

**TERMS AND CONDITIONS
FOR CORPORATE PRODUCTS AND SERVICES OF
HSBC SAVINGS BANK (PHILIPPINES), INC**

The following terms and conditions shall govern each account/service/product, which you, as accountholder/s of The HSBC Savings Bank (Philippines), Inc, open, make use, or avail/receive the benefits of. The terms and conditions for accounts/services/products that you do not avail of shall not be applicable to you.

Definition of Terms:

For purposes of clarity, the following terms shall be defined as follows:

“**Bank**”, “**we**”, “**our**”, “**ours**” and/or “**us**” shall be understood to refer to HSBC Savings Bank (Philippines), Inc.

“**acountholder**”, “**depositor**”, “**you**” and/or “**your**” shall be understood to refer to you as the juridical entity who opens the accounts, makes use and/or avails/receives the benefits of any account/service/product offered by HSBC Savings Bank (Philippines), Inc., including your authorized representatives

“**HSBC Group**” means the companies wholly or partially owned by us, our parent companies, or under common ownership with us.

“**Information Provider**” means a third party from which the Bank sources information for the provision of any of the Bank’s products and services, including any person/entity who provides such information to and Information Provider

“**BAC**” means an Automated Teller Machine (ATM) card issued by the Bank for the purpose of transacting via the ATMs and includes any replacement thereof and “BACs” is the plural of such terms.

“**Business Internet Banking**” (BIB) means the business internet banking service provided by the Bank through online@hsbc

“**Business Telephone Banking**” (BTB) means the business telephone banking service provided by the Bank which includes:

- a. Enquiry of account balances, last transactions, cheque status, Fixed Deposit enquiries, loan account details, exchange rates and deposit rates.
- b. Requests for fax interim statements, cheque books and stopcheques, change of PhoneBanking Number (“PBN”) and Personal Identification Number (“PIN”).
- c. Transfer of funds between any of the Accountholder’s accounts in the Philippines.
- d. Such other types of banking or other services as the Bank may from time to time introduce.

“**Security Code**” means a one-time password generated by the Security Device in order to access Business Internet Banking services

“**Security Device**” means an electronic device used to generate the Security Code

“**SMS Banking**” means the Short Messaging Service provided by the Bank which includes (a) HSBC CC* (b) Text Banking* and (c) Text Alerts.

*These services are not available at this time. As soon as these services become available, the terms and conditions herein included pertaining to such services shall apply.

“**Authorised Delegate/s**” means any person(s) nominated and authorised by you to use any of the following services: Business ATM Card, Business Internet Banking and Business Telephone Banking.

“**Primary User**” means the Authorised Delegate entrusted with responsibility for the initial BIB portfolio registration and your on-going use of BIB.

“**Secondary User**” means the Authorised Delegate appointed by the Primary User.

I. PRODUCTS AND SERVICES

All references to charge/s, service fee/s, and fee/s herein unless otherwise indicated refers to charges indicated in the “An Easy Guide to Bank Services and Charges” (Easy Guide) which are made and integral part of these terms and conditions.

When used herein, the products and services shall be understood to consist of any of the following, namely:

- (i) savings, current and time deposit account(s), and investment placements (each an “account”) in Philippine pesos and other foreign currencies maintained from time to time with the Bank;
- (ii) loan products and credit facilities which may be offered by the Bank from time to time;
- (iii) the Business ATM Card or any other card/document which the Bank may issue in connection with a product or service;
- (iv) Business Telephone Banking Services;
- (v) Business Internet Banking (online@hsbc);
- (vi) SMS Banking; and
- (vii) any other facility, product and service which the Bank may offer from time to time as part of its products and services.

II. THE ACCOUNTS

1. Account Opening –

- a. Accounts may be opened by and maintained at the sole discretion of the Bank, upon your compliance with all account opening/maintenance requirements as may be imposed by the Bank from time to time such as, but not limited to, duly completed and executed account opening forms, supporting documents and delivery of the initial deposit amount.
- b. The Bank, at its sole discretion, may open accounts for you upon receipt of your instructions by telephone or through Business Internet Banking provided that (i) you are an existing accountholder, (ii) the Bank is satisfied that you are the accountholder by virtue of your accessing the Business Telephone Banking Service through key log-in of your Business Telephone Banking personal identification number (BTB-PIN) or through accessing the Business Internet Banking service through key log-in of your Electronic Banking Number (EBN) and Business Internet Banking Personal Identification Number (BIB-PIN), and/or such other proofs of identification that may be required from you, and (iii) you agree to execute the account opening forms and submit such other documents as may be required by the Bank within the period specified by the Bank or when so warranted by the circumstances. Should you fail to execute and submit such forms and documents as may be required by the Bank, the Bank may close such accounts.

You agree that a written notice of the implementation of your telephone instructions and/or opening of accounts on your behalf shall be delivered to your address of record and you shall be deemed to have agreed to and have accepted the correctness and validity thereof should you fail to notify the Bank in writing of any discrepancy within the period indicated in the notice or, in default thereof, within ten (10) days from delivery of such notice.

- c. If you are, now or at any time subsequent to the opening of your Philippine currency account, a non-resident of the Philippines or an entity that is not doing business in the Philippines, you affirm and acknowledge that your Philippine currency account can only be funded by Philippine currency proceeds of foreign currency inwardly remitted to the Philippines; by foreign currency sold for Philippine currency and/or by proceeds from the conveyance of your real or personal property located in the Philippines.

Further, any Philippine currency time deposit placement that you make with a maturity of at least ninety (90) days is considered as an inward investment that must be funded by Philippine currency proceeds of foreign currency inwardly remitted to the Philippines and must be registered with the Bangko Sentral ng Pilipinas in order that the Bank may be able to repatriate the principal and earnings thereon.

You agree that each time you make or cause to be made a deposit, transfer or remittance of funds into your account, you are deemed to make the above representations and may be required by us to present any of the following:

- i. Certificate of Inward Remittance, telegraphic transfer advice or other proof acceptable to HSBC that the funds deposited, transferred or remitted were sourced from inward remittance of foreign currency;
- ii. Proof of conversion of foreign currency into Philippine currency
- iii. Deed of conveyance or similar instrument, duly executed, evidencing the sale of real or personal property, and reflecting the amount of the consideration for the sale.

You affirm and acknowledge that the Bank may refuse to accept any deposit, transfer, or remittance of funds into your account as a result of your failure to present the above described documents. You agree that you shall not hold HSBC liable for any loss, damage, and/or expense which you may incur as a result of the Bank’s refusal to accept the funds.

2. **Acceptance of Deposits/Investments** – The Bank may accept your deposits/investments in cleared cash. In the case of check deposits/investments, the Bank acts only as your collecting agent in receiving your checks and other items/documents for collection, and drawings may not be made against such deposits, or withdrawals or against such investments, as the case may be, until actual payment/credit has been received by the Bank. All charges shall be for your account, including, but not limited to, (a) collection charges that may be imposed by the correspondent and/or drawee bank and those incurred outside the Philippines; and (b) the amount of any returned checks and/ or other unpaid items/ documents and any appropriate charges; and the Bank may debit your account, without need of prior notice, for such charges.

Second endorsed checks are not allowed and, in exceptional circumstances as may be allowed by the Bank whereby second endorsed checks were accepted, you agree to keep the Bank free and harmless from and indemnify the Bank for, any claim, charge, suit, loss or damages for such acceptance.

Deposits/investments made through the Bank’s ATMs, the Easy Pay Machines, or similar types of machines shall be subject to final count and verification to be made in the presence of at least two (2) Bank employees, the findings of whom shall have precedence over the figures/amounts you indicated in the deposit slip or any similar document, absent manifest error. The Bank shall notify you of any discrepancy at the soonest possible opportunity.

Any person depositing for and in your behalf shall be considered by the Bank as duly authorized by you to effect the deposit transaction including check deposits, unless prior written notice listing the specific names of your authorized representatives for deposit transactions is received by the Bank.

3. Class of Accounts –

- a. The Bank may from time to time create different Classes of accounts and may designate the Features for each Class, which may include enhanced services, preferential terms, preferential interest rates and/or special promotions on other accounts. The Bank may, at any time or from time to time, (but without any obligation to do so) designate a particular Class to your account or may withdraw the same, upon your request or at the Bank’s sole discretion. Where the Bank designates a Class to you, the Bank may at any time and from time to time vary or entirely withdraw the Class, again, either at your request or at the Bank’s sole discretion. The designation or withdrawal of the Class, whether at your request or at the Bank’s sole discretion, will be made by reference to pre-designated criteria, subject always to the final decision of the Bank. These criteria may include, without limitation, the value of assets you deposited with the Bank and/or the amount of credit facilities granted to you by the Bank from time to time and are subject to changes at the Bank’s decision. The most updated criteria and other details concerning each Class are available from the Bank upon request.

- b. The Features which may be made available, and the fees and charges which may be imposed, by the Bank in relation to your account may vary by reference to the Class and, within the same Class, may vary by reference to whether the Customer continues to satisfy the prevailing criteria for that Class. The Bank is also entitled to vary the Features within each Class at any time and from time to time.
- c. Each Class may have a set of criteria and/or conditions that you have to fulfill so as to maintain in that Class and/or enjoy the Features in that Class. Each Feature may also have certain terms and conditions governing your use and enjoyment of that Feature. Without prejudice to Clauses C.1 and 2 above, following a designation or variation of a Class, it shall be your sole responsibility to ensure that all the prevailing criteria for maintaining that Class and/or the terms and conditions for enjoying the Features in that Class are fully satisfied and/or observed. Your fulfillment of all prevailing criteria in respect of a Class, or your failure to do so, however, will not in any way affect or prejudice the Bank's overriding right in designating, varying or withdrawing the Class of your account.
- d. Whether the Bank exercises its discretion to designate, vary or withdraw the Class of your account, it will notify you of the same using such means as it shall deem reasonable. All the Features that you enjoy will automatically be granted, terminated or otherwise adjusted unless the Bank shall at its sole discretion decide otherwise and the Bank is not obliged to provide any further notice in connection therewith.
- e. Following a variation of the Class of your account, the applicable provisions of these Terms and Conditions and other terms and conditions governing the use of any Features terminated as a result of the variation shall continue to bind you until all obligations and liabilities you owe the Bank with respect to such Features have been fully repaid and satisfied. All applicable provisions of these Terms and Conditions and other terms and conditions governing the use of any new or additional Features that you enjoy as a result of the variation shall immediately become binding on you.
- f. The Bank cannot be held liable or responsible for any loss incurred by, or for any inconvenience to, you as a result of the designation, variation or withdrawal of the Class of your account and this shall include, without limitation, any loss incurred by or inconvenience to you as a result of any granting, termination or adjustment of any Features in connection therewith.
- g. The withdrawal of a Class shall not in itself affect the use or operation of your accounts unless the Bank shall specify otherwise.

4. Interest on Accounts –

- a. Interest on your regular savings and/or current account/s will be calculated based on such account's average daily balance and the prevailing Bank-determined interest rate applicable thereto.
- b. Interest on your time deposits, and/or investment placements will be based on the interest rate specifically agreed upon between you and the Bank or in the absence thereof, the Bank's prevailing interest rate for similar placements.
- c. Interest on interest-bearing deposit accounts/investments will commence to accrue only after the check deposit has cleared and the funds have actually been received by the Bank.

5. **Minimum Account Balance** - You shall maintain account balances at the agreed/required total relationship or minimum balance as indicated in the Easy Guide, otherwise a monthly charge shall be debited against any of your deposit accounts with the Bank. Any account with zero balance, regardless of status, may be automatically closed by the Bank. You shall ensure that you are always aware of the details of the required total relationship or minimum account balance applicable to you, which details are available upon request or published/posted within the Bank's premises.

6. **Inactive Account/s** – Any of your current or savings accounts which remain inactive (no transactions were performed) for at least one (1) year or two (2) years,

respectively, will be considered dormant for which a corresponding monthly service fee will be imposed until reactivated by withdrawals of funds.

7. **Signatories/Signature Cards** – You agree to complete and submit signature cards containing your specimen signatures or those of your authorized signatory/ies in such number and in such frequency as may be required by the Bank and/or applicable Bangko Sentral ng Pilipinas regulations.

You agree to be bound by all acts and transactions executed by your authorized signatory/ies in accordance with your signing instructions contained in the authority or delegation of authority submitted to the Bank at account opening or from time to time after account opening. Unless otherwise stated in such authority or delegation, any one of your signatories may execute on your behalf administrative acts relating to your accounts, which shall include without limitation opening and closure of accounts, enrolment in and maintenance of services, requests for certification, account maintenance, maintenance and updating of customer details, confirmation of cheque or transaction details, issuance of stop payment orders over cheques, receipt of and response to communications and notices from the Bank. The Bank reserves the right not to honor the instruction of your signatory if in its reasonable judgment the particular act to be done will require additional signatories or signatories with higher authorities.

8. **Account Withdrawals** – Withdrawals/fund transfers from your account/s shall be subject to the following terms:

- a. **Savings and Current Accounts** – Withdrawals/fund transfers may be made by a person authorized by you at any Bank branch during normal banking hours by submitting a duly accomplished withdrawal slip or check, or through any ATM facility through which withdrawals or fund transfers from your account/s are permitted by the Bank. Any payment made by the Bank to a person submitting a withdrawal slip purporting to be signed by your duly authorized signatory/ies, or through an ATM by the use of your BAC, shall have the same effect as if made by your authorized signatory/ies and will absolve the Bank from any liability to you or to any other party.
- b. **Time Deposits/ Investment Placements** – Withdrawal/roll-over/reinvestment of time deposits and/or investment placements may only be effected or allowed upon surrender and/or cancellation of the time deposit certificate, the relevant document evidencing such investment placement or such other document issued therefore, if any, and, if made before the due date thereof, subject to the Bank's consent and to such applicable penalties which the Bank may impose, including but not limited to handling fees, documentary stamp tax recovery and break-funding costs, where applicable. You agree to keep the Bank free and harmless for any non-compliance with this provision.

Pre-termination of the time deposit and/or investment placement may result in the diminution of the principal. By pre-terminating the time deposit/ investment placement, you accept the risk of possible diminution or loss of the principal and/or interest.

c. **Provisions common to account withdrawals**

Withdrawals in foreign currency notes are subject to availability of such notes. Fractions of foreign currencies may, at the Bank's discretion, be paid in the local currency. Conversion rates from one currency to another will be based on the Bank's prevailing buying and selling rates. Service fees may be charged for foreign currency cash withdrawals. The Bank shall have the right to pay your withdrawal in the currency you require and/or such other currency at the Bank's absolute discretion.

9. **Issuance and Maintenance of Checkbooks** – You acknowledge and agree that:

- a. The Bank shall issue checkbooks only in respect of Philippine peso and US dollar current accounts and only checks procured from the Bank may be honored by the latter unless otherwise specifically agreed upon;
- b. You shall maintain your checkbooks in a secure and safe place accessible only to your authorized signatories/representatives, and you shall ensure that only your duly

authorized signatory/ies draw or issue the same. Any alterations on your checks shall be confirmed by your authorized signatory/ies' full signature and you agree to keep the Bank free and harmless for any non-compliance with this provision. You likewise acknowledge the need to exercise due care when drawing checks and agree not to release/deliver incompletely drawn checks nor to draw checks by any means which may enable a check to be altered in a manner which is not readily detectable. You further acknowledge that the Bank will not be liable for losses arising from check alterations or unauthorized insertions therein;

- c. When drawing checks, you are bound by the conditions to which checkbooks are issued as printed on the back cover of the checkbook and/or such other printed materials issued/published by the Bank from time to time and (i) draw checks in Philippine pesos or US dollars only, (ii) clearly state the amount in words and figures in the spaces provided on the check, (iii) write words and figures close to the left-hand margin so that other words and figures cannot be inserted and add word "only" after the amount stated in words, and (iv) countersign alterations to checks with full signature without which the Bank reserves the right to return checks that have been altered;
- d. Your use of checks printed by, or secured from, entities other than those accredited by the Bankers Association of the Philippines (BAP), with or without the consent of the Bank, shall constitute a waiver by you of any right to claim for reimbursement/refund of any kind arising therefrom;
- e. Return of checks drawn against insufficient funds (DAIF), drawn against uncollected deposits (DAUD), or with technical defects shall be governed by the rules and regulations of the Philippine Clearing House Corporation and the Bangko Sentral ng Pilipinas. The Bank reserves the right to dishonor and return checks, at its discretion, without prior notification at any time and you agree that the Bank shall have no liabilities arising from said dishonor and return;
- f. The Bank shall exert reasonable efforts to notify you of any returned checks. You shall retrieve your returned checks from your branch of account within six (6) months from the date you deposited the check. The Bank shall have the right to destroy such check/s should you fail to retrieve them within the given period.
- g. Lost/stolen checks shall be reported immediately to the Bank by telephone and confirmed in writing within twenty-four (24) hours from such telephone report. You agree that any check paid/accepted/certified for payment before receipt of your written notice shall be for your account; and
- h. You may request a stop payment on any of your checks by calling your branch of account which you must confirm in writing within twenty-four (24) hours from your request. The Bank, at its discretion, may disregard your telephone instructions should it not receive your written confirmation within 24 hours from receipt of such telephone instructions. You will not hold the Bank responsible nor liable for any payment made prior to, or while in the process of complying with the Bank's procedures for effecting a stop payment order, or made due to your failure to confirm your request in writing. Moreover, you agree that should any checks under a stop payment order be paid through inadvertence or oversight, the Bank shall not be liable in any way.

10. Business ATM Card (BAC)

- a. **Issuance of BAC** – You may be issued, at the sole discretion of the Bank, BAC/s which you may use, through your BAC Authorized Delegates, to access your account/s through the Bank's or its affiliated ATMs and effect such permitted transactions in relation therewith. You and your BAC Authorized Delegates shall keep the BAC/s in a secure and safe place, and shall take all reasonable care and precaution to prevent loss and/or theft of the BAC. Your BAC Authorized Delegates should sign the BAC immediately upon receipt thereof.
- b. **Ownership of the BAC** - The BAC shall at all times remain the property of the Bank and you agree to immediately surrender the BAC/s to the Bank upon its request. You acknowledge that the Bank reserves the right to withdraw/ suspend, at its discretion, the BAC and/or any of the services thereby offered, or vary the daily amounts that may be withdrawn, at any time without prior notice. The Bank shall have no obligation to inform you of the reason for the withdrawal/ suspension.

c. **BAC Authorized Delegates** – You shall appoint and authorize up to three (3) BAC Authorised Delegates who shall act as your agents when using a BAC. You will ensure that each BAC Authorised Delegate is aware of and complies with these Terms and Conditions.

You agree and undertake to inform the Bank immediately if a BAC Authorised Delegate's authority has ceased or his employment has been terminated. Otherwise, any transactions made prior to the Bank's receipt of such notice shall be conclusively presumed to be authorized by you.

d. **Credit/ Debit of the Account** - Your relevant account (ATM Account) shall be credited/ debited with the amount of any withdrawal, transfer, and/or other transaction effected by the use of the BAC, including charges that may be imposed by affiliate ATM networks. You agree and undertake to maintain sufficient funds in such account to meet any such transactions. Any withdrawal, transfer or other transaction effected on your relevant account in payment of any outstanding obligations with the Bank in currencies other than the currency of the obligation will be converted into the obligation's currency based on the buying and selling rates of the Bank prevailing at the time of the debiting/ crediting the relevant account/s.

e. **Personal Identification Number (PIN)** -

e.1 Each BAC Authorised Delegate shall be issued a PIN for use with the respective BACs issued to them. The PINs issued by the Bank or any other numbers substituted by the BAC Authorised Delegate are strictly confidential and should not be divulged to any other person. Non-compliance with this provision shall relieve the Bank of any accountability for any loss arising from the use of your PIN to effect any transaction relating to your account/s. Any transaction effected using your PIN shall be conclusively presumed to be authorized by you.

e.2 The BAC and/or PIN shall be collected by your BAC Authorised Delegate or any other person authorized by you from the branch where your ATM Account is maintained. Any delivery of the BAC and/or PIN by the Bank to any person authorized by you or by your BAC Authorized Delegate shall be deemed a valid delivery to the Authorised Delegate himself;

e.3 Upon your request, we may mail or send via courier the BAC or PINs to the BAC Authorised Delegate or any other person authorized by you. You undertake to keep the Bank indemnified at all times against and to save the Bank harmless from all actions, proceeding, claims, loss, damages, costs and expense that may be brought against the Bank or suffered or incurred by the Bank and which shall have arisen either directly or indirectly out of or in connection with the collection, or delivery via mail or courier, of the BAC and PIN to your BAC Authorized Delegates or to any other person authorized by you.

f. **Non-Transferability** - BACs are non-transferable and cannot be lent for the temporary use of any person other than the BAC Authorised Delegate nor can the same be pledged or charged as security in any manner whatsoever;

g. **Request for Documents/ Information** - You shall provide the Bank with such documents and information regarding BAC Authorised Delegates, the Account and BACs as the Bank may from time to time request;

h. **Investigation/ Litigation** - You and your BAC Authorised Delegate/s shall cooperate fully with the Bank in the event of any investigation or litigation relating to any BAC or its use.

i. **Invalidation of BAC** –Your failure to use a BAC for one year shall invalidate the BAC and you shall be required to re-apply for a new BAC. The replacement charge shall be debited from your ATM account.

j. **Report of Loss/ Theft of ATM Cards** - You agree and undertake to immediately report to the Bank through Business Telephone Banking, and provide written confirmation within 24 hours, in the event that a BAC is lost, stolen or used by someone other than the BAC Authorised Delegate or a PIN is disclosed to anyone other than the relevant BAC Authorised Delegate.

Upon receiving any such notification by telephone, the Bank shall cancel the relevant BAC without waiting for written confirmation. Any losses due to withdrawal/ debit/ transfer of funds using any lost/ stolen BAC prior to actual cancellation of the BAC

by the Bank shall be for your account. The Bank shall have no obligation to check that the person notifying the Bank is in fact your authorised representative. Once telephone notification of such an event has been given to the Bank it may not be withdrawn. The Bank's record of the time of your telephone notification of any such event shall be conclusive evidence of the time at which the Bank was actually notified.

k. **Cancellation of BAC**- You shall notify the Bank in writing signed by your authorized signatory/ies for any cancellation of a BAC.

In the event that:

k.1 any application or petition shall be presented or any order shall be made by a competent court or other appropriate authority or any resolution shall be passed for your bankruptcy, liquidation, winding-up or dissolution or for the appointment of a liquidator, receiver, judicial manager, trustee, official assignee or similar official for you ; or

k.2 a distress or execution shall be levied or enforced or sued out against any of your chattels, properties or assets; or

k.3 you are dissolved; or

k.4 the ATM Account is closed;

you shall forthwith return all BACs to the Bank and the Bank shall cease to be bound by the terms and conditions without prejudice to its own rights against you pursuant hereto.

l. **Withholding of BAC**- In the event that a BAC is used after it has been withdrawn, suspended or cancelled it will be automatically withheld by the ATM and will not be restored to you.

m. **Replacement of BAC** - All replacement BACs and new BACs issued at your request shall be issued at the Bank's discretion and shall be subject to the terms and conditions in force at such time. The Bank may charge such fees as it may determine from time to time for the issuance and replacement of the BACs and may debit such fees from your ATM Account or any other account(s) held with the Bank.

n. **Transaction Statement** – Transaction records issued by ATMs shall be conclusive and binding for all purposes save in the case of manifest error. Notwithstanding the foregoing, any transaction statement issued on making withdrawal shall only represent what the Authorised Delegate purports to have withdrawn and shall in no way bind the Bank as to its correctness.

o. **Use of Affiliate ATMs** - Use of the BAC in other affiliated ATM networks shall be subject to the Terms and Conditions of such other affiliate ATM networks.

You understand and agree that the Bank does not have any control over the participants of the ATM or other network through which you may access your account/s, or the ATMs themselves, or the procedures or controls such ATM or other network participants adopt in regard to data/information processing. Hence, the Bank shall not be liable for any loss or damage of whatever kind or nature incurred by you (i) in instances where you are unable to use your ATM Card or avail of any service due to disruption or failure of the ATMs, or other network or communication facilities linking the same, or (ii) caused or due to unauthorized or fraudulent access or utilization of your ATM Card or any service.

p. **International ATM Access** – The Bank has arranged with its correspondent banks outside of the Philippines the facility of effecting withdrawals abroad from your account/s in the Philippines. Any withdrawal outside the Philippines made with a BAC issued against your account in the Philippines constitutes a disbursement of the account in the Philippines and a remittance to the country where the withdrawal is effected, and shall, therefore, be subject to the laws and regulations of both the Philippines and the country where the withdrawal is made. You confirm that by making such withdrawals, you have complied with the appropriate laws and regulations thereto. Cash withdrawals outside the Philippines using BAC shall be in the currency utilized by the institution which owns the ATM from where the withdrawal is made and up to the maximum amount for cash withdrawals permitted by that institution. Cash withdrawals are also subject to any exchange controls, regulations or limitations in effect in the country where the ATM is situated and will be converted at the exchange rate prevailing at the time of the transaction.

q. The use of BACs by the BAC Authorised Delegate shall also be subject to the prevailing terms and conditions governing the operation of the Accounts. In the event of any inconsistency between these terms and conditions and those governing the Accounts, the terms herein shall prevail.

11. Business Telephone Banking

a. **BTB Authorized Delegates** - You shall appoint and authorize up to nine (9) BTB Authorized Delegates through the Corporate Phonebanking Delegate Application Form.

b. **Phone Banking Number and Personal Identification Number** – Each BTB Authorized Delegate shall be assigned a Phone Banking Number (PBN) and Phone Banking Personal Identification Number (BTB-PIN) and the Bank is authorised to send to them a notice containing their assigned PBN's and BTB-PIN's by ordinary mail or by courier service. You undertake to keep the Bank indemnified at all times against and to save the Bank harmless from all actions, proceedings, claims, loss, damages, costs and expense that may be brought against the Bank or suffered or incurred by the Bank and which shall have arisen either directly or indirectly out of or in connection with the mailing or sending by courier of the PBN's and BTB-PIN's to your BTB Authorised Delegates. BTB shall be activated within three (3) working days after the Bank receives correct acknowledgement from the BTB Authorized Delegates of the receipt of their respective PBNs and BTB-PINs.

You agree to, and ensure that your BTB Authorized Delegates shall, keep your PBN and BTB-PIN confidential at all times and shall not divulge the same to any other person. Your or your BTB Authorized Delegates' non-compliance with this provision shall relieve the Bank of any accountability for any loss arising from the use of the BTB-PINs to effect any transaction relating to your account. Any transactions/ instructions effected using your BTB-PINs shall be conclusively presumed to be authorized by you.

The Bank shall be authorised to re-set any PBN or BTB-PIN on receipt of a written request from the BTB Authorised Delegate providing for such authority and in the form and substance satisfactory to the Bank, sent by personal delivery or facsimile transmission. Where the instruction is sent by facsimile transmission, the Bank will not be liable to you or any third party for any loss or damage suffered by you or any third party arising from the re-setting of a PBN or BTB-PIN, where the facsimile transmission is unauthorised or fraudulent. You shall fully indemnify the Bank against any claims or demands arising from such re-setting.

c. **Telephone Instructions** - The Bank is authorised to act on the instructions received over the telephone at its absolute sole discretion which the Bank reasonably believes to have emanated from your BTB Authorized Delegates by the use of their respective BTB-PINs. The Bank reserves the right not to act on the telephone instructions without any duty to give its reasons for such refusal to act, or to require you to confirm your telephone instructions in writing, even though the correct BTB-PIN was given, or to refrain from acting until receipt of your written confirmation. The Bank shall not be liable for acting in good faith based on telephone instructions which it believes emanated from your BTB Authorized Delegates. The Bank shall have no duty to verify the identity of the person(s) giving telephone instructions by any means other than the BTB-PINs of your BTB Authorized Delegates or a form of identification we may require.

You shall ensure that there are sufficient funds in the accounts for the purpose of implementing your telephone instructions and the Bank shall not be liable for its failure to carry out such instructions due to inadequacy of funds.

d. **Record of Transactions** - The Bank's record of the transactions processed by the use of Business Telephone Banking shall be conclusive proof of the nature and circumstances surrounding the transactions, as well as of the instructions received and shall be binding for all purposes.

e. **Termination of Service** - The Bank may terminate your BTB facility upon receipt of your written notice of termination signed by your authorized signatory/ies. Such notice will not be considered received unless the Bank issues a written receipt therefor. Your BTB facility shall be terminated within seven (7) days from actual receipt by the Bank of the written notice of termination.

The Bank shall terminate the BTB facility with immediate effect on the occurrence of any of the following events:

- e.1 your failure to comply with these Terms and Conditions;
- e.2 the occurrence of an event of default under any agreement or commitment (contingent or otherwise) entered into by you with the Bank;
- e.3 the institution of bankruptcy, insolvency proceedings or similar proceedings against you ; or
- e.4 any other cause under existing laws requiring termination or otherwise giving the Bank the right to terminate the facility.

f. **Written Instructions** - All written instructions pertaining to BTB will be accepted only if these are issued by the duly authorised signatory/ies of the account(s).

12. Business Internet Banking

a. **Services** - The Bank shall provide online services, transactions and facilities from time to time ("BIB") through any Internet site - a group of related web pages - established, operated and/or maintained by or on behalf of the Bank ("Internet Site") to enable your BIB Authorised Delegate/s to give instructions to and communicate with the Bank for the purposes of conducting banking, investment, financial and other transactions and dealings of various nature and obtaining services, products, information, benefits and privileges from the Bank.

These services shall be subject to these Terms and Conditions, the Bank's general Disclaimer and Internet Privacy Statement and all other Terms and Conditions applicable from time to time in connection with the relevant accounts, transactions, dealings, services, products, information, benefits or privileges.

b. **Nomination of Account and BIB Authorized Delegate** - The Bank may require you to nominate or register specific account(s) for the purposes of BIB services.

