

- ▶ **SCSAI Counterparty**
- ▶ **Notice of Applicable Terms & Conditions for SCSAI ("Notice") and Your Acceptance of Those Terms & Conditions**

The enclosed terms and conditions titled Counterparty SCSAI Terms (the "Terms"), along with this Notice, constitute the terms agreed between you (the "Counterparty") and Bank in relation to the supply chain finance program ("SCSAI") relating to Redacted and all of its subsidiaries and affiliates (collectively, "Buyer").

In the event of any conflict or inconsistency between the Terms and this Notice, this Notice shall prevail to the extent of the conflict or inconsistency.

Any capitalized terms used in this Notice shall have the meanings set out in the Terms unless defined otherwise within this Notice.

#### **Your acceptance**

By your duly authorized signatory (whose authority to sign we shall be entitled to assume) signing below, you hereby confirm acceptance of the Terms.

We shall be entitled to assume that:

- (a) you have taken all necessary action to authorize the agreement to and performance of the Terms; and
- (b) the agreement to the Terms and the granting of such authorizations are in accordance with the applicable constitutional documents of your organization, and such person(s) has/have been duly authorized to appoint such other person(s) as may give Instructions to Bank.

#### **Electronic Signature**

The parties agree and consent to the use of electronic signatures solely for the purposes of executing this Notice or any related transactional document (including any amendments thereto). Such electronic signature shall be deemed to have the same full and binding effect as a handwritten signature.

#### **Applicable Bank; Governing Law; Jurisdiction; Waiver of Jury Trial**

For the purposes of the Terms and this Notice, the Bank is HSBC Bank USA, N.A. and the governing law is that of the State of New York. You and we hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York in respect of any proceedings which may be initiated in connection with the Terms and this Notice.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER THESE TERMS AND THIS NOTICE OR IN ANY WAY CONNECTED WITH THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THESE TERMS AND THIS NOTICE OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE.

*[Signature Page Follows]*

The Counterparty hereby agrees to and acknowledges the Terms for and on behalf of CRYSTAL SL GLOBAL PTE.  
LTD.:

Redacted

Authorized Signatory



Redacted

Authorised Signer

Title

13 October 2022

Date

## Counterparty SCSAI Terms

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### Counterparty Details

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▪ Full Legal Entity Name	[CRYSTAL SL GLOBAL PTE. LTD.]
▪ Vendor Code	[5717989018149816 ]
▪ Address Line 1	[30A, Marsiling Lane ]
▪ Address Line 2	[ ]
▪ City	[Singapore ]
▪ Province / Region	[ ]
▪ Postal Code / Zip Code	[739150 ]
▪ Country	[Singapore ]
▪ Country and State of Incorporation	[Singapore ]
▪ PO Box (if applicable)	[739150 ]
▪ Principal Contact Name	Redacted
▪ Email Address (principal contact)	Redacted
▪ Email Address (receipt of encrypted emails)	Redacted
▪ Telephone Number	Redacted

#### Account Details for Receipt of Payment:

▪ Bank Name Limited]	[The Hongkong and Shanghai Banking Corporation
▪ Bank Account Name / Beneficiary Name	[Crystal SL Global Pte. Ltd.]
▪ Beneficiary Address (applicable if supplier is using 3 <sup>rd</sup> -Party Payment Collection Agent)	[ ] [ ] [ ]
▪ Account Number	Redacted
▪ IBAN (applicable if supplier's banking country uses IBAN)	[ ]
▪ SWIFT code	[HSBCSGSG ]

These account details are provided to Bank by Buyer. If you wish to change the account details for receipt of payments, you must notify Buyer.



## Process

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Each reference to the Buyer below is a reference to Buyer and/or, where referring to any communication or provision or receipt of information, its nominated service provider acting as Buyer's agent for making and receiving relevant communications referred to below.

Buyer provides details to Bank in a prescribed format for invoices it has approved for payment ("Approved Invoices"), the debt represented thereby being "Approved Receivables", each an "Approved Receivable". Buyer also advises the approved amount, Invoice Settlement Date (as defined below) and other additional information required in their agreement with Bank to enable Bank, at its discretion, to effect payment at the Invoice Settlement Date as payment agent of Buyer or, if such payment is an early payment, to purchase the relevant Approved Receivable(s).

If Bank elects (in its sole and absolute discretion) to make an early payment to you prior to the Invoice Settlement Date, payment shall be made automatically to purchase the relevant Approved Receivable and the purchase price shall be the relevant approved amount less (i) fees or deductions notified to Bank as being payable to Buyer's nominated service provider and deductible from the approved amount (the Buyer Reduction as defined below), (ii) the deductions set out below and any credit notes. Subject to Bank exercising its discretion and without obligation placed upon Bank, you may receive funds as early as the next Business Day.

Any payment is at the sole and absolute discretion of Bank for regulatory and other reasons and Bank is under no obligation or commitment to make any payment. If you are not paid by the Invoice Settlement Date or you have queries relating to deductions and/or Invoice Settlement Dates, any such enquiries should be directed to Buyer.

All purchases shall be subject to a Discount (as defined and calculated below).

All payments are subject to: \$0.00 wire transfer fee.

The Discount and other fees and charges (if any) will be deducted from the approved amount (and any relevant credit notes taken in to account) before making payment.

Payments shall be made by Bank on a non-recourse basis. On payment of the purchase price, you immediately transfer all rights, title and interest in the relevant Approved Receivable to Bank and you will provide all documents (if any) and do (or allow to be done) anything which Bank deems necessary to effect, perfect, protect or preserve the ownership transfer to Bank in respect of the relevant Approved Receivable. You shall mark your books and computer records accordingly in relation to purchases made by Bank in connection with the corresponding Approved Receivable.

Fees and charges may change from time to time and will be notified to you in writing and are in addition to any fees and charges you may incur with your account holding bank and/or intermediary banks.

Bank may terminate these Terms (or parts thereof) and/or the program immediately on notice (effective from date of receipt). You may terminate these Terms and/or the program upon written notice to and written acknowledgement from Bank. Any rights and obligations that accrued before termination will survive and all Approved Receivables purchased prior to termination will continue to be governed by these Terms.

You may not assign or transfer these Terms or the right to receive payment from Bank without the prior written consent of Bank. Bank may (i) assign or transfer any of its rights or obligations under these Terms, or (ii) enter into sub-participation arrangements in relation to these Terms, in each case with any person without your consent.

## Definitions; Benchmark

**"Approved Currency"** means United States Dollars (USD) and Euros (EUR).

**"Available Tenor"** means, as of any date of determination and with respect to the then-current Benchmark Rate, as applicable, (x) if such Benchmark Rate is a term rate, any tenor for such Benchmark Rate (or component thereof) that is or may be used for determining the length of an interest period pursuant to these Terms or (y) otherwise, any payment period for interest calculated with reference to such Benchmark Rate (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark Rate, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark Rate that is then-removed from the definition of "Term" pursuant to the section titled "Benchmark Replacement Setting."

**"Benchmark Rate"** means (a) where the relevant Approved Currency is USD, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark Rate, then "Benchmark Rate" shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (i) of the section titled "Benchmark Replacement Setting" and (b) where the relevant Approved Currency is EUR, (i) the Euro interbank offered rate administered by the European Money Markets Institute (or any successor administrator of that rate) for that period (or the nearest period either side of that period for which a rate is published) as displayed on the applicable Reuters screen (EURIBOR01), at or about 11:00 A.M. Brussels time two Target Days before the start of that period, or (ii) if it is not possible to calculate under (i) for at least five Business Days (during which time the most recently available calculation under (i) shall be used (to the extent there is one)), the sum of ESTR and the ESTR Spread (provided that the Bank determines use of ESTR is possible in compliance with applicable law or regulation).

**"Benchmark Replacement"** means, with respect to any Benchmark Transition Event, the alternate benchmark rate that has been selected by Bank giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by a Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark Rate; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for purposes of these Terms.

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark Rate:

- (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark Rate (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark Rate (or such component thereof); or
- (b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark Rate (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark Rate (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark Rate (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most

recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark Rate (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark Rate upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark Rate (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark Rate (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark Rate (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark Rate (or such component thereof);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark Rate (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark Rate (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark Rate (or such component), which states that the administrator of such Benchmark Rate (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark Rate (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark Rate (or such component thereof); or
- (c) a public statement or publication of information by or on behalf of the administrator of such Benchmark Rate (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark Rate (or such component thereof) announcing that all Available Tenors of such Benchmark Rate (or such component thereof) are not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark Rate if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark Rate (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90<sup>th</sup> day prior to the expected date of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

**"Benchmark Unavailability Period"** means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark Rate for all purposes hereunder in accordance with the section titled "Benchmark Replacement Setting" and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark Rate for all purposes hereunder in accordance with the section titled "Benchmark Replacement Setting."

**"Business Day"** means (a) a day other than (x) a Saturday or Sunday on which commercial banks are open for business in the State of New York and (y) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. Government securities and (b) where the relevant Approved Currency is Euros, a day other than a Saturday, Sunday or a public holiday in Belgium when financial institutions in Brussels are open for business.

**"Conforming Changes"** means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Term," the timing, and frequency of determining rates and other technical, administrative or operational matters) that Bank decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Bank in a manner substantially consistent with market practice (or, if Bank decides that adoption of any portion of such market practice is not administratively feasible or if Bank determines that no market practice for the administration of any such rate exists, in such other manner of administration as Bank decides is reasonably necessary in connection with the administration of these Terms).

**"Discount"** means, for each Approved Receivable purchased (prior to the Invoice Settlement Date confirmed by Buyer), an amount equal to: (1) the approved amount (less any relevant credit notes applied, where relevant) confirmed by Buyer multiplied by (2) the Discount Rate, divided by (3) a 360-day year multiplied by (4) the Term.

**"Discount Rate"** means, unless Bank notifies you of a different rate in writing, a percentage, calculated as the sum of (A) the percentage interest on the approved amount confirmed by Buyer using the relevant Benchmark Rate on the date of payment of the purchase price for the relevant Approved Currency, plus (B) a margin of 1.250%.

**"ESTR"** means, for any amount and any period, the forward looking euro short-term rate (ESTR) published by an authorized benchmark administrator and displayed on a screen or other information service, each as selected by the Bank for that period (or the nearest period either side of that period for which a rate is published) at approximately such time and date before the start of that period as the Bank shall determine.

**"ESTR Spread"** means the rate per annum which is the median difference between EURIBOR and the euro short-term rate administered by the European Central Bank (or any other person which takes over the administration of that rate) published by the European Central Bank (or any other person which takes over publication of that rate) compounded for the same tenor over a five year look-back period calculated by the Bank as at the date falling [5] Business Days before the first day of the interest period in accordance with the formula for calculation of spread adjustment set out in the IBOR Fallback Rate Adjustments Rule Book dated 22 April 2020, as updated from time to time, jointly published by the International Swaps and Derivatives Association and Bloomberg Index Services Limited; provided that if such rate is less than zero it shall be deemed to be zero.

**"HSBC Group"** means HSBC Holdings plc and its subsidiaries and associate undertakings including any of their branches.



*"Invoice Settlement Date" means the date (which may, if agreed between Buyer and you, differ from the invoice due date) identified by Buyer as the date for settlement of the relevant approved amount; for the avoidance of doubt if the relevant date identified is not a Business Day, then it shall be deemed to have been identified as the next following Business Day.*

*"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.*

*"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.*

*"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).*

*"Target Day" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.*

*"Term" means the number of days from the date of payment by Bank to you to the Invoice Settlement Date (inclusive) confirmed by Buyer.*

*"Term SOFR" means the Term SOFR Reference Rate for a tenor comparable to the applicable Term on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Term, as such rate is published by the Term SOFR Administrator; provided, however, that is as of 5:00 P.M. (New York city time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above (including pursuant to the proviso above) shall ever be less than zero, then Term SOFR shall be deemed to be zero.*

*"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).*

*"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.*

*"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.*

#### **Benchmark Replacement Setting**

- i. Notwithstanding anything to the contrary herein or in any other document related to these Terms, upon the occurrence of a Benchmark Transition Event, Bank may amend these Terms to replace the then-current Benchmark Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 P.M. (New York City time) thirty (30) calendar days after the date notice of such Benchmark Replacement is provided to you without any amendment

to these Terms or any other document related to these Terms or further action or consent by you. No replacement of a Benchmark Rate with a Benchmark Replacement pursuant to this section will occur prior to the applicable Benchmark Transition Start Date.

