Client's Name : ______________________________

Client's Signature : ______________________________

Date Signed : ______________________________

Details of Product Provider

HSBC Life (Singapore) Pte. Ltd. ("HSBC", "We", "Our", "Us") (Reg. No. 199903512M) is the plan provider and underwriter for this plan.

Important Notes

This document contains a summary of the main product features only. The content of this summary may vary from the terms of the Policy General Provisions finally issued to you. Please also refer to the Policy General Provisions for details on contractual provisions and definitions of terms used in this document. Terms not otherwise defined in this document shall bear the meanings ascribed to them in the Policy General Provisions. Only terms in your Policy General Provisions are binding between us. A sample copy of the Policy General Provisions is available upon request.

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the surrender value, if any, that is payable to you may be zero or less than the total premiums paid.

Please refer to the Policy Illustration which illustrates the surrender value you may receive in different policy years and the impact of early surrender if you intend to surrender your Policy.

If any information provided in the insurance application is inaccurate or incomplete, the Policy may become void from the start and we reserve the right to amend or revoke the Policy or adjust the Benefits at our sole and absolute discretion. If the Policy is void or revoked, we will refund the Premium(s) you paid without interest, less any medical and underwriting expenses incurred in accepting your application.

Nature and Objective of the Plan

1. This plan allows the policyowners to participate in the profits of the participating fund (the "Fund") through non-guaranteed bonuses (reversionary bonus and terminal bonus) that may be declared and allocated from time to time.

2. This plan provides financial protection for you and your loved ones against untimely death, terminal illness (up to age 99) and total permanent disability (up to age 65).

3. You can choose the following premium payment options for your insurance cover (up to S$200,000 sum insured) according to your needs:
   (i) Premium term to age 70
   (ii) Premium term to age 85

The maximum sum insured that HSBC can issue in respect of the same Life Insured for Direct Purchase Insurance ("DPI") products is capped at S$400,000, with a limit of S$200,000 cap for DIRECT - HSBC Life Protector II.

Insurance Benefits under the Plan

DIRECT - HSBC Life Protector II provides the following benefits:

1. Death and Terminal Illness Benefit

If the Life Insured dies or is diagnosed with Terminal Illness before the Expiry Date, we will pay you the Death Benefit or Terminal Illness Benefit, which is equal to the Sum Insured of the Policy plus any accumulated bonuses.

Terminal Illness means "any condition caused by illness or injury, where at the time of claim, despite all reasonable medical treatment, the Life Insured is expected to live for no more than 12 months."

The specialist medical practitioner treating the condition must provide supporting evidence of the condition, possible medical treatment, the prognosis after undergoing the possible medical treatment, and certify that the Life Insured is expected to live for no more than 12 months despite all possible medical intervention. We reserve the right to appoint an independent medical specialist who is an expert in the condition to confirm the diagnosis and prognosis.

Terminal Illness in the presence of Human Immunodeficiency Virus (HIV) infection is excluded.

The Policy terminates upon the full payment of the Death or Terminal Illness Benefit.

2. Total and Permanent Disability Benefit

In the event the Life Insured is diagnosed with Total and Permanent Disability ("TPD") before age 65, the TPD Benefit payable will be equal to the Sum Insured of the Policy plus any accumulated bonuses. TPD means that the Life Insured, due to accident or sickness:

(i) is disabled to such an extent as to be rendered totally unable to engage in any occupation, business or activity for income, remuneration or profit; and the disability must continue uninterrupted for a least 6 consecutive months from the time when the disability started; and the disability must, in the view of a Doctor appointed by us, be deemed permanent with no possibility of improvement in the foreseeable future.

(ii) suffers total and irrecoverable loss of use of:
  (a) the entire sight in both eyes;
  (b) any two limbs at or above the wrist or ankle; or
  (c) the entire sight in one eye and any one limb at or above the wrist or ankle.

The Policy terminates upon payment of the TPD Benefit.

The TPD Benefit payable on all policies issued by us and other insurance companies for a Life Insured is capped at an aggregate of S$3,000,000 per life.

