

Overlay Terms for Joint Custody Account
Where One of the Account Holder is a Minor

The opening, maintenance and operation of the Joint Custody Account are subject to the general terms and conditions of the Securities Client Agreement (“SCA”) of Phillip Securities (Hong Kong) Limited (“PSHK”) applicable to an Ordinary Joint Account. The overlay terms set out herein are to supplement (whether by way of addition or revision) the terms of the SCA for the opening, maintenance and operation of a Joint Custody Account with PSHK to provide securities custodial services where one of the joint account holders is a Minor. In the event of any conflict between these overlay terms and any and all other terms set out in the SCA, including the respective rights and liabilities of the joint account holders (or any of them) and PSHK’s rights as against the Adult joint account holder, the overlay terms herein shall prevail and shall be applied in lieu of the conflicting terms in the SCA.

- (1) In these overlay terms, where the singular is used, it shall include the plural and vice versa, and words importing any gender shall include every gender and:-

“Adult”	means a holder of the Joint Custody Account who has attained the Full Age.
“Court Order”	means any order made by any court of the Hong Kong Special Administrative Region of competent jurisdiction.
“Erstwhile Minor”	means a Minor who has hitherto attained the Full Age.
“Full Age”	means the age of 18 years.
“Guardian”	includes any person who has been appointed a guardian of the Minor under sections 5, 6 and 7 of the Guardianship of Minors Ordinance, Cap.13, Laws of Hong Kong.
“Joint Custody Account”	means a joint account opened and maintained with PSHK in the joint names of the Adult and the Minor for trading in securities.
“Minor”	means a person who has not attained the Full Age

and is nominated by the Adult as a holder of the Joint Custody Account.

“Minority Duration” means the period during which the Minor has not attained the Full Age and the Adult is still alive and not (to PSHK’s actual knowledge) otherwise contractually incapacitated.

“Ordinary Joint Account” means an ordinary joint account opened and maintained with PSHK in the joint names between two persons who have attained the Full Age.

“Parent” means father or mother of the Minor.

“Parties” means collectively PSHK and the Adult.

- (2) At the time when the Joint Custody Account is opened, the Adult must be:-
 - (A) a Parent of the Minor; or
 - (B) a Guardian of the Minor; or
 - (C) a person acting with the express endorsement and authority of the Parent and/or the Guardian with respect to the Joint Custody Account.
- (3) Prior to the opening of the Joint Custody Account, the Adult shall nominate a Minor as a joint holder of the Joint Custody Account. Such nomination shall be subject to the approval of PSHK in its absolute discretion.
- (4) Upon the opening of the Joint Custody Account, the initial value of the assets to be deposited into the Joint Custody Account shall be not less than the amount stated in Part 1 of the appendix attached hereto (the “**Appendix**”). PSHK shall be entitled to charge a one-off set up fee, which is based on the value of the initial value of the assets deposited into the Joint Custody Account, at such rate as stated in Part 2 of the Appendix.
- (5) After the Joint Custody Account has been opened:-
 - (A) Subject to Clause (6)(D) hereinbelow, PSHK shall waive charging any commissions for:-
 - (i) all subsequent deposits/contributions to the Joint Custody Account; and
 - (ii) switching of equities or unit trusts from one to another.

(B) PSHK shall charge commission for every buy or sell transaction in the Joint Custody Account at the rate stated in Part 3 of the Appendix.

(6) During the Minority Duration:-

(A) the securities and assets (including but without limitation to money and other property) in the Joint Custody Account shall be beneficially owned by the Adult. Unless and until the Minor, upon his attaining the Full Age, ratify his/her rights and obligations as a one of the joint account holders of an Ordinary Joint Account alongside with the Adult pursuant to Clause (7)(B) hereinbelow, the Minor has only contingent (and not vested) interest in the Joint Custody Account;

(B) only the Adult shall be held responsible for all duties and obligations under the Joint Custody Account;

(C) only the Adult shall have authority to operate, or to give instructions to PSHK to operate, the Joint Custody Account;

(D) the Adult may at any time close the Joint Custody Account, whereupon PSHK shall be entitled to collect all commissions which have been waived under Clause (5)(A) hereinabove since the opening of the Joint Custody Account; and

(E) PSHK shall have no liabilities to any person for acting solely on the instructions of the Adult.

(7) Forthwith upon the Minor's attaining the Full Age, the Adult shall proactively notify PSHK of the fact that Minor has attained the Full Age and shall either:-

(A) close the Joint Custody Account; or

(B) cause and procure that the Erstwhile Minor to ratify his rights and obligations as a one of the joint account holders of an Ordinary Joint Account alongside with the Adult.

For so long as the Joint Custody Account has not been terminated and the Erstwhile Minor has not ratified his rights and obligation as aforesaid, the Joint Custody Account shall continue to be maintained and operated in the same manner as if the Erstwhile Minor had not attained the Full Age.

(8) Upon the Erstwhile Minor's ratification as prescribed in Clause 7(B) hereinabove,:-

- (A) the Joint Custody Account shall be turned into an Ordinary Joint Account in the joint names of the Adult and the Erstwhile Minor;
 - (B) all the securities and assets (including but without limitation to money and other property) as well as liabilities under the Joint Custody Account shall forthwith be transferred to the Ordinary Joint Account and the Joint Custody Account shall simultaneously cease to operate;
 - (C) these overlay terms shall forthwith cease to have any further effect in relation to the Ordinary Joint Account as from such date but without prejudice to the accrued rights and liabilities of the Parties prior to such date;
 - (D) all the terms and conditions in the SCA including but without limitation to clause 15 thereof shall be applicable to the Ordinary Joint Account with full force and effect.
- (9) If the Adult shall predecease the Minor during the Minority Duration:-
- (A) the securities and assets (including but without limitation to money and other property) in the Joint Custody Account shall pass to a custodial account held by PSHK for the benefit of, but purely as a custodian without any fiduciary duties or responsibilities to, the Minor.
 - (B) pending the Minor's attaining the Full Age:-
 - (i) PSHK may at its sole discretion act in accordance with the instructions of other person if such other person:-
 - (a) is able to demonstrate to the satisfaction of PSHK by production of sufficient documentary evidence that he is either a Guardian of the Minor or a person having been granted the sole custody and control of the Minor; and
 - (b) is able to provide an indemnity in favour of PSHK in such form and substance acceptable to PSHK.
 - (C) PSHK is entitled to act in accordance with the terms of any Court Order directed at PSHK without the obligation to verify the merits of the application upon which the Court Order is made and shall not be obliged to challenge or object to the Court Order.
- (10) The Adult represents, warrants and undertakes to PSHK that pending the Minor's attaining the Full Age:-

(A) he will not create any encumbrances, whether by way of lien, pledge, charge or otherwise, over the Joint Custody Account or any of the funds, assets or entitlements therein; and

(B) he will not withdraw or sell any securities in the Joint Custody Account unless the full sale proceeds of such securities are deposited into the Joint Custody Account.

(11) The Adult hereby acknowledges and accepts for both himself and the Minor that the rule of survivorship is applicable to the Joint Custody Account between the Adult and the Minor.

(12) In the event of any difference in the interpretation or meaning between the Chinese and English version of this Overlay Terms, the English version shall prevail.

_____ [signature of the Adult]

Name:

Date: