



中國銀行

BANK OF CHINA

# Hong Kong Stocks Express Service Terms and Conditions

The value of shares, warrants, bonds or exchange traded funds listed on the Hong Kong Stock Exchange and the income from them can go down as well as up and you may get back less than the original amount you invested.

## Bank of China (UK) Limited

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Bank of China (UK) Limited is authorised and regulated  
by the Financial Services Authority.  
Registered in England Number 6193060.  
Registered Office: 90 Cannon Street, London EC4N 6HA

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## **1. Introduction**

Bank of China (UK) Limited Hong Kong Stocks Express Service (BOC (UK) HKSE) is a share dealing and investment service provided by Bank of China (UK) Limited. The use of “we”, “us” and “our” in these terms and conditions and on our website means Bank of China (UK) Limited and should be construed accordingly.

These terms and conditions are legally binding between you and us and that your use of BOC (UK) HKSE is subject to you complying with these terms and conditions.

The registered office of Bank of China (UK) Limited is at 90 Cannon Street, London, United Kingdom EC4N 6HA. Bank of China (UK) Limited is registered in England, Number 6193060.

Bank of China (UK) Limited is authorised and regulated by the Financial Services Authority (FSA).

After completing the application process, the BOC (UK) HKSE enables you to open a Bank of China (UK) Limited HKSE Account (HKSE A/C). The HKSE A/C gives you the ability to trade in investments, as well as our other services, and comprises a Share Current Account and a Share Investment Account, which we will open for you when your application has been accepted and all our account opening formalities have been completed.

## **2. Opening a Bank of China (UK) Limited Hong Kong Stocks Express Account**

2.1 To open and maintain a HKSE A/C you must be at least 18 years of age.

2.2 You may apply to open a HKSE A/C by completing an application in any one of our branches or via post. We reserve the right to decline to open an HKSE A/C.

2.3 We will open a Share Current Account and a Share Investment Account, which are all in Hong Kong Dollars (HKD), for you when your application has been approved and our account opening formalities have been completed.

2.4 The HKSE A/C is not available to US tax payers.

2.5 None of the services or investments referred to in these terms and conditions or on our website is available to persons resident in any country where the provision of such services or investments would be contrary to local law or regulation.

2.6 We cannot give you any investment, taxation or other advice in connection with your account. If you need advice, you should consult an appropriate professional financial adviser.

### **3. Moving money into your Bank of China (UK) Limited Hong Kong Stocks Express Account**

3.1 You must deposit or transfer money into your Share Current Account by the methods notified to you on our website or the Hong Kong Stocks Express Service 'How to get started' booklet, or otherwise from time to time.

3.2 In order to use the HKSE A/C you must transfer sufficient money into your Share Current Account. We will credit your 'fund available to hold' balance in real time out of system maintenance period.

### **4. Moving money out of your Bank of China (UK) Limited Hong Kong Stocks Express Account**

4.1 We will transfer money out of your Share Current Account on instructions given to us by the methods notified to you on our website or the Hong Kong Stocks Express Service 'How to get started' booklet otherwise from time to time. We may use your security details to authenticate your instructions.

4.2 If you wish to transfer any money out of your Share Investment Account, you should transfer it first to your Share Current Account, we will normally debit your 'fund available to release' balance as soon as possible.

## **5. Interest**

5.1 No interest will be payable on credit balances in your HKSE A/C.

5.2 We will notify you personally (which includes by post, statement message, or email) of all changes to interest rates applicable to your HKSE A/C within 30 days of the change. We will update our website in respect of all such changes within 3 working days. Information about our current rates is available by telephoning us and speaking to a customer service representative or visiting one of our branches.

## **6. Cancellation, closure and suspension of accounts**

6.1 You can close your HKSE A/C at any time. Before you do so you must give us a minimum 30 days notice. Also you must sell all your investments and move all of your money out of the HKSE A/C before we are able to close your HKSE

A/C. However, please note you will not be able to cancel any transactions undertaken via BOC (UK) HKSE where the price depends on fluctuations in the financial market place. You will also have to pay any money due to us at the time you cancel the agreement or close your HKSE A/C.

6.2 If you wish to cancel this agreement or close your HKSE A/C you must tell us in writing. You will not be charged for cancelling this agreement or closing your HKSE A/C.

6.3 If we wish to close your HKSE A/C we will give you at least 30 days notice in writing unless there are circumstances which justify us in closing the account on earlier notice.

6.4 We may close any of your accounts or your entire HKSE A/C immediately without notice if:

6.4.1 At any time we reasonably believe that:

- there is a change in law or regulation that requires us to do so;
- you are not eligible for the account(s) in question;
- you have given us false information in connection with your HKSE A/C (for example, in your application);
- your account(s) are being or have been used illegally or for a purpose that we reasonably consider inappropriate, given relevant market practices (by you or by someone else).

6.4.2 You have been in serious or persistent breach of these terms and conditions.

6.5 If you cancel this agreement or your HKSE A/C is closed for any reason:

6.5.1 Any benefit or services provided to you by us will end immediately unless the terms and conditions relating to the particular benefit or service state otherwise;

6.5.2 You must repay or pay any money you owe us, including any charges to us in connection with the closure of any of your accounts.

6.6 Cancellation or closure will not affect any outstanding transactions or any rights or obligations, which may already have arisen between us. Transactions in progress at the date of cancellation or closure will be completed by us as soon as is practicable, subject to these terms and conditions, before the HKSE A/C can be closed.

6.7 If you do not hold any investments, and there has been no activity on your HKSE A/C for 12 months, or if we become aware that the contact information we hold is incorrect and

we are unable to trace you, we may add a marker to your HKSE A/C which could mean you are unable to access your HKSE A/C online. We will be happy to undertake trades on your behalf, or release any funds which may be in your HKSE A/C, if you telephone our customer services centre. Any funds or shares which remain in your HKSE A/C will continue to be your property.

## **7. Statements**

7.1 We will provide you with a statement every month by post or email. You may request a statement at any time, which again will be provided via the post or email. We may levy a charge for sending statements requested in addition to your regular statements. Please see the 'Fee Schedule' for further details.

7.2 Statements will show details of the transactions that have passed through your Share Current Account and the amount of investments you hold in your Share Investment Account. The basis on which investments shown on statements are valued by us will be their estimated value on the working day shown on the statement based on information we receive from reputable published sources and/or our reasonable judgement.

7.3 We may attach messages or other communications to your statements to tell you about changes to these terms and conditions.

7.4 We recommend that you check your statements regularly. If there is an entry which appears to be incorrect, you should contact the customer service centre as soon as possible.

## **8. Investment dealing service**

8.1 You may only trade in investments as defined in the glossary of the terms and conditions. The types of investment available will be warrants, shares, bonds and exchange traded funds. We do not provide any investment advice or personal recommendations. In giving orders to us to deal in investments, you do so in reliance of your own judgement. Independent advice should be sought if required.

8.2 You may submit your instructions via our website or the customer service centre. At times where systems are down, you may give instructions face-to-face in the branch. If you submit your orders via the customer service centre, we may charge you a higher fee as stated in the 'Fee Schedule'. We will not accept instructions given by fax or email to buy or sell in respect of investments. When you place an order, we may, in our absolute discretion, decline to accept it, subject to

terms and conditions.

8.3 When we accept an order, we will use reasonable endeavours to carry it out on the best terms, but we will not be liable for any loss or expense you incur if we are reasonably unable to do so for whatever reason (including systems failures) or if there is a delay or change in market conditions before the transaction is effected. If you place an order to buy or sell investments and we cannot execute your order in its totality, if your order can be partially executed, we will execute it to the extent possible and the balance will be cancelled at market close. We will not be liable for any loss suffered by you arising from partially executed or cancelled orders.

8.4 We provide real time or 15 minute delayed price quotes as part of the BOC (UK) HKSE. You are provided with 150 real time price quotes per calendar month plus 100 further real time price quotes for each and every trade performed by you during any calendar month. Unused free quotes during any month will not roll over to the next month. You can also request unlimited 15 minute delayed free price quotes. All prices provided by us are indicative only as the market price may have moved, either in your favour or against you, during the time between the display of the price to you and the execution of your order. An order from you will be carried out as soon as is reasonably possible.

8.5 We will accept orders given outside normal market hours. Orders accepted when a market is closed will be placed as soon as reasonably practicable after the market opens.

8.6 You may place orders during normal market hours or outside normal market hours, but not during 4:10pm to 6:00pm (Hong Kong time). You will be able to cancel or amend a limit order after it is successfully placed into the system and limit price has not been met. You must fully understand all the different order types and their functions before you decide to trade in the market. You should understand the risks associated with orders being rejected (including modification orders). In the case of rejected orders, we will not be liable for any loss incurred.

8.7 If you place an order near to the market's closing, whilst we will take all reasonable steps to arrange for your order to be executed before the market's close, your order may not be executed. In this case the order will be cancelled.

## **9. Best execution**

9.1 The duties that we owe to you in respect of achieving the best possible result for your client orders are those set out in

the FSA rules, and any other duties are expressly excluded.

9.2 Your client orders will be executed in accordance with our best execution disclosure statement which is set out in Annex 3.

9.3 You agree and confirm that each time you give instructions in relation to your client orders; you consent to our best execution disclosure statement.

## **10. Terms of dealing**

10.1 You may not sell investments that you do not have in your Share Investment Account, but you may sell investments that have been bought but not yet settled. We will not be liable for any loss you may suffer if you sell any investments that you do not have in your Share Investment Account or that have not yet been settled.

10.2 If you buy investments, you must have sufficient 'buying power' balance in your Share Investment Account. If you sell investments, on the date you instruct us to sell, you must have sufficient investments available to sell in your Share Investment Account.

## **11. Client money, settlement and custody**

11.1 We have accepted responsibility under FSA rules for any custodian functions carried out by custodians in their capacity as an eligible nominee.

11.2 We do not accept instructions from our customers to register investments in a name specified by them. Your investments will be registered in the name of Bank of China (UK) Limited on the basis that your investments will be pooled with investments we hold for other customers in a single omnibus account in a nominee name we hold with a third party sub-custodian for our customer's investments. This means that your ownership of a proportion of the investments in the pooled account will not be identifiable by separate certificates or electronic records (other than in our records, where your ownership will be identifiable).

11.3 If the third party sub-custodian mentioned in 11.1 and 11.2 defaults, we accept full responsibility for it. We will not disclaim losses arising directly from insolvency, fraud, or negligence.

11.4 Where we act for you as your agent, it is the other party to the transaction and not us who is responsible for settling the trade with you and delivery or payment (as the case may be) will be at your entire risk. Our obligation is only to pass

on to you, or to pass on as you direct, or to credit to your account, such deliverable documents or sale proceeds (as the case may be) as we actually receive.

11.5 We will be responsible for claiming and receiving dividends, and other rights accruing to your investments. All money received from dividends, and other rights we will be credited to your Share Investment Account.

11.6 We will use reasonable endeavours to notify you of takeovers or other offers or conversion, subscription or other capital rights attaching to investments in your Share Investment Account. We will not notify you of the dividend payments attaching to your investments, which will be credited to your Share Investment Account.

11.7 If you notify us, within such period as we may specify, that you wish to exercise rights in respect of your investments, we will use reasonable endeavours to give effect to your instructions but only on such terms as we may agree from time to time. Otherwise, we will take such action, or refrain from taking any action, as we in our absolute discretion determine (including, without limitation, arranging the disposal of any subscription rights on your behalf in such manner as we think fit).

