for receiving and routing Stock Connect Securities orders to a Stock Connect Market System (as defined in the SEHK rules) for automatic matching and execution.



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9. Ownership of Stock Connect Securities

- a) Stock Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and Stock Connect Securities acquired by investors through the Stock Connect Services will be:
- recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such Stock Connect Securities; and
 - held in custody under the depository of CSDCC and registered in the shareholders' register of the listed companies on the SSE. HKSCC will record interests in such Stock Connect Securities in the CCASS stock account of the relevant CCASS Clearing Participant (as defined in the SEHK rules).
- b) Under Hong Kong law, HKSCC will be regarded as the legal owner of such Stock Connect Securities and will be regarded as holding its beneficial entitlement to the Stock Connect Securities on behalf of the relevant CCASS Clearing Participant. Depending on the custody arrangements between such CCASS Clearing Participant and its clients, such CCASS Clearing Participant will in turn generally be regarded as holding its beneficial entitlement for such clients.
- c) Under current PRC regulations, the Stock Connect Securities will be recorded in a nominee account opened by HKSCC with CSDCC and Stock Connect Securities investors have rights and interests in Stock Connect Securities acquired through Stock Connect Services according to the applicable laws. The CSRC Securities Registration and Settlement Measures, CSDCC Securities Registration Rules and Administrative Rules on Securities Accounts, the CSDCC Stock Connect Rules, SSE Stock Connect Rules and SZE Stock Connect Rules generally provide for the concept of a 'nominee holder' and recognise the Stock Connect Securities investors as the 'ultimate owners' of the Stock Connect Securities.
- d) Stock Connect Securities investors shall exercise their rights in relation to Stock Connect Securities through HKSCC as the nominee holder. As Stock Connect Securities investors will have actual control over voting rights in respect of such Stock Connect Securities (either individually or acting in concert with others), Stock Connect Securities investors are responsible for complying with disclosure obligations under PRC laws and regulations in relation to the Stock Connect Securities acquired through Stock Connect Securities trading.
- e) After the launch of the Shanghai Hong Kong Stock Connect, and concurrent with the promulgation of the expanded and revised Stock Connect Rules, CSRC issued two FAQs respectively on 15 May 2015 and 30 September 2016, which provided regulatory clarification and affirmation that HKSCC is the nominee holder for Stock Connect Securities, and Hong Kong and overseas investors shall enjoy property rights as the holder and shall exercise their rights in relation to Stock Connect Securities as proprietary owners through HKSCC.
- f) SEHK has also published materials explaining the ownership rights of Stock Connect Securities investors in Stock Connect Securities and may publish further information from time to time. In summary, the SEHK published materials state that:
- it is the Stock Connect Securities investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the Stock Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the Stock Connect Securities;
 - as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant Stock Connect Securities. Under the CCASS Stock Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of Stock Connect Securities where necessary. HKEx notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings.
Further details are set out in the HKEx published materials; and
 - on the insolvency of HKSCC, the Stock Connect Securities will not be regarded as the general assets of HKSCC under Hong Kong and PRC law and will not be available to the general creditors of HKSCC. CSDCC and the PRC courts will recognise the liquidator of HKSCC, duly appointed pursuant to Hong Kong law, as the rightful person to deal with Stock Connect Securities in the place of HKSCC.

You should conduct your own review of the HKEx published materials and the Applicable Regulations from time to time. You should also consult your own legal advisers to make your own assessment of your rights as an investor in Stock Connect Securities.

10. Retention of Information

You acknowledge and accept that we will be required under the Applicable Regulations to keep records for a period of not less than twenty (20) years of the following in respect of Stock Connect Securities (a) all orders and trades executed on your behalf; (b) any instructions received from you; (c) your account information; and (d) all relevant information concerning margin trading and stock borrowing and lending of any Stock Connect Securities (including but not limited to, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided).



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11. PRC-related Risk

Investing in the PRC, an emerging market, involves special considerations and risks, including but not limited to greater price volatility, less developed regulatory and legal framework, economic, and social and political instability.

12. Currency risk

- (a) RMB is not yet freely convertible in Hong Kong, and is subject to foreign exchange controls and restrictions. Particularly, conversion of RMB through banks in Hong Kong is subject to certain restrictions. It may be difficult for investors to convert RMB into Hong Kong dollars or other currencies or vice versa at any specific time, and conversion will be subject to conversion costs and such costs and timings for conversion may not be of your preference.
- (b) In addition, the value of RMB against Hong Kong dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of the RMB securities and the realisation price of the RMB securities. Non-RMB based investors who are trading in RMB securities, may also sustain loss in the event that they subsequently convert any RMB proceeds back to Hong Kong dollars or other base currencies.
- (c) There are also significant restrictions on the remittance of RMB into and out of the PRC. If the issuer of the RMB securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. Investors may therefore be exposed to additional foreign exchange risk and liquidity exposures.
- (d) The liquidity and trading price of Stock Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and the restrictions on the conversion of RMB. These factors may affect the liquidity of RMB for investors and accordingly adversely affect the market demand for Stock Connect Securities.

13. Market Risk

The market value of Stock Connect Securities and the income from them may go down as well as up. There can be no assurance that you will achieve profits or avoid losses from trading Stock Connect Securities, significant or otherwise. The return you receive from the Stock Connect Securities (if any) will fluctuate in response to changes in capital appreciation and/or income relating to such Stock Connect Securities. Furthermore, Stock Connect Securities may experience volatility and decline depending on market conditions. Through trading Stock Connect Securities, you are exposed to various forms of risk dependent on factors which are difficult to predict, including for example, interest rate risks (risks of falling Stock Connect Securities values in a rising interest rate market), income risks (risks of falling incomes from Stock Connect Securities in a falling interest rate market) and credit risk (risk of a default by an issuer of Stock Connect Securities).

14. Liquidity risks

Although Stock Connect Securities are listed for trading on the Stock Connect Markets and available for trading through SEHK by Stock Connect Services, there can be no assurance that an active trading market for Stock Connect Securities will develop or be maintained. If spreads on Stock Connect Securities are wide, this may adversely affect your ability to dispose of Stock Connect Securities at the desired price. If you need to sell Stock Connect Securities at a time when no active market for them exists, the price you receive for your Stock Connect Securities -assuming you are able to sell them -is likely to be lower than the price received if an active market did exist.

15. Dividend risk

Whether an issuer of Stock Connect Securities will pay distributions is subject to such underlying issuer's dividend policy. Dividend payment rates in respect of Stock Connect Securities may depend on factors including general economic conditions and the financial positions of the relevant issuers. There can be no assurance that any dividends or distributions in respect of Stock Connect Securities will be declared or paid.

16. Possible Business Failure Risk

In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any issuer of Stock Connect Securities may have an adverse effect on your investment. You may lose money by investing in Stock Connect Securities.

17. General Legal and Regulatory Risk

You must comply with all Applicable Regulations. Furthermore, any change in any Applicable Regulations may have an impact on the market sentiment which may in turn affect the performance of Stock Connect Securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for Stock Connect Securities. In the worst case scenario, you may lose a material part of your investments in Stock Connect Securities.



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18. Stock Connect Markets Liabilities

You acknowledge and accept that the Stock Connect Markets shall not be responsible or held liable for any loss or damage suffered directly or indirectly by UBP, you or any third parties arising from or in connection with the Stock Connect Markets making, amending or enforcing their rules or any action taken by them in the discharge of their supervisory or regulatory obligations or functions including any action taken to deal with abnormal trading conduct or activities.

19. Derivative products linked to Stock Connect Securities

If you enter into or purchase any derivative products linked to Stock Connect Securities, please note that some of the above considerations will affect your counterparty to the derivative products, and may therefore have an impact on the calculation and/or settlement of any payment under such derivative products.

THIS STATEMENT IS NOT A SUMMARY OF THE APPLICABLE REGULATIONS AND DOES NOT NECESSARILY DISCLOSE ALL THE RISKS AND SIGNIFICANT ASPECTS OF THE STOCK CONNECT SERVICES. YOU ARE ADVISED TO CAREFULLY STUDY THE APPLICABLE REGULATIONS AND THE TERMS AND SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER ADVICE, AS APPROPRIATE, BEFORE TRADING IN STOCK CONNECT SECURITIES.



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APPENDIX 2 – Personal Information Collection Statement concerning Northbound Stock Connect Orders Processing of Personal Data as part of the Stock Connect Northbound Trading

You acknowledge and agree that in providing our Stock Connect Northbound Trading Service to you, we will be required to:

- (i) tag each of your orders submitted to the CSC with a Broker-to-Client Assigned Number ('BCAN') that is unique to you¹; and
- (ii) provide to the Exchange your assigned BCAN and such identification information ('Client Identification Data' or 'CID') relating to you as the Exchange may request from time to time under the Rules of the Exchange.

Without limitation to any notification we have given you or consent we have obtained from you in respect of the processing of your personal data in connection with your account and our services to you, you acknowledge and agree that we may collect, store, use, disclose and transfer personal data relating to you as required as part of our Stock Connect Northbound Trading Service, including as follows:

- (a) to disclose and transfer your BCAN and CID to the Exchange and the relevant SEHK Subsidiaries from time to time, including by indicating your BCAN when inputting a Stock Connect Order into the CSC, which will be further routed to the relevant Stock Connect Market Operator on a real-time basis;
- (b) to allow each of the Exchange and the relevant SEHK Subsidiaries to: (i) collect, use and store your BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant Stock Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (ii) transfer such information to the relevant Stock Connect Market Operator (directly or through the relevant Stock Connect Clearing House) from time to time for the purposes set out in (c) and (d) below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
- (c) to allow the relevant Stock Connect Clearing House to: (i) collect, use and store your BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant Stock Connect Market Operator, the Exchange and the relevant SEHK Subsidiary; (ii) use your BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and
- (d) to allow the relevant Stock Connect Market Operator to: (i) collect, use and store your BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant Stock Connect Market through the use of the Stock Connect Service and enforcement of the rules of the relevant Stock Connect Market Operator; and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.

By instructing us in respect of any transaction relating to Stock Connect Securities, you acknowledge and agree that we may use your personal data for the purposes of complying with the requirements of the Exchange and its rules as in force from time to time in connection with the Stock Connect Northbound Trading. You also acknowledge that despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.

Consequences of failing to provide Personal Data or Consent

Failure to provide us with your personal data or consent as described above may mean that we will not, or no longer be able, as the case may be, to carry out your trading instructions or provide you with our Stock Connect Northbound Trading Service.

¹ For clients having a joint account, a Broker-to-Client Assigned Number ('BCAN') is unique to you or the BCAN that is assigned to your joint account with us, as appropriate.



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Part V: Master Terms and Conditions for Over-The-Counter Derivatives Trading

The terms and conditions of this Part V - the Master Terms and Conditions for Over-the-Counter Derivatives Trading (“**Master OTC Terms and Conditions**”) shall apply to any and all over-the-counter derivative transactions entered into or anticipated to be entered into between the Bank and the Client and may include forward exchange contracts, currency and precious metals options, equity options (including options over baskets of shares and indices), bond options, or interest rate options, equity accumulators or decumulators or any derivative transactions which may be documented under the OTC Agreement (as defined below) (each a “**Transaction**”).

1. Interpretation

- 1.1 The terms defined in Annex A to this Master OTC Terms and Conditions will have the meanings specified therein for the purposes of the OTC Agreement (as defined below) and shall be applicable to all Transactions.
- 1.2 Annexes B to E hereto set out additional provisions and definitions in respect of the relevant Transactions and form an integral part of the OTC Agreement (as defined below). In the event of any inconsistency between the provisions of an Annex and this Master OTC Terms and Conditions, the relevant Annex will prevail for the purposes of the relevant Transaction.
- 1.3 The specific terms of each Transaction shall be evidenced by one or more documents exchanged or otherwise effective between the parties (by telex, facsimile, mail or email), which, taken together, are effective to confirm all the terms of a Transaction (each a “**Confirmation**”). Failure by the parties to conclude a Confirmation in respect of a transaction shall not prejudice or invalidate the terms of that Transaction.
- 1.4 All Transactions are entered into on the basis that this Master OTC Terms and Conditions and all Confirmations form a single agreement between the parties and the parties would not otherwise enter into any Transactions (collectively referred to as the “**OTC Agreement**”). In the event of any inconsistency between the provisions of any Confirmation and this Master OTC Terms and Conditions, the Confirmation will prevail for the purpose of the relevant Transaction.
- 1.5 This Master OTC Terms and Conditions incorporates the provisions of the General Conditions, the Risk Disclosure Statement and the Account Opening Documentation (each as defined in Annex A to this Master OTC Terms and Conditions). In the event of any inconsistency between the provisions of the General Conditions, the Account Opening Documentation, the Risk Disclosure Statement and this Master OTC Terms and Conditions, except where otherwise provided, this Master OTC Terms and Conditions will prevail for the purposes of the Transactions.
- 1.6 Unless otherwise specified in this Master OTC Terms and Conditions, references to a “Clause” or an “Annex” shall be to the relevant clause or annex of this Master OTC Terms and Conditions.

2. Obligations

- 2.1 Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the provisions of the OTC Agreement.
- 2.2 Payments under the OTC Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to the OTC Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by physical delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in the OTC Agreement.
- 2.3 Each obligation of the Bank under Clause 2.1 is subject to (a) the condition precedent that no Event of Default or Potential Event of Default with respect to the Client has occurred and is continuing, (b) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (c) each other applicable condition precedent specified in the OTC Agreement.
- 2.4 All payments by the Client to the Bank under the OTC Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Client is so required to deduct or withhold, then it will pay to the Bank, in addition to the payment to which the Bank is otherwise entitled under the OTC Agreement, 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.
- 2.5 Prior to the occurrence or effective designation of an Early Termination Date in respect of a Transaction (a) if the Client defaults in the performance of any payment obligation, it shall, subject to Clause 5.3, pay interest (before as well as after judgment) on such overdue amount on demand, for the period from (and including) the original due date for payment to (but excluding) the date of



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actual payment, at the rate specified in Clause 5.4 and (b) if the Client defaults in the performance of any obligation required to be settled by physical delivery it will indemnify the Bank on demand for any costs, losses or expenses resulting from such default.

- 2.6 If, on any date, amounts are due by each party to the other in the same currency in respect of any Transactions entered into under the OTC Agreement, such amounts owing, may, at the Bank's sole discretion, 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.
- 2.7 Where the Bank is required to make determinations, adjustments or calculations, it will do so in its sole and absolute discretion, and its determinations and calculations will be binding in the absence of manifest error. In the exercise of its rights and discretions and in making any determinations, adjustments or calculations, the Bank will act in good faith and in a commercially reasonable manner.

3. Representations and undertakings

3.1 The Client represents as of the date hereof (which representation will be deemed to be repeated on each date that a Transaction is entered into with reference to the facts and circumstances then subsisting as if made at each such time) to the Bank that:

- (a) (if it is a company or corporation) it is duly organised and validly existing under the laws of the jurisdiction of its organisation or (if it is a private individual) it is of full age and sound mind and has full capacity to enter into the OTC Agreement;
- (b) it has the power to execute and deliver the OTC Agreement and any documentation relating to the OTC Agreement to which it is a party and to perform its obligations under the OTC Agreement and any Credit Support Document to which it is a party and has taken all action necessary to authorise such execution and delivery and the performance of such obligations;
- (c) neither its execution and delivery of, nor its performance of its obligations under, the OTC Agreement will violate (i) any law, regulation, decree or legal restriction applicable to it or any order or judgment of any court or other agency of government applicable to it or any of its assets, (ii) (if it is a company or corporation) any provision of its constitutional documents or (iii) the terms of any material agreement to which it or any of its assets is subject;
- (d) it has obtained all applicable governmental or other regulatory consents that are required to be obtained by it in respect of its entry into, and performance of the OTC Agreement, all such consents are in full force and effect and any conditions of such consents have been satisfied;
- (e) the OTC Agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (subject to applicable bankruptcy reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application);
- (f) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstances would occur as a result of its entering into or performing its obligations under the OTC Agreement;
- (g) there is not pending on to its knowledge, threatened against it any action, suit or proceedings at law or in equity or before any court, tribunal, governmental body agency or official or any arbitrator that purports to draw into question or is likely to affect the legality, validity or enforceability against it of the OTC Agreement or its ability to perform its obligations under the OTC Agreement;
- (h) it is entering into the OTC Agreement and each Transaction as principal and not as agent of any person; and
- (i) it is not required to withhold tax from any payment to be made by it under the OTC Agreement or under any Transaction.

3.2 The Client undertakes as of the date hereof (which undertaking will be deemed to be repeated on each date that a Transaction is entered into with reference to the facts and circumstances then subsisting as if made at each such time) to the Bank that:

- (a) it will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to the OTC Agreement and will use all reasonable efforts to obtain any that may become necessary in the future; and
- (b) it will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under the OTC Agreement.

3.3 Each party acknowledges and agrees to the tape recording of conversations between the parties to the OTC Agreement whether by one or other or both of the parties.

4. Events of Default

The occurrence at any time with respect to the Client or, if applicable, any Credit Support Provider of the Client of any of the following events constitutes an event of default (an "**Event of Default**"):

- (a) failure to make, when due, any payment or delivery required to be made by it under the OTC Agreement if such failure is not remedied on or before the third Business Day after notice of such failure to pay or deliver is given to it;
- (b) failure to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the OTC Agreement (other than a failure referred to in sub-paragraph (a) above) if such failure is not remedied on or before the thirtieth day after notice of such failure is given to it;



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- (c) (i) failure to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the Credit Support Document if such failure is continuing after any applicable grace period has elapsed; (ii) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of the OTC Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations if such party under each Transaction to which such Credit Support Document relates without written consent of the Bank; or (iii) the Client or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;
- (d) a representation made or repeated or deemed to have been made or repeated in the OTC Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
- (e) (i) the occurrence of an event of default (howsoever described) under a Specified Transaction; (ii) failure to make any payment or delivery due (after giving effect to any applicable grace period) under a Specified Transaction; or (iii) disaffirmation, disclaiming, repudiation or rejection, in whole or in part, of a Specified Transaction;
- (f) (i) any of its indebtedness for borrowed money becomes or becomes capable of being declared due and payable prematurely by reason of any event of default (howsoever described); (ii) it fails to make payment in respect of any indebtedness for borrowed money on maturity or early redemption (after giving effect to any applicable grace period); (iii) any security given by it for any indebtedness for borrowed money becomes enforceable; or (iv) it defaults in making any payment due under any guarantee and/or indemnity given by it in relation to any indebtedness for borrowed money;
- (g) it (i) (if it is a company or corporation) is dissolved or (if it is a private individual) died, or, in the reasonable judgment of the Bank it becomes incapable in law of managing its affairs (whether by reason of mental incapacity or for any other reason whatsoever); (ii) becomes insolvent or fails or is unable to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or 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 law affecting creditors' rights, or a petition is presented for (if it is a company or corporation) its winding-up or liquidation, or (if it is a private individual) a declaration of bankruptcy with respect to itself; (v) (if it is a company or corporation) has a resolution passed for its winding-up or liquidation or (if it is a private individual) it declares itself bankrupt (vi) seeks or becomes subject to the appointment of a judicial manager, receiver, trustee, custodian or other similar official for it or for any of its assets; (vii) has an encumbrancer take possession of all or substantially all its assets or a distress, execution, attachment, sequestration or other process levied, enforced upon, sued out or put into force against any of its assets; (viii) any event occurs which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (i) to (vii) (inclusive), or (ix) takes any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any of the foregoing acts;
- (h) if a company or corporation, it consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to, another entity and, at that time, the resulting, surviving or transferee entity:
 - (i) fails to assume all the obligations of such party under the OTC Agreement or such Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the Bank;
 - (ii) the benefits of such Credit Support Document fail to extend (without the consent of the Bank) to the performance by such resulting, surviving or transferee entity of its obligations under the OTC Agreement; or
 - (iii) the creditworthiness of the resulting, surviving or transferee entity is, in the opinion of the Bank materially weaker than immediately prior to that action;
- (i) if it is an individual, the Bank determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that its creditworthiness has become materially weaker as a result of it transferring or being required to transfer a substantial part of his estate to a third party in return for no consideration or consideration of less value than the assets transferred;
- (j) if, due to the adoption of, or any change in, any applicable law after the date on which the OTC Agreement or a Transaction is entered into, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, or the adoption of, or any change in, any notices, guidelines, circulars or directions (hereafter collectively referred to as "**Directions**") by any regulatory authority with competent jurisdiction after such date, it becomes unlawful, or in the Bank's view, contrary to or in breach of any Direction or such licence, for it to perform any obligation in respect of the Transaction or to comply with any material provision of the OTC Agreement or any Credit Support Document;
- (k) by reason of force majeure or act of state occurring after the date on which a Transaction is entered into, on any day it is prevented from making or receiving any payment or delivery in respect of such Transaction or from performing any contingent or other obligation it has under a Credit Support Document; or
- (l) if it is an individual, it convicted of any criminal offence in any jurisdiction whatsoever (excluding road traffic offences).

