

## Notice of Amendment to Fubon Bank “Global Terms and Conditions for Accounts and Services”

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**With effect from 8 June 2017 (“Effective Date”),** Fubon Bank will revise the existing “Global Terms and Conditions for Accounts and Services”, details are as follows:

### Section I – Definitions and Interpretations

#### 1. Definitions

The definition of “Equity” will be deleted in its entirety.

The definition of “Equity Linked Investment” will be amended to:

“Equity Linked Products/ELPs” shall include, but is not limited to an equity linked note, equity linked deposit and an equity linked instrument.

### Section II – General Terms, clause 16.1.5 will be amended to:

- 16.1.5 In the event of death of an Account Holder, Fubon shall hold the credit balance and any investments and properties of any description held in the joint names of the Account Holders to the order of the surviving Account Holder(s) to the fullest extent permissible under any Applicable Law subject to the surviving Account Holder(s) producing to the satisfaction of Fubon evidence of death of the Account Holder and evidence of compliance of all applicable requirements under the Applicable Law and provided that any liabilities incurred by the deceased shall be enforceable by Fubon against the deceased’s estate.

### Section III F – Specific Terms For Securities Accounts

#### 2. Basis of dealing

Clause 2.1 and 2.6 will be amended to (new contents are underlined below):

- 2.1 Subject to the Terms and any other terms and conditions as applicable, Fubon is authorised (but not obliged) to act on any instruction given, or purported to be given by the Customer with regard to purchase or subscription of Securities and sale or otherwise disposal or trading of Securities. The Customer acknowledges that Fubon has the right to accept or refuse any Instruction or to prescribe any condition for accepting an Instruction at its sole discretion. Fubon will act as agent or trustee on the Customer’s behalf and not as principal, unless otherwise indicated. Accordingly, save as otherwise specifically provided in the Terms or disclosed by the Customer to Fubon separately, the Customer undertakes that no other person will have any interest of whatsoever nature in the Securities Account and any Transaction which it may enter into or in the Securities which it may purchase or sell.
- 2.6 Fubon shall be entitled (but not obliged) to withhold and/or to make payment of any taxes or duties payable on or in respect of the Securities Account which is required to be so deducted or withheld by law or practice of any relevant revenue authority of any jurisdiction or for which it is liable or accountable.

#### 5. Settlement

Addition of a new Clause 5.5 relating to timing and arrangement of crediting the received amount to the Settlement Account:

- 5.5 Fubon shall credit to the Settlement Account: (i) all cash received by Fubon or its nominee for the account of the Customer from sale or redemption of Securities held on behalf of the Customer pursuant to the Terms; and (ii) all interests, Securities, income and other payments received in respect of the Securities held on behalf of the Customer or at maturity pursuant to the Terms. The Customer acknowledges that the timing of money, Securities or other property which is/are due to be delivered being credited to the Customer's Account will be subject to the time zone differences and timing of receipt by Fubon from the third party issuer related to the relevant Securities and/or custodians appointed by Fubon. Fubon shall not be held liable for any losses and costs suffered or incurred by the Customer as a result of such delay or any matter howsoever arising therefrom or in relation thereto.

### **13. Representations and Undertakings**

**Clause 13.1.1 will be amended to (new contents are underlined below):**

- 13.1.1 All information which the Customer from time to time provides or has provided to Fubon in respect of the Customer's financial position, or any other information or matters provided to Fubon is true, complete, accurate and up-to-date.

**Addition of new 13.3 (to incorporate the standard provision of new client agreement regime under the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commissions) and related new clauses 13.2 and 13.4:**

- 13.2 The Customer confirms that before giving any instruction with respect to any investment in the Securities Account, the Customer will have read, understood and agreed to be bound by the terms and conditions relating to such investment.
- 13.3 If Fubon solicits the sale of or recommends financial product to the Customer, the financial product must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of the Terms or any other related document Fubon may ask the Customer to sign and no statement the Bank may ask the Customer to make derogates from this clause.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

- 13.4 The Customer acknowledges that making available any advertisement or promotional materials or other information relating to financial product shall not, by itself, constitute solicitation of sale or recommendation of any financial product or service. Unless otherwise specified, Fubon do not provide advisory services and therefore do not assume any obligation relating to advisory duty of care or obligation in the solicitation of the sale or recommendation of any financial product other than those obligations as set out in Clause 13.3.

### **15. Investment Products Nominee Services**

**Clause 15.2.5 will be amended to (new contents are underlined below):**

- 15.2.5 Any application, purchase, subscription, redemption, sale or conversion or disposal of Investment Products will be effected subject to the offering document, prospectus and constitutive documents relating to the Investment Products ("Investment Products

Information”). The Customer acknowledges that the relevant Investment Products will be investing in the assets as described in the prospectus and there may be limited liquidity to an investment in the Investment Products. Interests in the Investment Products may only be redeemed or transferred subject to restrictions and other requirements set out in the prospectus and other constitutive documents of the Investment Products. The Customer shall be deemed to have read and understood those documents before the Customer gives instructions to Fubon and complied with all relevant requirements under the Investment Products Information before placing a switching order.

**Addition of a new clause 15.2.8 relating to disclosure of information:**

- 15.2.8 The Customer agrees and confirms that Fubon shall be entitled to disclose to any person appointed by it in connection with the performance of the Securities Services, any information it has concerning the Customer to enable them to (i) comply with any Applicable Regulations; and (ii) continue to serve the Customer despite the termination of the Securities Services contemplated hereunder. Fubon does not assume any liability to the Customer for such disclosure unless due to the negligence or wilful default of Fubon, its officers or employees and only to the extent of direct and reasonably foreseeable loss and damages (if any) arising directly therefrom.

**15.4 Representations, Warranties and Undertakings**

**Addition of a new clause 15.4.1 relating to declaration of residency:**

- 15.4.1 Customer hereby represents and warrants and undertakes to the Bank in the following Terms:
- (a) the Customer is not resident in a country where there is any restriction on the Customer relating to purchase of any securities and will ensure that the Customer is not subject to any prohibition against the purchase or dealing in the relevant securities. The Customer hereby declare that:
    - (i) The Customer is neither a U.S. Person (as defined below), nor an agent for the same, whether for the securities or tax laws or for any purposes).
    - (ii) The Customer is not a Canadian Resident (as defined below) of or domiciled in Canada, or an agent for the same, whether for the securities laws or tax laws or for any purposes.

The Customer undertakes to inform Fubon promptly if at any time the Customer become a “U.S. Person” or “Canadian Resident”.

Where the Customer is or becomes a U.S. Person or Canadian Resident, the Bank shall have the right to suspend or termination of provision of any or all Securities Services hereunder and the Bank shall not be held liable for any and all losses, fees or expenses in connection with such suspension or termination.

“U.S. Person” means any of the following:

- (i) any United States citizen or resident;
- (ii) any corporation, partnership or other entity organized or existing under the laws of any state, territory or possession of the United States;
- (iii) any estate or trust of which any executor, administrator or trustee is a U.S. Person;
- (iv) any agency or branch of a foreign entity located in the United States;
- (v) any discretionary trust of a U.S. Person;
- (vi) any foreign partnership or corporation formed by a U.S. Person

principally for the purpose of investing an unregistered securities; or  
(vii) any other person that is subject to the United States federal income taxation on his worldwide income regardless of its source.

“Canadian Resident” means of any of the following:

- (i) a lawfully domiciled person in Canada;
- (ii) any corporation, partnership or other entity created or organized under the federal laws of Canada or any province (including any foreign corporation which lawfully maintains a permanent place of business in Canada, generally referred to in tax treaties as a permanent establishment); or
- (iii) any Canadian estate or trust that is subject to Canadian federal income taxation, regardless of the source and regardless of whether such income is effectively connected with a Canadian trade or business or having its principal place of business in Canada.

**Addition of a new clause 15.4.2 and the original clause is re-numbered as 15.4.3:**

15.4.2 The Customer shall notify Fubon of any material change of any information provided to Fubon (including but not limited to his or her or its status of residency) in connection with the Securities Account or use of the Securities Services.

**15.5 Limitation on Liability and Indemnity**

**Addition of new clause 15.5.3 relating to customer’s obligation on tax compliance:**

15.5.3 It is the Customer’s sole responsibility to handle and/or fulfill any local, overseas or worldwide tax issues, liabilities and/or obligations under all Applicable Law.

**Addition of new clauses 23 (Fees and Charges) and 24 (Roles and Obligations):**

**23. Fees and Charges**

- 23.1 Fubon may impose fees or charges for providing Securities Services. Such fees and charges are set out in Fubon’s schedule of charges published from time to time. Fubon may revise such fees and charges at its discretion upon prior notice to Customer.
- 23.2 The Customer shall pay on demand any applicable stamp duties, taxes and other levies and fees and expenses of any applicable jurisdiction.

**24. Role and Obligations**

- 24.1 Fubon may make available certain financial market data, commentaries, financial information or other data (the “Information”) that have been independently obtained from service providers or stock exchanges (the “Information Providers”). Neither Fubon nor any Information Provider warrants or guarantees the accuracy, completeness and timeliness of the Information made available to the Customer. The Customer acknowledges that the Information are for the Customer’s information and reference only and are not intended as investment advice or for trading or any other purpose.
- 24.2 The Customer represents and confirms to Fubon that:
  - (i) the Customer shall make his/her/its own investigation and appraisal of the Securities and/or investments with which the Customer intends to deal before making any investment decision;
  - (ii) the Customer has reviewed carefully his/her/its own financial needs and investment objectives, accepts those risks set out in the section of Risk Disclosure in the Terms and any other risk disclosure statements provided by Fubon and upon advice from

such independent advisers as he/she/it deemed necessary before giving any Instruction relating to Securities and/or investments to Fubon;  
(iii) at all times the Customer is acting on his/her/its own account and makes his/her/its own decision in dealing with the Securities and/or investments.

**The original clause 15.8 Risk Disclosure Statements will be consolidated with the original Clause 23 and re-number as Clause 25 (new contents are underline below):**

## **25. RISK DISCLOSURE STATEMENTS**

The Customer acknowledges that the Customer has read and understood all the risk disclosure statements set out in the offering documents relating to the Investment Products.

The Customer acknowledges that the value of investments and the income from Investment Products can go down as well as up.

The Customer represents, warrants and undertakes to Fubon that it has read (and has had explained to it), understands and agrees with all of the contents of the following risk disclosure which the Customer is required to sign under the Applicable Law in relation to the risks of trading in various types of Securities.

The Customer acknowledges, understands and accepts that the following risk disclosure is only a summary. It is not an exhaustive list of all the possible risks of investing in the said products. The Customer is advised to read and fully understand all the relevant risk disclosure statements herein, read carefully the most up-to-date prospectuses/listing documents, financial statements, announcements and other information published either on the issuers' websites, HKEx corporate and HKEx news websites to learn more about the product features and risk factors involved, and to obtain independent professional advice, if necessary. The Terms and/or the following risk disclosures may be subject to addition(s) and/or change(s) if there is/are any changes in the features of existing product(s) and/or any new product(s) is/are to be launched by the Bank and/or any new requirement(s) is/are imposed by any regulators which trigger further risk disclosure.

The Customer acknowledges that the Bank has advised Customer to seek professional advice if the Customer is in doubt as to the relevant Investment Products and its terms and conditions.

For more details of the risks of each relevant product, Customer is advised to refer to the relevant product document(s).

### **Potential Tax Obligations in Overseas Investments**

Since overseas investment may involve extra tax implications, the Customer should seek tax advice where appropriate.

**The original clause 23.1 Securities Trading – General Disclosure will be re-numbered as 25.1 and renamed as Risk of Securities Trading.**

**The original clause 23.12 (k) will be re-numbered as 25.12 (k) (new contents are underline below):**

25.12 (k) Trading on an electronic trading system may differ from trading on other electronic trading systems. If the Customer undertakes Transactions on an electronic trading



system, the Customer 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 the Customer's order is either not executed according to the Customer's instruction or is not executed at all.

**The original clause 23.13 will be re-numbered as 25.13 and renamed as Risk Disclosure of Bonds Trading:**

**The paragraph "Risk associated with High Yield Bonds" will be amended to (new contents are underline below):**

**Risk associated with High Yield Bonds**

Non-investment grade bonds or not rated bonds typically offer a higher yield than investment grade bonds, but also present greater risks with respect to liquidity, volatility, and non-payment of principal and interest. As a result of being classified as non-investment grade bonds, these bonds present a greater degree of credit risk relative to many other fixed income securities.

**The paragraph "Higher Vulnerability to Economic Cycles" will be amended to (new contents are underline below):**

**Higher Vulnerability to Economic Cycles**

During economic downturns, non-investment grade bonds or not rated bonds are typically more susceptible to price volatility and fall more in value than investment grade bonds as (i) the Customer may re-evaluate holdings in lower-quality bonds in favour of investment grade corporate bonds; (ii) the Customer becomes more risk averse; and/or (iii) its default risk rises.

**The original clause 23.15 will be re-numbered as 25.15 (new contents are underline below):**

25.15 The risk of loss in investing Derivative Warrants, Callable Bull/Bear Contracts ("CBBC"), Exchange Traded Funds ("ETFs") and Synthetic Exchange Traded Funds ("Synthetic ETFs") can be substantial. The Customer should be prepared to sustain a total loss of their investment. The Customer should therefore firstly, study and understand the structure of the Derivative Warrants, CBBC, ETFs and Synthetic ETFs before they place an order and secondly, carefully consider whether the Derivative Warrants, CBBC, ETFs and Synthetic ETFs are suitable in light of the Customer's financial position and investment objectives. If the Customer provides irrevocable instructions to the Bank, the Customer does so at the Customer's own risk and has not relied on the Bank's advice and recommendation.

