

Stocks Monthly Investment Plan (SMIP) Terms & Conditions and Declarations

PLEASE READ THE FOLLOWING IMPORTANT NOTES AND TERMS AND CONDITIONS CAREFULLY. BY SUBMITTING THIS APPLICATION, YOU WILL BE TAKEN TO HAVE ACCEPTED THEM IN FULL AND SHALL BE BOUND BY THEM.

Important Notes:

1. The Stocks Monthly Investment Plan (the "Plan") is only available to customers holding a cash account with HSBC ("Cash Account"), and at least one HSBC Investment Services Account or HSBC Securities Account (account with account number ending with "380" or "381"). If at any time you cease to hold the Cash Account and at least one HSBC Investment Services Account or HSBC Securities Account after being enrolled in the Plan, your participation in the Plan will automatically terminate without notice.
2. The name(s) of customer(s) applying for participation in the Plan in this Application should be the same as those holding the HSBC Investment Services Account, HSBC Securities Account and Cash Account designated in this Application.
3. HSBC has the right to specify from time to time the minimum amount and maximum amount (if applicable) of monthly investment contribution for securities. That amount will include the monthly brokerage fee payable under the Plan.
4. To setup the Plan, instruction must be duly completed and received by the Bank on or before the Cut-off Date of each month, in order for the instruction to take effect in that month. The Cut-off Date is the 7th calendar date of a month or a date specified by HSBC in the processing schedule of the Plan from time to time without prior notice, including Saturday, Sunday and Hong Kong public holiday. Any instruction received after such Cut-Off date will be deferred to the following month for execution.
5. On the 3rd trading day after the instruction Cut-Off date ("Transaction Date"), HSBC will purchase the stocks as per your SMIP instruction. On the 2nd business day after Transaction Date ("Settlement Date"), the actual Settlement Amount will be debited from your related designated Cash Account. The actual Settlement Amount includes the consideration of the purchased securities, stamp duty, stock exchange levy, financial reporting council transaction levy, trading fee and Central Clearing and Settlement System fee and any other fees and charges where applicable. If the Settlement Date is not a business day as defined by Hong Kong Securities Clearing Company Limited (HKSCC), please refer to the website of Stock Exchange of Hong Kong for further details, the Settlement Amount will be debited on the next business day.
6. Please note that for each Plan that you have subscribed for, the number of the securities to be purchased thereunder will be adjusted accordingly in order that the Settlement Amount is less than or equal to the agreed monthly contribution of such Plan.
7. You should ensure that there are sufficient available funds in the related designated Cash Account(s) to cover the gross monthly investment contribution of your existing plans from 00:00am Hong Kong Time on the day which is one business day after Cut-off Date. No reminder will be sent to you. If you choose a Cash Account that is associated with a credit facility, please note that overdraft charges and interest may be incurred if sufficient credit balance is not maintained to cover the gross monthly contribution amount of all of your existing plans.
8. Subject to the conditions set out in this clause, you may amend contributions of an existing plan or terminate an existing plan anytime (excluding the first hour after the 1st business day following the Cut-off date, from 00:00am to 01:00am Hong Kong time). The conditions are: (i) you have to pay a fee (if any) specified by HSBC; (ii) any amendment of contributions is subject to HSBC's consent; and (iii) you have to give instructions via HSBC Online Banking, HSBC Hong Kong branches or other channels acceptable to HSBC which must be received by HSBC on or before the Cut-off Date of the month in order for the amendment or termination to take effect in the same month. You can amend or terminate the monthly contribution of the Plan through Phonebanking Service.

Terms and Conditions

1. The Plan is provided subject to these Terms and Conditions (including the terms and conditions appearing in the 'Important Notes' on the first page of this Application Form), and the Integrated Account Terms and Conditions or HSBC Securities Account Terms and Conditions (as applicable) which you have accepted. In this regard:
 - (a) for clarity, securities acquired under the Plan constitute 'Securities', and the services provided pursuant to the Plan constitute 'Services', as defined in the Integrated Account Terms and Conditions or HSBC Securities Account Terms and Conditions;
 - (b) terms and expressions used in these Terms and Conditions have the same meanings as defined in the Integrated Account Terms and Conditions or HSBC Securities Account Terms and Conditions unless the context requires otherwise; and
 - (c) in the event of any inconsistency between these Terms and Conditions and the Integrated Account Terms and Conditions or HSBC Securities Account Terms and Conditions, these Terms and Conditions will prevail.
2. HSBC may vary at its sole discretion from time to time the list of securities that is available for you to select and purchase. HSBC has the right to remove from the list any securities which you have given instruction to purchase. HSBC will give you prior written notice. In that case, you may instruct HSBC to terminate your contribution in respect of such securities and/or switch the related contribution to other available securities. If HSBC receives no instruction from you on or before the expiry of HSBC's notice, HSBC is entitled to cancel your instruction to purchase such securities at its discretion without further notice.
3. You understand and accept that the list of securities as HSBC may specify and vary from time to time and any materials provided by HSBC in connection with the Plan do not constitute the giving of investment advice of any nature by HSBC to you. You confirm that you have made and will make your own decision as to the suitability of investing in such securities, and that you will seek appropriate advice from your own investment adviser if you are in doubt.
4. You agree to pay brokerage fee and other fees and charges for the services relating to the Plan at such rates as specified by HSBC from time to time. You can find the information about our brokerage fee and other fees and charges for the services relating to the Plan from our website or on the product fact sheet which are available upon request at any of our Hong Kong branches. The actual Settlement Amount will be debited from your related designated Cash Account. The actual Settlement Amount includes the consideration of the purchased securities, stamp duty, stock exchange levy, financial reporting council transaction levy, trading fee and Central Clearing and Settlement System fee and any other fees and charges where applicable. HSBC has the right to vary fees and charges from time to time. We will give you prior notice in a manner we consider appropriate. You will be bound by a variation unless we receive your notice to terminate use of the services relating to the Plan before the date on which that variation takes effect.
5. For each Plan that you have subscribed for, the number of the securities to be purchased thereunder will be adjusted accordingly in order that the Settlement Amount is less than or equal to the agreed monthly contribution of such Plan.
6. You should ensure that there are sufficient available funds in the designated Cash Account from 00:00am Hong Kong Time on the day which is one business day after Cut-off Date to cover the gross monthly investment contribution amount for that month. No monthly reminder will be sent to you before we hold the monthly investment contribution amount from your designated cash account. If you choose a designated Cash Account that is associated with a credit facility, please note that overdraft charges and interests may be incurred if sufficient credit balance is not maintained to cover the monthly investment amount when we debit the Settlement Amount from the designated Cash Account on the Settlement Date. In case the designated Cash Account does not have credit facility, or the credit facility is not sufficient to cover the actual Settlement Amount of the purchased securities, you will be liable for all losses, costs, fees and expenses we incur or suffer for the settlement of the purchased securities.
7. In the event that there are insufficient funds in your designated Cash Account for the monthly investment contribution amount of a SMIP, you agree that HSBC will treat this as your informal request for an unauthorized overdraft to your designated Cash Account and HSBC may:
 - (i) refuse your request in which case HSBC has the right at its sole discretion to cancel in full your instruction(s) or any instruction(s) to purchase securities for that month; or
 - (ii) agree to your request and provide you with an overdraft or an increase to your existing overdraft to your designated Cash Account. The amount of the overdraft or increase will be subject to our prevailing interest rate applicable to unauthorized overdraft calculated on a daily basis. We may charge an arrangement fee for the overdraft or the increase, which will be debited from your designated Cash Account; or
 - (iii) process your SMIP in the following manner or any other manner without advance notice at our sole discretion: (a) give priority fulfilment to the highest contribution of SMIP, and proceed to attempt to fulfil the next contribution in order of decreasing monthly investment contribution amount of other SMIPs; or (b) if the contribution amount for two plans is the same, priority will be given to the Plan by stock code by ascending numerical order (e.g. If the monthly investment contribution amounts for the 2 SMIPs, one for a stock with stock code "00001" and the other for a stock with stock code "00002" are the same, then we will process the SMIP for the stock "00001" only if you are using the same designated Cash Account for both SMIPs and there are insufficient funds in such designated Cash Account to fulfill the total contribution for both SMIPs).
8. HSBC will use reasonable efforts to purchase securities according to your instruction on your behalf on the Transaction date which is normally the third trading day after the Cut-off Date of each month as specified by HSBC from time to

time. HSBC will execute your instruction at such time during the trading hours of the Stock Exchange of Hong Kong at its absolute discretion on a Transaction Date. The term "trading day" when used in these Terms and Conditions and Important Notes means a day on which the Stock Exchange of Hong Kong is open for trading.

9. HSBC may purchase securities in board lots and odd lots for the customers under the Plan who instruct HSBC to purchase that securities. You agree and understand that HSBC will take the average purchase price of all the board lots and odd lots purchased as the average unit price (the "Average Purchase Price") for each customer who instructs HSBC to purchase securities. You agree to purchase securities at the Average Purchase Price rather than at the open market price which may be higher or lower than the Average Purchase Price.
10. If trading at the Stock Exchange of Hong Kong of any securities selected by you is suspended on a Transaction Date, HSBC will use reasonable efforts to purchase such securities as soon as practicable on the first trading day on which trading is resumed. If, however, trading does not resume by close of trading on the second trading day after the Transaction Date, HSBC will cancel your instruction to purchase such securities for that month. HSBC will release the fund held within the investment contribution of a SMIP for the purchase of such securities in your designated cash account (without interest) within a reasonable time after the Transaction Date.
11. While HSBC will use reasonable efforts to execute your instruction, you understand that your monthly investment contribution may not be applied in full due to circumstances including the unavailability of odd-lots or fluctuation of stock price.
12. All purchased securities will be settled in your designated HSBC Investment Services Account of Integrated Account or HSBC Securities Account maintained with HSBC (as applicable) in general on or before the second business day after the Transaction Date. The settled securities will be held in accordance with the terms and conditions of your HSBC Investment Services Account, Integrated Account or HSBC Securities Account subject to any applicable fees and charges. You may sell any settled securities only on or after the trading day following the Settlement Date.
13. After effecting a securities transaction under the Plan, we will make available to you the essential features of the transaction as soon as reasonably practicable through such means or medium specified by us from time to time, including email and/or SMS notification. In such a case, the Terms and Conditions for HSBC's eAlerts Service will apply to the extent applicable.
14. You have to maintain a valid correspondence address with us all the time.
15. You understand that the personal data provided in this Application, and details of transactions or dealings between HSBC and you will be used, stored, disclosed and transferred (in and outside the Hong Kong SAR) to such persons as HSBC considers necessary, including any member of the HSBC Group, for any purpose in connection with services HSBC may provide to you, and/or in connection with matching for any purpose with other personal data concerning you, and/or for the purpose of promoting, improving and furthering the provision of services by HSBC and/or other HSBC Group members to customers generally. You have the right to request access to and correction of any personal data, and to request the personal data not to be used for direct marketing purposes.
16. HSBC may withdraw or cancel the Plan at any time with or without notice or reason. The Bank reserves the right to change these Terms and Conditions at any time with reasonable notice. If you do not terminate your participation in the Plan prior to the expiry of such notice period, you will be considered to have agreed to such change. If HSBC has cancelled in full, or not been able to act on your instruction to purchase securities for three (3) consecutive months or more for any reason, your participation in that particular Plan will be automatically terminated without notice.
17. You do not need to have the same Cash Account linked to all your Plans. If you change a Cash Account from which funds are debited for a particular Plan, this does not affect any other Plans.
18. The English version of these Terms and Conditions prevails to the extent of any inconsistency between the English and the Chinese versions. Any Chinese version of these Terms and Conditions is for reference only.

Declaration

1. I/We acknowledge that I/we have read and understood the full version of the above "Important Notes" and "Terms and Conditions", and I/we undertake (jointly and severally) to be bound by them.
2. I/We authorise HSBC to debit my/our above designated Cash Account on Settlement Date and in actual Settlement Amount in accordance with the Terms and Conditions contained in this Application (including the terms and conditions appearing in the "Important Notes" above). I/We agree to maintain an amount of credit balance and/or available credit facility in the Cash Account at least equal to the amount to be debited on Settlement date. I/We also agree that I/we are not entitled to withdraw or deal in any way with all or any part of such amount of credit balance (which shall not constitute a debt owed by HSBC to me/us) or credit facility, until the amount is debited or upon being notified that the relevant instruction cannot be carried out for any reason. I/We hereby charge such amount of credit balance in favour of HSBC as security for my/our liabilities in respect of the instruction in this Application.
3. I/We acknowledge that HSBC has not solicited the sale or provided any recommendation of, or advice on, this product or any related transactions. Transactions are based on my/our own judgment, and the Bank does not have duty or obligation to assess or ensure suitability of the product or related transactions.
4. I/We understand that the remuneration for HSBC's sales staff is determined based on the staff's overall performance with reference to a wide range of factors, and is not determined solely on his financial performance. Sales staff's remuneration is subject to review from time to time, for the purpose of encouraging the building of deep, long-lasting and mutually valuable relationships with customers.
5. **(Applicable for investment accounts opened before 15 June 14)**
I/We confirm that I am/we are not US resident(s).
(Applicable for investment accounts opened on or after 15 June 14)
I/We confirm that I am/we are not any person who:
 - is a US citizen or with US nationality (regardless of dual nationality or citizenship or residence);
 - is a US resident (regardless of nationality or citizenship);
 - is a US tax payer (i.e. a person who has elected to be treated as a US resident for US federal income tax purpose (regardless of nationality or citizenship) by attaching such election to his/her US federal income tax return);
 - has a US address (e.g. primary mailing, residence or business address in the US).