3. Addition of optional supplementary benefit

You may increase your insurance benefits at any time up to Age 60 if you opt for premium term to Age 70 (or up to Age 65 if you opt for premium term to Age 85) by applying for the optional DIRECT - Critical Illness Benefit II, subject to the prevailing underwriting requirements.

DIRECT - Critical Illness Benefit II
This supplementary cover will pay the sum insured of the basic policy when the Life Insured is diagnosed as suffering from any one of the 30 covered Critical Illnesses ("CI") listed below. HSBC will also pay relevant bonuses/terminal bonus (where applicable) of the basic policy (if any).

Critical Illnesses* Covered:

1	Alzheimer's Disease / Severe Dementia	16	Irreversible Loss of Speech
2	Angioplasty & Other Invasive Treatment For Coronary Artery**	17	Major Burns
3	Benign Brain Tumour	18	Major Cancer
4	Blindness (Irreversible Loss of Sight)	19	Major Head Trauma
5	Coma	20	Major Organ / Bone Marrow Transplantation
6	Coronary Artery By-pass Surgery	21	Motor Neurone Disease
7	Deafness (Irreversible Loss of Hearing)	22	Multiple Sclerosis
8	End Stage Kidney Failure	23	Muscular Dystrophy
9	End Stage Liver Failure	24	Open-Heart Heart Valve Surgery
10	End Stage Lung Disease	25	Surgery to Aorta
11	Fulminant Hepatitis	26	Paralysis (Irreversible Loss of Use of Limbs)
12	Heart Attack of Specified Severity	27	Primary Pulmonary Hypertension
13	HIV Due to Blood Transfusion and Occupationally Acquired HIV	28	Severe Bacterial Meningitis
14	Idiopathic Parkinson's Disease	29	Severe Encephalitis
15	Irreversible Aplastic Anaemia	30	Stroke with Permanent Neurological Deficit

** Maximum claimable amount under this condition is subject to 10% of sum insured or S$25,000, whichever is lower. The sum insured of the basic policy will be reduced by the same amount that is paid out.

* The Life Insurance Association Singapore (LIA) has standard Definitions for 37 severe-stage Critical Illnesses (Version 2024). These CI fall under Version 2024. You may refer to www.lia.org.sg for the standard Definitions (Version 2024).

The CI Benefit payable on all policies issued by HSBC and other insurance companies for a Life Insured is capped at an aggregate of S$2,000,000 per life.

4. Cash Value

The Policy acquires a Cash Value from the end of the first (1st) Policy Year onwards. Please see the Policy Illustration for the amount of Cash Value you may acquire in each Policy Year.

5. Reversionary Bonus

Policies issued under the plan participate in the profits of the Fund through non-guaranteed reversionary bonuses which may be declared annually from the end of first (1st) Policy Year onwards.

The rate of the reversionary bonus to be declared each year and the compounding rates for such bonus(es) declared and allocated is solely decided by us upon approval of our board of directors, after taking into account the written recommendation by our appointed actuary.

Reversionary bonus may be paid on both the basic cover and the accumulated reversionary bonus already declared and allocated.

Assuming an illustrated investment return of 4.25% p.a. on the fund, the illustrative reversionary bonus rate payable on the basic cover is S$7 per S$1,000 of basic cover and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.7% p.a.

Assuming an illustrated investment return of 3.00% p.a. on the fund, the illustrative reversionary bonus rate payable on the basic cover is S$5 per S$1,000 of basic cover and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.5% p.a.

However, future reversionary bonuses not yet declared and allocated are not guaranteed.

Once declared and allocated, reversionary bonus forms part of the guaranteed benefits under the Policy regardless of the performance of the Fund. The full value of the declared reversionary bonus will be payable upon death of the Life Insured or maturity of the Policy along with the guaranteed benefits.

All supplementary benefits do not participate in the profits of the Fund. No reversionary bonus will be declared on the supplementary benefits.

6. Terminal Bonus

In addition to the reversionary bonus, we may pay a terminal bonus upon death, surrender or maturity of the Policy. The rate of terminal bonus is based on a percentage of the reversionary bonus(es) accumulated under the Policy. The amount of terminal bonus payable, if any, on surrender may be lower than on maturity or death.

The illustrative terminal bonus rate payable upon death, surrender or maturity based on an illustrated investment return of 3.00% p.a. and 4.25% p.a. are as follows:

Policy Term	Percentage of Vested Bonus	
	Illustrated Investment Return of 3.00%	Illustrated Investment Return of 4.25%
From Policy Year 1 to end of Policy Year 11	0%	0%
Policy Year 12	2%	10%
Policy Year 13	7%	35%
Policy Year 14	12%	60%
Policy Year 15	17%	85%
Policy Year 16	22%	110%
From Policy Year 17 onwards	27%	135%

The rate of terminal bonus to be declared each year is not guaranteed and solely decided by us upon approval of our board of directors, after taking into account the written recommendation by our appointed actuary.

The illustrated reversionary and terminal bonuses can be found in the Policy Illustration. The actual reversionary and terminal bonuses declared on death, surrender or maturity may be different from the amounts shown in the Policy Illustration.

7. Maturity Benefit

If the Policy matures on the Expiry Date without any claims, the Maturity Benefit payable to you in one lump sum is as follows:

(i) 100% of the Sum Insured of the Basic Cover; and
(ii) non-guaranteed bonuses,

after deducting all outstanding fees, charges and any other amounts owing to us.

8. Exclusions

Benefits of this plan are not payable under certain conditions. These conditions are stated as “exclusions” in the policy contract. The categories of exclusions that are common to all life insurers relate to:
(i) Suicide within one year (for Death Benefit)
(ii) Self-inflicted injury (for TPD Benefit)
(iii) A waiting period (for CI Benefit, if applicable)
(iv) Pre-existing medical conditions (for CI Benefit, if applicable)

This document is issued by HSBC Life (Singapore) Pte. Ltd. (Reg. No. 199903512M)
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Customer Care Hotline: +65 6880 4888 Email: e-surance@hsbc.com.sg

In addition to the above common categories of exclusions, life insurers may impose other exclusions.

All the exclusions for this plan are listed as follows:
(i) Suicide within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is latest (for Death Benefit)
(ii) Presence of Human Immunodeficiency Virus (HIV) infection (for Terminal Illness Benefit)
(iii) Attempted suicide or self-inflicted injuries, regardless of the Life Insured's mental condition (for TPD Benefit and optional CI Benefit)
(iv) War (declared or undeclared), terrorism or any sort of internal or foreign hostilities (for TPD Benefit)
(v) Air travel, other than as a fare-paying passenger or crew member on a licensed commercial aircraft, or as a member of the armed forces travelling as a passenger in a military transport aircraft at that time (for TPD Benefit)
(vi) The influence of narcotics or drugs which were not prescribed by a Doctor (for optional CI Benefit)
(vii) Failure to meet conditions specified in Annexure CI7 – Critical Illness Definitions (for optional CI Benefit)
(viii) Pre-existing Conditions unless these conditions have been communicated to and accepted by us in writing before the Commencement Date (for optional CI Benefit)

There is also a waiting period and survival period imposed on the optional CI Benefit.

The definitions of the exclusions are stated in the policy contract and Policy Schedule(s) and/or Endorsements (if applicable). Please refer to the policy contract.

9. Premiums

Premium rates for the plan are guaranteed throughout the premium term upon approval of your application. You pay a constant rate during the premium term.

Upon our approval, you may choose to pay your premiums annually, semi-annually, quarterly or by monthly instalments, so long as the instalments meet our minimum required amount.

Premiums paid for non-annual mode policies will be higher than annual mode policies. The total annualised premium under a monthly mode will be 2% higher than its corresponding annual mode premium.

Investment of Assets

1. Investment Objectives and Strategy

The investment objectives of the Fund are:
(i) To achieve an investment return sufficient to meet the guaranteed benefits as they fall due; and
(ii) To provide for smoothed returns to the Policyowners in the medium to long term.

The investment mandate is to allocate a substantial portion of the investments into fixed income assets like government and corporate bonds and a smaller percentage into growth assets like equities and private equities.