## **12. Your classification**

12.1 BOC (UK) HKSE is provided to you for your personal use only and is not intended to be used for professional purposes. You will be classified as a retail client in relation to your HKSE A/C and your use of BOC (UK) HKSE. This means you receive the greatest degree of protection under the present regulatory system in the UK. You have the right to request a different classification under FSA rules, but this will result in you receiving less regulatory protection.

Amongst a variety of differences in treatment, retail clients are entitled to receive a greater amount of information from Financial Institutions to enable them to make informed choices. Retail clients are entitled to receive compensation through the Financial Services Compensation Scheme in the event of a Financial Institution going out of business. Also the Bank of China (UK) Limited has a duty towards retail clients to establish whether the Hong Kong Stocks Express Service is appropriate in terms of the retail client's knowledge and experience.

If you are acting as agent for someone else, we will treat you alone as our customer for the purposes of FSA rules and you will be liable, in addition to that person, in respect of any transactions entered into.

### **13. Appropriateness**

13.1 The BOC (UK) HKSE is a non advised, execution-only service where retail clients have the opportunity to buy complex products. Complex products available under the BOC (UK) HKSE being warrants. Bank of China (UK) Limited will determine whether all applicants for the BOC (UK) HKSE have the necessary experience and knowledge in order to understand the risks involved in relation to the BOC (UK) HKSE. If Bank of China (UK) Limited finds that the BOC (UK) HKSE is inappropriate in terms of an applicant's knowledge and experience then each applicant will be warned that the BOC (UK) HKSE is not appropriate for them.

### **14. Market data providers**

14.1 Market data is provided for you by various third party sources referred to as market data providers.

14.2 By using the market data, you acknowledge and agree that:

14.2.1 Market data is provided solely for your individual use and may not be used in connection with the issuance, trading, marketing or promotion of investment products without a separate written agreement with the market data provider who owns it. You may not copy, distribute or redistribute the market data, including by caching, framing or similar means, or sell, resell, re-transmit or otherwise make the market data available in any manner to any third party. You may not store market data for the purposes of creating a historical database or historical data product.

14.2.2 Market data is and will remain the property of the respective market data providers.

14.2.3 At any time, the market data providers may discontinue disseminating any category of market data, may change or eliminate any transmission method and transmission speed and you will not hold the market data providers or us liable for any resulting liability, loss or damage.

14.3 Clause 14 of these terms and conditions is for the express benefit of the market data providers and they may enforce these provisions against you.

14.4 Clause 14 of these terms and conditions will remain in effect for as long as you have the ability to receive market data and will survive termination/cancellation of the agreement.

14.5 The market data is provided “as is” and there may be delays, omissions or inaccuracies in it. We, the market data providers and our and their respective employees, affiliates and agents cannot and do not guarantee the accuracy, completeness, timeliness, merchantability, fitness for a particular purpose, title or non-infringement of the market data and disclaim any such express or implied warranties, to the fullest extent permitted by law.

14.6 Neither we or the market data providers and our and their respective employees, affiliates and agents will be liable to you for any loss or damage whether or not caused in whole or in part by our or their negligence or omission in procuring, compiling, interpreting, editing, writing, reporting or delivering market data or by any force majeure or any cause beyond our or their reasonable control. In no event will we, the market data providers and our and their respective employees, affiliates and agents be liable to you or anyone else for any decision made or action taken by you in reliance upon market data or for any consequential, indirect, special or similar damages resulting from inconvenience, or loss of use of our website, even if advised of the possibility of such damages.

## **15. Lien**

15.1 All of your investments in your Share Investment Account are subject to lien in our favour. If you default in paying any amount by the due date, we are entitled to sell any such investments in any way we consider fit to discharge your debts.

15.2 Sections 93 (restriction of right of consolidation) and 103 (restriction of right of sale) of the Law of Property Act 1925 will not apply to these terms and conditions.

15.3 If you fail to make any payment or to deliver any assets due to us, we may enforce the security, without prior notice or demand to you.

## **16. Rights of set-off**

16.1 In addition to any other rights, we will have a right to use the proceeds of sale of your investments to set-off your obligations to us.

16.2 At any time that we consider necessary or desirable, we may without notice:

16.2.1 Treat any outstanding transaction as having been cancelled and terminated.

16.2.2 Arrange the sale of investments to realise funds to cover any outstanding amount.

16.2.3 Close out, replace or reverse any transaction or take, or refrain from taking, such other action at such times and in such a manner as we consider necessary or appropriate to cover, reduce or eliminate loss or liability under or in respect of any contract, positions or commitments.

16.2.4 Combine, consolidate or merge all or any of your accounts, outstanding balances and other amounts with, or liabilities to, us and may set-off any sum standing to the credit of any such accounts, balances or other amounts in or towards the satisfaction of any of such liabilities. We may effect such transfers between any of your accounts.

## **17. Information and communication**

17.1 You may contact our customer service centre by telephone, e-mail or by post and in any other ways that we may inform you about from time to time or visit our Branches in person. When you contact us by telephone, we will check your identity using your security details. You may contact the Hong Kong Stocks Express Service in the English and Chinese languages. We will communicate to you in the Chinese and English languages.

17.2 We may, in our absolute discretion allow you to contact us by fax. Although we cannot act on faxed instructions to buy, sell or exercise rights in respect of investment. If we allow you to contact us by fax, you do so at your own risk and we will not be held liable for, and you will indemnify us in respect of, the consequences of our acting in good faith in accordance with any instructions contained in any such fax.

17.3 You may contact us by email; however we cannot act on instructions to buy or to sell securities via email. If you do so, you do so at your own risk and we will not be held liable for, and you will indemnify us in respect of the consequences of our acting in good faith in accordance with any instructions contained in any such email.

17.4 You agree that for the purposes of sending you any communications or other documentation relating to your HKSE A/C, such as statements and contract notes in respect of your investments, we may in our absolute discretion send such documentation in electronic form only.

