

# TERMS AND CONDITIONS FOR GOLD MANAGER

(Effective as of 18 February 2021)



*Note: These Terms and Conditions, the Principal Brochure for Gold Manager and the relevant Product Key Facts Statement should be issued and read in conjunction with each other.*

To: **Citibank, N.A.** (the “**Bank**”) (organized under the laws of U.S.A. with limited liability), whose principal place of business in Hong Kong is at 50/F, Champion Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong, a bank licensed under the Banking Ordinance and registered under the Securities and Futures Ordinance to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, with C.E. Number AAP937.

1. These terms are supplementary to and not in substitution for any provisions in the “Terms and Conditions for Accounts and Services”. In case of inconsistency between these terms and the “Terms and Conditions for Accounts and Services”, the provision in these terms shall prevail insofar as they relate to the Bank’s paper gold scheme, “**Gold Manager**”.
2. I may (at my sole risk) request the Bank to establish a non-interest bearing account (“**Gold Manager Account**”) for me to hold units of Gold Manager which I have bought, the unit price of which shall be valued in U.S. dollars, with reference to loco-London spot gold price (quoted in U.S. dollars per troy ounce and subject to the Bank’s profit margin). Any sale or purchase of units of Gold Manager shall be for such quantity as may be stated in the current Principal Brochure for Gold Manager, from time to time.
3. Transactions in units of Gold Manager may be subject to a quantity requirement as imposed by the Bank, from time to time.
4. No physical deposit, withdrawal or delivery of physical gold to or from the Gold Manager Account is allowed. Gold Manager does not involve any physical holding or delivery of gold. I acknowledge and agree that I do not have any rights, ownership and possession of any physical gold. The allocation of units in my Gold Manager Account is notional.
5. No interest shall be payable on my Gold Manager Account.
6. The Bank undertakes to use all reasonable efforts and take all reasonable steps to execute my order for the sale and purchase of units of Gold Manager. However, the Bank may refuse to accept my order for the sale and purchase of units of Gold Manager upon such reasonable grounds as it deems fit and shall not be liable for my loss arising out of the same. In particular, the Bank may refuse to accept any purchase order if I fail to make available to the Bank sufficient cleared funds for the payment of the purchase price together with the relevant fees and charges at the time of execution of the order or if my sale or purchase order does not meet the transaction quantity requirement specified by the Bank.
7. The price per unit for the sale or purchase of units of Gold Manager shall be such price as may be quoted by the Bank from time to time taking into account the prevailing market price for loco-London spot gold and the Bank’s profit margin.
8. I will make available to the Bank such amount as may be required to effect payment of the purchase price and the relevant fees and charges at the time of execution of an order for the purchase of units of Gold Manager.
9. I understand that currently no tax is payable by me in Hong Kong in connection with the sale and purchase of units of Gold Manager (save where I carry on the business of trading in units of Gold Manager). However, if any tax is imposed at any time, I shall (on demand) pay and indemnify the Bank against any tax or other levy arising out of any transactions for the sale and purchase of units of Gold Manager effected through my Gold Manager Account. I shall also be responsible for any tax imposed on me arising out of any such transactions.
10. The Bank may terminate Gold Manager by giving not less than 30 calendar days prior notice to me. The Bank may also terminate or close my Gold Manager Account at any time immediately without prior notice to me where there is any change of law which prohibits or renders illegal the maintenance or operation of Gold Manager or the terms and conditions governing Gold Manager.
11. Upon termination of Gold Manager or my Gold Manager Account pursuant to clause 10 above or upon termination of my Currency Manager Account maintained with the Bank, the Bank may on my behalf sell any balance of units of Gold Manager standing to the credit in my Gold Manager Account at such prices and on such terms as it deems fit and repay to me the net sale proceeds by depositing the same to any of my Accounts maintained with the Bank or sending a cheque to me after deduction of all amounts payable by me to the Bank.
12. I may issue instructions to the Bank for any sale or purchase of units of Gold Manager to be concluded at a certain price set by me (the “**Prevailing Price**”) during the times set out below (“**Order Watching Instruction(s)**”). Order Watching Instruction(s) will be deemed to be effective from the time when such Order Watching Instruction(s) has been accepted by the Bank (or such other time as determined by the Bank at its full discretion on the date of such Order Watching Instruction(s)) until 9:00 a.m. (or such other time as determined by the Bank at its full discretion) on
  - (a) the next day which must be a business day (excluding Saturday) in Hong Kong, or
  - (b) the day which is specified by me (which must be a business day (excluding Saturday) in Hong Kong and must be within 12 months from the time when the Order Watching Instruction(s) are made).
13. (a) In respect of any Order Watching Instruction that I place, once a Gold Manager unit price is equal to the relevant Prevailing Price offered by the Bank, I authorize the Bank to conclude the sale or purchase of Gold Manager unit(s) for me,

pursuant to the Order Watching Instruction at the Prevailing Price.

(b) Each Order Watching Instruction may consist of one or more of the following composite orders:

- (i) "If Done Order": The execution of one order will be conditional upon the other having been executed; and/ or
- (ii) "One-Cancel-The-Other-Order": If one order is executed, the other order will automatically be deemed to be cancelled.

(c) I accept and acknowledge that for "stop loss" or "stop limit" orders, it is possible that my order may not be executed at the Prevailing Price that I specify and will instead be executed at the next available price offered by the Bank.

- 14. Any Order Watching Instruction must be received by the Bank during such time as prescribed by the Bank. I understand that the Bank may, from time to time, change the above hours in Clauses 12 and 14 without prior notice to me.
- 15. For the period starting from the receipt of my Order Watching Instruction until the expiration of the Order Watching Instruction(s), the Bank is authorized to deduct 100% of the transaction amount from my Call Deposit Account. In the event of any insufficiency in funds in my Call Deposit Account to cover the full amount of any executed transaction due to any reason whatever, the Bank may at any time and without prior notice to me reverse the transaction so executed. The Bank may debit or credit any resultant amount to my Call Deposit Account and I will repay any shortfall upon the Bank's demand.
- 16. Subject to Clauses 12 to 15, the Bank may follow market practice and conditions and conduct transactions with me on any sale and purchase of units of Gold Manager in a manner acceptable to the Bank. The Bank may accept or reject any Order Watching Instruction at its sole discretion.
- 17. The Bank is not liable for any failure or delay to meet its obligations due to any causes beyond its reasonable control which shall include but are not limited to local or international happenings such as any Act of God, Government act, epidemic, pandemic, flood, fire, typhoon, storm, civil commotion, strike, lockout, lockdown, war, mechanical failure, power failure, malfunction, breakdown, interruption or inadequacy of equipment or installation or other cause which results in or is likely to result in the erratic behaviour of gold prices, the closure of the markets or exchanges of gold, or any other cause affecting the operation of Gold Manager beyond the reasonable control of the Bank

("Force Majeure Events").

- 18. The Bank may refuse to accept my order for the sale and/or purchase of units of Gold Manager, and has the right to suspend dealings under Gold Manager where a Force Majeure Event has occurred or where the Bank considers in good faith and in a commercially reasonable manner that any of the following extreme or exceptional events has occurred: (a) any suspension of or limitation on trading in relevant markets for gold (including but not limited to the London bullion market, gold futures markets and markets for gold exchange traded products); (b) any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for gold, in relevant markets (including but not limited to the London bullion market, gold futures markets and markets for gold exchange traded products); or (c) any event (such as system failure) that materially disrupts or impairs the Bank in general to effect Gold Manager transactions. The Bank may exercise this right during drastic price fluctuations in gold and in other unpredictable market circumstances. In that case, I will be unable to buy, sell, liquidate or offset my Gold Manager positions, and may suffer losses as a result. The Bank will notify me of the suspension, and subsequent resumption, in writing as soon as reasonably practicable.
- 19. In the absence of negligence or wilful default on the part of the Bank, the Bank shall not be liable to me for any loss or damages suffered by me as a result of having entered into any transaction for the sale or purchase of units of Gold Manager.
- 20. The Bank may by notice to me from time to time delete, replace, add or change any terms of these terms. Such amendments will become effective and binding on me on a date specified in the notice, which shall not be less than 30 calendar days or such shorter period as may be approved by the Securities and Futures Commission if the amendments will affect my rights and obligations.

### **Risk Disclosure Statement**

**I understand all the risks of investing in units of Gold Manager including (without limitation) all such risks set out in the Principal Brochure for Gold Manager and the relevant Product Key Facts Statement.**

**Gold Manager is set up under a notional gold purchase scheme under which Gold Manager only deals with paper gold and is not backed by physical gold and the Bank has total discretion within such Scheme to determine its own gold hedging arrangements.**

**I should seek independent financial and legal advice should I have any questions regarding the features and risks of Gold Manager.**