2. Investment Mix

The Target Mix for the year 2025 and the Actual Mix of the participating fund as at 31 Dec 2024 are as follows:

Asset Mix	HSBC Par Fund I (SGD)	
	Target Mix	Actual Mix
Growth Assets (e.g. Equities, Private Equities)	35%	35%
Bonds & Alternative Credit Strategies	65%	65%
Cash & Others	0%	0%

3. Fund Managers

The assets of the Fund are predominantly managed by HSBC Asset Management through its Singapore entity HSBC Global Asset Management (Singapore) Limited. Other specialized strategies are managed by HSBC Alternative Investments Limited and HSBC Asset Management (UK) Limited. The details of the fund managers can be found below:

<u>HSBC Global Asset Management (Singapore) Limited</u>
10 Marina Boulevard Marina Bay Financial Centre Tower 2 Level 48 Singapore 018983

<u>HSBC Alternative Investments Limited (HAIL)</u>
8 Canada Square, Canary Wharf, London, E14 5HQ

<u>HSBC Asset Management (UK) Limited (AMEU)</u>
8 Canada Square, Canary Wharf, London, E14 5HQ

<u>Total Expense Ratio</u>
The Total Expense Ratio is the proportion of total expenses incurred by the Fund to the assets of the Fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Fund has been allowed for in the premiums payable for your policy and is not an additional cost to you. If the actual level of expenses vary significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For HSBC Par Fund I (SGD), the past Total Expense Ratios are shown in table below.

Total Expense Ratio	
Financial Year	Total Expense Ratio[1]
2022	1.07%
2023	2.01%
2024	1.74%
Averaged of last 3 years	1.61%
Averaged of last 5 years	2.24%
Averaged of last 10 years	1.95%

[1] Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.

Investment Rate of Return
For HSBC Par Fund I (SGD), the past investment rates of return (after deducting investment expenses only) are shown in table below.

Investment Rate of Return	
Financial Year	Investment Returns[2]
2022	-14.34%
2023	6.59%
2024	4.63%
Averaged of last 3 years	-1.51%
Averaged of last 5 years	1.20%
Averaged of last 10 years	2.62%

[2] HSBC's financial year is the 12 months period from 01 January to 31 December. Please note that past performance may not be indicative of future performance. Changes in the economic and investment environment may affect the investment performance of the Fund and the bonuses or dividends that you may receive.

Type of Risks Affecting the Level of Bonuses

The Fund is exposed to financial risks and insurance risks, which affect performance.

1. **Financial Risk**

   Financial risks are risks arising from transactions in financial instruments held by the Fund.

   These risks include market risk, credit risk, and reinsurance counterparty risk.

2. **Insurance Risk**

   Insurance risks include mortality, morbidity, expense, lapse and surrender risks.

We would determine the level of bonuses taking into account the current performance as well as future outlook for the Fund.

Sharing of Risks

The value of assets backing participating products is determined by the asset share methodology. The asset share represents the assets that 'belong' to, or have been generated by, each Policyowner or class of Policyowners. It is like a 'bank account' where all associated cash flows of a participating Policy have been placed.

Risk is shared between policies participating in the Fund on the basis of fairness and equity to all Policyowners. Where any risk is closely associated with a specific generation of policies, the policies may have to bear the risks. The extent of risk sharing for the key risks is as follows:

1. **Investment Risks**

   Investment risks are aggregated at Fund level. However, different assets are notionally matched against regular premium policies compared with single premium policies, since they exhibit distinct features especially with regard to duration.

2. **Expense Risks**

   Expenses that are apportioned to the Fund are shared at a Policy level based on the expected valuation expenses. Any expense overruns/underruns are then shared in proportion to the valuation expense assumptions attributed to each Policy.

3. **Mortality, Dread Disease and other Morbidity Risks**

   Mortality, dread disease and other morbidity risks are shared at product level, and risk is spread over different generations of policyowners. This is done by adjusting the mortality/morbidity projections used for bonus determination each year based on the experience of the product/Fund. Any variance experienced around this projection is shared at the Fund level.

4. **Lapse and Surrender Risks**

   Lapse and surrender profits/losses are shared at Fund level and spread across product classes.

Smoothing of Bonuses

We aim to provide stable returns over the life of your participating policy by adopting a concept known as "smoothing" which is a common industry practice. When considering suitable bonus rates (both reversionary and terminal bonuses), we will try to avoid large year-on-year changes by considering average performance over a period longer than one year so as to minimize the effect of short-term fluctuations in asset values. For example, if the Fund performance is particularly good in one year, we may hold back a portion of the earnings so that we can maintain bonuses in years when the Fund does not perform so well. It is intended that over the long term, the net impact of smoothing is neutral and there will be no impact on guaranteed benefits as a result of smoothing.

Past Bonuses

The table below shows the reversionary bonus rate payable on the Basic Cover and the reversionary bonus already declared for 2022 to 2024.

Financial Year	Basic Cover	Reversionary Bonus already declared
2022	S$7 per S$1,000	0.7%
2023	S$7 per S$1,000	0.7%
2024	S$7 per S$1,000	0.7%

HSBC's financial year is the 12-month period between 01 January and 31 December. There are no historical reversionary bonus and terminal bonus prior to 2022 as this product was launched in June 2021.

Please also take note that past performance is not necessarily indicative of future performance and that future reversionary and terminal bonuses not yet declared and allocated are not guaranteed.

Fees and charges

Expenses incurred and allocated to the Fund include Management Expenses (e.g. rental, utilities, salaries etc.) and Investment Expenses (e.g. investment management fees payable to fund managers).

These fees and charges have been included in the calculation of the premium and will **not** be separately charged to you.

Conflict of Interests

There is no conflict of interests in relation to the Fund and its management.

Related Party Transactions

All transactions between HSBC and HSBC-related parties are evaluated and approved by an internal committee to ensure that the services are conducted at arm's length. These services include fund management and custodian services and the transactions are not expected to have a significant impact on the fund.

Contractual rights for customers

1. **Free-Look Period**

   After purchasing a life insurance policy, you have 14-day free-look period - starting from the day you receive your policy documents to review the documents carefully. During this time, if you choose to cancel your policy, the insurer will refund you the premiums you have paid, less any medical fees and other expenses, such as payments for medical check-ups and medical reports, incurred by the insurer. The 14 day free-look period starts from the date you receive the Policy. If the Policy is delivered by post, it is considered received 7 days after the date of posting.

2. **Assignment**

   Subject to our approval, you may transfer your legal right under this Policy to another party through an assignment. You must notify us of the Assignment by completing our Assignment form and returning the signed original form to us.

Keeping track of your Policy

1. **Year End Statement**

   You will receive annual Policy statement as at 31st December at the beginning of each calendar year.

2. **Annual Bonus Update**

   An Annual Bonus Update will be sent to you by June of each calendar year.

   This is to update you on the performance of the Fund your Policy has participated in over the previous accounting period and of the bonuses allocated to your Policy for the year.

   The update will also highlight the future outlook of the Fund your Policy has participated in based on the latest actuarial investigation as well as any anticipated changes in future bonuses.

3. **Guide to Participating Policies**

   The industry guide on participating policies is available on the Life Insurance Association, Singapore (LIA) web-site (www.lia.org.sg) as well as hardcopies from our Customer Service Officer upon request.

4. **Other important notes**

   - In order to provide the Benefits, We may review and supplement or amend certain clauses of your Policy. These include amendments to Premiums, if applicable.

     We may make changes to the Policy if it is reasonably necessary to:
     (i) give effect to:
       (a) applicable laws, rules, regulations; or
       (b) a change, recommendation, order, requirement, notice, direction, code, circular or guidance issued by any regulatory, supervisory, governmental, statutory authority, industry association, self-regulatory, or resolution body having jurisdiction over Us or a court of competent jurisdiction; or

(ii) reflect changes to or alignment with:
   (a) the operational costs, business operations or practices, systems and processes;
   (b) the industry or prevailing market conditions or practices;
   (c) Our agreement or arrangement with third-party service providers; or
   (d) overall claims and lapse experience of this plan.

To the extent reasonably practicable, We will provide you at least 30 days' advance notice in writing before such change takes effect, unless otherwise stated.

If you do not agree with a change, you may, to the extent applicable:
(i) terminate the Policy; or
(ii) change the coverage of your Policy.

- This Policy is protected under the Policy Owner's Protection Scheme which is administrated by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your Policy is automatic and no future action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact HSBC Life or visit the LIA or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg).