

Regulations on Opening and Transacting on an HSBC Premier Child Account

These Regulations on Opening and Transacting on an HSBC Premier Child Account (the "Regulations") provide for the Bank's handling of the transactions made under the HSBC Premier Account (the "Premier Account") established at the domestic Branch of the Bank in Japan in the name of the child (the "Child", and such Premier Account of the Child, the "Child Account") of the existing Premier Account holder (the "Primary Account Holder").

Article 1 Opening the Child Account

1. A Child Account may be established only when all the following conditions are satisfied at the time of its application:
 - (1) the Primary Account Holder agrees to the establishment of such Child Account in the name of the Child, after accepting and agreeing with the Regulations, the HSBC Premier Account General Agreement and each of the relevant terms and conditions;
 - (2) the Primary Account Holder has a Premier Account in Japan (the "Primary Account") and satisfies the HSBC Premier Eligibility Criteria as prescribed by the Bank;
 - (3) the Child has the Japanese nationality or the Child is a resident in Japan; and
 - (4) the Child is between the ages of 6 (inclusive) and 20 (exclusive).
2. In applying for the establishment of the Child Account, the Primary Account Holder and the Child must file an application with the Bank in the manner prescribed by the Bank, by filling in the necessary items in the application form and submitting other required documents. In case that there is a deficiency in the submitted documents, the Bank may either refuse the establishment of the Child Account or request the submission of additional documents.

Article 2 Transactions on Child Account

Transactions on the Child Account are limited to transactions on the Yen Savings Account and other transactions relating to the Yen Savings Account as approved by the Bank, as well as Yen time deposit transactions. Other transactions such as foreign currency deposits, structured deposits, investment trusts, insurance products, credit card and automatic overdraft services are not available under the Child Account.

Article 3 Funds and Authority of Transaction

1. Funds deposited to the Child Account shall be limited to the funds belonging to the Child only.
2. The Child shall have the authority to withdraw the deposits from the Child Account. Further, the Child shall have the authority to enter into a transaction with the Bank using the funds withdrawn from the Child Account, which transaction shall be either a Yen time deposit, fund remittance, account transfer or foreign currency cash purchase transaction.
3. The Primary Account Holder shall give a prior approval for each of the following items:
 - (1) that the Child shall have the authority to dispose (*shobun kengen*) over the deposits of the Child Account, and the Child may unilaterally request the withdrawal from the Child Account;
 - (2) that the Child shall have the authority to enter into a transaction with the Bank using the funds withdrawn from the Child Account, which transaction shall be either a Yen time deposit, fund remittance, account transfer or foreign currency cash purchase transaction;
 - (3) that the Primary Account Holder will not express any objection regarding the transactions conducted by the Child based on the preceding two (2) items; and
 - (4) that no person (including the Primary Account Holder) other than the Child him/herself shall have the authority to withdraw the deposits from the Child Account.
4. If the Bank determines that there is a possibility that the funds belonging to the Primary

Account Holder or any other third party have been deposited to the Child Account, the Bank may, without advising the Primary Account Holder and the Child, take such measures as it deems necessary, such as notifying to the authorities of the account as a possible “account in another’s name” (*shakumei kouza*) or suspending the transactions on the Child Account. The Bank shall assume no responsibility for any damages caused by these measures to the Child or the Primary Account Holder or any other third party.

Article 4 Over the Counter Transactions

The Child may transact such transactions as admitted by the Bank at the counters of the domestic branches of the Bank. However, the Child may withdraw the deposit and conduct money transfer transactions only with the consent of the Primary Account Holder in the manner prescribed by the Bank.

Article 5 Transactions by ATM Card

1. HSBC Premier ATM card (the “ATM Card”) may be issued upon the request from both the Primary Account Holder and the Child. No supplementary ATM Card is available on the Child Account.
2. Upon the issuance of ATM Card on the Child Account, the Primary Account Holder and the Child shall establish a daily withdrawal limit. Further, in order to increase the existing daily withdrawal limit for the ATM Card transactions on the Child Account, both the Primary Account Holder and the Child shall file the application with the Bank in their joint names, according to the procedures prescribed by the Bank. However, a reduction in the daily withdrawal limit may be requested by the Child alone, according to the procedures prescribed by the Bank.

Article 6 Internet Banking Transactions and Telephone Banking Transactions

1. HSBC Personal Internet Banking and Telephone Banking Services on the Child Account will be available only upon the request from both the Primary Account Holder and the Child. The password and the Security Device will be issued to the Child.
2. Upon the application for the HSBC Personal Internet Banking services on the Child Account, the Primary Account Holder and the Child shall establish a daily limit to the amount of money transfer transactions made through the HSBC Personal Internet Banking. Further, in order to increase the existing daily fund transfer limit on Child Account both the Primary Account Holder and the Child shall file the application with the Bank in their joint names, according to the procedures prescribed by the Bank. However, a reduction in the daily fund transfer limit may be requested by the Child alone, according to the procedures prescribed by the Bank.
3. With regard to the HSBC Premier Telephone Banking on the Child Account, no money transfer transactions to third party accounts shall be available.

Article 7 Monthly Statements etc. on Child Account

1. Monthly statement and other notices on the Child Account shall be sent to the Child at his/her registered address, except when the same is made available via electromagnetic method with the consent of both the Child and the Primary Account Holder. The Primary Account Holder will have access to the balance and transaction history on Child Account through the Relationship Manager and/or the HSBC Premier Call Centre.
2. When there is a request from the Primary Account Holder, or the spouse of the Primary Account Holder or any other person with parental authority over, or any guardian of, the Child (such spouse and any such other person or guardian collectively, the “Other Parent”), for the disclosure of information concerning the Child Account and the transactions on it, the Bank may disclose such information to the requesting Primary Account Holder or the Other Parent. Such fee as designated by the Bank may be charged for such information disclosure. With regard to the request submitted by the Other Parent, the Bank shall accept such

- request only after confirming his/her identity in the manner prescribed by the Bank.
3. The Child shall express no objection to the disclosure of information to the Primary Account Holder or the Other Parent concerning the Child Account and the transactions on it according to the preceding two (2) Paragraphs.

Article 8 Changes to Registered Information and Loss Report, etc. on Child Account

1. In principle, in the event of any change to the registered information of the Child Account, the Child and the Primary Account Holder in their joint names shall notify it to the Bank in the manner prescribed by the Bank. However, the Bank shall accept the notice of change in registered information made by the Child alone or the Primary Account Holder alone in case that the Bank deems that there exists an emergency or an unavoidable event.
2. In case that the Child alone notifies the change of the registered address to the Bank based on the second sentence of the preceding Paragraph, the Bank may notify such change to the Primary Account Holder. However, the Bank shall have no obligation to make such notification.
3. In case that the Primary Account Holder alone notifies the change of the registered information to the Bank based on the second sentence of Paragraph 1, the Bank shall notify the Child of the fact that such notification for the change has been made.
4. In the event of the loss of seal, ATM Card or Security Device, the Child alone or both the Child and the Primary Account Holder in their joint names shall notify the Bank of such loss in the manner prescribed by the Bank.
5. After the notice pursuant to the preceding Paragraph, the Primary Account Holder and the Child in their joint names shall re-register the new seal to be used for the transactions on the Child Account or request for the re-issuance of ATM Card or the Security Device, in the manner prescribed by the Bank. However, in case that there exists an emergency or an unavoidable event, the Child alone may request for the re-registration of the new seal to be used for transactions on the Child Account or request for the re-issuance of the ATM Card or the Security Device.
6. In case that the Child alone re-registers the new seal or obtains the re-issued ATM Card or Security Device based on the second sentence of the preceding Paragraph, the Bank will promptly notify the occurrence of the same to the Primary Account Holder.

Article 9 Suspension of Withdrawal from Child Account

1. The Primary Account Holder and/or the Other Parent may request the suspension of withdrawal from the Child Account, only if there exists an extraordinary event which makes it difficult for the Child to continue the transactions on the Child Account. However, with regard to the request submitted by the Other Parent, the Bank shall accept such request only after confirming his/her identity in the manner prescribed by the Bank.
2. Upon accepting the request under the preceding Paragraph, the Bank shall promptly take the measures to suspend withdrawal from the Child Account, for which the Bank shall not be required to make any investigation into the details of such extraordinary event. The Bank shall assume no responsibility for any damages caused to the Child or any third party before such measures are taken by the Bank or any damages caused to the Child or any third party by such measures taken by the Bank.
3. After the Bank has taken the measures to suspend withdrawal of deposit according to the preceding Paragraph, the Child may withdraw the deposit from the Child Account only under either of the following situations:
 - (1) When the Primary Account Holder has approved transactions by the Child on the Child Account, similarly under Paragraph 2 of Article 3, using the form prescribed by the Bank. However, in case that the Other Parent has requested for such suspension of withdrawals, only when both the Primary Account Holder and such Other Parent shall give such approval.

- (2) When the Child attains the age of 20.
- (3) When the Child Account is cancelled according to the following Article.

Article 10 Cancellation of Child Account

1. When the Primary Account Holder and the Child request for the cancellation in their joint names in accordance with the procedures prescribed by the Bank, the Child Account will be cancelled at any time.
2. When the Child who is not a Japanese national is no longer a resident of Japan, the Primary Account Holder and the Child shall cancel the Child Account by requesting for cancellation in accordance with the procedures prescribed by the Bank.
3. When the Primary Account Holder cancels the Primary Account, the Primary Account Holder and the Child shall cancel the Child Account by requesting for cancellation in accordance with the procedures prescribed by the Bank.
4. In case that the Primary Account Holder is deceased, the Child and the Other Parent shall notify the Bank within one (1) month after the date of such death. Subsequently, if the Other Parent satisfies the conditions stipulated in Article 1, Paragraph 1, Items 1 and 2 and such Other Parent takes the procedures prescribed by the Bank, the Premier Account of the Child may continue to be a Child Account for which the Other Parent shall be treated as the Primary Account Holder for all purposes under the Regulations. Otherwise, the Child and the Other Parent shall cancel the Child Account by requesting for cancellation in accordance with the procedures prescribed by the Bank.
5. If, at the time of the request for cancellation of the Child Account according to each of the preceding Paragraphs, the request to suspend withdrawals from the Child Account made by the Other Parent is outstanding pursuant to Paragraph 1 of the preceding Article, the Child Account may be cancelled only if such Other Parent also agrees to such cancellation.
6. When the Child Account is cancelled according to each of the preceding Paragraphs, the cancellation proceeds (if a remittance fee etc. is charged, the amount after the deduction of such fee etc.) will be repaid according to the method designated in the cancellation request.
7. When the Primary Account Holder fails to satisfy the conditions stipulated in Article 1, Paragraph 1, Item 2 continuously for a considerable period, the Bank may take any measures that the Bank deems necessary, such as restrictions on transactions, including, without limitation, suspension of withdrawals from the Child Account. The Bank shall assume no responsibility for any damages caused to the Child, the Primary Account Holder or any other third party due to such measures taken by the Bank.
8. When the Child Account is not cancelled, contrary to the provisions of Paragraphs 2 to 4, the Bank may take any measures that the Bank deems necessary, such as restrictions on transactions, including, without limitation, suspension of withdrawals from the Child Account. The Bank shall assume no responsibility for any damages caused to the Child, the Primary Account Holder or any other third party due to such measures taken by the Bank.

Article 11 Termination of Child Account

1. When the Child attains the age of 20, the Child shall no longer be eligible to continue to hold his/her Premier Account as the Child Account (such event, the "Termination of Child Account"). Subsequently, such Child Account shall be converted to an HSBC Premier Family Account in relation to the Primary Account. However, there may be cases in which the procedures prescribed by the Bank are required to be taken for such conversion.
2. Upon the Termination of Child Account, the Primary Account Holder will no longer be allowed to request the account balance and transaction history of the Child Account based on Article 7, Paragraph 1, and the Primary Account Holder and the Other Parent will no longer be allowed to request for the disclosure of information based on Article 7, Paragraph 2 and to request for the measures to suspend withdrawals base on Article 9, Paragraph 1. Further, any procedure that the Primary Account Holder and the Child, prior to the

Termination of Child Account, are required to take in their joint names can be taken unilaterally by the Child.

Article 12 Indemnification by the Primary Account Holder

In the event that the Bank becomes liable for damages to the Child or any third party in connection with the transactions on the Child Account, for the reason that such transactions are invalid or cancellable or for any other reason whatsoever, the Primary Account Holder shall, upon demand by the Bank, indemnify the Bank for the amount of such damages incurred by the Bank based on such liability. However, in the event that such Bank's liability for damages accrues due to the violation of the Regulations by the Bank or any other reason attributable to the Bank, the Primary Account Holder shall be exempted from such indemnification obligation to the extent of such reason attributable to the Bank.

Article 13 Below Balance Fee

Below Balance Fee will not be charged to the Child Account.

Article 14 Application of Other Provisions

1. The Regulations shall supplement the HSBC Premier Account General Agreement with regard to the transactions concerning the Child Account.
2. Matters not provided for in the Regulations, such as changes in registered items, prohibition of transfer or pledge, cancellation, disclaimer, governing law, jurisdiction or amendment of the provisions shall be governed by the HSBC Premier Account General Agreement.
3. Transactions on the Yen Savings Account, account transfers, fund remittances, transactions related to the purchase of foreign currency cash, as well as transactions with the ATM Card, HSBC Personal Internet Banking and HSBC Premier Telephone Banking shall be governed by the relevant terms and conditions.
4. In the event of any discrepancy between the HSBC Premier Account General Agreement or other relevant terms and conditions and the Regulations, the Regulations shall prevail.