5. Early Termination

- 5.1 If an Event of Default occurs and is continuing, the Bank will have the right by not more than twenty (20) days' notice in writing to the Client; to designate a day not earlier than the day such notice is effective in accordance with Clause 8 hereof as an Early Termination Date in respect of all outstanding Transactions. The Early Termination Date will occur on the date so designated, whether or not the



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relevant Event of Default is then continuing. The Bank's right to designate an Early Termination Date is without prejudice to any rights the Bank may have to terminate any Transactions or the OTC Agreement under the General Conditions.

- 5.2 Upon the effectiveness of the notice designating the Early Termination Date, the Bank will cease to be obliged to make any further payment and/or delivery under Clause 2.1 in respect of the Terminated Transactions (whether or not any such obligation has matured prior to the Early Termination Date). The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to this Clause 5.
- 5.3 On or as soon as reasonably practicable following the occurrence of an Early Termination Date, the Bank will calculate the Early Termination Amount in good faith and will notify the Client of such amount, indicating in reasonable detail the basis of such calculations. On the third Business Day following the date notice is given to the Client of the amount, if the Client owes such amount to the Bank, it will pay such amount notified by the Bank to it for such purpose and the Bank may deduct such amount from any of the Accounts.
- 5.4 If any amount to be paid by the Client under Clause 5.3 is not paid when due, the Bank will (to the extent permitted by applicable law) be entitled to interest on demand on such amount for the period from (and including) the relevant Early Termination Date to (but excluding) the date of actual payment. Such interest will accrue daily at a rate equal to the Bank's cost of funds plus three per cent.
- 5.5 The Client will, on demand, indemnify the Bank for and against all reasonable out-of-pocket expenses, including but not limited to legal fees (on and indemnity basis) and any stamp, stamp duty reserve, registration or documentary tax, any goods and services tax and costs of collection, incurred by the Bank by reason of the enforcement and protection of its rights under the OTC Agreement or by reason of the early termination of the OTC Agreement, but not limited to costs of collection.

6. Set-Off

- 6.1 6.1 In addition to any rights of set-off the Bank may have as a matter of law or otherwise, upon the occurrence of an Event of Default with respect to the Client, the Bank will have the right (but will not be obliged) to set off or apply any obligation of the Client owed to the Bank (whether or not matured or contingent and whether or not arising under the OTC Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of the Bank owed to the Client (whether or not matured or contingent and whether or not arising under the OTC Agreement, and regardless of the currency, place of payment or booking office of the obligation).
- 6.2 For the purpose of cross-currency set-off, the Bank may convert any obligation at the applicable market exchange rate determined by the Bank on the relevant date.
- 6.3 If an obligation is unascertained, the Bank may estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained
- 6.4 This Clause 6 shall not constitute a mortgage, charge, lien or other security interest upon any of the property or assets of the Client.
- 6.5 The Bank shall, as soon as practicable thereafter, give notice to the Client of any exercise of its rights under this Clause 6.

7. Transfer

- 7.1 The rights and obligations of the Client under the OTC Agreement and under each Transaction may not be transferred (whether by way of charge or otherwise) without the prior written consent of the Bank.
- 7.2 The rights and obligations of the Bank under the OTC Agreement and under each Transaction may at any time and from time to time be assigned or transferred (whether by way of charge or otherwise) to its transferee(s), who shall thereupon become vested with all the powers and rights in respect thereto given to the Bank herein, and the Bank shall thereafter be relieved and fully discharged from any liability or responsibility with respect thereto, but for the avoidance of doubt, the Bank shall retain all rights and powers hereby given with respect to any rights or Transaction not so transferred.
- 7.3 The Client undertakes to execute all such documents and do all such acts or deeds (at its own cost) as may be required by the Bank in connection with such assignment, transfer or charge referred to this Clause 7. Any purported transfer not in compliance with this Clause 7 shall be void.

8. Notices

- 8.1 Any notice or communication in respect of the OTC Agreement may be given in any manner set forth below and will be deemed effective as indicated:
 - (a) if from the Bank to the Client; (if delivered by person) when the notification is delivered, (if sent by letter) the second Business day after posting for domestic mail, or on the sixth Business Day after posting if for international mail, or when sent to its telex or fax number or by other electronic means (including email) as indicated in the Bank's records, or when the notification is held or retained by the Bank under the hold mail instructions of the Client (as set out in the General Conditions); and
 - (b) if from the Client to the Bank, when the Bank actually receives the notification.
- 8.2 Either party may by written notice to the other change the address, telex or facsimile number, email or electronic messaging system details at which notices or other communications are to be given to it.



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9. Miscellaneous

- 9.1 Time will be of the essence in respect of the OTC Agreement and each Transaction.
- 9.2 Without prejudice to Clauses 2.3 and 5.2, the obligations of the parties under the OTC Agreement will survive the termination of any Transaction.
- 9.3 The OTC Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- 9.4 The OTC Agreement may be executed and delivered in counterparts, each of which will be deemed an original. The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise).
- 9.5 A failure or delay in exercising any right, power or privilege in respect of the OTC Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.

10. Risk Disclosure Representations

The Client represents as of the date hereof (which representation will be deemed to be repeated on each date that a Transaction is entered into) to the Bank that:

- (a) it has knowledge and experience in financial and business matters and expertise in assessing credit, operational and market risks, is capable of evaluating the merits, risks and suitability of entering into each Transaction, is not relying on any representation as to the credit quality of the Bank or any assurance as to the expected performance or result of any Transaction and is capable of assuming and assumes the risks of each Transaction;
- (b) it is solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Bank and the legal, financial, tax, accounting and other evaluations of the merits and the risks of entering into each Transaction and is not relying on the views or the advice of the Bank or any of its affiliates in that regard;
- (c) It has taken its own independent review and such professional advice as it has deemed appropriate to determine that each Transaction (i) is fully consistent with its financial needs, objectives and condition; (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (if any); and (iii) is fit, proper and suitable for it, notwithstanding any risk inherent in entering into that Transaction; and
- (d) it understands that the Bank is not acting as a fiduciary or an advisor for it and all decisions have been the result of arm's length negotiations between the Bank and it.

11. Contracts (Rights of Third Parties) Ordinance

A person who is not a party to the OTC Agreement may not enforce its terms under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).



Annex A – General Definitions

1. Interpretation

- (a) This Annex A sets out certain additional provisions and definitions applicable to the OTC Agreement and all Transactions.
- (b) This Annex A is supplemental to, and forms part of, this Master OTC Terms and Conditions.
- (c) In the event of any inconsistency between this Annex A and the provisions of this Master OTC Terms and Conditions or any other Annex that may form part of this Master OTC Terms and Conditions, this Annex A will prevail for the purposes of the relevant Transaction. In the event of any inconsistency between this Annex A and the provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. General Definitions

“Account Opening Documentation” means the account application form and other ancillary documentation signed by the Client to open its account with the Bank.

“American” means a style of Transaction pursuant to which the right or rights granted are exercisable during an Exercise Period that consists of a period of days.

“Banking Day” means, in respect of any city, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

“Bond Option Transaction” means any transaction that is an OTC option relating to bonds or other debt securities.

“Business Day” means, in respect of any date that is specified in the OTC Agreement to be subject to adjustment in accordance with any applicable Business Day Convention, a day on which commercial banks and foreign exchange market settle payments and are open for general business in the place(s) and on the days specified for that purpose in the relevant Confirmation.

“Buyer” means the party specified as such in a Confirmation.

“Cash Settlement” means that “Cash Settlement” is applicable to such Transaction and the Seller grants to the Buyer pursuant to such Transaction the right to cause the Seller to pay to the Buyer the Cash Settlement Amount applicable to such Transaction on the relevant date and “Cash-Settled” means that Cash Settlement is applicable to that Transaction.

“Clearance System” means the clearance system specified as such in the relevant Confirmation or any successor to such Clearance System. If the Confirmation does not specify a Clearance System, the Clearance System will be the principal domestic Clearance System customarily used for settling trades in the relevant Shares or Bonds (as applicable). If the Clearance System ceases to clear such Shares or Bonds (as applicable), the Bank will, acting in good faith and in its sole discretion, determine another manner of delivery.

“Clearance System Business Day” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“Commencement Date” means, in respect of an American style Transaction, the date specified as such in the relevant Confirmation or, if such a date is not specified, the Trade Date.

“Credit Support Document” means: any security, document, or arrangement of any kind and any mortgage, pledge, lien, charge, guarantee, negative pledge, letter of comfort, indemnity, letter of credit or deposit given or made from time to time by the Client and/or a third party in favour of the Bank, supporting any obligations of the Client under this Master OTC Terms and Conditions or any other agreement (including without limitation any agreement in relation to any credit facilities granted by the Bank to the Client from time to time) or any other transaction and includes any agreement or instrument that is specified as such by agreement between the Bank and the Client in any document or facility advising letter entered or to be entered into between the Bank and the Client, and a Credit Support Provider, if any.

“Credit Support Provider” means: any person(s), entity(ies) or provider of any security, guarantee or indemnity, or other credit support, in each case pursuant to a Credit Support Document (other than the Bank) and includes any credit support provider that is specified as such by agreement between the Bank and the Client in any document or facility advising letter entered or to be entered into between the Bank and the Client, and a credit support provider, if any.

“Currency Option Transaction” means an OTC Transaction entitling the Buyer, upon exercise, to purchase from the Seller at the Strike Price, a specified quantity of Call Currency and to sell to the Seller at the Strike Price a specified quantity of Put Currency.

“Designated Maturity” means the period of time specified as such for a Transaction or a party.

“Early Termination Amount” in respect of a party and a Terminated Transaction means, as determined by the Bank in good faith, an amount in the Termination Currency which is equivalent (using a mid-market exchange rate for the relevant Early Termination Date) to the amount determined by the Bank as of the Early Termination Date equal to either (a) the aggregate losses and costs (including, without limitation, loss of bargain, costs and losses resulting from unwinding hedging operations and cost of funding but not including expenses referred to in Clause 5.5 that it may suffer or incur or may have suffered or incurred or (b) the gains or benefits that it may take or enjoy or may have made or enjoyed, in either case as a result of the early termination of the obligations of the parties under the Terminated Transaction under Clause 5.2



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without regard to the effect of the other provisions of Clause 5. The parties agree that such amount is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks.

“Early Termination Date” means the date specified in any notice given under Clause 5.1.

“Equity Option Transaction” means a transaction that is an Index Option Transaction, a Share Option Transaction, an Index Basket Option Transaction or a Share Basket Option Transaction.

“European” means a style of Transaction pursuant to which the right or rights granted are exercisable only on the Expiration Date.

“Event of Default” has the meaning given in that term in Clause 4 of this Master OTC Terms and Conditions.

“Exchange” means:

- (a) in respect of an Index relating to an Index Option Transaction or Index Basket Option Transaction, each exchange or quotation system specified as such for such Index in the relevant Confirmation or any successor to such exchange or quotation system;
- (b) in respect of a Share relating to a Share Option Transaction or Share Basket Option Transaction, each exchange or quotation system specified as such for such Share in the relevant Confirmation or any successor to such exchange or quotation system; and
- (c) in respect of a Bond relating to a Bond Option Transaction, each securities exchange or trading market specified as such for such Bond in the relevant Confirmation or any successor to such securities exchange or trading market.

If the specified Exchange ceases to list or otherwise include the Bonds or the Shares (as applicable), the Bank will, acting in good faith and in its sole discretion, nominate an alternative exchange.

“Exchange Business Day” means any day that is (or, but for the occurrence of a Market Disruption event, would have been) a trading day on the Exchange and, in the case of an Equity Option Transaction, each Related Exchange, other than a day on which trading on that Exchange is scheduled to close prior to its regular weekday closing time.

“Exercise Date” means, in respect of each exercise or deemed exercise of rights under a Transaction, the day during the Exercise Period on which that exercise or deemed exercise occurs.

“Exercise Period” means the dates and times during which an Option Transaction may be exercised as specified in the relevant Confirmation, and if none are specified:

- (a) in respect of a European style Transaction, the Expiration Date between 9:00 a.m. (Tokyo local time) and 3:00 p.m. (Tokyo local time);
- and
- (b) in respect of an American style Transaction, all days which are Exchange Business Days from, and including, the Commencement Date to, and including, the Expiration Date between 9:00 a.m. (Tokyo local time) and 3:00 p.m. (Tokyo local time).

“Expiration Date” means the date specified as such in the relevant Confirmation or, if that date is not a Business Day, the next following day that is a Business Day.

“Expiration Time” means the time specified as such in the relevant Confirmation and if none is so specified, 3:00 p.m. (Tokyo local time).

“FX Transaction” means an OTC Transaction providing for the purchase of an agreed amount of one currency by one party to such Transaction in exchange for the sale by it of an agreed amount of another currency to the other party to such Transaction.

“General Conditions” means the General Conditions of Union Bancaire Privée, UBP SA, Hong Kong Branch, as amended from time to time.

“Index Basket Option Transaction” means an OTC equity option transaction relating to a basket of indices.

“Index Option Transaction” means an OTC equity option transaction relating to a single index.

“Interest Rate Transaction” means any transaction which is an interest rate cap transaction, an interest rate floor transaction, interest rate swap transaction or an interest rate collar transaction.

“Maximum Number of Options” means in respect of a Transaction to which Multiple Exercise is applicable, the number specified as such in the relevant Confirmation.

“Minimum Number of Options” means in respect of a Transaction to which Multiple Exercise is applicable, the number specified as such in the relevant Confirmation.

“Notice of Exercise” means irrevocable notice delivered by the Buyer to the Seller prior to or at the Expiration Time on the Expiration Date (which may be delivered by fax, telephone or email) of the Buyer’s exercise of the rights granted pursuant to a Transaction.

“Number of Options” means the number specified as such in a Confirmation.

“OTC” means over-the-counter.

“Option” means each unit into which a Transaction is divided for the purposes of exercise, valuation or settlement.



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“Physical Settlement” means that:

- (a) in the case of an Equity Option Transaction which is a Call, the Buyer will pay to the Seller the Settlement Price and the Seller will deliver to the Buyer the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be;
- (b) in the case of an Equity Option Transaction which is a Put, the Seller will pay to the Buyer the Settlement Price and the Buyer will deliver to the Seller the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be;
- (c) in the case of a Bond Option Transaction which is a Call, the Buyer will pay to the Seller the Strike Price and the Seller will deliver to the Buyer the Bonds; and
- (d) in the case of a Bond Option Transaction which is a Put, the Seller will pay to the Buyer the Strike Price and the Buyer will deliver to the Seller the Bonds; and “Physically-Settled” means that Physical Settlement is applicable to such Transaction.

“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.

“Premium” means the amount, if any, that is specified in the relevant Confirmation.

“Premium Payment Date” means the date specified as such in the relevant Confirmation (subject to adjustment in accordance with the Following Business Day Convention or, if applicable, any Business Day Convention that is specified to be applicable to that Transaction).

“Reference Banks” means:

- (a) for the purposes of any “LIBOR” Floating Rate Option, four major banks in the London interbank market;
- (b) for the purposes of any “HKD-HIBOR” Floating Rate Option and any “CNH-HIBOR” Floating Rate Option, four major banks in the Hong Kong interbank market; and
- (c) for the purposes of any “SIBOR” Floating Rate Option, four major banks in the Singapore interbank market.

“Related Exchange” means, in respect of an Equity Option Transaction, each exchange or quotation system specified as such in the relevant Confirmation or any successor to such exchange or quotation system.

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time.

“Risk Disclosure Statement” means the document titled as such and accepted by the Client regarding the disclosure of risks and disclaimer together with the Account Opening Documentation.

“Seller” means the party specified as such in the relevant Confirmation.

“Settlement Currency” means the currency specified as such in the Confirmation and, if none is specified, the currency in which the Premium is denominated.

“Share Basket Option Transaction” means an OTC Equity Option Transaction relating to a basket of shares or other securities.

“Share Option Transaction” means any OTC Equity Option Transaction relating to a single share or other security.

“Specified Transaction” means any swap, cap, collar, floor, forward, futures, option or foreign exchange transaction whether linked to interest rates, currency rates, commodity prices, levels of indices, prices of securities or otherwise and any other similar rate or price protection transaction between the Client and any other person (including, for the avoidance of doubt, the Bank).

“Tax” means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under the OTC Agreement other than a stamp, registration, documentation or similar tax.

“Terminated Transaction” means each Transaction terminated as a result of an Event of Default under the OTC Agreement.

“Termination Currency” means United States Dollars.

“TARGET Settlement Day” means any day on which TARGET (the Trans-European Automated Real-Time Gross settlement Express Transfer system) is open.

“Trade Date” means the date on which the parties enter into a Transaction.

“Valuation Date” means:

- (a) in respect of an Equity Option Transaction, each date specified as such in the relevant Confirmation and if none is specified, each Exercise Date (unless there is a Market Disruption Event in which case, see Clause 7(b) in Section D (Equity Option Transactions));
- (b) in respect of an FX Transaction, each date specified as such in the relevant Confirmation and if none is specified, two Business Days prior to the Settlement Date;
- (c) in respect of a Currency Option Transaction, each date specified as such in the relevant Confirmation and if none is specified, the Exercise Date; and
- (d) in respect of a Bond Option Transaction, each date specified as such in the relevant Confirmation and if none is specified, the Exercise Date.



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“Valuation Time” means the time specified as such in the relevant Confirmation or, if no such time is specified, 3.00 p.m. (Tokyo time).

3. Business Day Convention

“Business Day Convention” means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term “Business Day Convention” and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if “Following” is specified, that date will be the first following day that is a Business Day;
- (b) if “Modified Following” is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
- (c) if “Preceding” is specified, that date will be the first preceding day that is a Business Day.

The Business Day Convention applicable to a date that is specified in this Master OTC Terms and Conditions or in a Confirmation to be subject to adjustment in accordance with an applicable Business Day Convention shall be the Business Day Convention specified for that date in this Master OTC Terms and Conditions or in that Confirmation, or if a Business Day Convention is not so specified for that date, shall be Modified Following.

4. Rounding

For the purposes of any calculation(s) in respect of any Transaction,

- (a) all percentages will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point; and
- (b) all currency amounts will be rounded in accordance with the relevant market practice.



Annex B – Interest Rate Transactions

1. Interpretation

- 1.1 This Annex B sets out certain additional provisions and definitions applicable to Transactions that are interest rate swaps, caps, collars and floors.
- 1.2 This Annex B is supplemental to and forms part of this Master OTC Terms and Conditions. Definitions used in this Annex B shall be incorporated into any Transaction specified to be an Interest Rate Transaction in the relevant Confirmation.
- 1.3 In the event of any inconsistency between this Annex B and the provisions of this Master OTC Terms and Conditions or any other Annex that may form part of this Master OTC Terms and Conditions, this Annex B will prevail for the purposes of the relevant Interest Rate Transaction. In the event of any inconsistency between this Annex B and the other provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. Fixed Rate Payer and Floating Rate Payer

- 2.1 The Fixed Rate Payer is obliged (a) to make payments from time to time during the Term of the Interest Rate Transaction of amounts calculated by reference to a fixed per annum rate, or (b) to make one or more payments of a Fixed Amount.
- 2.2 The Floating Rate Payer is obliged (a) to make payments from time to time during the Term of the Interest Rate Transaction of amounts calculated by reference to a floating per annum rate, or (b) to make one or more payments of a Floating Amount.

3. Payments

3.1 Premium

On the Premium Payment Date, the Buyer will pay to the Seller the Premium.

3.2 Payment of a Fixed Amount

The Fixed Amount payable by the Fixed Rate Payer on a Payment Date will be:

- (a) if an amount is specified for the Interest Rate Transaction as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, that amount; or
- (b) if an amount is not specified for the Interest Rate Transaction as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, an amount calculated for that Payment Date or for the related Calculation Period as follows:

Fixed Amount = Notional Amount x Fixed Rate x Fixed Rate Day Count Fraction

3.3 Payment of a Floating Amount

Subject to Clause 3.5 of this Section B, the Floating Amount payable by the Floating Rate Payer on a Payment Date will be an amount calculated on a formula basis for that Payment Date or for the related Calculation Period as follows:

Floating Amount = Notional Amount x (Floating Rate ± Spread) x Floating Rate Day Count Fraction

3.4 Calculation of Fixed and Floating Amounts

The Bank is responsible for:

- (a) calculating the applicable Floating Rate, if any, for each Payment Date or for each Calculation Period;
- (b) calculating any Floating Amount payable on each Payment Date or for each Calculation Period;
- (c) calculating any Fixed Amount payable on each Payment Date or for each Calculation Period;
- (d) giving notice to the Client on the Calculation Date for each Payment Date or for each Calculation Period, specifying
 - (i) the Payment Date;
 - (ii) the party or parties required to make the payment or payments then due;
 - (iii) the amount or amounts of the payment or payments then due; and
 - (iv) reasonable details as to how the amount or amounts were determined; and
- (e) if, after notice is given, there is a change in the number of days in the relevant Calculation Period and the amount(s) of the payment(s) due for that Payment Date or for that Calculation Period, promptly giving the Client notice of those changes, with reasonable details as to how those changes were determined.



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3.5 Negative Interest Rates

- (a) For the purpose of the calculation of a Floating Amount payable by a party, if “Negative Interest Rate Method” is applicable to an Interest Rate Transaction and the Floating Amount payable by a party on a Payment Date is a negative number (either due to a quoted negative Floating Rate or by operation of a Spread that is subtracted from the Floating Rate), then the Floating Amount payable by that party on that Payment Date will be deemed to be zero, and the other party will pay to that party the absolute value of the negative Floating Amount as calculated, in addition to any amounts otherwise payable by the other party for the related Calculation Period, on that Payment Date. Any amounts paid by the other party with respect to the absolute value of a negative Floating Amount will be paid to such account as the receiving party may designate (unless such other party gives timely notice of a reasonable objection to such designation) in the currency in which that Floating Amount would have been paid if it had been a positive number (and without regard to the currency in which the other party is otherwise obligated to make payments).
- (b) Unless the parties specify otherwise, “Negative Interest Rate Method” will be deemed to apply to an Interest Rate Transaction.

4. Definitions

“**Calculation Date**” means the earliest day on which it is practicable to provide the notice that the Bank is required to give for that Payment Date or for that Calculation Period.

“**Calculation Period**” means each period from, and including, one Period End Date of that party to, but excluding, the next following applicable Period End Date during the Term of the Interest Rate Transaction, except that (a) the initial Calculation Period for the party will commence on, and include, the Effective Date and (b) the final Calculation Period for the party will end on, but exclude, the Termination Date.

“**Effective Date**” means the date specified as such in the relevant Confirmation, which date is the first day of the Term of the Interest Rate Transaction.

“**Fixed Amount**” means an amount that is payable by that Fixed Rate Payer on an applicable Payment Date and is specified in a Confirmation.

“**Fixed Rate Day Count Fraction**” means, in respect of any calculation of a Fixed Amount, the Fixed Rate Day Count Fraction specified in the relevant Confirmation for the Interest Rate Transaction or the Fixed Rate Payer and, if none is so specified, the Day Count Fraction determined by the Bank in its sole and absolute discretion. The provisions relating to Day Count Fraction are included in Annex F (Miscellaneous) to this Master OTC Terms and Conditions.

“**Fixed Rate**” means, for any Payment Date or for any Calculation Period in respect of a Payment Date, a rate, expressed as a decimal, equal to the per annum rate specified as such in the relevant Confirmation for the Interest Rate Transaction or that party.

“**Fixed Rate Payer**” means the party specified as such in the relevant Confirmation.

“**Floating Amount**” means an amount that is payable by that Floating Rate Payer on an applicable Payment Date.

“**Floating Rate Day Count Fraction**” means, in respect of any calculation of a Floating Amount the Floating Rate Day Count Fraction specified for the Interest Rate Transaction or the Floating Rate Payer and, if none is so specified, the Day Count Fraction determined by the Bank in its sole and absolute discretion. The provisions relating to Day Count Fraction are included in Annex F (Miscellaneous) to this Master OTC Terms and Conditions.

“**Floating Rate Option**” means, in respect of an Interest Rate Transaction and the calculation of a Floating Amount, the Floating Rate Option specified as such, which may be specified by reference to a Rate Option or may be specified by defining the Floating Rate Option in the relevant Confirmation.

“**Floating Rate Payer**” means the party specified as such in the relevant Confirmation.

“**Floating Rate**” means, for any Calculation Period in respect of a Payment Date or for any Reset Date, a rate, expressed as a decimal, equal to:

- (a) if a cap rate is specified in the relevant Confirmation, the excess, if any, of a rate determined pursuant to subparagraph (c) below over the cap rate so specified;
- (b) if a floor rate is specified in the relevant Confirmation, the excess, if any, of the floor rate so specified over a rate determined pursuant to subparagraph (c) below; and
- (c) in all other cases and for the purposes of paragraphs (a) and (b) above, the per annum rate specified to be the Floating Rate applicable to that Calculation Period or Reset Date as such in the relevant Confirmation.

“**Notional Amount**” means the amount specified as such in the relevant Confirmation.

“**Payment Date**” means each day during the Term of the Interest Rate Transaction so specified in the relevant Confirmation and the Termination Date except that (a) (unless otherwise specified) each Payment Date shall be subject to adjustment in accordance with the Modified Following Business Day Convention, and (b) a Payment Date in respect of a Fixed Rate Payer may be a specified day prior to the Effective Date where the Floating Amounts payable by the Floating Rate Payer are calculated by reference to a cap rate or floor rate.

“**Period End Date**” means each Payment Date in relation to a party during the Term of the Interest Rate Transaction.



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“Rate Option” means, in respect of an Interest Rate Transaction and the calculation of a Floating Amount, any of the terms defined in Annex F (Miscellaneous) to this Master OTC Terms and Conditions.

“Reset Date” means each day specified as such in the relevant Confirmation, subject to adjustment in accordance with the Modified Following Business Day Convention, unless an adjustment in accordance with that Business Day Convention would cause a Reset Date to fall on the Payment Date in respect of the Calculation Period to which that Reset Date relates, in which case that Reset Date shall be adjusted in accordance with the Preceding Business Day Convention.

“Spread” means the per annum rate, expressed as a decimal, if any, specified as such in the relevant Confirmation. For the purpose of determining a Floating Amount, if positive, the Spread will be added to the Floating Rate and, if negative, the Spread will be subtracted from the Floating Rate.

“Term” means the period commencing on the Effective Date and ending on the Termination Date of an Interest Rate Transaction.

“Termination Date” means the date specified as such in the relevant Confirmation, which date is the last day of the Term of the Interest Rate Transaction.



Annex C – FX Transactions and Currency Option Transactions

1. Interpretation

- 1.1 This Annex C sets out certain additional provisions and definitions applicable to Transactions that are FX Transactions and Currency Option Transactions.
- 1.2 This Annex C is supplemental to and forms part of this Master OTC Terms and Conditions. Definitions used in this Annex C shall be incorporated into any Transaction specified to be an FX Transaction or Currency Option Transaction in the relevant Confirmation.
- 1.3 In the event of any inconsistency between this Annex C and the provisions of this Master OTC Terms and Conditions or any other Annex that may form part of this Master OTC Terms and Conditions, this Annex C will prevail for the purposes of the relevant Transaction. In the event of any inconsistency between this Annex C and the other provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. Agreement to perform

- 2.1 On the Premium Payment Date, the Buyer will pay to the Seller the Premium.
- 2.2 The Seller grants to the Buyer, upon the exercise of a Currency Option Transaction:
 - (a) if Deliverable is applicable, the right, but not the obligation, to cause the Seller to pay to the Buyer the Call Currency Amount on the Settlement Date; or
 - (b) if Non-Deliverable is applicable, the right, but not the obligation, to cause the Seller to pay to the Buyer the In-the-Money Amount, if any, on the Settlement Date,in each case in accordance with Clause 4 of this Annex C. Unless the parties otherwise specify, Deliverable will be deemed to apply to a Currency Option Transaction.
- 2.3 In the case of an FX Transaction, the parties will pay the amounts specified as payable by them in accordance with Clause 4 of this Annex C. Unless the parties otherwise specify, Deliverable will be deemed to apply to an FX Transaction.

3. Exercise of Currency Option Transactions

3.1 Exercise

- (a) The Buyer may exercise the rights granted pursuant to a Currency Option Transaction by giving to the Seller a Notice of Exercise which shall constitute an irrevocable election and undertaking by the Buyer to exercise the Currency Option Transaction:
 - (i) in respect of an American style Option, if received during the Exercise Period, and
 - (ii) in respect of a European style Option, if received on the Exercise Date prior to the Expiration Time,unless Automatic Exercise (as set out in Clause 3.3 of this Annex C) is applicable, in which case the Currency Option Transaction is deemed exercised pursuant to that Clause 3.3.
- (b) If a Notice of Exercise has not been received by the Seller prior to or at the Expiration Time on the Expiration Date (and Automatic Exercise is not applicable), the right or rights granted pursuant to a Currency Option Transaction will expire and become void and of no effect.

3.2 Exercise in whole

Unless otherwise specified in a Confirmation, a Currency Option Transaction may be exercised only in whole.

3.3 Automatic Exercise

- (a) Unless the parties otherwise specify, Automatic Exercise will be deemed to apply to a Transaction.
- (b) If "Automatic Exercise" is applicable to a Currency Option Transaction, then, each Option not previously exercised under that Currency Option Transaction will be deemed to be automatically exercised as of the Expiration Time on the Expiration Date if the In-the-Money Amount of the Currency Option Transaction at such Expiration Time is positive.
- (c) In the case of a Deliverable Currency Option Transaction, if Automatic Exercise occurs, the Seller will settle such Transaction in accordance with Clause 4.3 of this Annex C.



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4. Settlement

4.1 Deliverable FX Transaction

Under a Deliverable FX Transaction, on the Settlement Date, each party will pay the amount specified as payable by it in the relevant Confirmation.

4.2 Non-Deliverable FX Transaction

Under a Non-Deliverable FX Transaction, on the Settlement Date, (a) if the Settlement Currency Amount is a positive number, the Reference Currency Buyer will pay that amount in the Settlement Currency to the Reference Currency Seller, or (b) if the Settlement Currency Amount is a negative number, the Reference Currency Seller will pay the absolute value of that amount in the Settlement Currency to the Reference Currency Buyer.

4.3 Deliverable Currency Option Transaction

In respect of an Exercise Date under a Deliverable Currency Option Transaction, the Buyer will pay to the Seller the Put Currency Amount and the Seller will pay to the Buyer the Call Currency Amount.

4.4 Non-Deliverable Currency Option

In respect of an Exercise Date under a Non-Deliverable Currency Option Transaction, the Seller will pay to the Buyer the In-the-Money Amount, if positive, on the Settlement Date.

5. Calculation of Rates

5.1 Multiple Price Sources

If the currency exchange rate specified in the applicable Settlement Rate Option is published or announced by more than one price source and the price source referred to in such Settlement Rate Option fails to publish or announce that currency exchange rate on the Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Spot Rate for that Valuation Date will be determined by the Bank using any other available price source which actually publishes or announces such currency exchange rate on such Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.

5.2 Official Successor Rate

If the currency exchange rate specified in the applicable Settlement Rate Option is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by the relevant Government Authority, and such currency exchange rate ceases to exist and is replaced by the Official Successor Rate, then the Spot Rate for the relevant Valuation Date will be determined by the Bank in its sole discretion.

6. Disruption

Notwithstanding anything to the contrary in this Annex C, upon the occurrence of a Disruption Event, the Bank shall determine the Settlement Rate or manner of settlement taking into account all available information that it deems relevant. The Bank shall, as soon as practicable following the occurrence of the relevant event or circumstance, notify the Buyer of such alternative bases for the determination of the Settlement Rate or manner of settlement, as the case may be.

7. Definitions

“**Call**” means a type of Currency Option Transaction entitling the Buyer upon exercise:

- (i) in the case of a Deliverable Currency Option Transaction, to purchase from the Seller the Call Currency Amount at the Strike Price; and
- (ii) in the case of a Non-Deliverable Currency Option Transaction, to receive from the Seller the In-the-Money Amount, if positive calculated in accordance with Clause 4 of this Annex C, in each case, as more particularly provided in the relevant Confirmation.

“**Call Currency**” means the currency specified as such in the relevant Confirmation or, if such a currency is not specified, the currency that is to be purchased by the Buyer.

“**Call Currency Amount**” means the aggregate amount of Call Currency to be purchased upon the exercise of a Currency Option Transaction as specified in the relevant Confirmation or if such an amount is not specified, the Put Currency Amount multiplied by the Strike Price (where the Strike Price is expressed as the amount of Call Currency to be paid per one unit of Put Currency).

“**Currency Pair**” means (a) in respect of a Deliverable FX Transaction, the currencies specified as being deliverable for a Transaction in the relevant Confirmation, (b) in respect of a Non-Deliverable FX Transaction, the Reference Currency and the Settlement Currency and (c) in respect of a Currency Option Transaction, the Call Currency and the Put Currency.



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“Deliverable” means that such Transaction will settle in accordance with Clause 4.1 or Clause 4.3 of this Annex C (as applicable).

“Disruption Event” means the occurrence of any event which, in the sole and absolute determination of the Bank, makes it illegal, impossible or otherwise impracticable:

- (a) to convert the Reference Currency into the currency of the Currency Pair that is not the Reference Currency in the country for which the Reference Currency is the lawful currency through customary legal channels, including a situation where the currency exchange rate specified in the Settlement Rate Option splits into dual or multiple currency exchange rates;
- (b) to deliver the currency of the Currency Pair that is not the Reference Currency from accounts inside the country for which the Reference Currency is the lawful currency to accounts outside such country, or to deliver the Reference Currency between accounts inside the country for which the Reference Currency is the lawful currency or to a party that is a non-resident of such country;
- (c) to obtain a firm quotation for the Settlement Rate on the Valuation Date;
- (d) to obtain the Settlement Rate on the Valuation Date or if such rate is commercially unreasonable in the sole and absolute determination of the Bank; or
- (e) for a party to fulfil its obligations under a Transaction and generally to fulfil obligations similar to such party’s obligations under that Transaction.

“Forward Rate” means the currency exchange rate, expressed as the amount of Reference Currency per one unit of Settlement Currency specified as such in the relevant Confirmation or, if such a rate is not specified, the currency exchange rate obtained by dividing the Reference Currency Notional Amount by the Notional Amount.

“Government Authority” means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“In-the-Money Amount” means, in respect of a Valuation Date:

- (i) if the parties have specified a Settlement Currency in a Confirmation, the amount, if positive, expressed in the Settlement Currency calculated on a formula basis as follows:
 - (A) in the case of a Currency Option Transaction where the Reference Currency is the Put Currency and the Settlement Currency is the Call Currency:
$$\text{In-the-Money Amount} = [\text{Call Currency Amount} \times (\text{Settlement Rate} - \text{Strike Price}) / (\text{Settlement Rate})]$$

where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Reference Currency per one unit of Settlement Currency; and
 - (B) in the case of a Currency Option Transaction where the Reference Currency is the Call Currency and the Settlement Currency is the Put Currency:
$$\text{In-the-Money Amount} = [\text{Put Currency Amount} \times (\text{Strike Price} - \text{Settlement Rate}) / (\text{Settlement Rate})]$$

where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Reference Currency per one unit of Settlement Currency; or
- (ii) if a Settlement Currency is not specified, the amount, if positive, calculated on a formula basis as follows:
 - (A) in the case of a Call, the excess of the Settlement Rate over the Strike Price, multiplied by the Call Currency Amount, where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Put Currency to be paid per one unit of Call Currency; and
 - (B) in the case of a Put, the excess of the Strike Price over the Settlement Rate, multiplied by the Put Currency Amount, where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Call Currency to be paid per one unit of Put Currency.

“Non-Deliverable” means, if specified in a Confirmation to be applicable to a Transaction, that such Transaction will settle in accordance with Clause 4.2 or 4.4. (as applicable).

“Notional Amount” means

- (a) in respect of Deliverable FX Transaction or a Deliverable Currency Option Transaction, the quantity of currency specified as such in the related Confirmation; and
- (b) in respect of a Non-Deliverable FX Transaction or a Non-Deliverable Currency Option Transaction, the quantity of Settlement Currency specified as such in the relevant Confirmation or if such an amount is not specified, (i) in the case of a Non-Deliverable FX Transaction, the quantity of the Settlement Currency equal to the Reference Currency Notional Amount divided by the Forward Rate; or (ii) in the case of a Non-Deliverable Currency Option Transaction, whichever of the Call Currency Amount or the Put Currency Amount that is denominated in the Settlement Currency.



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“**Official Successor Rate**” means a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by a Government Authority.

“**Principal Financial Centre**” means the financial centre indicated for such currency in Clause 6 of Annex F to this Master OTC Terms and Conditions.

“**Put**” means a type of Currency Option Transaction entitling the Buyer upon exercise:

- (i) in the case of a Deliverable Currency Option Transaction, to sell to the Seller the Put Currency Amount at the Strike Price; and
 - (ii) in the case of a Non-Deliverable Currency Option Transaction, to receive from the Seller the In-the-Money Amount, if positive, calculated in accordance with Clause 4 of this Annex C,
- in each case, as more particularly provided in the relevant Confirmation.

“**Put Currency**” means the currency specified as such in the relevant Confirmation on if such a currency is not specified, the currency that is to be sold by the Buyer.

“**Put Currency Amount**” means the aggregate amount of Put Currency to be sold upon the exercise of a Transaction as specified in the relevant Confirmation on if such amount is not specified, the Call Currency Amount divided by the Strike Price (where the Strike Price is expressed as the amount of Call Currency to be paid per one unit of Put Currency).

“**Reference Currency**” means, in respect of a Transaction, the currency specified as the Reference Currency or the local currency as the case may be, in the relevant Confirmation.

“**Reference Currency Buyer**” means, in respect of a Transaction, the party specified as such in the relevant Confirmation on if such a party is not specified, the party to which the Reference Currency is owed (or would have been owed if the Transaction were a Deliverable Transaction) on the Settlement Date.

“**Reference Currency Notional Amount**” means

- (a) in respect of a Deliverable FX Transaction or a Deliverable Currency Option Transaction, the quantity of Reference Currency specified in the relevant Confirmation; and
- (b) in respect of a Non-Deliverable FX Transaction or a Non-Deliverable Currency Option Transaction, the quantity of Reference Currency specified as such in the related Confirmation on if such an amount is not specified, (i) in the case of a Non-Deliverable FX Transaction, the quantity of Reference Currency equal to the Notional Amount multiplied by the Forward Rate, or (ii) in the case of a Non-Deliverable Currency Option Transaction, whichever of the Call Currency Amount or the Put Currency Amount that is denominated in the Reference Currency.

“**Reference Currency Seller**” means, in respect of a Transaction, the party specified as such in the relevant Confirmation on if such a party is not specified, the party which owes (or would have owed if the Transaction were a Deliverable Transaction) the Reference Currency on the Settlement Date.

“**Relevant Currency**” means, any of the Call Currency Put Currency or Reference Currency and “**Relevant Currencies**” means all of them.

“**Settlement Currency Amount**” means an amount expressed in the Settlement Currency calculated on a formula basis as follows:

$$\text{Settlement Currency Amount} = [\text{Notional Amount} \times (1 - \text{Forward Rate} / \text{Settlement Rate})]$$

where both the Forward Rate and the Settlement Rate are quoted in terms of the amount of Reference Currency per one unit of Settlement Currency.

“**Settlement Date**” means, in respect of a Transaction, the date specified as the Settlement Date in the relevant Confirmation, subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention is specified in the relevant Confirmation to be applicable to that Settlement Date.

“**Settlement Rate**” means, for any Valuation Date in respect of a Settlement Date, the currency exchange rate equal to (i) the Settlement Rate specified in the relevant Confirmation or (ii) if a Settlement Rate is not so specified, the Spot Rate for that Valuation Date.

“**Settlement Rate Option**” means, in respect of the calculation of an In-the-Money Amount, the Settlement Rate Option specified as such (or deemed specified) in the relevant Confirmation.

“**Spot Rate**” means, for any Valuation Date, the currency exchange rate determined in accordance with the specified (or deemed specified) Settlement Rate Option, or if a Settlement Rate Option is not specified (or deemed specified), the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the relevant Currency Pair for value on the Settlement Date, as determined by the Bank.

“**Strike Price**” means the currency exchange rate specified as such in the relevant Confirmation, which is the currency exchange rate at which the Currency Pair will be exchanged upon the exercise (or deemed exercise) of the right or rights granted pursuant to a Currency Option Transaction.



Annex D – Equity Option Transactions

1. Interpretation

- 1.1 This Annex D sets out certain additional provisions and definitions applicable to Transactions that are Equity Option Transactions.
- 1.2 This Annex D is supplemental to and forms part of this Master OTC Terms and Conditions. Definitions used in this Annex D shall be incorporated into any Transaction specified to be an Equity Option Transaction in the relevant Confirmation.
- 1.3 In the event of any inconsistency between this Annex D and the provisions of this Master OTC Terms and Conditions or any other Annex that may form part of this Master OTC Terms and Conditions, this Annex D will prevail for the purposes of the relevant Transaction. In the event of any inconsistency between this Annex D and the other provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. Agreement to perform

- (a) On the Premium Payment Date, the Buyer will pay to the Seller the Premium.
- (b) The Seller grants to the Buyer,
- (i) in the case of a Call, upon the exercise of a Physically-Settled Equity Option Transaction, the right, but not the obligation, to cause the Seller to deliver to the Buyer the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be, and the Buyer will pay to the Seller the Settlement Price;
 - (ii) in the case of a Put, upon the exercise of a Physically-Settled Equity Option Transaction, the right, but not the obligation, to cause the Buyer to deliver to the Seller the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be, and the Seller will pay to the Buyer the Settlement Price; or
 - (iii) in the case of a Cash-Settled Equity Option Transaction, the right, but not the obligation, to cause the Seller to pay to the Buyer the Cash Settlement Amount, if any on the relevant Cash Settlement Payment Date, in each case in accordance with Clause 4 or 5 of this Annex D (as applicable). Unless the parties otherwise specify, Physical Settlement will be deemed to apply to an Option Transaction.

3. Procedure for Exercise

3.1 Exercise

- (a) The Buyer may exercise the rights granted pursuant to an Equity Option Transaction by giving to the Seller a Notice of Exercise which shall constitute an irrevocable election and undertaking by the Buyer to exercise the Equity Option Transaction:
- (i) in respect of an American style Option, if received during the Exercise Period; and
 - (ii) in respect of a European style Option, if received on the Exercise Date prior to the Expiration Time, unless Automatic Exercise (as set out in Clause 3.3 of this Annex D) is applicable, in which case the Option Transaction is deemed exercised pursuant to that Clause 3.3.
- (b) If a Notice of Exercise has not been received by the Seller prior to or at the Expiration Time on the Expiration Date (and Automatic Exercise is not applicable), the right or rights granted pursuant to an Equity Option Transaction will expire and become void and of no effect.

3.2 Multiple Exercise

- (a) If "Multiple Exercise" is applicable to an American style Equity Option Transaction, the Buyer may exercise all or less than all the unexercised Options on one or more Exchange Business Days in the Exercise Period, but on any such Exchange Business Day may not exercise less than the Minimum Number of Options or more than the Maximum Number of Options and, if a number is specified as the "Integral Multiple" in the relevant Confirmation, the number of exercised Options must be equal to, or be an integral multiple of, the number so specified.
- (b) Any attempt to exercise on any Exchange Business Day in the Exercise Period,
- (i) more than the Maximum Number of Options will be deemed to be an exercise of the Maximum Number of Options (the number of Options, if any, exceeding the Maximum Number of Options being deemed to remain unexercised);
 - (ii) less than the Minimum Number of Options will be ineffective; and
 - (iii) an amount of Options not equal to or an integral multiple of the Integral Multiple will be deemed to be an exercise of a number of Options equal to the next lowest integral multiple of the Integral Multiple (the number of Options exceeding that number being deemed to remain unexercised).



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- (c) In the event that the number of Options remaining unexercised on the Expiration Date is less than the Minimum Number of Options, that number of Options will remain unexercised. In the event that the number of Options remaining unexercised on the Expiration Date is greater than the Maximum Number of Options, the Buyer may exercise only the specified Maximum Number of Options and the excess will remain unexercised.
- (d) Unless the parties specify otherwise, Multiple Exercise will be deemed to apply to any American style Equity Option Transaction.

3.3 Automatic Exercise

- (a) Unless the parties otherwise specify, Automatic Exercise will be deemed to apply to a Transaction.
- (b) If “Automatic Exercise” is specified (or deemed to be specified) to be applicable to an Equity Option Transaction, then each Option not previously exercised under that Equity Option Transaction will be deemed to be automatically exercised:
 - (i) where Cash Settlement is applicable, at the Expiration Time on the Expiration Date, unless the Buyer notifies the Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur; and
 - (ii) where Physical Settlement is applicable, at the Expiration Time on the Expiration Date if at such time the Option is In-the-Money as determined by the Bank, unless:
 - (A) the Buyer notifies the Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur; or
 - (B) the Reference Price necessary to determine that the Option is In-the-Money cannot be determined at the Expiration Time on the Expiration Date, in which case Automatic Exercise will not apply.

4. Physical Settlement

- 4.1 In respect of each Exercise Date under an Equity Option Transaction to which Physical Settlement is applicable, on the relevant Settlement Date,
 - (a) in the case of a Call, the Buyer will pay to the Seller the Settlement Price and the Seller will deliver to the Buyer the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be; and
 - (b) in case of a Put, the Buyer will deliver to the Seller the Number of Shares to be Delivered or the Number of Baskets to be Delivered, as the case may be, and the Seller will pay to Buyer the Settlement Price.
- 4.2 Such payment and delivery will be made on the relevant Settlement Date through the relevant Clearance System(s) at the accounts specified in the relevant Confirmation and, if possible through the relevant Clearance System(s), will be made on a delivery versus payment basis.
- 4.3 Following exercise of an Option under an Equity Option Transaction to which Physical Settlement is applicable, all expenses of transfer of the relevant Shares to be delivered (such as any stamp duty or stock exchange tax) will be payable by the Client and the Client agrees to indemnify the Bank for all such expenses of transfer.
- 4.4 Following exercise of an Option under an Equity Option Transaction to which Physical Settlement is applicable, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of such Shares executed on the Exercise Date to be settled through the relevant Clearance System.
- 4.5 Failure by the Bank to deliver, when due, the relevant Shares under that Transaction will not constitute an Event of Default if the Bank is unable to deliver such Shares due to illiquidity in the market for such Shares and if the Bank (a) notifies the Client within one Clearance System Business Day of the relevant Exercise Date to that effect and (b) delivers on the Settlement Date such number of Shares, if any, as it can deliver on that date. In such cases the Bank shall, by notice to the Client, in lieu of Physical Settlement, satisfy its obligation in respect of the Shares by payment to the Client of an amount equal to the market value of the Shares, as determined by the Bank using such market information available to it as it, in its sole and absolute discretion, may select, which have not been so delivered.
- 4.6 If, in respect of each exercise of Options under an Equity Option Transaction to which Physical Settlement is applicable, the Client fails to perform any obligation required to be settled by delivery, it will indemnify the Bank on demand for any costs, losses or expenses (including the costs of borrowing the relevant Shares, if applicable) resulting from such failure. A certificate signed by the Bank setting out such costs, losses or expenses in reasonable detail will be conclusive evidence that they have been incurred.
- 4.7 In respect of each exercise of an Option under a Physically-Settled Share Option Transaction, the party required to deliver the relevant Shares agrees that it will convey, and, on each date that it delivers such Shares, represents that it has conveyed, good title to the Shares it is required to deliver; free and clear of any lien, charge, claim or other encumbrance (other than a lien routinely imposed on all securities in the relevant Clearance System).



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5. Cash Settlement of Options

In respect of each Exercise Date under an Equity Option Transaction for which Cash Settlement is applicable, subject to any applicable condition precedent, the Seller will pay to the Buyer the Cash Settlement Amount, if any, on the relevant Cash Settlement Payment Date for all Options exercised or deemed exercised on that Exercise Date.

6. Adjustments to and Corrections of Index

- 6.1 If, on or prior to any Valuation Date in respect of an Index Option Transaction or Index Basket Option Transaction, a relevant Index sponsor:
- (a) makes a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method); or
 - (b) fails to calculate and announce a relevant Index, then the Bank shall calculate the relevant Settlement Price, using the level for that Index as at that Valuation Date as determined by the Bank in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure.
- 6.2 If, in respect of an Index Option Transaction or Index Basket Option Transaction, the level of an Index published on a given day and used or to be used by the Bank to calculate the Settlement Price, is subsequently corrected and the correction published by that Index sponsor within thirty (30) days of the original publication, the Bank may notify the Client of (i) that correction and (ii) the amount that is payable as a result of that correction and the Client shall pay to the Bank such amount, together with interest on that amount at a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Bank of funding that amount for the period from and including the day on which a payment originally was (or was not) made, to but excluding the day of payment of the refund or payment resulting from that correction.

7. Adjustments to Shares

7.1 Potential Adjustment Event

Following the declaration by the Issuer of any Potential Adjustment Event, the Bank will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will:

- (a) make the corresponding adjustment(s), if any, to any one or more of the Strike Price, the number of Options and the Option Entitlement and, in any case, any other variable relevant to the exercise, settlement or payment terms of that Transaction as the Bank determines appropriate to account for that diluting or concentrative effect; and
- (b) determine the effective date(s) of the adjustment(s).

The Bank may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on that options exchange.

7.2 Merger Event

If there is any Merger Event in respect of any Shares, the Bank will make corresponding adjustments, if any, to any one or more of:

- (a) in respect of a Share Option Transaction, the Strike Price, the number of Options and the Option Entitlement; and
- (b) in respect of a Share Basket Option Transaction. The Strike Price, the number of Options, the Option Entitlement and the number of Share comprised in the Basket;

and in any case, any other variable relevant to the exercise, settlement or payment terms of that Transaction, which adjustment will be effective as of the date determined by the Bank to be the effective date of the corresponding adjustment made by the Exchange.

8. Market Disruption Event

- (a) The Bank shall as soon as reasonably practicable under the circumstances notify the parties or other party, as the case may be, of the existence of a Market Disruption Event on any day that, but for the occurrence or existence of a Market Disruption Event, would have been a Valuation Date.
- (b) If there is a Market Disruption Event on a Valuation Date, then the Bank shall determine an alternative Valuation Date as soon as reasonably practicable thereafter.

9. Settlement Disruption Event

If a Settlement Disruption Event prevents delivery of the Shares on the Settlement Date, then the Settlement Date will be the first succeeding day on which delivery of the Shares can take place through the relevant Clearance System. If a Settlement Disruption Event prevents settlement on each of the ten relevant Clearance System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Settlement Date, the Shares will be delivered in any other commercially reasonable manner available to the parties and the Settlement Date will be the date designated as such by the Bank. If settlement is prevented beyond such time, the Bank may take such steps as it, in its sole and absolute discretion, deems necessary.



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10. Definitions

“Basket” means, in respect of an Index Basket Transaction, a basket composed of each Index specified in the relevant Confirmation in the relative proportions indicated in the Confirmation and, in the case of a Share Basket Transaction, a basket composed of Shares of each Issuer in the relevant Confirmation in the relative proportions and numbers of Shares of each Issuer specified in the Confirmation.

“Call” means an Equity Option Transaction entitling the Buyer upon exercise:

- (a) where Cash Settlement is applicable, to receive from the Seller the Cash Settlement Amount if the Settlement Price exceeds the Strike Price; and
- (b) where Physical Settlement is applicable, to purchase Shares or Baskets of Shares from the Seller at the Settlement Price, in each case, as more particularly provided in the relevant Confirmation.

“Cash Settlement Amount” means, in respect of an Equity Option Transaction, in respect of each Valuation Date:

- (a) under an Index Option Transaction or Index Basket Option Transaction, an amount, as calculated by the Bank, equal to the number of Options exercised or deemed exercised on the relevant Exercise Date multiplied by the Strike Price Differential multiplied by one unit of the Settlement Currency multiplied by the Multiplier; if any; and
- (b) under a Share Option Transaction or Share Basket Option Transaction, an amount, as calculated by the Bank, equal to the number of Options exercised or deemed exercised on the relevant Exercise Date multiplied by the Option Entitlement multiplied by the Strike Price Differential.

“Cash Settlement Payment Date” means, in respect of each Exercise Date, the date specified or otherwise determined as provided in the relevant Confirmation or if no such date is specified, as determined by the Bank.

“Fractional Share Amount” means an amount in the Settlement Currency representing the fractional Share resulting from the calculation of the Number of Shares to be Delivered or the Number of Baskets to be Delivered in respect of a Share Basket Option Transaction or a Share Option Transaction multiplied by the Settlement Price attributable to the relevant Share on the Exercise Date (determined assuming Cash Settlement were applicable and the Exercise Date were the Valuation Date).

“In-the-Money” means, unless otherwise specified in a Confirmation, in respect of a Physically-Settled Share Option Transaction, in the case of a Call, that the Reference Price is equal to or greater than the Strike Price and, in the case of a Put, that the Reference Price is less than or equal to the Strike Price.

“Issuer” means the issuer of the relevant Shares.

“Market Disruption Event” means, in the sole opinion of the Bank the occurrence or existence on any Exchange Business Day of any suspension of or limitation imposed on trading (by reasons of movements in price exceeding limits permitted by the relevant exchange or otherwise), on the relevant Exchange(s) in any securities comprised in the relevant Index, the Share on the Exchange or in options contracts or futures contracts on the relevant Index or relating to the Share on any Related Exchange if, in any such case, such suspension or limitation is, in the determination of the Bank, material.

“Merger Date” means, in respect of a Merger Event, the date upon which all holders of the relevant Shares (other than, in the case of a takeover offer; Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

“Merger Event” means, in respect of any relevant Shares,

- (a) any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding;
- (b) any consolidation, amalgamation or merger of the Issuer with or into another entity (other than a consolidation, amalgamation or merger in which such Issuer is the continuing entity and which does not result in any such reclassification or change of all of such Shares outstanding); or
- (c) other takeover offer for such Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before, in the case of a Physically Settled Option Transaction, the Expiration date or, in any other case, the final Valuation Date.

“Multiplier” means the percentage or amount, if any, specified as such in a Confirmation.

“Number of Baskets to be Delivered” means, in respect of an Exercise Date Under a Share Basket Option Transaction, the number of Baskets equal to the number of Options exercised or deemed exercised on that Exercise Date multiplied by the Option Entitlement In the event that a Basket to be Delivered comprises a fraction of a Share, the number of such Shares comprised in that Basket shall be rounded down to the nearest whole Share and a Fractional Share Amount will be payable by the relevant party in lieu of such fractional Share.

“Number of Shares to be Delivered” means, in respect of an Exercise Date under a Share Option Transaction, the number of Shares equal to the number of Options exercised or deemed exercised on that Exercise Date multiplied by the Option Entitlement. In the event that the number of Shares so calculated comprises any fractional Share, the Number of Shares to be Delivered shall be rounded down to the nearest whole Shares and a Fractional Share Amount will be payable by the relevant party in lieu of such fractional Share.

“Option Entitlement” means, in respect of a Share Option Transaction, the number of Shares per Option specified as such in the relevant Confirmation and, in respect of a Basket Option Transaction, the number of Baskets per Option specified as such in the relevant Confirmation.



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“Potential Adjustment Event” means in the sole and absolute opinion of the Bank, any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution or dividend to existing holders of the relevant Shares of (i) such Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Bank;
- (c) an extraordinary dividend;
- (d) a call by the Issuer in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (f) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

“Put” means an Equity Option Transaction entitling the Buyer upon exercise:

- (a) where Cash Settlement is applicable, to receive from the Seller a Cash Settlement Amount if the Strike Price exceeds the Settlement Price; and
- (b) where Physical Settlement is applicable, to sell Shares or Baskets of Shares to the Seller at the Settlement Price,

in each case as more particularly provided in the relevant Confirmation.

“Reference Price” means in respect of an Equity Option Transaction to which Physical Settlement is applicable, the price determined as provided in the relevant Confirmation at the Expiration Time on the Expiration Date or, if no means of determining such price is so provided,

- (a) in the case of a Share Option Transaction, the Relevant Price of the Share; and
- (b) in the case of a Share Basket Option Transaction, the sum of the values calculated at the Expiration Time on the Expiration Date for the Shares of each Issuer as the product of:
 - (i) the Relevant Price (for which purpose the Valuation Time and the Valuation Date will be the Expiration Time and the Expiration Date) of such Share; and
 - (ii) the number of such Shares comprised in the Basket.

“Relevant Price” on any day means, in respect of an Index, the level of such Index determined by the Bank as provided in the relevant Confirmation at the Valuation Time on the Valuation Date on if no means of determining the relevant Price is so provided, the level of the Index at the Valuation Time on the Valuation Date, and, in respect of a Share, the price per Share determined by the Bank as provided in the relevant Confirmation at the Valuation Time on the Valuation Date on if no means for determining the Relevant Price is so provided, the official price or if there is no official price, the mid-market price per Share on the Exchange at the Valuation Time on the Valuation Date.

“Settlement Date” means, in relation to Shares to be Delivered in respect of an Exercise Date, the first day on which settlement of a sale of such Shares executed on that Exercise Date customarily would take place through the relevant Clearance System, unless a Settlement Disruption Event prevents delivery of such Shares on that day.

“Settlement Disruption Event” in relation to a Share means, in the sole opinion of the Bank, an event beyond the control of the parties as a result of which the relevant Clearance System cannot clear the transfer of such Share.

“Settlement Price” means, in relation to a Valuation Date:

- (a) in respect of an Index Option Transaction, the level of the Index determined by the Bank at the Valuation Time on the Valuation Date;
- (b) in respect of a Share Option Transaction to which Cash Settlement is applicable, the price per Share determined by the Bank at the Valuation Time on the Valuation Date;
- (c) in respect of a Share Option Transaction to which Physical Settlement is applicable, an amount equal to the Strike Price multiplied by the Number of Shares to be Delivered;
- (d) in respect of an Index Basket Option Transaction, an amount for the Basket determined by the Bank at the relevant Valuation Time(s) on the Valuation Date;
- (e) in respect of a Share Basket Option Transaction to which Cash Settlement is applicable, a price for the Basket determined by the Bank at the relevant Valuation time(s) on the Valuation Date; and
- (f) in respect of a Share Basket Option Transaction, to which Physical Settlement is applicable, an amount equal to the Strike Price multiplied by the Number of Baskets to be Delivered.

“Shares” means the shares or other securities specified as such in the relevant Confirmation.



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“Strike Price” means:

- (a) in respect of an Index Option Transaction, the level of the relevant Index specified or otherwise determined as provided in the relevant Confirmation;
- (b) in respect of a Share Option Transaction, the price per Share specified or otherwise determined as provided in the relevant Confirmation;
- (c) in respect of an Index Basket Option Transaction, the amount per Basket specified or otherwise determined as provided in the relevant Confirmation; and
- (d) in respect of a Share Basket Option Transaction, the price per Basket specified or otherwise determined as provided in the relevant Confirmation.

“Strike Price Differential” means, unless otherwise provided in the relevant Confirmation, in respect of each Valuation Date, an amount equal to the greater of:

- (a) the excess of:
 - (i) in the case of a Call, the relevant Settlement Price over the Strike Price; or
 - (ii) in the case of a Put, the Strike Price over the relevant Settlement Price; and
- (b) zero.