17.5 We will inform you of any changes to our contact details. Please tell us as soon as possible if you change your name, address, telephone, email address (if applicable) or any other details. We will not be liable for communications or

statements sent to you using your old details prior to our receipt of your new details in accordance with this term.

17.6 To ensure we carry out your instructions accordingly, to help us continually improve our service and in the interest of security, we may monitor and/or record your telephone calls, e-messages, emails and other internet communications with us.

17.7 Any news, prices, opinions and other information is provided solely to enable you to make your own investment decisions and does not constitute personal investment recommendations or advice.

17.8 We cannot provide taxation advice and will not take account of an individual's tax position when providing an opinion on any security.

17.9 Neither we or any of our associates, agents, or licensors makes any representation as to the completeness, accuracy or timeliness of such information nor do we or they accept any liability for any losses, costs, liabilities or expenses which may arise directly or indirectly from use of, or reliance on, the information. Such information is not an offer or solicitation by us or any of our affiliates to buy, sell or otherwise deal in any particular investment.

17.10 The information is and remains our property, the property of our licensors or the property of market data providers and is protected by copyright and other intellectual property laws.

17.11 All communications will be in English or in Chinese and you will receive all documents and other information from us in English or in Chinese. If there is any conflict of interpretation between the two languages, English prevails.

## **18. Data protection**

18.1 Confidential information we hold about you will not be disclosed to anyone (excluding other third party and the members in the Bank of China Group (BOC Group) which relating to BOC (UK) HKSE service), other than where:

- We are legally required to disclose, or
- We have a public duty to disclose, or
- The disclosure is made with your consent.

18.2 To prevent crime, to verify your identity and to recover debt, we may exchange your personal data (both within the UK and, where appropriate, overseas or Hong Kong) with other members of the BOC Group and where appropriate, with fraud prevention and credit reference agencies.

18.3 If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

18.4 We may use other BOC Group companies and/or third parties to process information and provide services to you on our behalf. Whether it is processed in the UK or overseas, your information will be protected in accordance with data protection legislation.

18.5 Information about products and services, we may exchange, analyse and use relevant information about you and your relationships to give you information (including promotions) about products and services, which may interest you by telephone, post, email, and other means. If you do not want us to contact you about such products and services, please let us know.

18.6 Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. We may charge you for this service.

18.7 To ensure that we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone calls, e-messages, emails and other internet communications with us. Any recordings remain our sole property.

18.8 We may use any contact details you have provided to us, including your postal address, telephone number(s) (including your mobile telephone number) and email address to contact you for service related reasons. As such you must ensure that the contact details you provide are accurate and that you notify us promptly of any changes. Remember, communications may contain confidential information and if anyone else has access to them, for example to your email or mobile telephone, they may be able to view this.

18.9 Bank of China (UK) Limited is committed to protecting your personal data. Therefore we will only use your personal information as set out in these terms and conditions. If you do not agree to us doing so, unfortunately we will not be able to provide you with our services.

## **19. Security procedures**

19.1 On opening your HKSE A/C, you will be issued with a Share Investment Account Number, a Website Login ID and password. Your password letter, Share Investment Account Number and Website Login ID will be sent to you in separate communications.

19.2 If you telephone us, we will ask you a number of questions based on information known to us about you and the transactions on your account. We may not be able to assist you if we decide that we are unable to identify you as our customer using our security procedures.

19.3 When we call you, we will never ask for details of your password. We will ask you questions based on information known to us about you and the transactions on your account.

19.4 You must take all reasonable precautions to prevent fraudulent use of your Share Investment Account Number, Website Login ID or password. These include but are not limited to:

19.4.1 Destroying the customer password advice immediately after receipt;

19.4.2 Never write down your Website Login ID or password;

19.4.3 Never write down your Website Login ID or password in a way that can be understood by someone else;

19.4.4 Never disclose your Share Investment Account Number, Website Login ID or password to anybody else;

19.4.5 Telling us immediately if you have grounds to suspect that someone else knows your security details;

19.4.6 Never saving your security details on your browser so that they do not need to be re-entered each time you access your HKSE A/C;

19.4.7 Not using a workstation where the security of your security details could be compromised, for example, such as accessing any computer connected to a Local Area Network (LAN) or any public internet access device or access point without making sure that no one else will be able to observe or copy your access or get access to our services pretending to be you; and

19.4.8 Always fully log off the BOC (UK) HKSE.

19.5 If you change your password, you must take care not to choose numbers that are easy to guess, such as, for example, 123456, 444444, your birthday or your telephone number.

19.6 Please tell us as soon as possible if:

19.6.1 You change your address;

19.6.2 You have forgotten your security details (including your password); or

19.6.3 You think that someone else who has not been authorised is trying to use any of your accounts.

19.7 We can refuse to act on an instruction if for any reason we think:

19.7.1 It was not given by you;

19.7.2 The instruction is not clear or appears inaccurate or incomplete;

19.7.3 It might cause us to breach the law or a contractual duty; or

19.7.4 We think that any of your accounts are being used for a purpose that we reasonably and in accordance with relevant market practices consider inappropriate or for an illegal purpose.

19.8 When you use BOC (UK) HKSE you must ensure that your computer and modem are adequate for internet use. You must also follow any procedures and instructions contained on our website.

19.9 If we give you software to help you to use our investment service you must not change it or allow anyone else to use or copy it. You must carry out your own virus checks.

19.10 You will tell us as soon as possible if you find any fault, failure, delay or error in our investment service, especially in the sending or receiving of instructions. Our records of your instructions will be conclusive unless there is a clear mistake.

19.11 We may ask you to co-operate with us and law enforcement in relation to any investigation into the actual or suspected misuse of your account. You must report any unauthorised transactions to law enforcement agencies within 7 days of our request. We may also disclose information about you or your account if we think it will help prevent or recover losses.

## **20. Complaints**

20.1 If we do not deliver the standard of service you expect, or if you think that we have made a mistake, please let us know. We will then investigate the situation and, if necessary, set about putting matters right as quickly as possible. However, if you remain dissatisfied and would like further

information about our process for resolving complaints, we will provide the information.