**The original clause 23.18 will be re-numbered as 25.15.3 (new contents are underline below):**

**25.15.3 ETFs  
Market risk**

The ETF's price may go up or down due to the political, economic, currency and other risks of a specific sector or market related to the ETF's underlying index.

**The original clause 23.19 will be re-numbered as 25.15.4. The product name "ETFs" under this clause will be renamed as "Synthetic ETFs".**

**A new Clause 25.2 Risk of investing in Unit Trust will be added (new contents are underline below):**

**25.2 Risk of investing in Unit Trust**

The Customer understands that the Customer's investments in the Investment Products involve risk of loss to their principal. They are not bank deposits and are not endorsed or guaranteed by and do not constitute obligations of the Bank or any of its subsidiaries. The prices of investments in the Investment Products can and do fluctuate, sometimes dramatically, and any individual investment in the Investment Products may experience upward or downward movements, and may even become valueless. In certain circumstances, the Customer's right to redeem or sell the Customer's investments may be restricted. It is as likely that losses may be incurred rather than profit made as a result of buying and selling investments in the Investment Products.

The Customer also understands that the Customer's investments in the Investment Products involve the following investment risks:

- (a) Counterparty risk: a fund will be exposed to credit risk on the counterparties with which it trades. A fund will be subject to the possibility of insolvency, bankruptcy or default of a counterparty with which a fund trades, which could result in substantial loss to a fund;
- (b) Regulatory, political and economic risks: a fund may expose to the risk of regulatory, political and economic changes that may pose additional risk to the funds;
- (c) Suspension of trading risk: a fund may expose to the risk of suspension on redemption or switching;
- (d) Liquidity risk: a fund may invest in unlisted stocks or non-graded bonds which can be less liquid;
- (e) Currency risk: a fund may expose to the risk of changes in exchange rates;
- (f) Market risk: funds which are invested in emerging markets, commodity markets and smaller companies, etc. may also involve a higher degree of risk and are usually more sensitive to price movements.

For guaranteed funds, the Customer understands and acknowledges that the Customer's investment is guaranteed by the guarantor(s) as specified in the prospectus. The Customer understands that in order to have the Customer's principal guaranteed, and/or protection as stated in the prospectus, the Customer needs to remain invested throughout the period as mentioned in the prospectus. The Customer acknowledges that Investment Products redeemed prior to maturity are subject to investment risk including possible loss of the principal invested.

For Hedge Funds, the Customer understands the specific style of hedge funds and it is a kind of alternative investment products that involves significant risk.

(If applicable) Deviation Disclosure: the Customer fully understands that the underlying risk of the Customer's own investment choice may involve higher risk against Fubon's suggestion according to the Customer's risk profile. The Customer will measure the risk and make the Customer's own investment decisions.

**The original clause 23.2 will be re-numbered as 25.3 and renamed as Risk of Securities Traded on both the Growth Enterprise Market ("GEM") and the stock market other than GEM ("Main Board") operated by The Stock Exchange of Hong Kong Limited ("Stock Exchange").**

**The original clause 23.4 will be renumbered as 25.5 and renamed as Risk of Trading of Nasdaq – Amex Securities at the Stock Exchange.**

**The original clause 23.5 will be re-numbered as 25.6 and renamed as Risk of Margin Trading.**

**The original clause 23.6 will be re-numbered as 25.7 and renamed as Risk of Purchasing Equity Linked Products (“ELPs”). The product name under this clause will be changed as “Equity Linked Products” or “ELPs” for short.**

**The original clause 23.6.4 will be removed.**

**The original clause 23.7 will be re-numbered as 25.8 and renamed as Risk of Providing an Authority to Hold Mail or to Direct Mail to Third Parties.**

Please note that the above amendments set out in this Notice shall be binding on you if you continue to use or retain your Account(s) and/or Service(s) on or after the Effective Date. If you do not accept the above amendments, you have the right to terminate your account(s) and/or service(s) in accordance with the relevant clauses under the existing “Global Terms and Conditions for Accounts and Services” before the Effective Date. Should you have any queries, please visit any of Fubon Bank branches or call Fubon Bank Integrated Customer Service Hotline at 2566 8181 during business hours\*

\* Monday – Friday: 9:00 am – 7 pm; Saturday: 9:00 am – 1 pm (except public holidays).

Remarks: Fubon Bank reserves the right to revise and/or introduce any terms and conditions of various services from time to time. Should there be any inconsistency between the English and Chinese versions of this Notice, the English version shall prevail.