Annex E – Bond Option Transactions

1. Interpretation

- 1.1 This Annex E sets out certain additional provisions and definitions applicable to Transactions that are Bond Option Transactions.
- 1.2 This Annex E is supplemental to and forms part of this Master OTC Terms and Conditions. Definitions used in this Annex E shall be incorporated into any Transaction specified to be a Bond Option Transaction in the relevant Confirmation.
- 1.3 In the event of any inconsistency between this Annex E and the provisions of this Master OTC Terms and Conditions or any other Annex that may form part of this Master OTC Terms and Conditions, this Annex E will prevail for the purposes of the relevant Transaction. In the event of any inconsistency between this Annex E and the other provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. Agreement to perform

- (a) On the Premium Payment Date, the Buyer will pay to the Seller the Premium.
- (b) The Seller grants to the Buyer, upon the exercise of a Bond Option Transaction,
- (i) in case of a Call and Physical Settlement is applicable, the right, but not the obligation, to cause the Seller to deliver to the Buyer the Bonds to be Delivered on the relevant Settlement Date and the Buyer will pay to the Seller the Bond Payment; or
 - (ii) in case of a Put and Physical Settlement is applicable, the right, but not the obligation, to cause the Buyer to deliver to the Seller the Bonds to be Delivered on the relevant Settlement Date and the Seller will pay to the Buyer the Bond Payment; or
 - (iii) in case of Call and Cash Settlement is applicable, and if the Spot Price exceeds the Strike Price, the right, but not the obligation, to cause the Seller to pay to the Buyer the Cash Settlement Amount, if any, on the relevant Settlement Date; or
 - (iv) in case of a Put and Cash Settlement is applicable, the right, and if the Strike Price exceeds the Spot Price, the right but not the obligation, to cause the Seller to pay to the Buyer the Cash Settlement Amount, if any, on the relevant Settlement Date,
- in each case in accordance with Clause 4 or 5 of this Annex E (as applicable). Unless the parties otherwise specify, Physical Settlement will be deemed to apply to a Bond Option Transaction.

3. Exercise of Bond Option Transactions

3.1 Exercise

- (a) The Buyer may exercise the rights granted pursuant to a Bond Option Transaction by giving the Seller a Notice of Exercise which shall constitute an irrevocable election and undertaking by the Buyer to exercise the Bond Option Transaction:
- (i) in respect of an American style Option, if received during the Exercise Period; and
 - (ii) in respect of a European style Option, if received on the Exercise Date prior to the Expiration Time,
- unless Automatic Exercise (as set out in Clause 3.5 of this Annex E) is applicable, in which case the Bond Option Transaction is deemed exercised pursuant to that Clause 3.5.
- (b) If a Notice of Exercise has not been received by the Seller prior to or at the Expiration Time on the Expiration Date (and Automatic Exercise is not applicable), the right or rights granted pursuant to a Bond Option Transaction will expire and become void and of no effect.

3.2 Partial Exercise

- (a) If “Partial Exercise” is applicable to a European style Bond Option Transaction, the Buyer may exercise less than all the Number of Options of that Bond Option Transaction on the Expiration Date.
- (b) Unless the parties specify otherwise, Partial Exercise will not be deemed to apply to any European style Bond Option Transaction.

3.3 Multiple Exercise

- (a) If “Multiple Exercise” is applicable to an American style Bond Option Transaction, the Buyer may exercise all or less than all the unexercised Options on one or more days in the Exercise Period, but on any such day may not exercise less than the Minimum Number of Options or more than the Maximum Number of Options and, if a number is specified as the “Integral Multiple” in the relevant Confirmation, the number of exercised Options must be equal to, or be an integral multiple of, the number so specified.
- (b) Any attempt to exercise on any day in the Exercise Period,
- (i) more than the Maximum Number of Options will be deemed to be an exercise of the Maximum Number of Options (the number of Options, if any, exceeding the Maximum Number of Options being deemed to remain unexercised);
 - (ii) less than the Minimum Number of Options will be ineffective; and



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(iii) an amount of Options not equal to or an integral multiple of the Integral Multiple will be deemed to be an exercise of a number of Options equal to the next lowest integral multiple of the Integral Multiple (the number of Options exceeding that number being deemed to remain unexercised).

(c) In the event that the number of Options remaining unexercised on the Expiration Date is less than the Minimum Number of Options, that number of Options will remain unexercised. In the event that the number of Options remaining unexercised on the Expiration Date is greater than the Maximum Number of Options, the Buyer may exercise only the specified Maximum Number of Options and the excess will remain unexercised.

(d) Unless the parties specify otherwise, Multiple Exercise will not be deemed to apply to any American style Bond Option Transaction.

3.4 Number of Options Exercised

In the case of (i) a Bond Option Transaction to which Partial Exercise is applicable or (ii) an American style Bond Option Transaction to which Multiple Exercise is applicable, the Buyer must specify in the Notice of Exercise the number of Options being exercised on the relevant Exercise Date and, subject to Clause 3.3 of this Annex E, in the event that Multiple Exercise is applicable or is deemed to apply and the number of Options remaining unexercised is less than the Minimum Number of Options or greater than the Maximum Number of Options, if the Buyer fails so to specify, the Buyer shall be presumed to have exercised all the unexercised Options on the relevant Exercise Date.

3.5 Automatic Exercise

(a) Unless the parties otherwise specify, Automatic Exercise will be deemed to apply to a Transaction.

(b) If “Automatic Exercise” is specified (or deemed to be specified) to be applicable to a Bond Option Transaction, then, in the event that Multiple Exercise is applicable and the number of Options remaining unexercised on the Expiration Date is less than the Minimum Number of Options or greater than the Maximum Number of Options, each Option not previously exercised under that Bond Option Transaction will be deemed to be automatically exercised:

(i) where Cash Settlement is applicable, at the Expiration Time on the Expiration Date unless the Buyer notifies the Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur; and

(ii) where Physical Settlement is applicable, at the Expiration Time on the Expiration Date if at such time the Option is In-the-Money, as determined by the Bank, unless:

(A) the Buyer notifies the Seller (by telephone or in writing) prior to the Expiration time on the Expiration Date that it does not wish Automatic Exercise to occur; or

(B) the Reference Price necessary to determine that the Option is In-the-Money cannot be determined at the Expiration Time on the Expiration Date,

in which case Automatic Exercise will not apply.

4. Physical Settlement

4.1 In respect of each Exercise Date under a Bond Option Transaction to which Physical Settlement is applicable on the relevant Settlement Date,

(a) in the case of a Call, the Buyer will pay to Seller the Bond Payment and the Seller will deliver to the Buyer the Bonds to be Delivered; and

(b) in the case of a Put, the Buyer will deliver to the Seller the Bonds to be Delivered and the Seller will pay to the Buyer the Bond Payment.

4.2 Such payment and delivery will be made on the relevant Settlement Date through the relevant Clearance System at the accounts specified in the relevant Confirmation and, if possible through the relevant Clearance System, will be made on a delivery versus payment basis.

4.3 Following exercise of an Option under a Bond Option Transaction to which Physical Settlement is applicable, all expenses of transfer of the relevant Bonds (such as any stamp duty) will be payable by the Client and the Client agrees to indemnify the Bank for all such expenses of transfer.

4.4 Following exercise of an Option under a Bond Option Transaction to which Physical Settlement is applicable, all distributions in relation to the relevant Bonds will be payable to the party that would receive such distributions according to market practice for a sale of such Bonds executed on the Exercise Date to be settled through the relevant Clearance System.

4.5 In addition to any requirement that the Client provide security or assurances as a result of its failure to deliver the Bonds to be Delivered under a Bond Option Transaction, the Bank may at any time, exercise a right to close out the Bond Option Transaction by the purchase of such Bonds (a “buy-in”).

4.6 In the event that a party’s failure to deliver is due to the nonexistence of the Bonds to be Delivered or the Bank is unable to exercise a buy-in, the Bond Option Transaction will be terminated in accordance with any applicable provisions set forth herein or in the relevant Confirmation.



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4.7 In respect of each exercise of an Option under a Bond Option Transaction to which Physical Settlement is applicable, the party required to deliver the relevant Bonds agrees that it will convey, and, on the date that it delivers such Bonds, represents that it has conveyed, good title to the Bonds to be Delivered, free and clear of any lien, charge, claim or other encumbrance (other than a lien routinely imposed on all securities in the relevant Clearance System).

5. Cash Settlement

5.1 In respect of each Exercise Date under a Bond Option Transaction to which Cash Settlement is applicable, the Seller will pay to the Buyer, subject to any applicable condition precedent, the Cash Settlement Amount, if any on the relevant Settlement Date for all Options exercised or deemed exercised on that Exercise Date.

5.2 For the purpose of determining the Spot Price for any day if the price published or announced on a given day and used or to be used by the Bank to determine a Spot Price is subsequently corrected the Bank may notify the parties of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) calendar days after publication or announcement of that correction, the Bank gives notice that an amount is so payable, the party that originally either received or retained such amount will, not later than three Business Days after the effectiveness of that notice, pay to the other party that amount together with interest on that amount (at a rate per annum determined by the Bank) for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

6. Adjustments

(a) If the issuer of the Bonds irreversibly converts those Bonds into other securities, a Bond Option Transaction will, unless otherwise specified in the relevant Confirmation, continue as set forth in the relevant Confirmation except that (a) the “Bonds” will mean such other securities and (b) the Bank will adjust the Strike Price, the number of Options and/or the Option Entitlement as the Bank determines appropriate to preserve the theoretical value of that Bond Option Transaction to the parties immediately prior to such conversion.

(b) If, in the reasonable opinion of the Bank (acting in good faith and in a commercially reasonable manner), upon conversion of the Bonds into other securities, the theoretical value of the Bond Option Transaction cannot be preserved, the Bank shall take such steps as it deems necessary in its absolute discretion.

7. Settlement Disruption Event

(a) If in respect of any Bond Option Transaction to which Physical Settlement is applicable, there is a Settlement Disruption Event that prevents delivery of the Bonds on a day that, but for the occurrence of that Settlement Disruption Event would have been the Settlement Date, then the Settlement Date will be the first succeeding day determined by the Bank on which delivery of the Bonds can take place through the relevant Clearance System, unless a Settlement Disruption Event prevents settlement on each day that the Clearance System is (or but for the Settlement Disruption Event, would have been) open for business during the period ending thirty (30) calendar days after the original date that, but for the Settlement Disruption Event, would have been the Settlement Date.

(b) If the Settlement Date does not occur within thirty (30) calendar days of the Settlement Disruption Event, the party required under that Bond Option Transaction to deliver the Bonds will use its reasonable efforts to deliver the Bonds to be Delivered promptly thereafter in a commercially reasonable manner outside the Clearance System on a delivery versus payment basis.

8. Definitions

“**Bond Payment**” means, in respect of a Bond Option Transaction,

- (i) if the Strike Price is stated as an amount in the relevant currency an amount equal to the product of (A) the sum of (1) the Strike Price plus (2) accrued interest, if any, on the Option Entitlement computed by the Bank in accordance with customary trade practices employed with respect to the Bonds; and (B) the number of Options exercised or deemed exercised on the relevant Exercise Date;
- (ii) if the Strike Price is stated as a percentage of the nominal value of the Bonds (e.g., 103 percent of par), an amount equal to the product of: (A) the sum of (1) the Strike Price multiplied by the Option Entitlement plus (2) accrued interest, if any on the Option Entitlement computed in accordance with customary trade practices employed with respect to the Bonds; and (B) the number of Options exercised or deemed exercised on the relevant Exercise Date; and
- (iii) if the Strike Price is stated as a yield, an amount determined by the Bank by a method specified in or pursuant to the relevant Confirmation.

“**Bonds**” means, in respect of a Bond Option Transaction, the bonds or debt securities issued by an issuer with the specified coupon, price and maturity.

“**Bonds to be Delivered**” means, in respect of an Exercise Date under a Bond Option Transaction, the Bonds in a nominal amount equal to the number of Options exercised or deemed exercised on that Exercise Date multiplied by the Option Entitlement.



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“**Call**” means a type of Bond Option Transaction specified as such in the relevant Confirmation entitling, subject to any applicable condition precedent, the Buyer upon exercise:

- (i) if Cash Settlement is applicable, to receive from the Seller on the relevant Settlement Date the Cash Settlement Amount if the Spot Price exceeds the Strike Price; and
- (ii) if Physical Settlement is applicable, to purchase the Bonds from the Seller at the Strike Price,

in each case as more particularly provided in that Confirmation.

“**Cash Settlement Amount**” means, in respect of a Bond Option Transaction, an amount, as calculated by the Bank, equal to the number of Options exercised or deemed exercised on the relevant Exercise Date multiplied by the Strike Price Differential.

“**In-the-Money**” means, unless otherwise specified in a Confirmation, in respect of a Bond Option Transaction to which Physical Settlement is applicable, in the case of a Call, that the Reference Price is equal to or greater than the Strike Price and, in the case of a Put, that the Reference Price is less than the Strike Price.

“**Option Entitlement**” means the nominal amount, stated as an amount in the relevant currency, specified as such in the relevant Confirmation, which is the nominal amount of the relevant Bonds to which one Option relates.

“**Put**” means a type of Bond Option Transaction specified as such in the relevant entitling, subject to any applicable condition precedent, the Buyer upon exercise:

- (i) if Cash Settlement is applicable, to receive from the Seller on the relevant Settlement Date the Cash Settlement Amount if the Strike Price exceeds the Spot Price; and
- (ii) if Physical Settlement is applicable, to sell the Bonds to the Seller at the Strike Price,

in each case as more particularly provided in that Confirmation.

“**Reference Price**” means, in respect of a Bond Option Transaction to which Physical Settlement is applicable, the price determined by the Bank as provided in the relevant Confirmation at the Expiration Time on the Expiration Date or, if no means of determining such price is so provided, the Spot price as of the Expiration Time on the Expiration Date as determined by the Bank.

“**Settlement Date**” means, in respect of an Exercise Date, the date specified as such or otherwise determined as provided in the related Confirmation, subject to adjustment in accordance with the Following Business Day Convention.

“**Settlement Disruption Event**” means an event beyond the control of the parties as a result of which the Clearance System cannot clear the delivery of such Bond.

“**Spot Price**” means, in respect of a Bond Option Transaction, as determined by the Bank acting in good faith and in its sole discretion:

- (i) if the Strike Price is stated as an amount in the relevant currency, the price for the Bonds equal in amount to the Option Entitlement stated as an amount in the relevant currency; and
- (ii) if the Strike Price is stated as a percentage of the nominal value of the Bonds, the price of the Bonds stated as a percentage of their nominal value, in each case, as of the Valuation Time on the relevant Exercise Date (or, if that date is not an Exchange Business Day, the next following Exchange Business Day).

“**Strike Price**” means either an amount expressed in the relevant currency or a percentage specified or otherwise determined as provided in the relevant Confirmation.

“**Strike Price Differential**” means, in respect of an Option,

- (i) if the Strike Price is stated as an amount in the relevant currency an amount equal to:
 - (A) if the Bond Option Transaction is a Put, the greater of (1) the excess of the Strike Price over the Spot Price and (2) zero; and
 - (B) if the Bond Option Transaction is a Call, the greater of (1) the excess of the Spot Price over the Strike Price and (2) zero;
- (ii) if the Strike Price is stated as a percentage of the nominal value of the Bonds, an amount equal to:
 - (A) if the Bond Option Transaction is a Put, the greater of (1) the excess of the Strike Price multiplied by the Option Entitlement over the Spot Price Multiplied by the Option Entitlement and (2) zero; and
 - (B) if the Bond Option Transaction is a Call, the greater of (1) the excess of the Spot Price multiplied by the Option Entitlement over the Strike Price multiplied by the Option Entitlement and (2) zero; and
- (iii) if the Strike Price is stated as a yield, an amount determined by a method specified in or pursuant to the relevant Confirmation.



Annex F – Miscellaneous

1. Interpretation

- 1.1 This Annex F sets out certain additional provisions and definitions applicable to all Transactions.
- 1.2 This Annex F is supplemental to and forms part of this Master OTC Terms and Conditions. Definitions used in this Annex F shall be incorporated into any Transaction specified to be a Transaction in the relevant Confirmation.
- 1.3 In the event of any inconsistency between this Annex F and the provisions of a Confirmation, that Confirmation will prevail for the purposes of the relevant Transaction.

2. Day Count Fraction

“Day Count Fraction” means, in respect of a Transaction and the calculation of a Fixed Amount or a Floating Amount:

- (a) if a “1/1” is specified, 1;
- (b) if “Actual/Actual” or “Act/Act” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “Actual/365 (Fixed)”, “Act/365 (Fixed)”, “A/365 (Fixed)” or “A/365F” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (d) if “Actual/360”, “Act/360” or “A/360” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) if “30/360”, “360/360” or “Bond Basis” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (f) if “30E/360” or “Eurobond Basis” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.



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3. Rate Options

- (a) **“CNH-HIBOR-TMA”** means that the rate for a Reset Date will be the rate for deposits in Chinese Renminbi for settlement in Hong Kong for a period of the Designated Maturity published by the Treasury Markets Association which appears on the Thomson Reuters Screen <CNHHIBORFIX01> Page at or around 11:15 a.m. (or if at that time the Treasury Markets Association notifies that such rate will be published at 2:30 p.m., then as of 2:30 p.m.), Hong Kong time, on the day that is two (2) Hong Kong Business Days prior to the Reset Date. If such rate does not appear on the Thomson Reuters Screen <CNHHIBORFIX01> Page, the rate for that Reset Date will be determined as if the parties have specified “CNH-HIBOR-Reference Banks” as the applicable Floating Rate Option.
- (b) **“CNH-HIBOR-Reference Banks”** means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Chinese Renminbi for settlement in Hong Kong are offered by the Reference Banks at approximately 11:15 a.m. (or if CNH-HIBOR-Reference Banks is the fallback Floating Rate Option for CNH-HIBOR-TMA, and such original Floating Rate Option is to be determined as of 2:30 p.m., then at approximately 2:30 p.m.), Hong Kong time, on the day that is two (2) Hong Kong Business Days prior to the Reset Date to prime banks in the Hong Kong interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal Hong Kong office of each of the Reference Banks to provide for a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in Hong Kong, selected by the Bank, at approximately 11:15 a.m. (or if CNH-HIBOR-Reference Banks is the fallback Floating Rate Option for CNH-HIBOR-TMA, and such original Floating Rate Option is to be determined as of 2:30 p.m., then at approximately 2:30 p.m.), Hong Kong time, on the day that is two (2) Hong Kong Business Days prior to the Reset Date, for loans in Chinese Renminbi for settlement in Hong Kong to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (c) **“EUR-LIBOR-BBA”** means that the rate for a Reset Date will be Euro LIBOR for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page at 11:55 a.m., London time (which reflects publication as of 11:00 a.m., London time) (or any amended publication time as specified by the Euro LIBOR benchmark administrator in the Euro LIBOR benchmark methodology), on the day that is two (2) TARGET Settlement Days preceding that Reset Date.

No Index Cessation Effective Date with respect to Euro LIBOR

If, by 11:55 a.m., London time (or the amended publication time for Euro LIBOR, if any, as specified by the Euro LIBOR benchmark administrator in the Euro LIBOR benchmark methodology), on that Reset Date, Euro LIBOR for a period of the Designated Maturity in respect of the Original EUR Fixing Date has not been published on the Reuters Screen LIBOR01 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be Euro LIBOR for a period of the Designated Maturity in respect of the Original EUR Fixing Date, as provided by the administrator of Euro LIBOR and published by an authorized distributor or by the administrator of Euro LIBOR itself. If by 4:00 p.m., London time (or four hours and five minutes after the amended publication time for Euro LIBOR), on that Reset Date, neither the administrator of Euro LIBOR nor an authorized distributor has provided or published Euro LIBOR for a period of the Designated Maturity in respect of the Original EUR Fixing Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of Euro LIBOR; or
- (B) a rate formally recommended for use by the supervisor which is responsible for supervising Euro LIBOR or the administrator of Euro LIBOR,

in each case, during the period of non-publication of Euro LIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Bank shall determine a commercially reasonable alternative for Euro LIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing Euro LIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date with respect to Euro LIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring two or more TARGET Settlement Days after the Index Cessation Effective Date will be determined as if references to EUR-LIBOR-BBA were references to Fallback Rate (EuroSTR) for the ‘Original IBOR Rate Record Day’ that corresponds to the Original EUR Fixing Date, as most recently provided or published as at 11:30 a.m., Frankfurt time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (EuroSTR) for that ‘Original IBOR Rate Record Day’ at, or prior to, 11:30 a.m., Frankfurt time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) has not occurred, then the rate for the Reset Date will be Fallback Rate (EuroSTR) as most recently provided or published at that time for the most recent ‘Original IBOR Rate Record Day’, notwithstanding that such day does not correspond to the Original EUR Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the



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Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) will be the Euro Short-Term Rate (“EuroSTR”) administered by the European Central Bank (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to EuroSTR as are necessary to account for any difference in term structure or tenor of EuroSTR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to EuroSTR

If neither the administrator nor authorized distributors provide or publish EuroSTR and a Fallback Index Cessation Effective Date with respect to EuroSTR has not occurred, then, in respect of any day for which EuroSTR is required, references to EuroSTR will be deemed to be references to the last provided or published EuroSTR.

