

Terms and Conditions on Deferred Deposit

Article 1 Scope of Application

- ① Deferred Deposit(the “Deposit”) shall mean deposit which is made for some specified period of time and repaid at the maturity.
- ② These terms and conditions and the General Terms and Conditions on Deposit shall apply to transactions regarding the Deposit.
- ③ These terms and conditions shall apply to transactions regarding Certificate of Deposit.

Article 2 Timing of Payment

The Deposit may be paid at any time after the agreed maturity upon the Depositor’s request. However, if the Depositor makes a request due to unavoidable reason, it may be paid even before the maturity.

Article 3 Interest

- ① The interest on the Deposit shall be calculated based on the interest rate agreed between The Hongkong and Shanghai Banking Corporation Limited (the “Bank”) and the Depositor for the agreed deposit period and be paid at any time after the maturity together with the principal. However, the interest may be paid on a monthly or quarterly basis upon the Depositor’s request.
- ② If the Depositor’s request for withdrawal is made after the maturity, the Bank shall pay additional interest accrued from the maturity date to the date preceding the date of the actual withdrawal as follows.
 - Less than one (1) month from the maturity: 50% of the interest rate agreed
 - From one (1) month to less than three (3) month from the maturity: 20 % of the interest rate agreed
 - No less than three (3) months from the maturity: interest rate applied to the Ordinary Deposit of the same currency at the time of payment
- ③ If the Depositor’s request for withdrawal is made before the maturity, the Bank shall pay early termination interest rate agreed between the Bank and the Depositor for the period from the date when deposit was made to the date preceding the date of the actual withdrawal, and any interest already paid shall be deducted from the interest payable. However, in case of early termination less than one (1) month from the deposit date, the interest rate of the same currency Ordinary Deposit at the time of payment shall apply.
- ④ If the Deposit is on a floating rate basis, the Bank shall calculate and pay the interest by applying the changed rate from the date of such change.

Article 4 Change into Longer Term Deposit and Interest

① In case the Deposit is changed before the maturity into a longer term deposit than the previous one, the Bank shall pay the interest for the period from the deposit date to the date preceding the changed date calculated based on the rate specified in Article 3 paragraph ① notwithstanding Article 3 paragraph ③, and the interest rate newly determined between the Bank and the Depositor for the period following the changed date. However, any interest already paid shall be deducted from the interest payable.

② If the Depositor requests the Bank to pay the deposit of which the period has been changed before the new maturity date, the interest rate shall be calculated based on Article 3 paragraph ③ for the period from the deposit date prior to the change to the date preceding the actual withdrawal date.

Article 5 Issue of Bearer Deposit Account and Rights Exercise

For bearer deposit accounts, deposit certificate shall be issued in bearer form and the Depositor shall exercise its rights with such certificate.

Article 6 Indemnification on Bearer Deposit Certificate

The Bank shall under no circumstance be held liable for any loss or damage suffered by the Depositor due to loss or theft of the Deposit Certificate, should the Bank pay the principal of the deposit and the interest accrued thereon to a holder of the Deposit Certificate. However, this shall not apply if the Bank knew or could have known that the holder was an unauthorized person.

Article 7 Automatic Extension

① The deposit period may be automatically extended based on the method agreed between the Bank and the Depositor if the Depositor wishes automatic extension.

② If the deposit period is extended as prescribed in Paragraph ①, the Bank shall explain it to the Depositor. In case where the Depositor requested notification, the Bank shall notify the Depositor through the channel as requested by the Depositor (SMS or email).