20.2 We hope that we will be able to resolve any concerns you raise, but if you are still dissatisfied, or we haven't sent you a written final response letter within 8 weeks from the date you originally complained you have the right to refer your complaint to the Financial Ombudsman Service.

## **21. Your obligations**

21.1 You agree and confirm to us each time you use our services, that:

21.1.1 You are not in any way legally or otherwise restricted or prohibited from making a transaction or otherwise using our services. It is your responsibility to make yourself aware of and comply with any reporting responsibilities of the relevant exchange should you buy or sell investments in a company involved in a takeover during an offer period;

21.1.2 These terms and conditions and each transaction hereunder are your valid and legally binding obligations (and/or the obligations of the person(s) on whose behalf you are acting);

21.1.3 Your entering into and performance of these terms and conditions and each transaction hereunder does not violate, contravene, conflict with or constitute a default under any law, regulation, rule, judgment, contract or other instrument binding on you or any of your assets (and/or of the person(s) on whose behalf you are acting); and

21.1.4 In accepting these terms and conditions, we have not made, and you are not relying upon, any statements, representations, promises or undertakings that are not contained herein;

21.2 You accept full responsibility for monitoring your HKSE A/C. You should notify us as soon as possible in writing if you become aware of:

21.2.1 The failure by you to receive a message from us indicating that an order was received, rejected and/or executed or any such message becoming distorted or wrongly transmitted due to defects in the network where you use our internet service; or

21.2.2 Any inaccurate information in your HKSE A/C, balances, records or assets held or transaction history.

21.3 You should not access BOC (UK) HKSE from another

country if it is not permissible to do so in that country. You acknowledge that it is your responsibility to check that this is not the case and we will not be liable for your failure to do so.

21.4 If you buy or sell investments during an offer period in either a target or bidder company involved in a takeover, you may be required to report details of your dealings to the Takeover Panel if you own or control 1% or more of the company's securities. It is your responsibility to make any such report.

## **22. Fees and taxes**

22.1 The commission and fees payable by you for use of BOC (UK) HKSE are set out in our Fee Schedule. You must also pay any applicable VAT, stamp duty, other taxes, levies or other transaction costs. Any such amounts due may be deducted from your Share Current Account with us. We may change our fees from time to time. We will always give you at least 30 days notice in advance should there be any adjustment to any fees.

22.2 Certain additional fees may apply as set out in our Fee Schedule from time to time in the event that you do not comply with your obligations under these terms and conditions.

22.3 We may debit your Share Current Account to meet any fees that are due to us.

22.4 You will at all times be fully responsible for payment of all taxes due and for making all claims in relation thereto by yourself.

## **23. Liability and indemnity**

23.1 Neither we nor any of our associates, agents or their directors, officers or employees will be liable for any losses, costs, liabilities, expenses or damage incurred by you in connection with the agreement unless caused directly by our or their negligence, willful default or fraud. To the extent that such liability arises, and save where the law provides otherwise, we will only be liable to the extent that any losses, costs, liabilities, expenses or damage result directly from such negligence, willful default or fraud. We will not be liable for any losses we could not reasonably have expected to occur.

23.2 We will not be liable to you if we do not act on your instructions for any reason set out in the agreement or if we cannot carry out our responsibilities to you because of any cause that we or our agents or sub-contractors cannot reasonably control. This exclusion includes any losses arising

from the unavailability of the relevant network to users of our internet services or data entered through or data becoming scrambled, lost or wrongly communicated in transmission due to defects in the network, direct or indirect failure of power supplies, equipment, data processing and communication systems or transmission links and any losses arising because of strikes or other industrial action to the extent that such matters are outside our or their reasonable control.

23.3 From time to time we may have to shut down our website to enable us to perform essential work on, or major upgrades to, our service. We will make every effort to keep disruption to a minimum and to notify web users in advance if such shut down becomes necessary.

23.4 If you are late in paying for a trade, any amount due, interest and associated administrative and recovery costs will be payable by you on demand at the rate from time to time published in our Fee Schedule.

## **24. Additional terms and conditions**

24.1 Bank of China (UK) Limited is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 (the "Scheme"). In respect of default by the BOC (UK) HKSE for cash deposits payments under the Scheme are limited to 100% of the first £50,000 of a depositor's total cash deposits with the Bank, resulting in a maximum payment of £50,000. Most depositors, including individuals and small firms, are covered. The Scheme covers deposits made in all offices of the Bank in the UK and deposits denominated in all currencies are treated alike.

24.2 In respect of default by the BOC (UK) HKSE, compensation may also be payable under the scheme in relation to protected investment business up to a maximum of 100% of the first £30,000 plus 90% of the next £20,000 resulting in a maximum payment of £48,000. Further details of the Scheme are available on request or by writing to Financial Services Compensation Scheme.

24.3 All transactions are subject to the rules and customs of the relevant exchange, market and/or clearing house and to any other applicable rules, regulations and/or laws so that:

24.3.1 If there is any conflict between such rules and these terms and conditions, the former will prevail;

24.3.2 We may take or omit to take any action we think appropriate to ensure compliance with such rules; and

24.3.3 Such rules and any such action we take will be binding on you.

24.5 If any provision of these terms and conditions is held to be invalid or ineffective, it will not affect any other provisions.

24.6 Some of our services may be provided using the services of third parties, including other members of the BOC Group, who may act as agent for us on such terms and conditions as we think appropriate. We may do whatever we consider necessary or desirable for or incidental to the provision of our services.

## **25. Changes to terms and conditions**

25.1 We may change, remove, vary or add to any of these terms and conditions or the rates of interest payable on your accounts at any time and we may change, suspend or withdraw any of the services, facilities or benefits made available to you, but we will give you 30 days notice in writing.

## **26. Governing law and jurisdiction**

26.1 These terms and conditions are governed by the law of England and Wales. The English courts will have non-exclusive jurisdiction over all disputes arising in connection with these terms and conditions. Any banking terms and conditions implied by law will also apply to these terms and conditions.

## **Glossary**

The following words have the meaning specified below:

**Agreement** means these terms and conditions, any supplemental terms and conditions which we will communicate to you before we provide a product or service to you, the application form signed by you and details of notice periods and fees contained in separate leaflets or on our rates and fees page;

**Application** means the document and / or any other electronic registration process that we may require you to complete to open a HKSE A/C with us;

**Associates** mean any company that is an associate of Bank of China (UK) Limited;

**Best Execution Disclosure Statement** refers to the disclosure statement in Annex 3 which sets out how we will

deliver the best possible result when executing client orders;

**Best Possible Result** refers to the best possible result for an executed client order in terms of total consideration, representing the price of the financial instrument and the related execution costs;

**BOC Group** means Bank of China Limited, its subsidiaries, affiliates and associates from time to time;

**BOC (UK) HKSE** means the Hong Kong Stocks Express Service offered by Bank of China (UK) Limited to you in accordance with the agreement;

**Bonds** are a type of investment where the investor purchases short or long term debt issued by Governments (Government Bonds) or companies (Corporate Bonds). In return for ownership of Bonds the investor receives a quoted interest payment (coupon rate) and redemption of the face value of the Bond on a date set in the future known as the maturity date;

**Cleared Funds** mean the amount of funds standing to the credit to your account in connection with a trade in investments which we have executed with and the payments have been settled;

**Clearing System** means CREST or any other market clearance facility, settlement system, centralised securities depository or similar facility, system or depository;

**Client Order** refers to an instruction received and accepted by us to buy or sell a financial instrument; customers may only place a Limit Order for Hong Kong stocks. Market Orders are not available within the BOC (UK) HKSE;

**Communications** mean all communications between us and you by post or secure e-message including the sending of contract notes;

**Complex Products** mean products defined as being subject to appropriateness requirements in the FSA Handbook reference, COBS 10;

**Custodian** means any arrangement where a firm safeguards client assets on behalf of a client;

**Customer Service Centre** means our service centre which handles all telephone calls and email enquiries for services and products offered under the agreement;

**Email** means an email that is not sent or received or accessed

from within our website;

**Exchange Traded Funds (ETFs)** are a pooled investment containing a variety of securities which are traded via an exchange. ETFs are often designed to track the movement of an index or sector. The advantage is that ETFs provide the benefit of diversification through a single instrument;

**Execution-Only** means that in terms of client orders, Bank of China (UK) Limited will perform the execution-only of client orders with respect to the BOC (UK) HKSE;

**Execution Policy** refers to our internal policy setting out how we will deliver the best possible result when executing client orders;

**Execution Venue** refers to a trading venue that we or our associate believe offers the best prospects for us to obtain the best possible result on a consistent basis;

**Financial Services Authority (FSA)** is the independent body that regulates the financial services industry in the United Kingdom, or any successor regulatory body;

**Financial Services Authority (FSA) Rules** refer to the Handbook published by the FSA (or such other replacement rules as may be published from time to time by the FSA);

**HKSE A/C** means the Bank of China (UK) Limited Hong Kong Stocks Express Account offered by us, which comprises a Share Current Account and a Share Investment Account and may also include such other accounts and/ or products as we may offer you from time to time;

**Indicative Equilibrium Price (IEP)** is the price for maximizing the aggregate size of orders that may be executed based on the methodology specified in the rules of the exchange;

**Instruction** is any request or instruction given to us given via our website, telephone, or in writing including instructions to effect value transactions which are conducted through BOC (UK) HKSE by use of your security details;

**Website Login ID** means the identification number you will be given to access our BOC (UK) HKSE service;

**Investments** mean all securities listed on the Hong Kong Stock Exchange which are currently available through the BOC (UK) HKSE. Securities available through the BOC (UK) HKSE are shares, warrants, bonds and exchange traded funds. Initial Public Offerings (IPO) are also open up for cash

subscription;

**Limit Order** refers to all four limit order types that are effective during market trading hours but can be placed outside of market trading hours except during certain periods set out in these terms and conditions. The four types of limit order are: Enhanced Limit Order, Special Limit Order, Standard Limit Order and Auction Limit Order;

**Market Data** means all securities prices, quotations, news (both financial and non-financial), company information and other information and facilities provided via our website or customer service centre by market data providers;

**Market Data Providers** mean various third party sources, which provide market data via our website;

**Multilateral Trading Facility** refers to a computer system through which multiple parties can buy and sell certain types of financial instruments;

**Nominee Name** is a registered name that client assets are safeguarded under for ease of administration by a firm;

**Normal Market Hours** mean, in respect of an exchange and a day on which it is open for trading, the hours between which it is open for trading. Normal working hours on the Hong Kong Stock Exchange are 10am to 4pm (Hong Kong Time) from Monday to Friday;

**Personal Information** means all the information you give to us or associates and our group companies and to linked suppliers or which we obtain about you personally in connection with the agreement;

**Fee Schedule** means a specific page on our website or in paper format as amended and notified to you from time to time. The Fee Schedule contains a full list of possible costs incurred by customers of the BOC (UK) HKSE;

**Regulated Market** refers to the computer systems of an authorised market through which multiple parties can buy and sell the types of financial instrument which are admitted to trading under the rules of the market; for example, The Stock Exchange of Hong Kong Limited;

**Retail Clients** are all customers of the BOC (UK) HKSE under FSA rules. Retail clients receive the greatest degree of protection under the present regulatory system in the UK. Amongst a variety of differences in treatment, retail clients are entitled to receive a greater amount of information from Bank of China (UK) Limited to enable them to make

informed choices. Retail clients are entitled to receive compensation through the Financial Services Compensation Scheme in the event of the Bank of China (UK) Limited going out of business. Also the Bank of China (UK) Limited has a duty towards retail clients to establish whether the BOC (UK) HKSE is appropriate in terms of the Retail Client's knowledge and experience;