- ii. In connection with the implementation of a Benchmark Replacement, Bank will have the right to make Conforming Changes from time to time and notwithstanding anything to the contrary herein or in any other document related to these Terms, any amendments implementing such Conforming Changes will become effective without any further action or consent by you.
- iii. Bank will promptly notify you of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes. Bank will promptly notify you of the removal or reinstatement of any tenor of a Benchmark Rate pursuant to clause (iv) below. Any determination, decision or election that may be made by Bank pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from you, except, in each case, as expressly required pursuant to this section.
- iv. Notwithstanding anything to the contrary herein or in any other document related to these Terms, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark Rate is a term rate (including the Term SOFR Reference Rate) and either (x) any tenor for such Benchmark Rate is not displayed on a screen or other information service that publishes such rate from time to time as selected by Bank in its reasonable discretion or (y) the regulatory supervisor for the administrator of such Benchmark Rate has provided a public statement or publication of information announcing that any tenor for such Benchmark Rate is or will be no longer representative, Bank may modify the definition of "Term" (or any similar or analogous definition) for any Benchmark Rate settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (x) is subsequently displayed on a screen or information service for a Benchmark Rate (including a Benchmark Replacement) or (y) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark Rate (including a Benchmark Replacement), then Bank may modify the definition of "Term" (or any similar or analogous definition) for all Benchmark Rate settings at or after such time to reinstate such previously removed tenor.
- v. Upon your receipt of notice of the commencement of a Benchmark Unavailability Period, you may revoke any pending request to purchase an Approved Receivable.

#### **Inability to Determine Rates**

Subject to the section immediately above, if on or prior to the first day of any Term:

- i. Bank determines that Term SOFR cannot be determined pursuant to the definition thereof, or
- ii. Bank determines that for any reason in connection with any request to purchase that Term SOFR for any Term with respect to a proposed purchase of Approved Receivables does not adequately and fairly reflect the cost to Bank of funding such purchase,

then Bank will so notify you. Upon notice thereof by Bank to you, Bank may determine a commercially reasonable alternative rate in lieu of Term SOFR giving due consideration to any recommendations by a Relevant Governmental Body or any evolving or then-prevailing convention for determining an alternative benchmark rate.

#### **Acknowledgements, Warranties & Representations**

You acknowledge, agree, warrant and represent that:

- you are and will remain fully compliant with all laws and regulations applicable to you and no insolvency proceedings or process has been commenced by or against you;
- your involvement in the supply chain finance program with a Buyer has not violated and shall not violate any applicable anti-bribery laws and regulations including, but not limited to any relevant provision of any applicable anti-bribery laws and regulations in force in the jurisdiction where you and Bank are domiciled and operate, and you have not engaged, and undertake that you shall not engage, in the following conduct: making of payments or transfers of value, offers, promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of, any financial or other advantage, either directly or indirectly, having the purpose, effect or acceptance of, or acquiescence in, public or commercial bribery or other unlawful or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity, and you shall procure the compliance with the above obligations from your own associated persons, agents or subcontractors as may be used for the fulfilment of your obligations herein;
- neither you nor any of your subsidiaries, directors, officers, employees, agents, or affiliates is an individual or entity ("Person") that is, or is owned or controlled by Persons that are: (i) the subject of any sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the US Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or the Hong Kong Monetary Authority (collectively, "Sanctions"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions;
- you will not, directly or indirectly, use any benefit derived from the supply chain finance program to support any activities or business of or with any Person, or in any country or territory, that is, or whose government is, the subject of Sanctions; or in any other manner that would result in a violation of Sanctions by any Person;
- you will not use the proceeds of any transaction for the benefit of, or transfer to any of the following entities: any entity containing "Hongkong and Shanghai Banking Corporation" or "HSBC" in its name; Bank of Communications; Hang Seng Bank; or Saudi British Bank. Examples of transactions where the proceeds are used for the benefit of or transferred to one of the specified entities include, but are not limited to, repaying, directly or indirectly, the principal or interest on any loan or extension of credit, including by overdraft, from one of the specified entities, making any required payment, directly or indirectly, under an agreement to the specified entity, including any payment or collateral required under a derivative contract, and purchasing any asset, including intangible assets, from the specified entity;
- you confirm compliance and will comply in all material respects with foreign and domestic laws and regulations relating to Sanctions, pertaining to each jurisdiction in which you operate and to each Approved

Invoice, and will promptly notify Bank of any circumstance in connection with an Approved Invoice that may relate to money laundering, terrorist financing, bribery, corruption, tax evasion or Sanctions;

- Bank shall be entitled to refuse, stop or cancel any early payment and/or take any action to protect Bank's interest in the event that any representation or warranty given by you is inaccurate or untrue;
- where you have confirmed an email address for receipt of encrypted emails from Bank, Bank may, at its discretion, send encrypted emails to you with relevant payment information identifying Approved Invoices, Approved Receivables, approved amounts, Invoice Settlement Date, date of payment and the correlating net amount paid (after fees and charges). Terms and conditions apply to the use of Bank's encrypted emails solution, Securemail, which you will need to agree separately in order to receive the emails. Bank shall not be liable to you (or any third party, including Buyer) in any circumstance for any error or omission in any email it issues to you;
- in the event that any payment made by Bank renders you liable to any tax (including without limitation any value added, sales, withholding or other tax), levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing authority) due or imposed in any jurisdiction, Bank shall not be liable in relation to, nor responsible for, any claim made by you relating to your liability for such tax in any circumstances;
- you agree that Bank may make any deduction on account of tax Bank is required to make by any local or foreign tax or regulatory authority from or in respect of any payment made to you, or to another person at your request or instruction, in connection herewith or any purchase and Bank may pay the amount deducted to the relevant tax or regulatory authority;
- you indemnify Bank against any loss, damage, cost, expense or liability including reasonable attorney fees Bank incurs or suffers as a result of (i) any breach by you of the Terms and (ii) any applicable tax being assessed on, payable by or claimed against Bank arising out of or in connection with these Terms and payments Bank makes to you (excluding any relevant income tax imposed on Bank), including (but not limited to) any value added, sales, withholding, stamp duty, registration or other similar tax; you must pay any amount you owe under this clause within five days of demand by Bank;
- no claim shall be made by you or any of your officers, directors, employees, agents, representatives or advisers against any member of the HSBC Group or any of their officers, directors, employees, agents, representatives or advisers for any special, indirect, punitive or consequential damages in respect of or arising from breach of contract or any other theory of liability relating to or connected herewith; all such claims are waived and released;
- at any time that transfer of ownership of an Approved Receivable purchased by Bank is not perfected and/or enforceable by Bank directly without your involvement, you hold that Approved Receivable on behalf of and on trust for Bank and you will promptly account to Bank, on your receipt of any recoveries in respect of it;
- no third party holds or will hold an interest (including, without limitation, any ownership or security interest) in your invoices submitted to Buyer or the Approved Receivables;

- all payments made by Bank shall be made based on the information provided to Bank by Buyer and Bank shall be under no obligation to check the account details provided to us by Buyer. To the extent that any issue arises related to the amount paid, set-off, counterclaim, credit notes, deduction or withholding, it will be a matter for you and Buyer to determine;
- Buyer intends to permit its service provider to make a reduction as a fee in respect of use of its platform in respect of each Approved Invoice (each such reduction a "Buyer Reduction") and to notify Bank of relevant approved amounts as approved after making the relevant Buyer Reduction. In this regard, you confirm to Bank that:
  - Buyer or its service provider has made full disclosure of the Buyer Reduction arrangement to you and you have acknowledged and agreed to it; and
  - neither Buyer or its service provider has exerted improper pressure or used improper means to require or influence you to agree to receiving any early payments from Bank or to agree to Buyer Reduction and/or any other deductions applicable;
- no person or party shall be a third party beneficiary to these Terms or any part thereof; and
- each of the acknowledgements, warranties and representations above are deemed to be made on the day hereof and thereafter, including at the time of each payment made to you by Bank.

The following disclosure provisions survive termination and are binding for three (3) years after a valid termination:

- You permit Bank to pass on information it receives in connection herewith: (a) to Bank's successors and assigns; (b) to any company in the HSBC Group; (c) to Bank's professional advisers; (d) to any rating agency, insurer or other provider of credit protection to Bank; (e) to any person with whom Bank may sub-participate in any risks or rewards under purchased Approved Receivables paid by Bank; (f) to any person whom Bank may reasonably consider necessary to obtain payment of any Approved Receivables purchased by Bank; (g) as required by law or to any court or regulatory, supervisory or governmental authority; or (h) to a federal reserve or central bank, provided that, in the case of a disclosure under (a), (b), (c), (d), (e) or (f) above, the party to whom disclosure is to be made is bound to keep that information confidential and use it only for the purpose for which it is disclosed.
- You undertake to provide Bank on request with any information or documentary evidence about your tax status or the identity or tax status of any of your ultimate or any intermediate owners that Bank considers (acting reasonably) is needed to comply (or demonstrate compliance or avoid non-compliance) with any HSBC Group member's obligations to any local or foreign tax or regulatory authority (the "Tax Information").
- You authorize (and undertake on request to obtain the written authority or consent of any of your ultimate or any intermediate owners for) any member of the HSBC Group to disclose your or your ultimate or any intermediate owners' Tax Information (as applicable), information about these Terms and any purchased Approved Receivables involving you and the link between these Terms and those purchases and you or your ultimate or any intermediate owner(s) to any local or foreign tax or regulatory authority.

- Nothing in these Terms obliges Bank to act or refrain from acting in any way that might cause breach of any legal or regulatory requirement, contractual obligation or Bank policy or harm Bank's or the HSBC Group's reputation.

Note that to complete the on-boarding process, you must also complete relevant documentation with Buyer's service provider (if any). Bank is informed that the current service provider to Buyer is Infor (US), LLC, which currently requires a "Direction and Consent and Assignment Agreement" (DCAA) that will have been uploaded to the vendor portal.

## Interest Rate Disclosure

The following is provided for general information only and you should conduct your own independent research and analysis regarding the risks involved in conjunction with your legal, tax, accountancy and other advisors. HSBC does not provide any advice or recommendation.

Why are we sending this to you? You have received terms from us that use a "Risk Free Rate" also known as "Near Risk-Free Rates" (RFRs). We want to give you some information about certain risks related to RFRs and the Term versions of RFRs known as "Term RFRs". Please refer to our website for background information on the development of RFRs and how they are calculated.

**Risk Free Rates:** The RFR interest rate benchmarks for the LIBOR currencies are set out in the table below:

Currency	RFR Benchmark
USD	SOFR
GBP	SONIA
JPY	TONA
EUR	€STR
CHF	SARON

These are backward looking overnight rates based on market transactions and reflect the average of interest rates that certain financial institutions pay to borrow overnight on an unsecured basis from wholesale market participants (for unsecured RFRs, such as SONIA) or the average rate paid on secured overnight repurchase or "repo" transactions (for secured RFRs, such as SOFR).

RFRs do not include or imply any credit or term premium. However, RFRs are not truly free of risk. RFRs can rise or fall as a result of changing economic conditions and central bank policy decisions.

**Daily RFRs:** Where referencing a daily RFR it is important to note:

- Interest or discount may only be determined at the end of a relevant period based on the series of overnight rates over that period, so it is not possible to know the exact amount of interest or discount for a relevant period in advance;
- a lookback or lag mechanism is typically used to make relevant calculations a few days in advance;
- trade facilities using daily RFRs in arrears do not generally use a lookback or lag with the result that the exact amount may only be known on the due date, when (in most cases) it would be debited from the relevant account;
- RFR daily rates may fluctuate and the amount due or discounted is based on the average of daily rates over the period.

**Term RFRs:** Where referencing a Term RFR it is important to note:

- these are constructed from derivative contracts (typically swaps or futures) on the overnight RFR, representing future rate expectations of the overnight RFR;
- the quality and stability of term RFRs is therefore a function of derivative market liquidity and so are different to the overnight RFRs and pose additional risks in their use, representativeness and potentially their availability;
- if these derivative markets on which term RFRs are typically based are not consistently as large as overnight wholesale lending markets, those term RFRs may not be as robust as daily RFRs;
- term RFRs might be affected by a spike in derivative prices on the particular day the rate is taken with this rate being fixed and used to calculate interest or discount for each day in the relevant period; when using overnight RFRs on the other hand, daily rates are typically averaged over the number of calendar days in the relevant period meaning any one-day spike in RFR rates would have a significantly smaller impact on interest or discount calculated;
- the performance of term RFRs have not yet been (stress) tested in a period of market stress and therefore their behaviour in these circumstances is unknown at present;
- there is a risk that term RFRs may not be available or allowed for all your required currencies and this should be considered if convention alignment across currencies is important to you;
- in respect of Term SONIA:
  - it is derived from executable quotes for SONIA Overnight Index Swaps (OIS); its robustness depends on the liquidity of this swap market; and broad adoption of Term SONIA may reduce liquidity in products referencing SONIA compounded in arrears, directly or indirectly reducing volumes in SONIA OIS from which Term SONIA is derived;
  - rates are published by different providers and may be calculated by providers using different methodologies which could result in differences in the rates published; HSBC intends to use the rates published by ICE Benchmark Administration Limited;

- adoption, calculation and application could result in differences to the economics over relevant periods and mean that amounts payable are lower or higher than using overnight SONIA (simple or compounded in arrears) or another interest rate benchmark which was, is currently or may become available.

#### RFRs generally:

- the manner of adoption, calculation and application of RFRs in loan facilities and/or trade facilities may differ compared with the application, calculation and adoption of RFRs in other markets, such as the bond and derivatives markets;
- using a RFR where interest or a discount is calculated using one calculation methodology (e.g. RFR compounded in arrears), could mean that amounts payable are lower or higher than using an alternative interest rate benchmark or a RFR calculated using a different methodology (e.g. forward looking term RFR);
- if you have multi-currency arrangements with us, you may find that they use different interest rate benchmarks for calculating interest or discount and the methodologies and conventions for each will differ; you should consider the impact this may have on you from an operational perspective;
- interest or discount calculation conventions for RFRs and Term RFRs will likely require your internal treasury, accounting and payment systems to be enhanced so you can manage the use of such rates in an accurate, efficient and timely manner;
- future changes to market practice or conventions relating to the use of RFRs in loan and/or trade facilities could potentially be adverse to your interests, require changes to your terms with us or to other administrative or operational changes; these further changes could result in you incurring additional costs.

**Fallbacks:** Your RFR terms may include contractual fallbacks to apply should the rate be temporarily unavailable or become permanently unavailable or if it ceases to be representative or withdrawn from publication in the future. The operation of these fallback provisions might result in changes to the amounts payable which might be lower or higher than would have been payable had the original rate applied and might operate in a different way to the original rate. If EURIBOR is relevant, terms may include contractual fallbacks to apply should the rate be temporarily unavailable or become permanently unavailable or if it ceases to be representative or is withdrawn from publication; the operation of these fallbacks might result in changes to the amounts payable which might be lower or higher than if EURIBOR applied and might operate in a different way to EURIBOR.

**Hedging Considerations:** It is important that you ensure that any hedging product appropriately and effectively hedges your exposure and that the requirements for any particular accounting treatment are satisfied. A misalignment of rates, methodologies or fallbacks may result in an inappropriate or ineffective hedge. Furthermore, in the event of a restructuring or termination of any associated hedging product(s) you have with HSBC or another hedging provider, a payment may be due from you to HSBC or that hedging provider. Such payment may be significant. It is not certain that hedging products based on forward looking RFRs will be available. HSBC does not currently offer any term RFR hedging products.

**What should you do if you have any questions?** We strongly recommend you seek guidance from your usual professional advisers if you have any questions. Further information is available at: [www.business.hsbc.com/ibor](http://www.business.hsbc.com/ibor).