

## **Synapse Terms and Conditions**<sup>1</sup>

### **1 Definitions and Interpretation**

**1.1** In these Terms, unless otherwise expressly stated to the contrary, capitalised terms used herein shall have the following meanings:

**“Access Credentials”** means any user name, registered email address(es), password(s), identifiers and access keys required to access Synapse and any other details necessary to access (i.e. log in) or use Synapse, as may be prescribed by HKSCC from time to time;

**“Authorised User”** means a human user or machine user who or which is designated and authorised by a Synapse User (or its designated service provider), through a Delegated Administrator or otherwise, to access and use Synapse on its behalf;

**“CCASS”** means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

**“Commission”** means the Securities and Futures Commission of Hong Kong;

**“Data Privacy Legislation”** means the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and any other similar laws or regulations relating to data protection in any jurisdiction that are applicable to a Synapse User or its use of Synapse, as such laws are amended from time to time;

**“Delegated Administrator”** means an Authorised User assigned by a Synapse User (or its designated service provider) to administer and manage the access profile of the Synapse User’s (or its designated service provider’s) Authorised Users in Synapse;

**“Event of Default”** has the meaning given to it in Clause 13.1;

**“Event of Force Majeure”** has the meaning given to it in Clause 16.1;

**“HKEX”** means Hong Kong Exchanges and Clearing Limited;

**“HKEX Group”** means HKEX and its subsidiaries;

**“HKEX Website”** means the official website of HKEX at <http://www.hkex.com.hk> or at such other website address specified by HKEX from time to time;

**“HKSCC”** means Hong Kong Securities and Clearing Company Limited;

**“Insolvency Event”** has the meaning given to it in Clause 13.1.2;

**“Interface Specifications”** means the specifications and conditions required for a platform or other service provider to meet in order to connect to Synapse, as may be supplemented or amended (effective upon publication) from time to time by HKSCC, and made available on the HKEX Website;

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<sup>1</sup> These Terms and Conditions are part of the HKSCC Rules and any amendment thereto shall be subject to the Commission’s approval.

“**Northbound Stock Connect**” means Northbound trading and clearing under the programme established for the mutual stock market access between Mainland China and Hong Kong;

“**Personal Data**” means any information which relates to an identified or identifiable natural person;

“**Recipient(s)**” has the meaning given to it in Clause 6.4;

“**Relevant Party(ies)**” means HKSCC, HKEX, and the subsidiaries, associated companies and affiliates of HKSCC and HKEX from time to time and their respective directors, officers, employees, agents, and other representatives of HKSCC, HKEX or any companies aforementioned;

“**Relevant Persons**” has the meaning given to it in Clause 12.1;

“**Services**” has the meaning given to it in Clause 2;

“**Specified Purposes**” has the meaning given to it in Clause 6.2;

“**Submission**” means the input, transmission or otherwise making available of any information, communications, instructions or other material to or through Synapse, by a Synapse User or a system which interfaces with Synapse;

“**Synapse**” has the meaning given to it in Clause 2;

“**Synapse Application Form**” means the application form and any associated forms prescribed by HKSCC and published on the HKEX Website from time to time through which a Synapse User (or its designated service provider) can, amongst other things, (i) subscribe to become the relevant user type (or designated service provider type) for the access to and use of Synapse, (ii) notify HKSCC of the appointment, change or removal of its Delegated Administrator and (iii) notify HKSCC of other relevant changes related to set up including changes to connectivity;

“**Synapse User**” means a subscriber accepted by HKSCC to access and use Synapse (in the capacity of a user type it opted for in the Synapse Application Form), and where the context so requires, includes its designated service provider and Authorised Users acting on behalf of the Synapse User;

“**Synapse User Guide**” means the guide in respect of the access to and use of Synapse (including details such as user functions), as may be supplemented or amended (effective upon publication) from time to time by HKSCC, and made available on HKEX Website by HKSCC to Synapse Users;

“**Terms**” means these terms and conditions as amended from time to time and in force.

- 1.2** A reference in these Terms to a Synapse User’s Access Credentials shall be deemed to refer to its (or its designated service provider’s) Authorised Users’ Access Credentials.
- 1.3** A reference in these Terms to a Synapse User’s conduct or act (including but not limited to logging into, using and continuing to use, or otherwise accessing Synapse) shall include any such conduct or act done by any person using the Access Credentials of the Synapse User or purportedly with the authority of the Synapse User, whether in fact authorised by the Synapse User or not.
- 1.4** To the extent that there is any inconsistency between these Terms and the Synapse User Guide, these Terms shall prevail.

- 1.5 Words and expressions in the singular include the plural and vice versa.
- 1.6 References herein and in Synapse to times and days are, unless otherwise stated, references to Hong Kong times and days.
- 1.7 Headings are provided for ease of reference only and shall not affect the interpretation or construction of the provisions of these Terms.

## **2 Services**

Synapse is a communications platform operated by HKSCC which provides a channel for the transmission of information and instructions amongst Synapse Users, CCASS and any other system that interfaces with Synapse for the facilitation of post-trade processes and workflows pertaining to transactions under Northbound Stock Connect, and for such other purposes as may be prescribed or permitted by HKSCC from time to time (the “**Services**”). For the avoidance of doubt, Synapse does not perform any clearing or settlement functions, which are undertaken by CCASS.

## **3 Acknowledgement of these Terms and Use of Access Credentials**

- 3.1 These Terms govern the relationship between HKSCC and each Synapse User. Access to and use of Synapse and the Services is subject to and in accordance with these Terms.
- 3.2 Each of the following constitutes full acceptance by the Synapse User of these Terms (including any variations made pursuant to Clause 3.3 herein), and the Synapse User shall be deemed to have read and accepted these Terms upon:
  - 3.2.1 submission of a duly signed and completed Synapse Application Form for the access to and use of Synapse;
  - 3.2.2 use of the Synapse User's Access Credentials to access Synapse; or
  - 3.2.3 any continued use of Synapse or the Services via the Synapse User's Access Credentials.
- 3.3 HKSCC reserves the absolute right, in its sole discretion, to unilaterally vary these Terms in any way and at any time, by publishing the updated version on the HKEX Website. The updated version will also be made available to Synapse Users when they log-in to Synapse following the updated version being published on the HKEX Website.
- 3.4 Each Synapse User acknowledges and agrees that the use of Access Credentials, and all acts and omissions and Submissions to or through Synapse by it, its designated service provider and each of their Authorised Users are duly authorised, made on behalf of, and legally binding upon the Synapse User as if such acts or omissions or Submissions were its own.
- 3.5 Each Synapse User agrees to always keep confidential its Access Credentials and shall not permit any person or entity other than its Authorised Users (and its designated service provider's Authorised Users) to access and use Synapse on a need-to-know or need-to-use basis.
- 3.6 The Synapse User shall be fully liable and responsible for any access and use of Synapse by its designated service provider and its Authorised Users (and its designated service provider's Authorised Users) including any accidental or unauthorised disclosure of their Access Credentials, any damage and liability (including costs, legal costs, and expenses) caused to

HKSCC and the Relevant Parties in connection with or arising from such unauthorised access and use or from any breach of or non-compliance by its designated service provider and its Authorised Users (and its designated service provider's Authorised Users) with these Terms or any terms under the Synapse Application Form (including any Synapse Application Form or information submitted by its designated service provider or made available to HKSCC).

- 3.7** If a Synapse User becomes aware of or has reasonable grounds to suspect any actual or possible unauthorised use of Access Credentials or breach of these Terms, it shall notify HKSCC by phone at such phone number as HKSCC may from time to time prescribe and shall confirm the same in writing as soon as practicable immediately afterwards to HKSCC. Where HKSCC has been notified of any actual or possible unauthorised use of the Access Credentials of the Synapse User or where the Synapse User is no longer a user of Synapse for any reason, HKSCC will forthwith take steps to cancel or invalidate the applicable Synapse User and its Access Credentials and notify the Synapse User but, until such notification, the Synapse User remains fully responsible and liable for any Submission made and any breach of these Terms committed by any person gaining access to Synapse (whether authorised by the Synapse User or not) by means of the Synapse User's Access Credentials.

#### **4 Terms of Access to Synapse**

- 4.1** A Synapse User (or its designated service provider) shall designate Authorised Users to access Synapse on its behalf, and appoint Delegated Administrators to administer and manage the access profile of the Synapse User's (or its designated service provider's) Authorised Users in Synapse.

#### **4.2 Appointment of Authorised Users**

- 4.2.1** Subject to Clause 4.2.2, each Synapse User (or its designated service provider) may access and use Synapse and the Services through its Authorised Users and shall not assign, allow access, use, or disclose Access Credentials to any other unauthorised third party which is not an Authorised User.
- 4.2.2** Each Synapse User agrees to (and shall procure that its designated service provider or its (or its designated service provider's) Authorised Users will, to the extent these Terms are applicable to such users) abide by, and be bound by, all the provisions in these Terms as amended and in force from time to time.

#### **4.3 Appointment of Delegated Administrators**

- 4.3.1** Each Synapse User (or its designated service provider) shall promptly complete and submit a prescribed form to HKSCC to effect any appointment, change and/or removal of any Delegated Administrator.
- 4.3.2** Each Synapse User (or its designated service provider) shall procure that its Delegated Administrators will promptly update the information in the Synapse User's profile to reflect any appointment, change and/or removal of any Authorised User.

#### **4.4 Access to Synapse**

- 4.4.1** To access Synapse, each Synapse User shall log in in accordance with the procedures set out in the Synapse User Guide using the Access Credentials. Access Credentials

shall be set up through channels prescribed by HKSCC or otherwise provided under the Synapse User Guide.

- 4.4.2** In addition, access to Synapse may require use of one-time passwords generated by third party applications, which may have their own governing terms and conditions to which Synapse Users may be subject. Each Synapse User acknowledges the risks of using such third party applications and agrees that HKSCC is not liable for any security risks arising from such use and features including the generation of the one-time passwords.

#### **4.5 User Types and Designated Service Provider Types**

- 4.5.1** HKSCC shall assign to each Synapse User a user type based on the subscription opted for by each Synapse User in the Synapse Application Form.
- 4.5.2** HKSCC shall assign to each Synapse User's designated service provider a designated service provider type based on the subscription opted for by such designated service provider in the Synapse Application Form.
- 4.5.3** HKSCC reserves the right to reject and/or require each Synapse User to replace, upon notice, a designated service provider at any time if HKSCC views, in its sole discretion, that such appointed designated service provider may threaten the security, integrity or performance of Synapse and/or or the HKEX Group's systems or software, or that HKSCC reasonably believes that designated service provider would not or has not been able to adequately fulfil these Terms.
- 4.5.4** Each Synapse User agrees to adhere to the functions and roles of the prescribed user type, and to procure that its designated service provider (and each of their Authorised Users) adheres to the functions and roles as a designated service provider, as set out in the Synapse User Guide as amended from time to time and made available on the HKEX Website.
- 4.5.5** Each Synapse User agrees to follow, and to procure that its designated service provider (and each of their Authorised Users, if applicable) follows the onboarding procedures as described in the Synapse User Guide, or any other procedures as prescribed by HKSCC from time to time.

### **5 Access to and Submission of Information**

#### **5.1 General**

- 5.1.1** HKSCC has the sole right and discretion to grant or restrict access to information accessible by each Synapse User, in accordance with the user type of the Synapse User or designated service provider type (as the case may be) and the information required for the Synapse User to perform its functions. Without limiting HKSCC's rights, a Synapse User may refer to the Synapse User Guide for details on access rights pertaining to each Synapse User (or its designated service provider).
- 5.1.2** Without limiting the above and notwithstanding what is provided under the Synapse User Guide, HKSCC may vary, suspend, or restrict any Synapse User's access to any information on Synapse, and shall not be required to give any reasons for the exercise of its powers and its decision shall be final and binding on the Synapse User.

## **5.2 Submissions made to or through Synapse**

**5.2.1** A Synapse User may provide Submissions or authorise Submissions to be provided to or through Synapse from time to time, in accordance with the Synapse User Guide. Any Submission constitutes agreement by such Synapse User to permit Synapse or HKSCC to transmit information or instructions and perform such other functions for the operations related to Synapse and such other services as may be provided by HKSCC from time to time.

**5.2.2** Where applicable, a Synapse User shall be responsible for developing an interface to initiate instructions into Synapse or appointing a suitable authorised agent to develop an interface and to initiate instructions into Synapse on its behalf. It shall notify HKSCC of its arrangement by submitting a duly signed and completed Synapse Application Form to HKSCC. Such Synapse User shall also be responsible for ensuring that:

- (i) such interface complies with the Interface Specifications and all the required features and functionalities for the interface are implemented accordingly;
- (ii) its systems or its authorised agent's systems (as the case may be) are adequately configured to support such interface and have undergone such interface testing as may from time to time be required by HKSCC;
- (iii) its instructions are properly sent to Synapse through such interface in a timely manner;
- (iv) in the event the Interface Specifications are amended, its systems or its authorised agent's systems (as the case may be) are adequately configured to support such updated interface and any interface testing required by HKSCC is completed within the period prescribed by HKSCC;
- (v) before it implements any changes to the arrangement regarding such interface (including changing the entity which will initiate instructions into Synapse on its behalf), it shall notify and seek approval from HKSCC of such intention; and
- (vi) adequate contingency measures in accordance with good industry practice are put in place to enable alternative methods of inputting instructions into Synapse in case of any outage, interruption or unavailability of such interface for any reason.

**5.2.3** Each Synapse User represents, warrants, and undertakes, by making each Submission that:

- (i) it has obtained all necessary consents and authorisations prior to making each Submission;
- (ii) to the extent that such Submission contains any information and instruction provided on behalf of another Synapse User, it has obtained that other Synapse User's full and valid authorisation to provide the Submission and on such purposes on behalf of the other Synapse User;
- (iii) where applicable, it has not and shall not, and has procured and shall procure its authorised agent not to, use the Interface Specifications for any purpose other than for the purpose as set out in Clause 5.2.2 above; and

- (iv) to the extent it has appointed an agent to initiate instructions into Synapse on its behalf, it shall be responsible for all instructions initiated by such agent as if they were its own instructions, and has procured and shall procure such agent to comply with the requirements under Clause 5.2.2 above as if it were the Synapse User.

**5.2.4** Each Synapse User acknowledges and agrees that any failure to provide a timely Submission may result in the delay of post trade or other workflows and processing schedules which HKSCC shall have no liability or responsibility for.

### **5.3 Instructions given to Synapse**

**5.3.1** HKSCC and the Relevant Parties are not required to effect any transaction, or to take any other action, at the demand or upon the instructions of any Synapse User to the extent that the same could in the opinion of HKSCC or the Relevant Parties, violate any law or regulation of any government, or be contrary to any agreement made with HKSCC or the Relevant Parties or any other circumstances specified in these Terms. HKSCC and the Relevant Parties shall be exempted from any liability or damage suffered by Synapse User as a result thereof.

**5.3.2** HKSCC and the Relevant Parties shall have no obligation to act on any instruction or communication given or purported to have been given by, with the authority of, on behalf of or for the account of a Synapse User if such instruction does not, in the determination of HKSCC or the Relevant Parties, contain sufficient details for HKSCC and Relevant Parties to act upon or if such instruction conflicts with or duplicates another instruction given or purported to have been given to HKSCC or the Relevant Parties. Any instruction or confirmation provided by a Synapse User shall be irrevocable. If there are any conflicting Submissions, the last Submission in accordance with the determination of HKSCC shall prevail.

**5.3.3** HKSCC may or may not provide an audit trail and/or a report to a Synapse User. If HKSCC does provide a report, it shall be the responsibility of the Synapse User to promptly check and reconcile such report with its own records and to notify HKSCC in writing of any error or omission. Except as otherwise agreed by HKSCC, the failure of a Synapse User to inform HKSCC of any error or omission in any report shall constitute a waiver in favour of HKSCC by such Synapse User of any right to require rectification. Notwithstanding the foregoing, HKSCC and Relevant Parties reserve the right to rectify any error or omission at any time.

## **6 Personal Data**

**6.1** The Privacy Notice on the HKEX Website forms part of these Terms and references to 'HKEX Website' therein shall be construed as references to Synapse and 'Purpose(s)' specified therein shall be considered "Specified Purposes" under these Terms.

**6.2** Without limiting the Privacy Notice, each Synapse User acknowledges and agrees that HKSCC may lawfully collect, hold, process, use, or disclose to the Recipients any Personal Data provided by the Synapse User and pursuant to the Synapse User's access to and use of Synapse for the following additional purposes (each a "**Specified Purpose**"):

- 6.2.1 to perform or discharge the functions of HKSCC and Relevant Parties for the operations related to Synapse;
  - 6.2.2 to administer accounts of Synapse Users and their access rights to Synapse;
  - 6.2.3 to enable Synapse Users to perform their user functions to facilitate the post-trade and other workflows and processes in Synapse;
  - 6.2.4 to conduct research and statistical analysis for the evaluation, improvement, and development of Synapse;
  - 6.2.5 the monitoring and enforcement of compliance with these Terms;
  - 6.2.6 complying with applicable laws and disclosure to law enforcement agencies or relevant regulators; and
  - 6.2.7 any other purposes directly relating to any of the above.
- 6.3** Before providing any Personal Data, each Synapse User represents, warrants, and undertakes that it has a lawful basis and, where required under applicable Data Privacy Legislation, it has provided notices and/or obtained all necessary and valid written consent from each data subject regarding the collection, storage, use, disclosure, and transfer of Personal Data for the Specified Purposes and in accordance with the requirements of Data Privacy Legislation. To the maximum extent permissible under Data Privacy Legislation, the Synapse User undertakes to ensure that the notices and/or consents shall enable HKSCC and the Relevant Parties to continue to store, use, disclose and transfer Personal Data for the Specified Purposes if there is a withdrawal of the data subject's consent (for which the Synapse User shall notify HKSCC).
- 6.4** Without limiting the Privacy Notice, each Synapse User acknowledges and agrees that HKSCC and Relevant Parties may provide or disclose any information relating to the Synapse User, the Synapse User's use of Synapse and information regarding post-trade and other workflows and processes in Synapse, including Personal Data:
- 6.4.1 to any Relevant Parties in connection with the Specified Purposes;
  - 6.4.2 to any prospective or actual successor, assignee, or transferee of, or participant in, any of HKSCC's rights or obligations under these Terms; and
  - 6.4.3 to any person to the extent necessary for complying with applicable laws or with any order, directive, or request in any jurisdiction which HKSCC or Relevant Parties is required to, or which HKSCC or Relevant Parties in good faith believes that it should, comply with, including in relation to alleged money laundering, terrorism, or other illegal activities,

(collectively, the "**Recipients**"), each of whom may be situated in jurisdictions outside Hong Kong or the jurisdiction in which the Personal Data was collected.

## **7 Representations and Warranties**

### **7.1 Synapse User Representations**

Each Synapse User represents, warrants, and undertakes to HKSCC on the date of submitting the Synapse Application Form and on each date that it accesses Synapse that:



- 7.1.1 it is duly incorporated or established and validly existing and in good standing under the laws of its jurisdiction of incorporation or establishment;
- 7.1.2 its registration for use of Synapse and the acceptance and performance of its obligations under these Terms has been duly authorised with all necessary corporate or third party approvals obtained and do not violate the constitutive documents of the Synapse User or any law, regulation or other agreement binding on the Synapse User;
- 7.1.3 these Terms constitute a legally binding and enforceable contract;
- 7.1.4 the Synapse User has full power, authorisation and authority (including from the authorising Synapse User) to execute, deliver and perform its obligations under, and provide Submissions or cause Submissions to be provided to or through Synapse, including by way of provision of confirmation or acceptance on Synapse, which at the respective stages of an information or instruction transmission process shall, to the extent applicable, constitute agreement by such Synapse User to proceed with the instruction and be irrevocably bound by such instruction;
- 7.1.5 the use of Synapse (including all Submissions provided) by the Synapse User will not subject HKSCC or Relevant Parties to the laws or regulations of any place outside of Hong Kong;
- 7.1.6 all information or Submissions provided by it in relation to its registration for the use of Synapse (including information contained in the Synapse Application Form and other onboarding materials and information regarding place of incorporation and domicile) and any subsequent information or Submission which may be provided for the maintenance of its status as a Synapse User from time to time, is and shall be true, complete and accurate. It shall inform HKSCC promptly if any previous information submitted or Submissions made regarding account registration and maintenance become incomplete, inaccurate, or not up to date for any reason and shall provide relevant supporting documents at the request of HKSCC;
- 7.1.7 all Submissions made to or through Synapse will not infringe any third party's copyrights, patents, trademarks, trade secrets or other intellectual property rights;
- 7.1.8 all Submissions will be provided to or through Synapse in a virus-free electronic format according to applicable regulatory requirements or such timing and procedures specified by HKSCC or in any other manner as may be determined by HKSCC. In addition, it will use its best efforts to ensure that any system or means that it uses to access Synapse is free from all viruses, trojan horses, worms, logic bombs or other software routine or hardware components designed to permit unauthorised access, to disable, erase or otherwise harm software, hardware, or data or to perform any such actions;
- 7.1.9 for the purposes of its participation on Synapse, making any Submissions and performing any of its obligations including acting on information received from Synapse, it has and will maintain the requisite licenses, qualifications, and approvals in Hong Kong and/or, as applicable, its home jurisdictions;
- 7.1.10 there are no actions, suits, proceedings, or regulatory investigations pending or threatened against it or any of its affiliates that might adversely affect its ability to meet and carry out its functions on Synapse;
- 7.1.11 no Insolvency Event has occurred;

**7.1.12** it has complied with all applicable laws and regulations in connection with its use of Synapse including, without limitation, Data Protection Legislation and all rules, regulations, procedures, and directions of HKSCC and Relevant Parties as may be prescribed and notified to it from time to time. In particular, it has complied with all pre-trade checking and non-trade transfer requirements and regulations it is subject to including those under Northbound Stock Connect; and

**7.1.13** it shall be responsible for:

- (i) subscribing for relevant services that interface with Synapse;
- (ii) arranging relevant system setup or system enhancements for the purpose of using different interfaces or systems in connection with Synapse;
- (iii) establishing relevant arrangements or agreements with any other Synapse Users relating to the timely transmission and receipt of information through Synapse;
- (iv) having in place adequate contingency measures to ensure the timely settlement of trades in CCASS in case there is any unavailability, disruption, suspension, or delay in the operation of Synapse, which HKSCC and Relevant Parties disclaim all liability for in accordance with Clause 11; and
- (v) checking and confirming if any instructions transmitted to CCASS through Synapse have been effected or cancelled and making arrangements to re-enter or amend any such instructions if necessary, through CCASS or by any other means, generally and, in particular, during or immediately after any Typhoon Signal No. 8 or above is hoisted and lowered, any Black Rainstorm Warning is issued and cancelled, or any extreme conditions are announced and cancelled by any government authority of Hong Kong, any system interruptions or failure or any other extraordinary situations.

**7.2** For the avoidance of doubt, each Synapse User acknowledges and agrees that performance of functions available on Synapse and use of the Services do not guarantee or represent compliance with any required regulatory requirements. Each Synapse User is required to ensure compliance with all applicable regulatory requirements and responsibilities.

### **7.3 Additional Synapse User Representations**

In addition to Clause 7.1, to the extent that a Synapse User has appointed a designated service provider to perform any functions on Synapse or provide any Submission to Synapse, it represents, warrants, and undertakes to HKSCC on the date of submission of the Synapse Application Form by the designated service provider and on each date that its designated service provider or any of its Authorised Users access and/or use Synapse that it has and shall:

- (i) ensure that it has proper controls to monitor activities conducted on its behalf;
- (ii) provide the full and due authorisations to such designated service provider to enable such designated service provider to perform the functions or update the information or instruction on its behalf;
- (iii) authorise HKSCC to act on any instructions or information (including information contained in the Synapse Application Form and onboarding procedures)

provided by such designated service provider from time to time to enable HKSCC to perform or discharge its functions for the operations related to Synapse;

- (iv) be responsible for all Submissions (including its veracity, accuracy, and completeness), actions and omissions, by such designated service provider as if they were Submissions, actions or omissions of its own; and
- (v) procure that such designated service provider (and its Authorised Users) shall comply with the requirements under Clause 7.1 as if it were a Synapse User, to the extent such requirements are applicable to such designated service provider.

## **8 Confidentiality**

**8.1** Each Synapse User agrees to keep confidential all information received from Synapse and HKSCC concerning Synapse, HKSCC and Relevant Parties unless:

- 8.1.1** such disclosure is only made to the extent reasonably necessary for the achievement of the objectives of these Terms and effecting the post-trade and other workflows and processes in Synapse;
- 8.1.2** the person to whom the information is disclosed has a business-related need to have access to the confidential information, and
- 8.1.3** such person is made aware of the confidential nature of such information and is required to comply with the confidentiality obligations in this Clause,

or unless such disclosure is only made to the extent required by law, a court of competent jurisdiction or any governmental or regulatory authority.

**8.2** Each Synapse User agrees not to use the confidential information of Synapse, HKSCC and the Relevant Parties for any purpose other than to exercise its rights, obligations and performing user functions and facilitating post-trade and other workflows and processes in Synapse and the Services.

**8.3** Each Synapse User acknowledges and agrees that HKSCC may disclose the Synapse User's confidential information to:

- 8.3.1** the Relevant Parties;
- 8.3.2** each of its and the Relevant Parties' employees, officers, representatives, contractors, subcontractors, or advisers who need to know such information for the purposes of exercising HKSCC's rights or carrying out its obligations under or in connection with these Terms; on the condition that it shall ensure that its employees, officers, representatives, contractors, subcontractors, or advisers to whom it discloses the Synapse User's confidential information comply with this Clause; and
- 8.3.3** as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority,

each for purposes relating to the facilitation, operation, maintenance and improvement of Synapse and the Services.

**8.4** This Clause does not apply to information which:

- 8.4.1** at the time of its disclosure under these Terms is in the public domain;
- 8.4.2** comes into the public domain following its disclosure under these Terms otherwise than as a result of a breach of this Clause;
- 8.4.3** is already in the recipient's lawful possession prior to its disclosure under these Terms free of any restriction as to its use or disclosure; or
- 8.4.4** comes into the recipient's lawful possession following its disclosure under these Terms from a source other than the disclosing party under these Terms and which source does not owe the disclosing party under these Terms any obligation of confidentiality in relation to it.

## **9 Synapse Fees**

- 9.1** Subject to the Commission's approval, HKSCC may impose fees and charges on Synapse Users for providing Synapse and any Services in such amount as HKSCC may from time to time think fit, and prescribe the time and method of payment thereof (the "**Synapse Fees**").
- 9.2** The Synapse User shall be deemed to have accepted any such fees and charges upon receipt of such notice and any continued use of Synapse or the Services via the Synapse User's Access Credentials during the period in which such fees and charges apply.
- 9.3** Each Synapse User shall be charged the Synapse Fees in accordance with the Synapse fees schedule as set out in Appendix of these Terms.
- 9.4** HKSCC shall have the right to (i) amend the Synapse Fees at any time upon giving the Synapse User no less than 180 calendar days notice in writing or (ii) waive all or part of the Synapse Fees at any time upon giving the Synapse User immediate notice in writing.
- 9.5** Any Synapse Fees paid are non-refundable except for Synapse Fees which have been paid in advance which may be refunded on a pro-rata basis, subject to the Synapse User:
  - 9.5.1** having terminated its subscription pursuant to Clause 14.4;
  - 9.5.2** having fully discharged all its obligations under these Terms to the reasonable opinion of HKSCC; and
  - 9.5.3** provided that no refund shall be made in respect of any incomplete month of use subscription.
- 9.6** Each Synapse User shall ensure that all payments of the Synapse Fees shall be free and clear of, and without deduction, withholding or set-off on account of any tax or levy or any other charges, present or future.

## **10 Intellectual Property and Proprietary Rights**

- 10.1** Save for any intellectual property or proprietary rights which a Synapse User may have in relation to any information submitted to or through Synapse, each Synapse User acknowledges and agrees that the contents and materials of the web pages of Synapse (including the organisation and layout of the web pages) or other information not on the web pages of Synapse provided by HKSCC are and remain proprietary to HKEX Group and/or other parties (as

applicable) and all copyright and other intellectual property rights and proprietary rights in them belong to HKEX Group and/or other parties (as applicable).

- 10.2** It is expressly acknowledged that Synapse, and the related systems and software and documentation (including all intellectual property and proprietary rights in connection thereof), and Services are and remain proprietary to HKEX Group and/or the relevant licensor. Each Synapse User shall not, directly or indirectly, tamper with, modify, decompile, reverse engineer, or otherwise alter Synapse or any of the related software systems, web pages or documentation and the Synapse User shall not attempt to gain unauthorised access to any part of Synapse or related software or systems, web pages or documentation. HKSCC is entitled to deny each Synapse User's access to all or any part of Synapse or any of the Services if the Synapse User performs any of the above acts or if HKSCC or Relevant Parties at any time reasonably suspects that the Synapse User has performed or attempted to perform any of them.

## **11 Disclaimer of Liability**

- 11.1** Each Synapse User acknowledges and agrees that any use of or reliance upon any part of Synapse shall be at its sole risk and that use of Synapse and the Services is provided on an "AS IS, AS AVAILABLE" basis and without warranty or condition of any kind, either express or implied.

- 11.2** Without prejudice to any additional disclaimers made on Synapse or the Services, HKSCC and all Relevant Parties shall not be liable or responsible (whether in tort, contract or otherwise) for any claim for any losses or damages of any kind, including loss of profits or revenue, loss of savings, consequential, indirect loss or damage or loss of use (whether direct or indirect) whatsoever and howsoever arising from:

**11.2.1** the truthfulness, accuracy and completeness of all Submissions made to or through Synapse or any information obtained from Synapse which shall not be deemed verified or confirmed by HKSCC or the Relevant Parties;

**11.2.2** the use of or reliance upon Synapse, or any related system or software, or the Services, including any mishandling, omission, non-delivery, delay, negligent or unauthorised access or use of a Synapse User's account or of the Synapse Users' Access Credentials;

**11.2.3** any inaccuracy or omission or from any decision, action or non-action based on or in reliance upon information contained on Synapse;

**11.2.4** use of any hyperlinks to any external website or web page contained on Synapse, which will be accessed at the Synapse User's own risk. Each Synapse User acknowledges and agrees that HKSCC and the Relevant Parties are not responsible for the contents of or any of the information on or any broken link to any website linked with Synapse. The inclusion of any link in Synapse does not imply endorsement by HKSCC and the Relevant Parties of the linked sites and HKSCC and the Relevant Parties are not liable for any loss or damage incurred or suffered by the Synapse User or any third party arising out of, in connection with or because of any access to or interaction with any other websites via Synapse;

**11.2.5** occasional delays and suspensions of Synapse which may be caused by the unpredictable and inherently unreliable medium of the Internet and evolving technology,

which each Synapse User acknowledges is beyond the Synapse User, HKSCC and the Relevant Parties' reasonable control. The Synapse User acknowledges that, because of such unreliability, there may be occasional delays in the transmission and receipt of its information, communication or other material resulting in delays in the processing of such Submissions submitted to or through Synapse which HKSCC will endeavour to remediate but accepts no liability for; and

**11.2.6** any action taken or for any failure, hindrance or delay in the performance in whole or in part of HKSCC's obligations under these Terms if caused in part or in whole by an Event of Force Majeure.

**11.3** Each Synapse User agrees and acknowledges that the exclusion or limitation of liability in these Terms is reasonable for the protection of HKSCC and Relevant Parties but, if for any reason under any applicable laws that the exclusion or limitation of certain types of liability may not be permitted, the liability of HKSCC and other Relevant Parties will be excluded or limited to the maximum extent permissible by the applicable laws.

## **12 Indemnity**

**12.1** To the maximum extent permitted under applicable law, each Synapse User (and each Synapse User on behalf of each of: (i) its designated service provider, (ii) its and its designated service provider's Authorised Users, and (iii) its agents and representatives) hereby agrees to indemnify HKSCC and the Relevant Parties and each of its related corporations, its affiliates, and their respective agents, nominees, representatives, directors, officers and employees (collectively, the "**Relevant Persons**") and hold each of them harmless against all costs (including legal costs), fees, expenses, liabilities, taxes and damages of any nature whatsoever (including the interest accrued to any such amount) suffered or incurred by any of them directly or indirectly arising from or in connection with the following matters:

- (a) any breach (alleged or otherwise) or non-compliance by the Synapse User of its obligations under these Terms;
- (b) any wilful, unlawful, or negligent act or omission by the Synapse User;
- (c) any viruses which have been introduced by the Synapse User, which affects or causes Synapse or HKSCC's hardware, software and/or other automated systems to potentially or actually fail or malfunction;
- (d) any Submission which is or proves to have been incorrect, incomplete, or misleading in any material respect when provided or failure to notify HKSCC regarding such information which subsequently becomes incorrect, incomplete or misleading;
- (e) any legal proceedings or dispute resolution proceedings of any nature which the Synapse User is a party to or required to take part in, and which requires the Relevant Persons' involvement, including production of information or documents, whether at the request of the Synapse User or otherwise;
- (f) any actions or omissions by the Relevant Persons in reliance on instructions or communications from or on behalf of the Synapse User,

unless such costs, fees, expenses, liabilities, taxes, assessments, losses, fines, penalties, or damages are determined by a court of final jurisdiction to have arisen due to the fraud, gross negligence, or wilful misconduct of such Relevant Person.

### **13 Events of Default**

**13.1** Each of the following shall constitute an event of default (each an “**Event of Default**”) in respect of a Synapse User:

- 13.1.1** a material breach of these Terms;
- 13.1.2** a proceeding, procedure or arrangement under any applicable bankruptcy, corporate or insolvency law, a judicial composition, an assignment or arrangement for the benefit of creditors or an application for a receiver, custodian, conservator, administrator, judicial manager, liquidator or trustee has been filed or applied for, by or against a Synapse User other than such proceeding that is disputed in good faith and which is discharged or dismissed within 21 days of commencement, or an order has been made or a resolution has been passed for a Synapse User’s bankruptcy, winding up, liquidation, administration, scheme, compromise, arrangement or judicial management (an “**Insolvency Event**”);
- 13.1.3** a Synapse User, which is also a participant or member of any trading or clearing and settlement system operated by HKEX or any Relevant Party, (i) breaches the rules of any market or the rules or terms of participation or membership of such system or (ii) a declaration of default by, or suspension or expulsion from participation or membership of such system occurs;
- 13.1.4** a Synapse User ceases to carry the permits, licenses, and/or registrations necessary for its business operation related to its eligibility for or use of Synapse; and
- 13.1.5** a Synapse User defaults, or threatens or proposes to default, in payment of any sum payable, or fails to meet any obligation owed by it, to HKSCC or any Relevant Parties.

### **14 Modification, Discontinuance and Termination**

**14.1** HKSCC may, in its sole discretion, temporarily or permanently restrict, suspend or discontinue all or part of Synapse and/or any of the Services (including to restrict each or certain Synapse User’s access to and use of any part of Synapse and/or the Services) in connection with any of the following:

- 14.1.1** to upgrade or modify Synapse, or any related systems or software, and/or the HKEX Website;
- 14.1.2** where HKSCC considers it reasonably necessary for the operation or maintenance of Synapse, or any related systems or software, and/or or the HKEX Website;
- 14.1.3** where HKSCC considers it reasonably necessary for the security, integrity or performance of Synapse, or any related systems or software, and/or or the HKEX Website; or
- 14.1.4** for any other reason HKSCC deems appropriate.

HKSCC and all other Relevant Parties shall not be liable to the Synapse User or any third party for any claims, loss or damage of any kind related to such termination, restriction, or suspension of any or all of Synapse and/or the Services.

- 14.2** HKSCC may terminate or suspend each Synapse User's access to all or part of Synapse with effect immediately as it considers appropriate for any reason including, without limitation, an Event of Default or breach or failure to abide by these Terms, the Synapse User Guide or any other terms or conditions as prescribed by HKSCC from time to time.
- 14.3** If Synapse cannot be accessed by a Synapse User during normal operational hours of Synapse (whether, as announced by HKSCC or due to a technical default, malfunction, or breakdown in Synapse), the Synapse User may use alternative means to provide instructions and information required to proceed with relevant transactions.
- 14.4** A Synapse User may terminate its subscription to Synapse by giving notification to HKSCC in accordance with the procedures as prescribed by HKSCC from time to time.

## **15 Operational Hours of Synapse**

HKSCC may determine the operational hours of Synapse and the time at which the corresponding technical and operational support services are provided in its sole discretion as set out in the Synapse User Guide as supplemented or amended from time to time and made available on the HKEX Website.

## **16 Force Majeure**

- 16.1** HKSCC and the Related Parties shall not be liable for any action taken or for any failure, hindrance or delay in the provision of Synapse, the Services or for any failure to give effect to or delay in giving effect to any requests from a Synapse User if such action, failure, hindrance or delay arises out of causes beyond its control (an “**Event of Force Majeure**”).
- 16.2** Such causes may include, but shall not be limited to, acts of God or the public enemy, acts of a civil or military authority, embargoes, fires, floods, explosions, accidents, pandemics, labour disputes, mechanical breakdowns, computer or system failures or other failures of equipment, failures of or defects in computer or system software, failures caused by any system that interfaces with Synapse, unavailability of or restrictions on any communication media for whatever reason (whether or not such media is used by the Synapse Users), interruptions (whether in whole or in part) of power supplies or other utility or service, any law, decree, regulation, sanctions regime or order of any government, competent authority or any court or tribunal, and any other causes beyond HKSCC's control including, without limitation to the foregoing, any similar causes affecting the Related Parties or HKSCC.

## **17 General**

- 17.1 Amendments:** HKSCC reserves the right to modify and amend these Terms from time to time in its sole discretion, binding upon the Synapse Users and effective upon the publication of such amended Terms on HKEX Website.
- 17.2 Notices:** All notices, requests, demands or other communications from HKSCC to the Synapse User may be given orally or in writing and delivered in person, by post, by email, by electronic



or wire transmission, by telephone, by fax or by any means of computer data transmission based on the information about the contact details of the Synapse User as maintained by HKSCC.

- 17.3 No Assignment:** The rights and obligations of a Synapse User under these Terms may not be assigned or transferred.
- 17.4 No Partnership:** Nothing in these Terms shall be deemed to constitute a partnership between HKSCC and a Synapse User or constitute either party the agent of the other party for any purpose.
- 17.5 Languages:** In the case of any inconsistency between the English and Chinese version of a provision in these Terms or versions of a document available on Synapse, the English version of such Terms or provision shall prevail. In respect of any form or document submitted for and on behalf of the Synapse User, whether the English or Chinese version is used in the process of completing the form or document, the English version (as shown in PDF format) shall be deemed as the final form or document submitted by the Synapse User.
- 17.6 No Waiver:** No failure or delay by HKSCC or the Relevant Parties in exercising any right or remedy pursuant to these Terms shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 17.7 Severability:** If and to the extent that any provision in these Terms is held to be illegal, void, or unenforceable, such provision shall be given no effect and shall be deemed not to be included in these Terms but without invalidating any of the remaining provisions of these Terms, which shall remain in full force and effect.
- 17.8 Survival of Obligations:** The rights and obligations of HKSCC and the Relevant Parties and the Synapse User to these Terms, which, by their nature would continue beyond the termination, cancellation, or expiration of these Terms, shall survive termination, cancellation, or expiration of these Terms.
- 17.9 Third Party Rights:** A person who is not a party to these Terms has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of these Terms.
- 17.10 Governing Law:** These Terms shall be governed by and construed in accordance with the laws of Hong Kong.
- 17.11 Dispute resolution:** Any dispute, controversy, difference or claim arising out of or relating to these Terms, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to these Terms shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.
- 17.11.1 The seat of arbitration shall be Hong Kong.
- 17.11.2 The number of arbitrators shall be one to be appointed pursuant to the HKIAC Administered Arbitration Rules.
- 17.11.3 The arbitration proceedings shall be conducted in English.

**Appendix - Synapse Fees Schedule**

Types of Synapse Fees	Charging Frequency	Synapse user types subject to the Synapse Fees	Amount
Set-up Fee	One-off	Asset Manager, Global Custodian, Local Custodian, Exchange Participant and Clearing Participant	HKD50,000*
Base Fee	Monthly	Asset Manager, Global Custodian, Local Custodian and Clearing Participant connected to Synapse via ISO / API channel**	HKD2,000
Transaction Fee	Monthly	Asset Manager	HKD3 per instruction***

\* The one-off “Set-up Fee” will be charged per legal entity onboarding as a Synapse User.

\*\* Where the ISO messaging connectivity channel was elected by a Synapse User, each SWIFT message sent by Synapse to such Synapse User will be charged by SWIFT to such Synapse User. API users will not be subject to SWIFT charges.

\*\*\* Only the initiating instructions which Synapse receives from the Asset Manager or from its authorised agent will be charged. Amendment or further processing of such instructions on Synapse will not be subject to an additional charge.

NOTES:

1. The Synapse user types are as prescribed in the Synapse Application Form.
2. The above Synapse Fees are waived until further notice.