**Security Details** mean the information which enables us to authenticate your identity including your account number, website login ID and password;

**Password** means the number adopted by you in connection with the use of the BOC (UK) HKSE service;

**Share Current Account** means your Bank of China (UK) Limited personal current account nominated by you, which is opened in Hong Kong Dollars. You can move your money in or out of this account. The Share Current Account is the only account you can use to transfer money to and from your Share Investment Account. To find out the balance of the Share Current Account you should go to the 'Buying Power Adjustment' area of the website and look under 'Fund Available to hold';

**Share Investment Account** means an account in which your investments will be held in Hong Kong Dollars. To find out the balance of the Share Investment Account you should go to the Portfolio area of the website and look under 'Buying Power';

**Share Investment Account Number** means the 11 digit unique number given to your Share Investment Account;

**Shares** are a type of investment that represents ownership in a company. When you buy shares you become an owner of a proportion of a company;

**Settlement Date** means in relation to a sale transaction, the date the proceeds of sale are credited to your Share Current Account and in relation to a purchase transaction, the date the purchase monies are debited to your Share Current Account;

**Statements** mean the pages on our website and any communications sent by post listing the cash and investments in your HKSE A/C and relevant transactions;

**Sub-Custodian** means an arrangement where client assets are held by a third party outside of a firm and client for safeguarding on behalf of a client;

**Trades** mean the purchase or sale by you of an investment;

**Warrants** are securities that provides the holder with a time limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities;

**We, Us, and Our** mean Bank of China (UK) Limited;

**Working Day** means Monday to Friday, except for public holidays;

**You and Your** mean the person who signed the application for the BOC (UK) HKSE.

## **Annexes**

### **Annex 1**

#### **Important information**

This website is owned, issued and maintained by Bank of China (UK) Limited, and is intended for residents of the UK, Channel Islands and Isle of Man. None of persons resident in other countries where the provision of such services or investments would be contrary to local law or regulation.

The BOC (UK) HKSE offers customers the opportunity to trade in four separate and distinct financial instruments. These financial instruments are warrants, shares, bonds and exchange traded funds.

A warrant is a time limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Shares are a type of investment that represents ownership in a company. When you buy shares you become an owner of a proportion of a company. Bonds are a type of investment where the investor purchases short or long term debt issued by Governments (Government Bonds) or companies (Corporate Bonds). Exchange Traded Funds (ETFs) are a pooled investment containing a variety of securities which are traded via an exchange. ETFs are often designed to track the movement of an index or sector.

The market information relating to the past performance of an investment is not necessarily a guide to its performance in the future. The value of investments or income from them is not necessarily a guide to its performance in the future. As stocks and shares are valued from second to second, the price fluctuates continuously. The value of shares can go down as well as up and the income derived from share ownership can go down as well as up. The value of shares can rise or fall due to the volatility of world markets, interest rates, capital values and changes in the rate of exchange in the currency in which the investments are denominated (for example, Hong Kong Dollars). Investing in a single country market could increase your exposure to potential volatility. You may not necessarily get back any of the amount you have invested. All content provided through the Hong Kong Stocks Express Service is only for your personal information and use and is not intended to address your particular requirements or to be relied upon in making (or refraining from making) any specific investment or other decision. Such content shall not constitute any form of advice or recommendation by us. Nothing included in the Hong Kong Stocks Express website constitutes an offer or solicitation to sell investments to

anyone in any jurisdiction outside the United Kingdom, in which such an offer or solicitation would actually be unlawful.

Depending on the type of payment (dividend), income received in your HKSE A/C may have tax deducted from it before it is paid to us to hold on your behalf, and/or you may be required to pay some tax on the income received via your own tax return. In addition, any growth in the value of an investment may be subject to capital gains tax if your total capital gains (less allowable losses) from all sources exceed your annual exemption limit. This information is based on our understanding of current law and HM Revenue & Customs practice. Both law and practice may of course change. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you are unsure about your own situation, you should seek appropriate professional advice.

The information contained on our website or in other documentation provided to you may not be accurate or up to date, is provided for general informational use only, and should not be relied upon. Our share dealing and investment service is an execution-only service. Nothing on our website or in other documentation provided to you constitutes investment, legal, accounting, or tax advice, nor a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Before entering into a transaction in respect of an investment referred to on our website or otherwise, you should consult your own investment advisors as to its suitability for you.

## **Our website**

Our website is intended for use by private customers and not for professional purposes and, by accessing our website, you represent that you are using it for such purposes. We reserve the right to terminate your access if this is not the case. Nothing in our website constitutes a solicitation or recommendation by us, or any other person to buy, sell or hold any security, financial product or financial service or otherwise for the purpose of making a public offer of the same.

## **Disclaimer of warranty and limitation of liability**

The information on our website is provided “As Is”. Although the information on our website is obtained or compiled from sources we believe to be reliable, we cannot and do not guarantee or make any representation or warranty, either express or implied, as to the validity, sequence, timeliness, completeness or continued availability of any

information or data made available, and expressly disclaim, to the fullest extent permitted by applicable law or regulations, any implied, including warranties of merchantability, fitness for a particular purpose and non-infringement.

The information available on our website is subject to change without notice. We expressly disclaim any obligation to keep the information on our website up to date, free of errors or viruses or to maintain uninterrupted access. We may stop producing or updating any part of our website without notice. Access to and use of our website is at your own risk. We do not warrant that the use of our website or any material downloaded from it will not cause damage to any property, including but not limited to loss of data or computer virus infection.

We bear no responsibility or liability for your use of any third party vendor's software, products, services or equipment in connection with your access and use of our website. In no circumstances will we be liable for any decision made, action or inaction taken by you in reliance on any information or data on our website.

### **Reservation of rights**

All content and information contained within our website or delivered to you in connection with your use of our website is the property of the Bank and other third parties. The trade mark, trade names and logos (the "Trade Marks") used and displayed on our website or otherwise are registered and unregistered Trade Marks of ourselves and other third parties. Nothing on our website or otherwise should be construed as granting any licence or right to use any Trade Mark. We do not waive any of our proprietary rights in our website.

You are entitled to view, copy and print documents from our website solely for your own non-commercial use, provided that you do not remove any copyright or other proprietary notices. You may not sell, publish, reproduce, sub licence, assign, modify or change (by use of an html "frame" or otherwise) any portion of our website or any content and information contained within our website without our prior written consent.

### **Use of links**

Should you leave our website via a link contained in our website and view content that is not provided by us, you will do so at your own risk. We provide links only as a convenience and without liability. The ability to link to another website and the fact that a link exists does not mean that we endorse or guarantee such site, the site sponsor or the

site contents. In addition, be aware that when you leave our website you will be subject to the terms and conditions of use and privacy policies of the new website which you are visiting.

## **Cookies**

In order to improve your use of our site, we use “Cookies” to track your visit. A cookie is a small amount of data that is transferred to your browser by a web server. It functions as your identification card. We use cookies to track your visits to our website.

## **Telephone recording**

We will record your telephone calls to maintain the accuracy and quality of services.

## **Annex 2**

### **Security information**

We are committed to the privacy and security of your information.

We keep your information secure by ensuring that:

- The public (pre-login) areas of our website do not contain any of your personal information.
- The secure area of our website supports the use of strong encryption (128 bit SSL). To take advantage of this level of encryption, you will need to use a browser that supports that level of encryption.
- Our web servers are protected behind “firewalls” and our systems are monitored to prevent any unauthorised access. As an extra measure of security your data is stored on separate computers from those used to serve web pages.

## **Annex 3**

### **Best execution disclosure statement**

#### **1. Purpose and scope**

This best execution disclosure statement provides a summary of the steps we will take to achieve the best possible result for client orders, taking into account the factors set out below, under our execution policy.

#### **2. Best execution factors**

When executing client orders, we will take all reasonable

steps to achieve the best possible result on a consistent basis, taking into account a range of factors which include price; cost; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of client orders.

Price and execution costs will be paramount although other factors such as the type of client order, the type of financial instrument will also be considered where necessary to achieve the best possible result.

### **3. Execution venue**

At present, we will choose the Stock Exchange of Hong Kong Limited as the execution venue for client orders.

### **4. Specific instruction warning**

We shall, where possible, endeavour to carry out any specific instruction you give us as to how to execute a client order. Please note that by acting on your specific instruction, we may be prevented from executing your client order in accordance with this best execution disclosure statement. In respect of those aspects of execution which are not covered by the specific instruction, we will process the client order in accordance with our execution policy.

### **5. Effective date, review, amendments and monitoring**

This best execution disclosure statement will be effective from 30<sup>th</sup> October 2008 and will be reviewed at least annually. We may amend this best execution disclosure statement as necessary and where a material change has occurred, including changes to the list of execution venues on which we place significant reliance, we will inform you either in writing or by publishing the amended best execution disclosure statement on our website.

We will also monitor our effectiveness in achieving best execution of our client orders on a regular basis.

### **6. Financial instruments and execution venues**

<b>Financial Instruments</b>	<b>Execution Venue</b>
Warrants	Hong Kong Stock Exchange
Shares	Hong Kong Stock Exchange
Exchange Traded Funds	Hong Kong Stock Exchange
Government and Corporate Bonds	Hong Kong Stock Exchange

## **Annex 4**

### **Trading sessions for the Hong Kong Stock Exchange**

Trading is conducted on all weekdays apart from Hong Kong bank holidays.

All times below are in Hong Kong time.

Pre Opening Auction Session	9.30am to 9.50am
Morning Session	10.00am to 12.30pm
Afternoon Session	2.30pm to 4.00pm
Closing Auction Session	4.00pm to 4.10pm

## **Annex 5**

### **Limit orders**

Customers may place Standard Limit Orders, Enhanced Limit Orders and Special Limit Orders during the morning session and the afternoon session of the Hong Kong Stock Exchange. During the pre opening auction session and the closing auction session it is possible to place market orders in the form of auction orders and limit orders in the form of Auction Limit Orders.

**Standard Limit Order** – this type of order will be queued under the instructed prices queue. Partial execution may occur if there is insufficient quantity in the market.

**Enhanced Limit Order** – This order type allows matching in up to 5 price queues, where the price of the trade generated is at or better than the limit price. Unfilled orders after matching will be converted to limit orders at the input limit price.

**Special Limit Order** – This is effectively a market order with a limit price to avoid input errors. It can match with orders at or better than the limit price, until the order is fully matched or the input limit price is exceeded. The number of price queues allowed for matching is configurable by the Exchange. Unfilled orders will be rejected and will not be queued in market order book.

**At-Auction Limit Order** – This is a limit order with a specified price which can be entered during the pre-opening auction session or the closing auction session. This type of order may be matched after at-auction orders provided that the specified price is at or more competitive than the final Indicative Equilibrium Price (IEP). Any unfilled orders will

be converted to limit order and then carried forward to the morning trading session.

There is one market order, an auction order, which can only be entered during an auction period:

**At-Auction Order** – This is a market order that can only be entered during the pre opening auction session and the aftermarket auction session. This is an order without a specified price and holds a higher auction matching priority than an at-auction limit order in the single price auction. At auction orders will be executed at the final Indicative Equilibrium Price (IEP). Any unfilled orders will be cancelled after the order matching period.

Furthermore, customers can specify an All-or-Nothing qualifier. This qualifier controls the specific order to be either executed immediately in full or rejected, without being written into the central order book. In other markets, it is sometimes called a Fill-or-Kill order.