

Disclosure of Monetary Benefits and Sales Related Information

Effective as of 16 July 2018

For non-Hong Kong booked Private Bank accounts advised out of Standard Chartered Bank (Hong Kong) Limited

In Hong Kong, Standard Chartered Private Bank is the private banking division of Standard Chartered Bank (Hong Kong) Limited, whose registered address is at 32/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong. Standard Chartered Bank (Hong Kong) Limited is regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Cap. 571) (CE No. AJ1614).

Section I – Disclosure of Monetary Benefits

We would like to draw your attention to the following information regarding the monetary benefits receivable by us and/or our associate(s) for the following product types.

In the event that the monetary benefit for a transaction falls below or exceeds the percentage indicated below, you will be informed accordingly. The monetary benefit in relation to the relevant transaction will also be confirmed in writing after the transaction.

Product Types	Monetary Benefits on a Transaction Basis (as a percentage of investment value*)
a. Investment Funds Services (excluding Wrap portfolio)	Over 1.00% and up to 2.00%
b. Bonds (including Certificate of Deposit)	Up to 1.00%
c. Equity Linked Notes (ELN)/ Daily Callable Equity Linked Notes (KOELN)	Up to 1.00%
d. Structured Notes other than ELN and KOELN	
Up to 2 year tenor	Over 1.00% and up to 2.00%
Longer than 2 year tenor	Up to 1.00% p.a.

* Footnote: For Product Types b. to d., the investment value is referring to the nominal value of the relevant product.

Section II – Disclosure of Sales Related Information

In accordance with paragraphs 8.3 and 8.3A of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission, we draw your attention to the following information regarding certain investment products offered through the private banking division of Standard Chartered Bank (Hong Kong) Limited, CE#AJI614 (the “Bank”).

I. Capacity

The Bank may act as an agent of the product issuer, or an agent of such other person(s) with the authority to appoint the Bank as such, in relation to the distribution of the relevant product to the Bank’s clients. In addition:

- (a) **Investment Funds Services (unit trusts or mutual funds)**
Unless stated otherwise, the Bank will act as agent for the client in the transaction.
- (b) **Debt Securities Services (notes, bonds or other debt instruments)**
Unless stated otherwise, the Bank will act as principal in the transaction.
- (c) **Premium Currency Investment**
Unless stated otherwise, the Bank will act as principal in the transaction.
- (d) **Accumulator/Decumulator and Over-the-Counter Options**
Unless stated otherwise, the Bank will act as principal in the transaction.
- (e) **Alternative Investments (including private equity)**
Unless stated otherwise, the Bank will act as agent for the client in the transaction.

II. Affiliation

The issuer of a product may be the Bank, another member or affiliate of the group of companies of Standard Chartered PLC (“Standard Chartered Group”) or an entity which is not a member or affiliate of the Standard Chartered Group. The Standard Chartered Group including its parent companies, affiliates or connected companies, and their employees or clients may have an interest in the product by virtue of being involved in activities such as dealing in, holding or acting as a market-maker of the product, acting as a manager or co-manager of a public offering of the product, having an investment banking relationship with any person related to the offer of the product, or performing financial or advisory services in relation to the product.

For interest rate swap and products with FX underlying which are traded through OTC markets, we will only source the price internally through members of SCB Group.

III. Benefits receivable from sale

The Bank and/or any of its associate(s) may receive the following benefits, which may not be quantifiable at or prior to the point of sale, from the sale of the relevant investment products:

- (a) Investment Fund Services (unit trusts or mutual funds), Private Equity Funds and Hedge Funds
The Bank and/or any of its associate(s) may receive monetary benefit in the form of a rebate, trailer and/or non monetary benefit in the form of sponsorship from the product issuer for distributing the product. The monetary benefits received by the Bank is not more than 2% of the investment value per fund per year.
- (b) Debt Securities Services (notes, bonds or other debt instruments)
The Bank and/or any of its associate(s) may receive monetary benefit in the form of a rebate or discount from the product issuer, or in the form of a margin over costs.
- (c) Premium Currency Investment
The Bank and/or any of its associate(s) may receive monetary benefit in the form of premium allocation.

IV. Discount offers

The Bank may from time to time offer discounts or waivers of fees or charges to clients subject to such terms and conditions and eligibility criteria as determined by the Bank from time to time.

V. Independent status

- 1. For SCB issued products, IPO Bonds, Mutual Funds, Hedge Funds and Private Equity Funds –
We are NOT an independent intermediary because:
 - (i) we receive fees, commissions, or other monetary benefits from other parties (which may include product issuers) in relation to our distribution of investment products to you. For details, you should refer to our disclosure on monetary benefits which we are required to deliver to you prior to or at the point of entering into any transaction in investment products; and/or
 - (ii) we receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with issuers of products that we may distribute to you.
- 2. For all other products which are not described in (1) above –
We are an independent intermediary because:
 - (i) we do not receive fees, commissions, or other monetary benefits provided by any party in relation to our distribution of investment products to you; and
 - (ii) we do not have any close links or other legal or economic relationships with product issuers, or receive any non-monetary benefits from any party, which are likely to impair our independence to favour any particular investment product, any class of investment products or any product issuer.

If there is any discrepancy between the English and the Chinese versions, the English version shall prevail.

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