Fallback Index Cessation Effective Date with respect to EuroSTR

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (EuroSTR) and EuroSTR, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) will be the ECB Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to the ECB Recommended Rate as are necessary to account for any difference in term structure or tenor of the ECB Recommended Rate by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to ECB Recommended Rate

If there is an ECB Recommended Rate before the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR) but neither the administrator nor authorized distributors provide or publish the ECB Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the ECB Recommended Rate is required, references to the ECB Recommended Rate will be deemed to be references to the last provided or published ECB Recommended Rate.

No ECB Recommended Rate or Fallback Index Cessation Effective Date with respect to ECB Recommended Rate

If:

- (A) no ECB Recommended Rate is recommended before the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR); or
- (B) a Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate subsequently occurs,

then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) or the Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate (as applicable) will be Modified EDFR, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to Modified EDFR as are necessary to account for any difference in term structure or tenor of Modified EDFR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to Modified EDFR

If neither the administrator nor authorized distributors provide or publish Modified EDFR (or the index, benchmark or other price source that is referred to in the definition of Modified EDFR) and a Fallback Index Cessation Effective Date with respect to that rate has not occurred, then, in respect of any day for which that rate is required, references to that rate will be deemed to be references to the last provided or published Modified EDFR (or the last provided or published index, benchmark or other price source that is referred to in the definition of Modified EDFR).

For these purposes:

“**Original EUR Fixing Date**” means, in respect of a Reset Date and unless otherwise agreed, the day that is two TARGET Settlement Days preceding that Reset Date;

“**Original IBOR Rate Record Day**” means, the term as used on the Fallback Rate (EuroSTR) Screen;

“**Euro LIBOR**” means the Euro wholesale funding rate known as Euro LIBOR (London Interbank Offered Rate) provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator);

“**Fallback Rate (EuroSTR)**” means the term adjusted EuroSTR plus the spread relating to Euro LIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed



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by the relevant trade organization from time to time), as the provider of term adjusted EuroSTR and the spread, on the Fallback Rate (EuroSTR) Screen (or by other means) or provided to, and published by, authorized distributors;

“Fallback Rate (EuroSTR) Screen” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for Euro LIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time);

“ECB Recommended Rate” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for EuroSTR by the European Central Bank (or any successor administrator of EuroSTR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of EuroSTR) for the purpose of recommending a replacement for EuroSTR (which rate may be produced by the European Central Bank or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;

“Modified EDFR” means a rate equal to the Eurosystem Deposit Facility Rate plus the EDFR Spread;

“Eurosystem Deposit Facility Rate” means the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem and which is published on the ECB’s Website; and

“EDFR Spread” means:

- (A) if no ECB Recommended Rate is recommended before the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, before the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR), the arithmetic mean of the daily difference between EuroSTR and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET Settlement Days starting 30 TARGET Settlement Days prior to the day on which the Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR) occurs (or, if later, 30 TARGET Settlement Days prior to the day on which the first Fallback Index Cessation Event with respect to EuroSTR occurs) and ending on the TARGET Settlement Day immediately preceding the day on which the Fallback Index Cessation Event with respect to Fallback Rate (EuroSTR) occurs (or, if later, the TARGET Settlement Day immediately preceding the day on which the first Fallback Index Cessation Event with respect to EuroSTR occurs); or
 - (B) if a Fallback Index Cessation Event with respect to the ECB Recommended Rate occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET Settlement Days starting 30 TARGET Settlement Days prior to the day on which the Fallback Index Cessation Event with respect to the ECB Recommended Rate occurs and ending on the TARGET Settlement Day immediately preceding the day on which that Fallback Index Cessation Event occurs.
- (d) **“EUR-LIBOR-Reference Banks”** means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Euros are offered by the Reference Banks at approximately 11:00 am, London time, on the date that is two (2) TARGET Settlement Days preceding that Reset Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in London, selected by the Bank, at approximately 11:00 am, London time, on that Reset Date for loans in euros to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (e) **“HKD-HIBOR-HKAB”** means that the rate for a Reset Date will be HIBOR for a period of the Designated Maturity which appears on the Reuters Screen HKABHIBOR Page as of 11:15 a.m., Hong Kong time (or any amended publication time as specified by the HIBOR benchmark administrator in the HIBOR benchmark methodology), on that Reset Date.

No Index Cessation Effective Date with respect to HIBOR

If, by 2:30 p.m., Hong Kong time (or any time specified in place of 2:30 p.m., Hong Kong time pursuant to the Hong Kong Association of Banks’ (or any successor’s) typhoon and rainstorm arrangements), on that Reset Date, HIBOR for a period of the Designated Maturity in respect of such day has not been published on the Reuters Screen HKABHIBOR Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be HIBOR for a period of the Designated Maturity in respect of such day, as provided by the administrator of HIBOR and published by an authorized distributor or by the administrator of HIBOR itself. If by 2:30 p.m., Hong Kong time (or any time specified in place of 2:30 p.m., Hong Kong time pursuant to the Hong Kong Association of Banks’ (or any successor’s) typhoon and rainstorm arrangements), on that Reset Date, neither the administrator of HIBOR nor an authorized distributor has provided or published HIBOR for a period of the Designated Maturity in respect of such day and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be a rate formally recommended for use by the administrator of HIBOR during the period of non-publication of HIBOR and for so long as an Index Cessation Effective Date has not occurred. If no such rate is available, then the Bank shall determine a commercially reasonable alternative for HIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing HIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.



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Index Cessation Effective Date with respect to HIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring on or after the Index Cessation Effective Date will be determined as if references to HKD-HIBOR-HKAB were references to Fallback Rate (HONIA) for the 'Original IBOR Rate Record Day' that corresponds to the Original HKD Fixing Date, as most recently provided or published as at 7:30 p.m., Hong Kong time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (HONIA) for that 'Original IBOR Rate Record Day' at, or prior to, 7:30 p.m., Hong Kong time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA) has not occurred, then the rate for the Reset Date will be Fallback Rate (HONIA) as most recently provided or published at that time for the most recent 'Original IBOR Rate Record Day', notwithstanding that such day does not correspond to the Original HKD Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (HONIA), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA) will be the Hong Kong Dollar Overnight Index Average ("HONIA") rate administered by the Treasury Markets Association (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA), referred to in the definition of "Fallback Rate (HONIA)" after making such adjustments to HONIA as are necessary to account for any difference in term structure or tenor of HONIA by comparison to Fallback Rate (HONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to HONIA

If neither the administrator nor authorized distributors provide or publish HONIA and a Fallback Index Cessation Effective Date with respect to HONIA has not occurred, then, in respect of any day for which HONIA is required, references to HONIA will be deemed to be references to the last provided or published HONIA.

Fallback Index Cessation Effective Date with respect to HONIA

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (HONIA) and HONIA, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to HONIA) will be the HKD Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA), referred to in the definition of "Fallback Rate (HONIA)" after making such adjustments to the HKD Recommended Rate as are necessary to account for any difference in term structure or tenor of the HKD Recommended Rate by comparison to Fallback Rate (HONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to HKD Recommended Rate

If neither the administrator nor authorized distributors provide or publish the HKD Recommended Rate and a Fallback Index Cessation Effective Date with respect to the HKD Recommended Rate has not occurred, then, in respect of any day for which the HKD Recommended Rate is required, references to the HKD Recommended Rate will be deemed to be references to the last provided or published HKD Recommended Rate.

For these purposes:

"Original HKD Fixing Date" means, in respect of a Reset Date and unless otherwise agreed, that Reset Date;

"Original IBOR Rate Record Day" means, the term as used on the Fallback Rate (HONIA) Screen;

"HIBOR" means the rate of interest offered on Hong Kong Dollar loans by banks in the interbank market known as the Hong Kong Interbank Offered Rate provided by the Treasury Markets Association, as the administrator of the benchmark, (or a successor administrator);

"Fallback Rate (HONIA)" means the term adjusted HONIA rate plus the spread relating to HIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time), as the provider of term adjusted HONIA and the spread, on the Fallback Rate (HONIA) Screen (or by other means) or provided to, and published by, authorized distributors;

"Fallback Rate (HONIA) Screen" means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for HIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time); and

"HKD Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for HONIA by the administrator of HONIA or by a committee officially endorsed or convened by the administrator of HONIA for the purpose of recommending a replacement for HONIA (which rate may be produced by the administrator of HONIA or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof or a successor administrator), published by an authorized distributor.



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- (f) **“HKD-HIBOR-Reference Banks”** means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Hong Kong Dollars are offered by the Reference Banks at approximately 11:00 a.m., Hong Kong time, on the Reset Date to prime banks in the Hong Kong interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal Hong Kong office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rate quoted by major banks in Hong Kong, selected by the Bank, at approximately 11:00 a.m., Hong Kong time, on that Reset Date for loans in Hong Kong Dollars to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (g) **“JPY-LIBOR-BBA”** means that the rate for a Reset Date will be Yen LIBOR for a period of the Designated Maturity which appears on the Reuters Screen 3750 Page at 11:55 a.m., London time (which reflects publication as of 11:00 a.m., London time) (or any amended publication time as specified by the Yen LIBOR benchmark administrator in the Yen LIBOR benchmark methodology), on the day that is two London Banking Days preceding that Reset Date.

No Index Cessation Effective Date with respect to Yen LIBOR

If, by 11:55 a.m., London time (or the amended publication time for Yen LIBOR, if any, as specified by the Yen LIBOR benchmark administrator in the Yen LIBOR benchmark methodology), on that Reset Date, Yen LIBOR for a period of the Designated Maturity in respect of the Original JPY LIBOR Fixing Date has not been published on the Reuters Screen 3750 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be Yen LIBOR for a period of the Designated Maturity in respect of the Original JPY LIBOR Fixing Date, as provided by the administrator of Yen LIBOR and published by an authorized distributor or by the administrator of Yen LIBOR itself. If by 4:00 p.m., London time (or four hours and five minutes after the amended publication time for Yen LIBOR), on that Reset Date, neither the administrator of Yen LIBOR nor an authorized distributor has provided or published Yen LIBOR for a period of the Designated Maturity in respect of the Original JPY LIBOR Fixing Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of Yen LIBOR; or
- (B) a rate formally recommended for use by a committee officially endorsed or convened by the Bank of Japan for the purposes of recommending an alternative rate for Yen LIBOR (which rate may be produced by the Bank of Japan or another administrator) or any other supervisor which is responsible for supervising Yen LIBOR or the administrator of Yen LIBOR,

in each case, during the period of non-publication of Yen LIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Bank shall determine a commercially reasonable alternative for Yen LIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing Yen LIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date with respect to Yen LIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring two or more London Banking Days after the Index Cessation Effective Date will be determined as if references to JPY-LIBOR-BBA were references to Fallback Rate (TONA) for the ‘Original IBOR Rate Record Day’ that corresponds to the Original JPY LIBOR Fixing Date, as most recently provided or published as at 12:30 p.m., Tokyo time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (TONA) for that ‘Original IBOR Rate Record Day’ at, or prior to, 12:30 p.m., Tokyo time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA) has not occurred, then the rate for the Reset Date will be Fallback Rate (TONA) as most recently provided or published at that time for the most recent ‘Original IBOR Rate Record Day’, notwithstanding that such day does not correspond to the Original JPY LIBOR Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (TONA), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA) will be the Tokyo Overnight Average Rate (“TONA”) administered by the Bank of Japan (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA), referred to in the definition of “Fallback Rate (TONA)” after making such adjustments to TONA as are necessary to account for any difference in term structure or tenor of TONA by comparison to Fallback Rate (TONA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to TONA

If neither the administrator nor authorized distributors provide or publish TONA and a Fallback Index Cessation Effective Date with respect to TONA has not occurred, then, in respect of any day for which TONA is required, references to TONA will be deemed to be references to the last provided or published TONA.



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Fallback Index Cessation Effective Date with respect to TONA

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (TONA) and TONA, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA) (or, if later, the Fallback Index Cessation Effective Date with respect to TONA) will be the JPY Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA), referred to in the definition of “Fallback Rate (TONA)” after making such adjustments to the JPY Recommended Rate as are necessary to account for any difference in term structure or tenor of the JPY Recommended Rate by comparison to Fallback Rate (TONA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to JPY Recommended Rate

If neither the administrator nor authorized distributors provide or publish the JPY Recommended Rate and a Fallback Index Cessation Effective Date with respect to the JPY Recommended Rate has not occurred, then, in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published JPY Recommended Rate.

For these purposes:

“**Original JPY LIBOR Fixing Date**” means, in respect of a Reset Date and unless otherwise agreed, the day that is two London Banking Days preceding that Reset Date;

“**Original IBOR Rate Record Day**” means, the term as used on the Fallback Rate (TONA) Screen;

“**Yen LIBOR**” means the Yen wholesale funding rate known as Yen LIBOR (London Interbank Offered Rate) provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator);

“**Fallback Rate (TONA)**” means the term adjusted TONA plus the spread relating to Yen LIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time), as the provider of term adjusted TONA and the spread, on the Fallback Rate (TONA) Screen (or by other means) or provided to, and published by, authorized distributors;

“**Fallback Rate (TONA) Screen**” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for Yen LIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time); and

“**JPY Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

- (h) “**JPY-LIBOR-Reference Banks**” means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Yen are offered by the Reference Banks at approximately 11:00 am, London time, on the day that is two (2) London Banking Days preceding that Reset Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rate quoted by major banks in Tokyo, selected by the Bank, at approximately 11:00 a.m., Tokyo time, on that Reset Date for loans in Yen to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (i) “**GBP-LIBOR-BBA**” means that the rate for a Reset Date will be Sterling LIBOR for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page at 11:55 a.m., London time (which reflects publication as of 11:00 a.m., London time) (or any amended publication time as specified by the Sterling LIBOR benchmark administrator in the Sterling LIBOR benchmark methodology), on that Reset Date.

No Index Cessation Effective Date with respect to Sterling LIBOR

If, by 11:55 a.m., London time (or the amended publication time for Sterling LIBOR, if any, as specified by the Sterling LIBOR benchmark administrator in the Sterling LIBOR benchmark methodology), on that Reset Date, Sterling LIBOR for a period of the Designated Maturity in respect of such day has not been published on the Reuters Screen LIBOR01 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be Sterling LIBOR for a period of the Designated Maturity in respect of such day, as provided by the administrator of Sterling LIBOR and published by an authorized distributor or by the administrator of Sterling LIBOR itself. If by 4:00 p.m., London time (or four hours and five minutes after the amended publication time for Sterling LIBOR), on that Reset Date, neither the administrator of Sterling LIBOR nor an authorized distributor has provided or published Sterling LIBOR for a period of the Designated Maturity in respect of such day and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of Sterling LIBOR; or



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(B) a rate formally recommended for use by the supervisor which is responsible for supervising Sterling LIBOR or the administrator of Sterling LIBOR,

in each case, during the period of non-publication of Sterling LIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Bank shall determine a commercially reasonable alternative for Sterling LIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing Sterling LIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date with respect to Sterling LIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring on or after the Index Cessation Effective Date will be determined as if references to GBP-LIBOR-BBA were references to Fallback Rate (SONIA) for the 'Original IBOR Rate Record Day' that corresponds to the Original GBP Fixing Date, as most recently provided or published as at 11:30 a.m., London time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (SONIA) for that 'Original IBOR Rate Record Day' at, or prior to, 11:30 a.m., London time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) has not occurred, then the rate for the Reset Date will be Fallback Rate (SONIA) as most recently provided or published at that time for the most recent 'Original IBOR Rate Record Day', notwithstanding that such day does not correspond to the Original GBP Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (SONIA), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) will be the Sterling Overnight Index Average ("SONIA") rate administered by the Bank of England (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of "Fallback Rate (SONIA)" after making such adjustments to SONIA as are necessary to account for any difference in term structure or tenor of SONIA by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to SONIA

If neither the administrator nor authorized distributors provide or publish SONIA and a Fallback Index Cessation Effective Date with respect to SONIA has not occurred, then, in respect of any day for which SONIA is required, references to SONIA will be deemed to be references to the last provided or published SONIA.

Fallback Index Cessation Effective Date with respect to SONIA

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SONIA) and SONIA, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to SONIA) will be the GBP Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of "Fallback Rate (SONIA)" after making such adjustments to the GBP Recommended Rate as are necessary to account for any difference in term structure or tenor of the GBP Recommended Rate by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to GBP Recommended Rate

If there is a GBP Recommended Rate before the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to SONIA) but neither the administrator nor authorized distributors provide or publish the GBP Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the GBP Recommended Rate is required, references to the GBP Recommended Rate will be deemed to be references to the last provided or published GBP Recommended Rate.

No GBP Recommended Rate or Fallback Index Cessation Effective Date with respect to GBP Recommended Rate

If:

- (A) there is no GBP Recommended Rate before the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to SONIA); or
- (B) there is a GBP Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to SONIA) or the Fallback Index Cessation Effective Date with respect to the GBP Recommended Rate (as applicable) will be the UK Bank Rate,



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to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of “Fallback Rate (SONIA)” after making such adjustments to the UK Bank Rate as are necessary to account for any difference in term structure or tenor of the UK Bank Rate by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

UK Bank Rate

In respect of any day for which the UK Bank Rate is required, references to the UK Bank Rate will be deemed to be references to the last provided or published UK Bank Rate as at close of business in London on that day.

For these purposes:

“**Original GBP Fixing Date**” means, in respect of a Reset Date and unless otherwise agreed, that Reset Date;

“**Original IBOR Rate Record Day**” means, the term as used on the Fallback Rate (SONIA) Screen;

“**Sterling LIBOR**” means the Sterling wholesale funding rate known as Sterling LIBOR (London Interbank Offered Rate) provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator);

“**Fallback Rate (SONIA)**” means the term adjusted SONIA rate plus the spread relating to Sterling LIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time), as the provider of term adjusted SONIA and the spread, on the Fallback Rate (SONIA) Screen (or by other means) or provided to, and published by, authorized distributors;

“**Fallback Rate (SONIA) Screen**” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for Sterling LIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time);

“**GBP Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for SONIA by (A) the administrator of SONIA if the administrator of SONIA is a national central bank, or (B) if the national central bank administrator of SONIA does not make a recommendation or the administrator of SONIA is not a national central bank, a committee designated for this purpose by one or both of the Financial Conduct Authority (or any successor thereto) and the Bank of England and as provided by the then administrator of that rate (or a successor administrator) or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor; and

“**UK Bank Rate**” means the official bank rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time.

- (j) “**GBP-LIBOR-Reference Banks**” means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Sterling are offered by the Reference Banks at approximately 11:00 am, London time, on that Reset Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in London, selected by the Bank, at approximately 11:00 am, London time, on that Reset Date for loans in Sterling to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (k) “**CHF-LIBOR-BBA**” means that the rate for a Reset Date will be Swiss Franc LIBOR for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 Page at 11:55 a.m., London time (which reflects publication as of 11:00 a.m., London time) (or any amended publication time as specified by the Swiss Franc LIBOR benchmark administrator in the Swiss Franc LIBOR benchmark methodology), on the day that is two London Banking Days preceding that Reset Date.

No Index Cessation Effective Date with respect to Swiss Franc LIBOR

If, by 11:55 a.m., London time (or the amended publication time for Swiss Franc LIBOR, if any, as specified by the Swiss Franc LIBOR benchmark administrator in the Swiss Franc LIBOR benchmark methodology), on that Reset Date, Swiss Franc LIBOR for a period of the Designated Maturity in respect of the Original CHF Fixing Date has not been published on the Reuters Screen LIBOR02 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be Swiss Franc LIBOR for a period of the Designated Maturity in respect of the Original CHF Fixing Date, as provided by the administrator of Swiss Franc LIBOR and published by an authorized distributor or by the administrator of Swiss Franc LIBOR itself. If by 4:00 p.m., London time (or four hours and five minutes after the amended publication time for Swiss Franc LIBOR), on that Reset Date, neither the administrator of Swiss Franc LIBOR nor an authorized distributor has provided or published Swiss Franc LIBOR for a period of the Designated Maturity in respect of the Original CHF Fixing Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of Swiss Franc LIBOR; or
- (B) a rate formally recommended for use by a competent authority which is responsible for supervising Swiss Franc LIBOR or the administrator of Swiss Franc LIBOR,



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in each case, during the period of non-publication of Swiss Franc LIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Bank shall determine a commercially reasonable alternative for Swiss Franc LIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing Swiss Franc LIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date with respect to Swiss Franc LIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring two or more London Banking Days after the Index Cessation Effective Date will be determined as if references to CHF-LIBOR-BBA were references to Fallback Rate (SARON) for the 'Original IBOR Rate Record Day' that corresponds to the Original CHF Fixing Date, as most recently provided or published as at 8:30 p.m., Zurich time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (SARON) for that 'Original IBOR Rate Record Day' at, or prior to, 8:30 p.m., Zurich time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) has not occurred, then the rate for the Reset Date will be Fallback Rate (SARON) as most recently provided or published at that time for the most recent 'Original IBOR Rate Record Day', notwithstanding that such day does not correspond to the Original CHF Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (SARON), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) will be the Swiss Average Rate Overnight ("SARON") administered by SIX Swiss Exchange AG (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of "Fallback Rate (SARON)" after making such adjustments to SARON as are necessary to account for any difference in term structure or tenor of SARON by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to SARON

If neither the administrator nor authorized distributors provide or publish SARON and a Fallback Index Cessation Effective Date with respect to SARON has not occurred, then, in respect of any day for which SARON is required, references to SARON will be deemed to be references to the last provided or published SARON.

Fallback Index Cessation Effective Date with respect to SARON

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SARON) and SARON, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the Fallback Index Cessation Effective Date with respect to SARON) will be the NWG Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of "Fallback Rate (SARON)" after making such adjustments to the NWG Recommended Rate as are necessary to account for any difference in term structure or tenor of the NWG Recommended Rate by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

If there is no NWG Recommended Rate before the end of the first Zurich Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the end of the first Zurich Banking Day following the Fallback Index Cessation Effective Date with respect to SARON), then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the Fallback Index Cessation Effective Date with respect to SARON), will be the Modified SNB Policy Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of "Fallback Rate (SARON)" after making such adjustments to the Modified SNB Policy Rate as are necessary to account for any difference in term structure or tenor of the Modified SNB Policy Rate by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to NWG Recommended Rate or Modified SNB Policy Rate

If neither the administrator nor authorized distributors provide or publish the NWG Recommended Rate or the Modified SNB Policy Rate (or the index, benchmark or other price source that is referred to in the definition of Modified SNB Policy Rate), as applicable and a Fallback Index Cessation Effective Date with respect to that rate has not occurred, then, in respect of any day for which that rate is required, references to that rate will be deemed to be references to the last provided or published NWG Recommended Rate or Modified SNB Policy Rate (or the last provided or published index, benchmark or other price source that is referred to in the definition of Modified SNB Policy Rate), as applicable.



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For these purposes:

“Original CHF Fixing Date” means, in respect of a Reset Date and unless otherwise agreed, the day that is two London Banking Days preceding that Reset Date;

“Original IBOR Rate Record Day” means, the term as used on the Fallback Rate (SARON) Screen;

“Swiss Franc LIBOR” means the Swiss Franc wholesale funding rate known as Swiss Franc LIBOR (London Interbank Offered Rate) provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator);

“Fallback Rate (SARON)” means the term adjusted SARON plus the spread relating to Swiss Franc LIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time), as the provider of term adjusted SARON and the spread, on the Fallback Rate (SARON) Screen (or by other means) or provided to, and published by, authorized distributors;

“Fallback Rate (SARON) Screen” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for Swiss Franc LIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time);

“NWG Recommended Rate” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for SARON by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland, and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;

“Modified SNB Policy Rate” means a rate equal to the SNB Policy Rate plus the SNB Spread;

“SNB Policy Rate” means the policy rate of the Swiss National Bank; and

“SNB Spread” means the historical median between SARON and the SNB Policy Rate over an observation period of two years starting two years prior to the day on which the Fallback Index Cessation Event with respect to Fallback Rate (SARON) occurs (or, if later, two years prior to the day on which the first Fallback Index Cessation Event with respect to SARON occurs) and ending on the Zurich Banking Day immediately preceding the day on which the Fallback Index Cessation Event with respect to Fallback Rate (SARON) occurs (or, if later, the Zurich Banking Day immediately preceding the day on which the first Fallback Index Cessation Event with respect to SARON occurs), as determined by the Bank.

- (l) **“CHF-LIBOR-Reference Banks”** means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Swiss Francs are offered by the Reference Banks at approximately 11:00 a.m., London time, on the day that is two London Banking Days preceding that Reset Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal London, office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in Zurich, selected by the Bank, at approximately 11:00 am, Zurich time, on that Reset Date for loans in Swiss Francs to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (m) **“USD-LIBOR-BBA”** means that the rate for a Reset Date will be U.S. Dollar LIBOR for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page at 11:55 a.m., London time (which reflects publication as of 11:00 a.m., London time) (or any amended publication time as specified by the U.S. Dollar LIBOR benchmark administrator in the U.S. Dollar LIBOR benchmark methodology), on the day that is two London Banking Days preceding that Reset Date.

No Index Cessation Effective Date with respect to U.S. Dollar LIBOR

If, by 11:55 a.m., London time (or the amended publication time for U.S. Dollar LIBOR, if any, as specified by the U.S. Dollar LIBOR benchmark administrator in the U.S. Dollar LIBOR benchmark methodology), on that Reset Date, U.S. Dollar LIBOR for a period of the Designated Maturity in respect of the Original USD Fixing Date has not been published on the Reuters Screen LIBOR01 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be U.S. Dollar LIBOR for a period of the Designated Maturity in respect of the Original USD Fixing Date, as provided by the administrator of U.S. Dollar LIBOR and published by an authorized distributor or by the administrator of U.S. Dollar LIBOR itself. If by 4:00 p.m., London time (or four hours and five minutes after the amended publication time for U.S. Dollar LIBOR), on that Reset Date, neither the administrator of U.S. Dollar LIBOR nor an authorized distributor has provided or published U.S. Dollar LIBOR for a period of the Designated Maturity in respect of the Original USD Fixing Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of U.S. Dollar LIBOR; or
- (B) a rate formally recommended for use by the Federal Reserve Board or the Federal Reserve Bank of New York or any other supervisor which is responsible for supervising U.S. Dollar LIBOR or the administrator of U.S. Dollar LIBOR,

in each case, during the period of non-publication of U.S. Dollar LIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described



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in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Bank shall determine a commercially reasonable alternative for U.S. Dollar LIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing U.S. Dollar LIBOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date with respect to U.S. Dollar LIBOR

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring two or more London Banking Days after the Index Cessation Effective Date will be determined as if references to USD-LIBOR-BBA were references to Fallback Rate (SOFR) for the 'Original IBOR Rate Record Day' that corresponds to the Original USD Fixing Date, as most recently provided or published as at 10:30 a.m., New York City time on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time) provides, nor authorized distributors publish, Fallback Rate (SOFR) for that 'Original IBOR Rate Record Day' at, or prior to, 10:30 a.m., New York City time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) has not occurred, then the rate for the Reset Date will be Fallback Rate (SOFR) as most recently provided or published at that time for the most recent 'Original IBOR Rate Record Day', notwithstanding that such day does not correspond to the Original USD Fixing Date.

Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (SOFR), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) will be the Secured Overnight Financing Rate ("SOFR") administered by the Federal Reserve Bank of New York (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of "Fallback Rate (SOFR)" after making such adjustments to SOFR as are necessary to account for any difference in term structure or tenor of SOFR by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to SOFR

If neither the administrator nor authorized distributors provide or publish SOFR and a Fallback Index Cessation Effective Date with respect to SOFR has not occurred, then, in respect of any day for which SOFR is required, references to SOFR will be deemed to be references to the last provided or published SOFR.

Fallback Index Cessation Effective Date with respect to SOFR

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SOFR) and SOFR, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the Fallback Index Cessation Effective Date with respect to SOFR) will be the Fed Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of "Fallback Rate (SOFR)" after making such adjustments to the Fed Recommended Rate as are necessary to account for any difference in term structure or tenor of the Fed Recommended Rate by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to Fed Recommended Rate

If there is a Fed Recommended Rate before the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to SOFR) but neither the administrator nor authorized distributors provide or publish the Fed Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published Fed Recommended Rate.

No Fed Recommended Rate or Fallback Index Cessation Effective Date with respect to Fed Recommended Rate

If:

- (A) there is no Fed Recommended Rate before the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to SOFR); or
- (B) there is a Fed Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it,

then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the Fallback Index Cessation Effective Date with respect to SOFR) or the Fallback Index Cessation Effective Date with respect to the Fed Recommended Rate (as applicable) will be the Overnight Bank Funding Rate, as provided by the Federal Reserve Bank of New York (or a successor administrator) on the New York Fed's Website ("OBFR") or, if OBFR is not provided by the Federal Reserve Bank of New York (or a successor administrator), published by an authorized distributor, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with



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respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to OBFR as are necessary to account for any difference in term structure or tenor of OBFR by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to OBFR

If neither the administrator nor authorized distributors provide or publish OBFR and a Fallback Index Cessation Effective Date with respect to OBFR has not occurred, then, in respect of any day for which OBFR is required, references to OBFR will be deemed to be references to the last provided or published OBFR.

Fallback Index Cessation Effective Date with respect to OBFR

If (A) there is no Fed Recommended Rate, or there is a Fed Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, and (B) a Fallback Index Cessation Effective Date also occurs with respect to OBFR, then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period, if applicable) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to OBFR (or, if later, the Fallback Index Cessation Effective Date with respect to the Fed Recommended Rate, SOFR or Fallback Rate (SOFR)), as applicable) will be the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve’s Website or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve’s Website (the “FOMC Target Rate”), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to the FOMC Target Rate as are necessary to account for any difference in term structure or tenor of the FOMC Target Rate by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

No Fallback Index Cessation Effective Date with respect to FOMC Target Rate

If neither the administrator nor authorized distributors provide or publish the FOMC Target Rate and a Fallback Index Cessation Effective Date with respect to the FOMC Target Rate has not occurred, then, in respect of any day for which the FOMC Target Rate is required, references to the FOMC Target Rate will be deemed to be references to the last provided or published FOMC Target Rate.

For these purposes:

“**Original USD Fixing Date**” means, in respect of a Reset Date and unless otherwise agreed, the day that is two London Banking Days preceding that Reset Date;

“**Original IBOR Rate Record Day**” means, the term as used on the Fallback Rate (SOFR) Screen;

“**U.S. Dollar LIBOR**” means the U.S. Dollar wholesale funding rate known as U.S. Dollar LIBOR (London Interbank Offered Rate) provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator);

“**Fallback Rate (SOFR)**” means the term adjusted SOFR plus the spread relating to U.S. Dollar LIBOR, in each case, for a period of the Designated Maturity provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time), as the provider of term adjusted SOFR and the spread, on the Fallback Rate (SOFR) Screen (or by other means) or provided to, and published by, authorized distributors;

“**Fallback Rate (SOFR) Screen**” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for U.S. Dollar LIBOR for a period of the Designated Maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the relevant trade organization from time to time); and

“**Fed Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for SOFR by the Federal Reserve Board or the Federal Reserve Bank of New York, or by a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

- (n) “**USD-LIBOR-Reference Banks**” means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the Reference Banks at approximately 11:00 am, London time, on the day that is two (2) London Banking Days preceding that Reset Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Bank, at approximately 11:00 am, New York City time, on that Reset Date for loans in U.S. Dollars to leading European banks for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (o) “**SGD-SIBOR-Reuters**” means that the rate for a Reset Date will be the rate for deposits in Singapore Dollars for a period of the Designated Maturity which appears on the Reuters Screen ABSIRFIX01 Page under the heading “Fixing” as of 11:00 am, Singapore time, on the day that is two (2) Singapore Banking Days preceding that Reset Date. If such rate does not appear on the Reuters Screen ABSIRFIX01 Page, the rate for that Reset Date will be determined as if the parties had specified “SGD-SIBOR-Reference Banks” as the applicable Floating Rate Option.



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- (p) **“SGD-SIBOR-Reference Banks”** means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Singapore Dollars are offered by the Reference Banks at approximately 11:00 am, Singapore time, on the day that is two (2) Singapore Banking Days preceding that Reset Date to prime banks in the Singapore interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Bank will request the principal Singapore office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in Singapore, selected by the Bank, at approximately 11:00 am, Singapore time, on that Reset Date for loans in Singapore Dollars to leading banks in Singapore for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount.
- (q) **“SGD-SOR-VWAP”** means that the rate for a Reset Date will be SOR for a period of the Designated Maturity which appears on the Reuters Screen ABSFIX01 Page under the heading “SGD SOR rates” as of 12:00 p.m. (noon), London time (or any amended publication time as specified by the SOR benchmark administrator in the SOR benchmark methodology), on the day that is two Singapore and London Banking Days preceding that Reset Date.

No Index Cessation Effective Date

If such rate does not appear on the Reuters Screen ABSFIX01 Page and an Index Cessation Effective Date has not occurred, then the rate for that Reset Date will be any substitute rate announced by ABS Benchmarks Administration Co Pte. Ltd. (or its successor as administrator or sponsor of that rate). If ABS Benchmarks Administration Co Pte. Ltd. (or its successor as administrator or sponsor of that rate) does not announce such rate by 9:00 p.m., Singapore time, on the day that is two Singapore and London Banking Days preceding the relevant Reset Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the parties, the rate for that Reset Date will be:

- (A) a rate formally recommended for use by the administrator of SOR; or
- (B) a rate formally recommended for use by the Monetary Authority of Singapore (or any other supervisor which is responsible for supervising SOR or the administrator of SOR) or a committee officially endorsed or convened by the Monetary Authority of Singapore (or any other supervisor which is responsible for supervising SOR or the administrator of SOR),

in each case, during the period of non-publication of SOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in subparagraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in subparagraph (B) is available, then the Bank shall determine a commercially reasonable alternative for SOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing SOR that the Bank considers sufficient for that rate to be a representative alternative rate.

Index Cessation Effective Date

Upon the occurrence of an Index Cessation Event, the rate for a Reset Date occurring two or more Singapore and London Banking Days after the Index Cessation Effective Date will be determined as if references to SGD-SOR-VWAP were references to Fallback Rate (SOR) for the ‘Original SOR Rate Record Day’ that corresponds to the Original SOR Fixing Date, as most recently provided or published as at 11:30 a.m., New York City time on the related Fallback Observation Day. If neither ABS Benchmarks Administration Co Pte. Ltd. (or a successor provider) provides, nor authorized distributors publish, Fallback Rate (SOR) for that ‘Original SOR Rate Record Day’ at, or prior to, 11:30 a.m., New York City time on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) has not occurred, then the rate for the Reset Date will be Fallback Rate (SOR) as most recently provided or published at that time for the most recent ‘Original SOR Rate Record Day’, notwithstanding that such day does not correspond to the Original SOR Fixing Date.

For the purposes of this Rate Option only, an Index Cessation Event will also occur if SOR for a period of the Designated Maturity does not appear on the Reuters Screen ABSFIX01 Page and, as of the day that is two Singapore and London Banking Days preceding the Reset Date, U.S. Dollar LIBOR for a period of the Designated Maturity has been permanently discontinued or is Non-Representative and there is either no U.S. Dollar LIBOR which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the Designated Maturity or no U.S. Dollar LIBOR which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the Designated Maturity. The related Index Cessation Effective Date shall be the first date on which there is no such longer or shorter rate (or, if later, the first date on which U.S. Dollar LIBOR for a period of the Designated Maturity is permanently unavailable or Non-Representative).

Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR)

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (SOR), the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) will be the MAS Recommended Rate.



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No Fallback Index Cessation Effective Date with respect to MAS Recommended Rate

If there is a MAS Recommended Rate before the end of the first Singapore Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) but neither the administrator nor authorized distributors provide or publish the MAS Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the MAS Recommended Rate is required, references to the MAS Recommended Rate will be deemed to be references to the last provided or published MAS Recommended Rate.

No MAS Recommended Rate or Fallback Index Cessation Effective Date with respect to MAS Recommended Rate

If:

- (A) there is no MAS Recommended Rate before the end of the first Singapore Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR); or
- (B) there is a MAS Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it,

then the rate for a Reset Date which relates to a Calculation Period (or any compounding period included in that Calculation Period) in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) or the Fallback Index Cessation Effective Date with respect to the MAS Recommended Rate (as applicable) will be the Singapore Overnight Rate Average as provided by the Monetary Authority of Singapore (or a successor administrator) on the Monetary Authority of Singapore's Website (or as published by its authorized distributors) ("SORA"), to which the Bank shall make such adjustments as are necessary to account for any difference in term structure or tenor of SORA by comparison to Fallback Rate (SOR) and by reference to the Calculation Methodology for Fallback Rate (SOR).

No Fallback Index Cessation Effective Date with respect to SORA

If neither the administrator nor authorized distributors provide or publish SORA and a Fallback Index Cessation Effective Date with respect to SORA has not occurred, then, in respect of any day for which SORA is required, references to SORA will be deemed to be references to the last provided or published SORA.

For these purposes:

"Original SOR Fixing Date" means, in respect of a Reset Date and unless otherwise agreed, the day that is two Singapore and London Banking Days preceding that Reset Date;

"Original SOR Rate Record Day" means the term as used on the Fallback Rate (SOR) Screen;

"SOR" means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark, (or a successor administrator);

"Fallback Rate (SOR)" means the rate based on actual transactions in the U.S. Dollar/Singapore Dollar foreign exchange swap market and a U.S. Dollar interest rate calculated by reference to "Fallback Rate (SOFR)" (as set out in the definition of "USD-LIBOR-BBA") including any fallback rate that may apply pursuant to that definition for a period of the Designated Maturity provided by ABS Benchmarks Administration Co Pte. Ltd. (or a successor provider), as the provider of Fallback Rate (SOR), on the Fallback Rate (SOR) Screen (or by other means) or provided to, and published by, authorized distributors;

"Fallback Rate (SOR) Screen" means the Refinitiv Screen corresponding to the Refinitiv ticker for the fallback for SOR for a period of the Designated Maturity accessed via the Refinitiv Screen <FBKSORFIX> (or, if applicable, accessed via the relevant Refinitiv Screen for 'price history') or any other published source designated by ABS Benchmarks Administration Co Pte. Ltd. (or a successor provider);

"Calculation Methodology for Fallback Rate (SOR)" means the Calculation Methodology for Fallback Rate (SOR) published by ABS Benchmarks Administration Co Pte. Ltd. as updated from time to time; and

"MAS Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for Fallback Rate (SOR) by the Monetary Authority of Singapore or by a committee officially endorsed or convened by the Monetary Authority of Singapore (which rate may be produced by the Monetary Authority of Singapore or another administrator) and as provided by the administrator of that rate in respect of the Reset Date or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

4. Additional definitions and provisions for Rate Option

- (a) If an Index Cessation Event (or a Fallback Index Cessation Event or an event of a similar nature, if applicable) occurs in relation to any Rate Options, the Accountholder agrees that the Bank may amend any documents signed by the Accountholder in relation to the Transaction for any one or more of the following purposes: to (1) provide for the use of an Applicable Fallback Rate or any replacement rate deemed appropriate by the Bank in its sole and absolute discretion ("Replacement Rate") in place of that relevant Rate Option; (2) align any provision of the OTC Agreement with any other documents in connection with the Transaction to the use of the Applicable Fallback Rate or the Replacement Rate (as the case may be); (3) enable that Applicable Fallback Rate or that Replacement Rate (as the case may be) to be used for the calculation of interest under the Transaction (including, without limitation, effecting any Applicable Fallback Rate Conforming Changes required to enable that Applicable Fallback Rate or Replacement



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Rate (as the case may be) to be used for the purposes of the Transaction); (4) implement market conventions applicable to that Applicable Fallback Rate or Replacement Rate (as the case may be); (5) provide for appropriate fallback provisions for that Applicable Fallback Rate or Replacement Rate (as the case may be); and (6) adjust the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party of the OTC Agreement to another as a result of the application of that Applicable Fallback Rate or Replacement Rate (as the case may be) (and if any adjustment or method for calculating any adjustment had been formally designated, nominated or recommended by the relevant trade organization, the adjustment shall be determined on the basis of that designation, nomination or recommendation). The Bank shall give the Accountholder as much notice as possible of any amendment it decides to make pursuant to this Clause 4(a).

- (b) Without prejudice to any provisions under this Master OTC Terms and Conditions and the OTC Agreement, the Accountholder acknowledges that, in order to hedge the Bank's exposure under each Transaction entered into with the Accountholder, the Bank may execute an opposite hedging transaction (a "Hedging Transaction") with a hedge counterparty selected by the Bank in its sole and absolute discretion. Taking into consideration applicable legal and regulatory requirements, the Bank may, by written notice to the Accountholder, terminate a Transaction if the corresponding Hedging Transaction is subject to an early termination. Furthermore, if the Bank determines at any time that there is a mismatch between the terms of a Transaction and the terms of the corresponding Hedging Transaction, the Bank may adjust the terms of such Transaction to ensure that it mirrors the terms of that Hedging Transaction. The Bank shall communicate such adjustments to the Accountholder in due time/as soon as reasonably practicable in the form it shall deem appropriate, e.g. by delivering to the Accountholder a replacement Confirmation for the adjusted Transaction.
- (c) **"Applicable Fallback Rate"** means for the purposes of:
- (i) sterling LIBOR, Fallback Rate (SONIA) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (SONIA), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) will be the Sterling Overnight Index Average ("SONIA") rate administered by the Bank of England (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of "Fallback Rate (SONIA)" after making such adjustments to SONIA as are necessary to account for any difference in term structure or tenor of SONIA by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SONIA) and SONIA, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to SONIA) will be the GBP Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of "Fallback Rate (SONIA)" after making such adjustments to the GBP Recommended Rate as are necessary to account for any difference in term structure or tenor of the GBP Recommended Rate by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If there is no GBP Recommended Rate before the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the end of the first London Banking Day following the Fallback Index Cessation Effective Date with respect to SONIA), or there is a GBP Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to SONIA) or the Fallback Index Cessation Effective Date with respect to the GBP Recommended Rate (as applicable) will be the UK Bank Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SONIA), referred to in the definition of "Fallback Rate (SONIA)" after making such adjustments to the UK Bank Rate as are necessary to account for any difference in term structure or tenor of the UK Bank Rate by comparison to Fallback Rate (SONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;
 - (ii) Swiss franc LIBOR, Fallback Rate (SARON) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (SARON), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) will be the Swiss Average Rate Overnight ("SARON") administered by SIX Swiss Exchange AG (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of "Fallback Rate (SARON)" after making such adjustments to SARON as are necessary to account for any difference in term structure or tenor of SARON by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SARON) and SARON, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the Fallback Index Cessation Effective Date with respect to SARON) will be the NWG Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of "Fallback Rate (SARON)" after making such adjustments to the NWG Recommended Rate as are necessary to account for any difference in term structure or tenor of the NWG Recommended Rate by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If there is no NWG Recommended Rate before the end of the first Zurich Banking Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the end of the first Zurich Banking Day following the Fallback Index Cessation Effective Date with respect to SARON), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON) (or, if later, the Fallback Index Cessation Effective Date with respect to SARON) will be the Modified SNB Policy Rate, to which the



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Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SARON), referred to in the definition of “Fallback Rate (SARON)” after making such adjustments to the Modified SNB Policy Rate as are necessary to account for any difference in term structure or tenor of the Modified SNB Policy Rate by comparison to Fallback Rate (SARON) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;

- (iii) U.S. Dollar LIBOR, Fallback Rate (SOFR) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (SOFR), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) will be the Secured Overnight Financing Rate (“SOFR”) administered by the Federal Reserve Bank of New York (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to SOFR as are necessary to account for any difference in term structure or tenor of SOFR by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SOFR) and SOFR, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the Fallback Index Cessation Effective Date with respect to SOFR) will be the Fed Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to the Fed Recommended Rate as are necessary to account for any difference in term structure or tenor of the Fed Recommended Rate by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If there is no Fed Recommended Rate before the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the end of the first U.S. Government Securities Business Day following the Fallback Index Cessation Effective Date with respect to SOFR), or there is a Fed Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR) (or, if later, the Fallback Index Cessation Effective Date with respect to SOFR) or the Fallback Index Cessation Effective Date with respect to the Fed Recommended Rate (as applicable) will be OBFR, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to OBFR as are necessary to account for any difference in term structure or tenor of OBFR by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If there is no Fed Recommended Rate, or there is a Fed Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, and a Fallback Index Cessation Effective Date also occurs with respect to OBFR, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to OBFR (or, if later, the Fallback Index Cessation Effective Date with respect to the Fed Recommended Rate, SOFR or Fallback Rate (SOFR), as applicable) will be the FOMC Target Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOFR), referred to in the definition of “Fallback Rate (SOFR)” after making such adjustments to the FOMC Target Rate as are necessary to account for any difference in term structure or tenor of the FOMC Target Rate by comparison to Fallback Rate (SOFR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;
- (iv) euro LIBOR and the euro interbank offered rate, Fallback Rate (EuroSTR) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (EuroSTR), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) will be the Euro Short-Term Rate (“EuroSTR”) administered by the European Central Bank (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to EuroSTR as are necessary to account for any difference in term structure or tenor of EuroSTR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (EuroSTR) and EuroSTR, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) will be the ECB Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to the ECB Recommended Rate as are necessary to account for any difference in term structure or tenor of the ECB Recommended Rate by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If no ECB Recommended Rate is recommended before the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the end of the first TARGET Settlement Day following the Fallback Index Cessation Effective Date with respect to EuroSTR), or a Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate subsequently occurs, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR) (or, if later, the Fallback Index Cessation Effective Date with respect to EuroSTR) or the Fallback Index Cessation Effective Date with respect to the ECB Recommended Rate (as applicable) will be Modified EDFR, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (EuroSTR), referred to in the definition of “Fallback Rate (EuroSTR)” after making such adjustments to Modified EDFR as are necessary to account for any difference in term structure or tenor of Modified EDFR by comparison to Fallback Rate (EuroSTR) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;



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- (v) Japanese yen LIBOR, the Japanese yen Tokyo interbank offered rate and the euroyen Tokyo interbank offered rate, Fallback Rate (TONA) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (TONA), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA) will be the Tokyo Overnight Average Rate (“TONA”) administered by the Bank of Japan (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA), referred to in the definition of “Fallback Rate (TONA)” after making such adjustments to TONA as are necessary to account for any difference in term structure or tenor of TONA by comparison to Fallback Rate (TONA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (TONA) and TONA, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA) (or, if later, the Fallback Index Cessation Effective Date with respect to TONA) will be the JPY Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (TONA), referred to in the definition of “Fallback Rate (TONA)” after making such adjustments to the JPY Recommended Rate as are necessary to account for any difference in term structure or tenor of the JPY Recommended Rate by comparison to Fallback Rate (TONA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book;
- (vi) the Hong Kong interbank offered rate, Fallback Rate (HONIA) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (HONIA), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA) will be the Hong Kong Dollar Overnight Index Average (“HONIA”) rate administered by the Treasury Markets Association (or any successor administrator), to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA), referred to in the definition of “Fallback Rate (HONIA)” after making such adjustments to HONIA as are necessary to account for any difference in term structure or tenor of HONIA by comparison to Fallback Rate (HONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (HONIA) and HONIA, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA) (or, if later, the Fallback Index Cessation Effective Date with respect to HONIA) will be the HKD Recommended Rate, to which the Bank shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (HONIA), referred to in the definition of “Fallback Rate (HONIA)” after making such adjustments to the HKD Recommended Rate as are necessary to account for any difference in term structure or tenor of the HKD Recommended Rate by comparison to Fallback Rate (HONIA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book; and
- (vii) SGD-SOR-VWAP, Fallback Rate (SOR) or if a Fallback Index Cessation Event has occurred with respect to Fallback Rate (SOR), then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) will be the MAS Recommended Rate. If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (SOR) and the MAS Recommended Rate, then the Applicable Fallback Rate for any Fallback Observation Day that occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (SOR) (or, if later, the Fallback Index Cessation Effective Date with respect to the MAS Recommended Rate) will be the Singapore Overnight Rate Average as provided by the Monetary Authority of Singapore (or a successor administrator) on the Monetary Authority of Singapore’s Website (or as published by its authorized distributors) (“SORA”), to which the Bank shall make such adjustments as are necessary to account for any difference in term structure or tenor of SORA by comparison to Fallback Rate (SOR) and by reference to the Calculation Methodology for Fallback (SOR).
- (d) **“Applicable Fallback Rate Conforming Changes”** means with respect to any Applicable Fallback Rate or Replacement Rate (as the case may be), any technical, administrative or operational changes that the Bank decides may be appropriate to reflect the adoption and implementation of such Applicable Fallback Rate or Replacement Rate (as the case may be) and to permit the administration thereof by the Bank in a manner substantially consistent with market practice.
- (e) **“Bloomberg IBOR Fallback Rate Adjustments Rule Book”** means the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited (or a successor) as updated from time to time in accordance with its terms.
- (f) **“Fallback Index Cessation Effective Date”** means, in respect of a Fallback Index Cessation Event, the first date on which the Applicable Fallback Rate is no longer provided. If the Applicable Fallback Rate ceases to be provided on the same day that it would have been observed but it was provided at the time at which it is ordinarily observed (or, if no such time is specified, at the time at which it is ordinarily published), then the Fallback Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published. If the Applicable Fallback Rate is the Modified SNB Policy Rate or Modified EDFR, references to the Applicable Fallback Rate in this definition of “Fallback Index Cessation Effective Date” shall be deemed to be references to the index, benchmark or other price source that is referred to in the definition of Modified SNB Policy Rate or Modified EDFR, as applicable.
- (g) **“Fallback Index Cessation Event”** means, in respect of an Applicable Fallback Rate:
- (i) a public statement or publication of information by or on behalf of the administrator or provider of the Applicable Fallback Rate announcing that it has ceased or will cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate; or
- (ii) if the Applicable Fallback Rate is:



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- (A) Fallback Rate (SONIA), Fallback Rate (SARON), Fallback Rate (SOFR), Fallback Rate (EuroSTR), Fallback Rate (TONA), or Fallback Rate (HONIA), a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Rate, the central bank for the currency of the Underlying Rate, an insolvency official with jurisdiction over the administrator for the Underlying Rate, a resolution authority with jurisdiction over the administrator for the Underlying Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Rate, which states that the administrator of the Underlying Rate has ceased or will cease to provide the Underlying Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Rate; or
- (B) SONIA, the GBP Recommended Rate, SARON, the NWG Recommended Rate, the Modified SNB Policy Rate, SOFR, the Fed Recommended Rate, OBFR, the FOMC Target Rate, EuroSTR, the ECB Recommended Rate, Modified EDFR, TONA, the JPY Recommended Rate, HONIA, the HKD Recommended Rate, the Fallback Rate (SOR), the MAS Recommended Rate or SORA, a public statement or publication of information by the regulatory supervisor for the administrator or provider of the Applicable Fallback Rate, the central bank for the currency of the Applicable Fallback Rate, an insolvency official with jurisdiction over the administrator or provider for the Applicable Fallback Rate, a resolution authority with jurisdiction over the administrator or provider for the Applicable Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator or provider for the Applicable Fallback Rate, which states that the administrator or provider of the Applicable Fallback Rate has ceased or will cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate.

If the Applicable Fallback Rate is the Modified SNB Policy Rate or Modified EDFR, references to the administrator or provider of such rate in this definition of “Fallback Index Cessation Event” shall be deemed to be references to the administrator or provider of the index, benchmark or other price source that is referred to in the definition of Modified SNB Policy Rate or Modified EDFR, as applicable.

- (h) **“Fallback Observation Day”** means, in respect of an Applicable Fallback Rate and unless otherwise agreed, the day that is two Business Days preceding the day on which payment by reference to that rate is due.
- (i) **“Index Cessation Effective Date”** means, in respect of a Relevant IBOR and one or more Index Cessation Events, the first date on which the Relevant IBOR is either (a) in respect of a Relevant LIBOR, Non-Representative by reference to the most recent statement or publication contemplated in subparagraph (iii) of the definition of “Index Cessation Event” below and even if such rate continues to be provided on such date or (b) no longer provided. If the Relevant IBOR ceases to be provided on the Relevant Original Fixing Date but it was provided (and, in respect of a Relevant LIBOR, is not Non-Representative) at the time at which it is ordinarily observed, then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.
- (j) **“Index Cessation Event”** means, in respect of a Relevant IBOR:
- (i) a public statement or publication of information by or on behalf of the administrator of the Relevant IBOR announcing that it has ceased or will cease to provide the Relevant IBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant IBOR;
 - (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant IBOR, the central bank for the currency of the Relevant IBOR, an insolvency official with jurisdiction over the administrator for the Relevant IBOR, a resolution authority with jurisdiction over the administrator for the Relevant IBOR or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant IBOR, which states that the administrator of the Relevant IBOR has ceased or will cease to provide the Relevant IBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant IBOR; or
 - (iii) if the Relevant IBOR is sterling LIBOR, Swiss franc LIBOR, U.S. Dollar LIBOR, euro LIBOR, Japanese yen LIBOR, a public statement or publication of information by the regulatory supervisor for the administrator of such Relevant IBOR announcing that (i) the regulatory supervisor has determined that such Relevant IBOR is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Relevant IBOR is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts.
- (k) **“Non-Representative”** means, in respect of a Relevant LIBOR, the regulatory supervisor for the administrator of the Relevant LIBOR:
- (i) has determined and announced that the Relevant LIBOR is no longer representative of the underlying market and economic reality it is intended to measure and representativeness will not be restored; and
 - (ii) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, provided that such Relevant LIBOR will be ‘Non-Representative’ by reference to the date indicated in the most recent statement or publication contemplated in subparagraph (iii) of the definition of “Index Cessation Event” above.



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- (l) **“Relevant IBOR”** means:
- (i) any of sterling LIBOR (London interbank offered rate), Swiss franc LIBOR (London interbank offered rate), U.S. Dollar LIBOR (London interbank offered rate), euro LIBOR (London interbank offered rate), , Japanese yen LIBOR (London interbank offered rate), the Hong Kong interbank offered rate;
 - (ii) in respect of SGD-SOR-VWAP, U.S. Dollar LIBOR (London interbank offered rate);
 - (iii) LIBOR (London interbank offered rate) with no reference to, or indication of, the currency of the relevant LIBOR (London interbank offered rate).
- (m) **“Relevant LIBOR”** means, sterling LIBOR, Swiss franc LIBOR, U.S. Dollar LIBOR, euro LIBOR and Japanese yen LIBOR.
- (n) **“Relevant Original Fixing Date”** means, in respect of a Relevant IBOR and unless otherwise agreed, the Reset Date, (or, if the Relevant IBOR is Swiss franc LIBOR, U.S. Dollar LIBOR, euro LIBOR, Japanese yen LIBOR, the day that is two Banking Days preceding a relevant “Reset Date”, as applicable).
- (o) **“Underlying Rate”** means, if the Applicable Fallback Rate is: (i) Fallback Rate (SONIA), SONIA; (ii) Fallback Rate (SARON), SARON; (iii) Fallback Rate (SOFR), SOFR; (iv) Fallback Rate (EuroSTR), EuroSTR; (v) Fallback Rate (TONA), TONA; and (vi) Fallback Rate (HONIA), HONIA.

5. Certain published and displayed sources

- (a) “Reuters Screen” or “Thomson Reuters Screen” each means, when used in connection with any designated page and any Floating Rate Option, the display page so designated on the Thomson Reuters Service or any Successor Source.
- (b) “Refinitiv Screen” means, when used in connection with any designated page and any Floating Rate Option, the display page so designated on the Refinitiv service, or any Successor Source.
- (c) “Successor Source” means, in relation to any display page, other published source, information vendor or provider specified in subsection (a) above: (i) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

6. Currencies

- (a) Argentine Peso. “Argentine Peso” and “ARS” each means the lawful currency of the Argentine Republic.
- (b) Australian Dollar. “Australian Dollar”, “A\$” and “AUD” each means the lawful currency of the Commonwealth of Australia.
- (c) Brazilian Real. “Brazilian Real”, “Brazilian Reais” and “BRL” each means the lawful currency of the Federative Republic of Brazil.
- (d) Canadian Dollar. “Canadian Dollar”, “C\$” and “CAD” each means the lawful currency of Canada.
- (e) Chinese Renminbi. “Chinese Renminbi”, “CNY” and “RMB” each means the lawful currency of the People’s Republic of China.
- (f) Euro. “Euro”, “Euro” and “EUR” each means the lawful currency of the participating member states of the European Union adopted in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.
- (g) Hong Kong Dollar. “Hong Kong Dollar”, “HK\$”, “HKD” each means the lawful currency of Hong Kong.
- (h) Hungarian Forint. “Hungarian Forint” and “HUF” each means the lawful currency of the Republic of Hungary.
- (i) Indian Rupee. “Indian Rupee” and “INR” each means the lawful currency of the Republic of India.
- (j) Indonesian Rupiah. “Indonesia Rupiah” and “IDR” each means the lawful currency of the Republic of Indonesia.
- (k) Korean Won. “Korean Won” and “KRW” each means the lawful currency of the Republic of Korea.
- (l) Malaysian Ringgit. “Malaysian Ringgit” and “MYR” each means the lawful currency of the Federation of Malaysia.
- (m) Mexican Peso. “Mexican Peso”, “MXN” and “MXP” each means the lawful currency of the United Mexican States.
- (n) New Zealand Dollar. “New Zealand Dollar”, “NZ\$” and “NZD” each means the lawful currency of New Zealand.
- (o) Norwegian Krone. “Norwegian Krone”, “Nkr” and “NOK” each means the lawful currency of the Kingdom of Norway.
- (p) Philippine Peso. “Philippine Peso” and “PHP” each means the lawful currency of the Republic of the Philippines.
- (q) Polish Zloty. “Polish Zloty”, “PLN” and “PLZ” each means the lawful currency of the Republic of Poland.
- (r) Singapore Dollar. “Singapore Dollar”, “S\$” and “SGD” each means the lawful currency of the Republic of Singapore.
- (s) South African Rand. “South African Rand”, “Rand”, “R” and “ZAR” each means the lawful currency of the Republic of South Africa.



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- (t) Sterling. “Sterling”, “£”, “GBP” and “STG” each means the lawful currency of the United Kingdom.
- (u) Swiss Franc. “Swiss Franc”, “Sfr”, “CHF” and “SWF” each means the lawful currency of Switzerland.
- (v) Taiwanese Dollar. “Taiwanese Dollar”, “New Taiwanese Dollar” and “TWD” each means the lawful currency of the Republic of China.
- (w) Thai Baht. “Thai Baht” and “THB” each means the lawful currency of the Kingdom of Thailand.
- (x) Turkish Lira. “Turkish Lira” and “TRL” each means the lawful currency of the Republic of Turkey.
- (y) U.S. Dollar. “U.S. Dollar”, “U.S.\$”, “T” and “USD” each means the lawful currency of the United States of America.
- (z) Yen. “Yen”, “¥” and “JPY” each means the lawful currency of Japan.

Unless otherwise agreed by the parties to a Transaction, each currency with respect to a particular country defined in this Annex F will be deemed to include any lawful successor currency (the “Successor Currency”) of that country. If, after the Trade Date and on or before the Settlement Date of a Transaction, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on such Trade Date or any Successor Currency, as the case may be (the “Original Currency”), for a Successor Currency, then for purposes of calculating any amounts of such currency pursuant to a Transaction, and for purposes of effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by such country for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place. If there is more than one such date, the date closest to the Settlement Date will be selected.

7. Principal financial centres

Unless otherwise specified in a Confirmation, the principal financial centre with respect to each currency is the financial centre(s) indicated below with respect to such currency:

Currency Financial centre(s)

Argentine Peso	Buenos Aires
Australian Dollar	Sydney and Melbourne
Brazilian Real	Brasilia, Rio de Janeiro or São Paulo
Canadian Dollar	Toronto
Chinese Renminbi	Beijing
Hong Kong Dollar	Hong Kong
Hungarian Forint	Budapest
Indian Rupee	Mumbai
Indonesia Rupiah	Jakarta
Korean Won	Seoul
Malaysian Ringgit	Kuala Lumpur
Mexican Peso	Mexico City
New Zealand Dollar	Wellington and Auckland
Norwegian Krone	Oslo
Philippine Peso	Manila
Polish Zloty	Warsaw
Singapore Dollar	Singapore
South African Rand	Johannesburg
Sterling	London
Swiss Franc	Zurich
Taiwanese Dollar	Taipei
Thai Baht	Bangkok
Turkish Lira	Ankara
U.S. Dollar	New York
Yen	Tokyo