You are also required to nominate up to a maximum of nine (9) BIB Authorized Delegate/s to access/transact through BIB and to fill up the necessary application form thereto.

c. **Username, Password and Security Code** - To use BIB, your BIB Authorized Delegate/s will need a unique Electronic Banking Number ("EBN") and Internet Banking Password ("BIB-PIN") issued by the Bank upon its approval of your application for BIB Service. The Bank may, upon its discretion, require your BIB Authorised Delegate to use a Security Code to access the Services in the event of which it is you and/or your BIB Authorised Delegate's sole responsibility to apply to the Bank for a Security Device or a replacement if the Security Device has been previously issued but is subsequently lost or has failed to function as intended. The EBN, Password and Security Code shall be used to identify your BIB Authorized Delegate. Your BIB Authorized Delegate/s shall follow the guidelines provided by the Bank in using the EBN and BIB-PIN.

Each BIB Authorized Delegate shall be assigned an Electronic Banking Number (EBN), Business Internet Banking Personal Identification Number (BIB-PIN) and a Security Device. The Bank is authorized to send a notice containing their assigned EBN's and BIB-PIN's by ordinary mail or by courier service and the Security Device by courier service. You undertake to keep the Bank indemnified at all times against and to save the Bank harmless from all actions, proceedings, claims, loss, damages, costs and expense that may be brought against the Bank or suffered or incurred by the Bank and which shall have arisen either directly or indirectly out of or in connection with the mailing or sending by courier of the EBN's, BIB-PIN's and Security Device. Your BIB Authorized Delegates will only be able to complete transactions within three (3) working days after the Bank receives correct acknowledgement from you of the receipt of their respective EBNs, BIB-PINs and Security Device.

You agree to, and ensure that your BIB Authorized Delegates shall, keep your EBN, BIB-PIN, Security Device and Security Code confidential at all times and shall not divulge the same to any other person, nor permit the Security Device to come into the possession or control of any other person.

Any transactions/ instructions effected using your EBN, BIB-PINs, Security Device and/or Security Code shall be conclusively presumed to be authorized by you.

The Bank shall be authorised to re-set any EBN or BIB-PIN on receipt of a written request from the Authorised Delegate providing for such authority and in the form and substance satisfactory to the Bank, sent by personal delivery or facsimile transmission. Where the instruction is sent by facsimile transmission, the Bank will not be liable to you or any third party for any loss or damage suffered by you or any third party arising from the re-setting of a EBN or BIB-PIN, where the facsimile transmission is unauthorised or fraudulent. You shall fully indemnify the Bank against any claims or demands arising from such re-setting.

You and your BIB Authorised Delegate must take all reasonable steps to prevent disclosure to any other person, including disabling any password automation facility of your internet browser and not writing down or retaining in any other record your EBN, BIB-PIN or Security Code. The BIB-PIN may be changed by the respective BIB Authorized Delegate at any time but any change shall be effective only if accepted by the Bank. The EBN however may not be changed by you or your BIB Authorized Delegate. You and your BIB Authorised Delegate/s must not allow any other person to use the BIB Services using your EBN, BIB-PIN and Security Device. If you or your BIB Authorised Delegate become suspicious or aware that any other person knows or is using your EBN, BIB-PIN or Security Code, and/or the Security Device being lost or has otherwise come into the possession or control of any unauthorised person or any unauthorised use of BIB, you shall inform the Bank as soon as possible. You or the relevant BIB Authorized Delegate may request for immediate suspension/ termination of BIB Access and subsequent re-appointment/ re-registration of such Authorized Delegate. Should you not avail of any of the above options, the Bank shall not be liable for any loss arising out of the use of your EBN, BIB-PIN, Security Device or Security Code.

You or your BIB Authorised Delegates' non-compliance with the above provisions shall relieve the Bank of any accountability for any loss arising from the use of the EBN, BIB-PINs, Security Device and/or Security Code to effect any transaction relating to your account.

d. **Customer's Instructions** - The BIB Authorized Delegate/s is required to quote the EBN, BIB-PIN, and Security Code and any other identifiers as shall be prescribed by the Bank from time to time in order to log-on to BIB and give instructions to the Bank online. Such instructions and requests may include, without limitation, the giving by you to us of requests (a) to remove or replace any Primary User (b) to reset any Passwords; or (c) to take any action to promote the continued and orderly operation of BIB or the BIB Service. Instructions in connection with BIB shall not be considered received by the Bank unless they are given in such manner as the Bank may prescribe from time to time and until the Bank has actually received them.

Instructions, once given by quoting the EBN, BIB-PIN, the Security Code and such other identifiers of the BIB Authorized Delegate/s as may be prescribed by the Bank, may not be rescinded or withdrawn without the consent of the Bank or the relevant member of the HSBC Group. The Bank shall be under no duty to verify the identity or authority of the person/s giving any such instruction or the authenticity of such instruction apart from verifying the EBN, BIB-PIN, Security Code and other identifiers (if any) of the BIB Authorized Delegate/s.

The Bank will only act on an instruction insofar as it is in the Bank's opinion practicable and reasonable to do so and in accordance with its regular business practices and procedures. Where the Bank knows or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of your accounts or BIB in general, the Bank may, in its absolute discretion and without liability, refuse to act on or delay acting on the instruction and in that event, the Bank will, to the extent possible, inform you or your BIB Authorised Delegate as soon as possible.

The Bank will provide online advice or confirmation that an instruction has been received and/or a transaction has been effected through BIB. Such advice or confirmation shall be deemed to have been received by the BIB Authorized Delegate/s immediately after transmission and it is the duty of the BIB Authorized Delegate/s to check such advice or confirmation. You agree and undertake to enquire with the Bank if the BIB Authorized Delegate does not receive an advice or confirmation within the time usually required for a similar advice or confirmation to be received.

e. **Primary User and Secondary Users** - You explicitly permit and authorise the Primary User to create Secondary Users through the BIB and further authorise the Primary

User to define the Secondary User's daily transaction limits (subject only to the cap of the daily limit of the said Primary User) for executing transaction in your accounts through BIB. You hereby agree and confirm that identification documents, as prescribed by the Bank from time to time, shall be submitted to the Bank within 15 days of creation of the Secondary User's profile online by the Primary User. You further agree and understand that until such documents are submitted to the Bank and verified by the Bank to its satisfaction, the Secondary User created shall only be able to view information through BIB and input transactions on BIB, but shall not be permitted to authorise execution of any transaction. The Bank reserves the right to revoke the access rights for such Secondary Users where the prescribed KYC documentation is not completed within the said period of 15 days. You authorise the Primary User to modify (increase or decrease) the Daily Transaction Limits of the Secondary Users online through BIB.

f. **Authority to Transfer Funds - Waiver of Requirement for two or more signatures.**

Customer agrees that if there is any requirement to verify two or more signatures on cheques or transfers of funds, such requirement shall NOT apply to Customer Instructions for funds transfers, including online funds transfers, using BIB Services. Customer is responsible to establish the appropriate Account Controls in accordance with the BIB Customer Guide. Customer releases the Bank from liability when executing transfers or payments in accordance with Customer Instructions. Customer acknowledges that limitations on individual or joint authority to transfer funds under other Bank agreements will not apply to Customer Instructions on BIB. Customer acknowledges that limitations on such access can only be controlled by the Customer and the Primary Users, not the Bank. The Bank will not be liable to the Customer or any business entity for any loss, damage, or expense arising from access to an account by a Secondary User and the Customer hereby agrees to indemnify and keep the Bank harmless against all actions, claims or demands arising from actions of a Secondary User.

g. **Scope of BIB Services** - The Bank has the right to determine and vary from time to time the scope and type of services under BIB to be made available including, without limitation:

- e.1 Expanding, modifying or reducing the services under BIB at any time;
- e.2 Imposing and varying any restrictions on the use of BIB such as minimum and maximum daily limits with respect to the value of any transaction or dealing or any type of transactions or dealings which the BIB Authorized Delegate/s may conduct by using BIB; and
- e.3 Prescribing and changing the normal service hours during which BIB services are available and any daily cut-off time for any type of service or transaction. Any instruction of the BIB Authorized Delegate/s on your behalf received by the Bank after any applicable daily cut-off time shall be deemed to be received on the next business day. The Bank may specify business day and daily cut-off time by reference to the time of various markets operating in different time zones.

h. **Use of the Services** - The BIB Authorized Delegate/s shall not use or knowingly allow any other person/s to use BIB, the Information and/or the Reports for and/or in connection with any illegal purpose or activity. You agree and undertake to notify the Bank immediately if you become aware of such use. The Bank will not be liable for any of the transactions allegedly performed by an unauthorised third party.

If you suspect any impropriety on the part of any Customer Delegate in connection with the BIB Service or a Customer Delegate leaves your business, you must ensure that the Primary User immediately takes all steps available to ensure that the Customer Delegate is unable to access the BIB Service.

If you suspect any impropriety on the part of the Primary User in connection with the BIB Service or the Primary User leaves your business, you must immediately take steps to replace such Primary User.

If you suspect any impropriety on the part of the Secondary User in connection with the BIB Service or the Secondary User leaves your business, you must ensure that the Primary User immediately take all steps available to ensure that the Secondary User is unable to access the BIB Service.

i. **Use of Information** - The Bank may make available via any Internet Site financial, market or other information and data ("Information") supplied by an **Information Provider** and may provide reports compiled from Information in any form, medium or

means ('Reports'). Any exchange rate, interest rate, dealing rate and other prices and information quoted by the Bank on the Internet Site(s) or otherwise in response to an online inquiry is for reference only and is not binding on the Bank. Any rate, price and information offered by the Bank for the purpose of the relevant transaction shall be binding on you upon the BIB Authorized Delegate's/ confirmation of his acceptance, irrespective of any different rate, price or information quoted by the Bank.

You acknowledge that Information provided to you as part of the Services may not be accurate and that it is your responsibility to determine independently market prices and rates for trading purposes through your usual trading channels, to verify any Information and/or Report before relying on it and to seek independent professional advice on legal, tax and other issues in connection with the use BIB, the Information and the Reports, these Terms and Conditions and any transactions and dealings which may affect you under all applicable laws. You agree that all the information sought by you may not be available on the site.

j. **Time Lag** -You acknowledge that there may be a time lag in transmission of instructions, information or communication via the Internet for which the bank shall not be held liable.

k. **Computer/ Cyber Crimes** - The Bank shall not be liable for any computer/cyber crimes such as hacking etc. and shall not be liable for any unauthorised transactions and/or any transactions carried out by using illegal and fraudulent methods will not bind the Bank.

l. **Customer's Undertakings and Responsibilities** - You shall provide such information as the Bank may from time to time reasonably request for the purposes of providing BIB.

You or your BIB Authorized Delegate shall not, and shall not attempt, to decompile, reverse-engineer, translate, convert, adapt, alter, modify, enhance, add to, delete or in any way tamper with, or gain access to, any part of BIB or any Internet Site or any software comprised in them.

m. **Information and Information Providers** -

m.1 You acknowledge and agree that the Information, the Reports and their form, format, mode or method of compilation, selection, configuration, presentation and expression (collectively '**Confidential Information**') are the intellectual property rights (copyright, trademark, patent, design, creation, invention etc.), trade secrets, confidential/proprietary property of the Bank and the respective Information Providers and shall remain the exclusive property of the Bank and the respective Information Providers. You shall not make any representation nor do any act which may be taken to indicate that you have any such right, title or interest.

m.2 Unless expressly agreed upon in writing by the Bank, you shall not, and shall not attempt to: -

m.2.1 Sell, transfer, disclose, assign, convey, lease, sub-license, share, loan, distribute, transmit, broadcast, cablecast, put in circulation, download, reproduce, duplicate or otherwise provide or disseminate any Confidential Information in any form or by any means to any other person(s) or commercially exploit any Confidential Information;

m.2.2 Remove, obliterate, erase, relocate or modify in any way any proprietary marking on or appearing with the Confidential Information including, without limitation, any trademark or copyright notice; or

m.2.3 Incorporate or combine the Confidential Information with any other programmes.

m.3 An Information Provider may impose from time to time Terms and Conditions in relation to the availability of any Information supplied by it. Access to such Information by the BIB Authorized Delegate/s on or after the effective date, subject to prior notification, of such Terms and Conditions shall constitute your acceptance thereof.

m.4 Neither the Bank nor any Information Provider warrants, represents or guarantees the sequence, accuracy, truth, reliability, adequacy, timeliness or

completeness of any of the Information or the Reports or whether it is fit for any purpose. Nor does either of them assume any liability (whether in tort or contract or otherwise) for any reliance on the Information or the Reports by you or any other person(s).

m.5 The Information will be made available as it is supplied and will usually identify the Information Provider supplying it to the Bank. The Bank neither endorses nor expresses any comment on any Information supplied by any Information Provider nor assumes any duty to check or verify any Information. The Bank does not accept responsibility for the legality, validity, completeness, effectiveness, adequacy or enforceability of the data therein.

n. **Liabilities of the Bank** - The Bank will take reasonably practicable steps to ensure that its systems in connection with BIB are installed with adequate security designs and to control and manage the risks in operating the systems, taking into account any law, rules, regulations, guidelines, circulars, codes of conduct and prevailing market practices which may be applicable to the Bank from time to time.

None of the Bank or any Information Provider warrants or represents that BIB, the Information and the Reports are free from virus or other destructive features, which may adversely affect your hardware, software or equipment.

The Bank will make all reasonable efforts to ensure that the Security Device provided to you or your BIB Authorized Delegate will perform as necessary to permit access to BIB as and when required. You or your BIB Authorized Delegate must notify the Bank immediately if any Security Device fails to function correctly and the only obligations the Bank has in respect of such Security Device is to replace the same with a new Security Device at no cost to the Customer but only (i) upon the defective Security Device being returned to the Bank within 90 days of its date of issue and (ii) if the Bank is satisfied that there is no default or negligence on your part or of your BIB Authorized Delegate which results in or contributes to the Security Device's failure to function correctly. Other than as specified in this clause, the Bank shall have no other liability in relation to this Security Device including, without limitation, liability for breach of any implied term as to satisfactory quality, merchantability and fitness for purpose of any Security Device. In addition, the Bank cannot be held liable for any loss or damages incurred or suffered by you arising from your failure to safe-keep and/or use the Security Device in accordance with the Bank's instructions and recommendations.

In no event shall the Bank or any Information Provider be liable for any incidental, indirect, special, consequential or exemplary damages including, without limitation, any loss of use, revenue, profits or savings.

o. **Your Liabilities**

You shall be fully liable and responsible for all consequences arising from or in connection with use of BIB, including without limitation the use of the Security Device and/or access to any Information or Report or any other information as a result of such use.

You shall indemnify the Bank, any Information Provider and their respective officers and employees against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including, without limitation, legal fees on a full indemnity basis) which may be incurred by any of them and all actions or proceedings which may be brought by or against any of them in connection with the provision of the Services, the Information and/or the Reports or the exercise or preservation of the Bank's powers and rights under these Terms and Conditions, except in the cases of willful default of the Bank, any Information Provider or their respective officers or employees.

p. **Variation and Termination** - The Bank may, at any time, without giving notice or reason, suspend or terminate all or any of BIB or your use thereof.

You may terminate the use of BIB at any time by giving to the Bank prior written notice signed by your authorized signatory/ies of a reasonable period.

All provisions of these Terms and Conditions which in order to give effect to their meaning need to survive the suspension or termination of BIB and/or the use of BIB shall remain in full force and effect after suspension or termination. Notwithstanding

such suspension or termination, you shall continue to be bound by these Terms and Conditions to the extent that they relate to any of your obligations or liabilities that remain to be performed or discharged.

13. SMS Banking Services -

a. Enrolment to Business Telephone Banking Service is required in order for you to avail of SMS Banking Services (SMS).b. You are allowed to nominate only one SMS Authorised Delegate. The nominated SMS Authorized Delegate should be an active BTB Authorized Delegate. You are also required to nominate or register specific account(s) for the purposes of the services.

c. You shall abide and be bound by the instructions and/or procedures of the Bank during the use of SMS. You shall have no claim, recourse or remedy against the Bank for any loss, damage and expense you incur arising from your non-compliance with such instructions and/or procedures.

d. You shall not hold the Bank responsible or liable for any loss or damage which you may incur or suffer directly or indirectly arising out of or in connection with SMS due to any reason whatsoever including but not limited to breakdown or malfunction of the computer, its terminal connection lines, data processing system or transmission line whether or not belonging to the Bank or any circumstances beyond the Bank's control.

e. The Bank is entitled to effect any changes to SMS, suspend and/or terminate SMS and to vary SMS at any time at its sole and absolute discretion without assigning any reason and without prejudice to any of its rights of action for any antecedent breach of these terms and conditions by you.

f. You may request to terminate the use of SMS by giving the Bank seven (7) days prior written notice signed by your authorized signatory/ies.

g. You hereby irrevocably agree to hold free and harmless the Bank and indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature that may result of the Bank agreeing to provide SMS.

h. You authorize the Bank to debit your designated account for any and all charges due for the services and agree that the report generated by the Bank's system for billing purposes is final.

14. **Telegraphic Transfers** - The following terms and conditions shall apply to all applications for telegraphic transfers:

a. The Bank is at liberty to send the telegraphic transfer either literally or in cipher and the Bank accepts no responsibility for any loss, delay, error, omission or mutilation which may occur in the transmission of the message or for its misinterpretation when received.

b. In the absence of specific instructions to the contrary, the telegraphic transfer will be effected in the currency of the country in which payment is to be made.

c. All charges incurred outside the Philippines are for the account of the beneficiary unless specified. If the beneficiary needs to receive the full amount without any deduction of charges, you shall insert "IN FULL" after the amount of remittance indicated in words in which case the charges will be for your account.

d. The Bank reserves the right to draw the telegraphic transfer on a different place from that specified by you if operational circumstances so require.

e. Where the Bank is unable to provide a firm exchange rate quotation the Bank shall effect the remittance on the basis of a provisional exchange rate which shall be subject to adjustment when the actual exchange rate is ascertained. Any difference between the provisional exchange rate and the actual rate shall be debited/ credited (as the case may be) to your account.

f. Applications received after the Bank's cut-off times may not be processed on the same day. You shall ensure that you are always aware of the Bank's cut-off times.

g. If remittance is to be processed on a particular date, you must indicate such processing date in your written instructions. Otherwise, the remittance shall be processed on the day of the application.

- h. Applications for same day value are subject to cut-off times related to the geographical location of the destination.
- i. The Bank is not responsible for advising you of (i) any exchange control or similar restriction which may be imposed by the local laws or regulations in the country in which payment is to be effected and shall not be liable for any loss or delay as a result of the payment being subject to such control and restrictions; and (ii) any charges which may be imposed by the overseas bank. You are strongly advised to make your own inquiries and the Bank shall not be liable if such information is not provided.
- i. Where payment is to be made in favor of a beneficiary not maintaining an account with the HSBC Group, the Bank or its agent reserves the right to make payments by means other than telegraphic transfer in accordance with the customary or accepted banking practice in the country in which the payment is to be made. The Bank is not responsible to advise you of the use of such other means or for any delay in effecting payment by such means arising from circumstances beyond the control of the Bank or its agent. Where any alternative means of remittance other than telegraphic transfer is not acceptable, you should inform the Bank.
- k. The Bank reserves the right not to process your application for telegraphic transfer if the Bank is of the opinion that the information given is incomplete or is not sufficiently clear. The Bank cannot be held liable for any delay in processing your application for telegraphic transfer of for its decision in not processing the same where any information given is, in the opinion of the Bank, incomplete or is not sufficiently clear.

15. Closure of Account/s – The Bank retains the right to close, at its sole discretion, any or all of your accounts for any reason whatsoever at any time and without any obligation to disclose the reasons for such closure, and to pay you the proceeds of your closed accounts via cashier's order/s net of all applicable charges, fees and/or taxes and/or such amounts which will answer for your outstanding contingent liabilities under any of the services or products availed of by you. You agree that the Bank shall notify you in writing of such fact at the time of, or immediately after, the closure of your account/s. You further agree that the Bank and its officers and staff are free from any liabilities, claims and demands in connection with the closing of the account/s and/or the subsequent dishonor of any check which may be presented to the Bank after the closure of your account/s.

16. Automatic Transfer of Funds – You agree and authorize the Bank, at its sole discretion but without any obligation, to transfer sums from any of your account/s, in the same or different currency, to ensure that the balances in your Account/s are maintained at a level specified by the Bank from time to time or to sufficiently cover or honor any check drawn, or any debit, against the account/s. Only collected, cleared and unencumbered funds credited to your account/s shall be available for transfer to your other account/s. You agree that the Bank shall not be held responsible nor liable for any losses or damages that may result from the exercise of its discretion not to effect the transfer.

17. Diminution of Account Balance/Value – The Bank shall have no obligation nor liability to you for any reduction due to taxes, or depreciation in value, of funds credited to or maintained in your account/s.

18 Confirmations/Periodic Statements of Account – The Bank will send to you written confirmations of transactions executed upon your instructions and/or Statements of Account, electronic or otherwise, showing the transactions and balances in relation to your account/s and such other banking services as may be specified by the Bank from time to time. You agree to examine each written confirmation and/or statement of account and notify the Bank within ten (10) days from delivery, in the case of the written confirmation, or sixty (60) days from mailing or posting, in the case of a periodic statement of account, a written notice of alleged errors or omissions therein. You acknowledge and agree that should you fail to respond or deliver any written notice within the periods aforementioned, you waive all your rights to raise any objection to, or to contest, and shall be deemed to have agreed to, the correctness and validity thereof.

19. Joint Accounts – You agree that the following terms and conditions shall govern joint accounts:

- a. Each juridical entity who is a signatory for a joint account may be treated by the Bank as an accountholder of such joint account;
 - b. Each of you represent that you are duly authorised to enter into legally binding contracts;
 - c. Any balance credited to your joint account/s presently or in the future, is and will be owned by you as joint accountholders. Each of you confirm that you hold equal shares to the funds placed in the account, unless you notify us otherwise in writing.
 - d. Absent any instructions to the contrary, you authorize the Bank to:
 - (i) honor, at its sole discretion, any withdrawals, fund transfers or disbursement effected by any one of you through the Bank's telephone banking facilities and/or ATMs, internet banking, and all checks, telephone instructions, other instruments and transactions signed and effected by any one of you without restriction,
 - (ii) open or continue (as the case may be) any account or accounts in your names and/ or close any account so opened or continued or subsequently opened as any of you may direct;
 - (iii) place to the credit of any account in your joint names all amounts, including dividends, interest and capital sums arising from securities or proceeds of checks or bills received or collected by the Bank for the credit of any of you;
 - (iv) Honor and comply with all checks, promissory notes and other orders drawn and all bills accepted on your behalf, whether your current account be in credit, to comply with all the directions given for or in connection with any account or accounts of any kind whatsoever on your behalf and to accept and act upon all receipts for monies deposited with or owing by the Bank on any account or accounts in your names provided that such checks, promissory notes, orders, bills, directions or receipts are signed by any one of you;
 - (v) make at the request of any one of you any advance by way of loan or discount or in any manner howsoever with or without security;
 - (vi) set-off against your joint account/s the amount of any outstanding obligations with the Bank, including any and all fees, charges, taxes and/or any amount which may be due and owing, which any one of you may become liable, whether solely or jointly;
 - (vii) deliver up on the instructions of either of you any securities, deeds, boxes and parcels and their contents, and property of any description held in your joint names;
 - e. Delivery of notice to any one of you shall be deemed sufficient notice to all of you;
 - f. If the Bank, prior to acting on instructions received from any of you, receives contradictory instructions from another joint accountholder, the Bank may thereafter act only on the instructions of all of you and shall not be held responsible nor liable for any losses or damages that may result from the failure/ refusal of the Bank to act on any of the contradictory instructions;
 - g. Whenever one of you withdraws/effects funds transfers/draws against the Account/s, you are doing so on the basis of your continuing declaration and representation, under pain of perjury, that all your co-depositors are still existing as of the date you effect the withdrawal/fund transfer/drawing against the Account/s, and that the Bank may, at its discretion rely on such continuing declaration and representation and you agree to keep the Bank free and harmless for its reliance on such continuing declaration and representation;
- 20. Disclosure of Information** – You agree and authorize the Bank to make disclosures of information regarding your account/s to persons having regulatory authority in the jurisdictions through/under which your checks, deposits, withdrawals or funds transfers pass or are cleared or transmitted or delivered, to the HSBC Group, or to such other persons or entities the Bank may deem as having authority or right to such disclosure of information as and when required by the circumstances, as in the case of: the Bank's participation in any ATM network, electronic fund and/or credit card network; the outsourcing of bank services, such as but not limited to the printing/processing of bank statements, electronic data encoding and the digital storage of information; credit rating/ information agencies and the like; and the conduct of market research on its customers through surveys and other analogous means. You likewise agree that the Bank may share information relating to your loan and credit card account/s with other banks and/or credit rating/information agencies. You likewise authorize the Bank to disclose your name, account number and/or other

account information to the beneficiaries of fund transfer transactions executed upon your instructions. You agree that the Bank shall not be liable for any loss or damage arising from its disclosure of account information.

21. Credit Accommodations – The Bank, at its sole discretion, may from time to time, grant you a credit accommodation by purchasing checks payable to you, by advancing the amount required, without need of seeking prior approval from, or notice to, you and you agree that you shall be responsible for, and pay, the resulting advance or credit thereby created and for all related charges.

22. General Terms and Conditions

- a. You authorize the Bank to, without liability, combine or consolidate the outstanding balance in any of your account/s with any of your other account/s which you maintain with the Bank in the Philippines or elsewhere, and set-off and/or transfer any monies standing to the credit of such other accounts in, or towards, satisfaction of your liabilities to the Bank. You agree that this right to set-off/transfer applies whether or not the outstanding obligation is in a currency different from the currency of the monies intended for setting off/transfer, or is held at a branch in a different jurisdiction or at an HSBC Group, or held by you jointly with other persons/entities. For such purpose, the Bank shall be entitled to convert the balance in such other account into the same currency as the outstanding obligation based on the Bank's exchange rate at the time of conversion. You further authorize the Bank to dispose of any securities, deeds, boxes and parcels and their contents, and property of any description held in your name by the Bank and to apply the proceeds thereof towards the satisfaction of your liabilities to the Bank. The Bank's rights hereunder shall not be affected by your dissolution, bankruptcy or insolvency;
- b. You agree that the Bank shall have the right to add, revise, amend or cancel, in whole or in part, any of the products and services provided by the Bank, and any of the terms and conditions pertaining to any product or service. Any such addition, revision, amendment or cancellation will take effect and become binding on you from such time the same is brought to your attention by publication, display, advertisement or otherwise;
- c. You expressly waive the provisions of Article 1250 of the New Civil Code (which relates to cases of extraordinary inflation or deflation of foreign currency and stipulates that unless agreement exists to the contrary, the basis of payment shall be the value of the currency at the time of establishment of the obligation) and hereby agree that said article shall not be applicable;
- d. You agree that the Bank shall not be liable for inadvertently committed errors in the handling or processing of transactions;
- e. You agree that all expenses, including legal costs, associated with the Bank's rights hereunder or the enforcement of your obligations under these terms and conditions shall be for your account and may be debited against any of your account/s;
- f. You shall be liable for all taxes, fees and charges due on any and all transactions which the Bank executes upon your instructions and/or that which arise in connection with your availment of the Bank's products and/or services, or the acceptance of the benefits thereof;
- g. You agree that where particular transactions, products or services are subject to specific terms and conditions agreed upon between you and the Bank, or that are applicable thereto, in case of conflict, such specific terms and conditions shall prevail over these terms and conditions.
- h. The Bank shall not be liable for any failure to provide any service or to perform any obligations, or for any loss or damages howsoever caused or in any way whatsoever, and whether such loss or damage is attributable (directly or indirectly) to any dispute or any other matter or circumstances whatsoever including but not limited to the failure of any computer, machine, data processing system or transmission link or the BACs or Automated Teller Machine (ATM), the withdrawal of ATM services in other countries (which services will be governed by local regulations), the temporary insufficiency of funds in such machines or otherwise howsoever, or to carry out your instructions (including but not limited to conflicting, vague or ambiguous instructions or those arising out of or resulting from an intra-corporate dispute) or to send a monthly statement to you. If you have acted fraudulently or negligently, you

shall be liable for all claims, losses and consequences arising from or in connection with your use of the Bank's products and services.

- i. If it becomes unlawful under any applicable law for a branch of the Bank in the Philippines (the "Booking Branch") to make, or by reason of force majeure or act of state, the Booking Branch is prevented from making or it becomes impossible or impracticable for the Booking Branch to make, any payment in respect of, or repayment of, its obligations hereunder on the due date for the relevant payment or repayment, you shall have recourse to any other branch of the Bank in the Philippines in respect of any such repayment. If it becomes unlawful under any applicable law for all branches of the Bank in the Philippines to make, or by reason of force majeure or act of state, all branches of the Bank in the Philippines are prevented from making or it becomes impossible or impracticable for such branches to make, any payment in respect of, or repayment of, its obligations hereunder, you shall not have recourse to any branch of the Bank outside of the Philippines in respect of any such payment or repayment.

Notwithstanding the foregoing, the Bank shall be entitled to treat any such obligations as due and payable at any time for the purpose of the exercise by the Bank of any right of set-off, offset, combination or other similar right.

- j. The terms and conditions herein shall be governed by and construed in accordance with the Bank's regulations and practices in effect for the time being brought to your attention by display, advertisement or otherwise and you submit to the non-exclusive jurisdiction of Philippine courts;

- k. You acknowledge that the Bank and other members of the HSBC Group are required to act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to, amongst other things, the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions. You agree that the Bank may take, and may instruct (or be instructed by) any other member of the HSBC Group to take, any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests.

You acknowledge that such action may include but is not limited to: the interception and investigation of any payment messages and other information or communications sent to or by the account holder or on the account holder's behalf via the systems of the Bank or any other member of the HSBC Group; and making further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity.

You agree that neither the Bank nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of:

- (i) any delay or failure by the Bank or any member of the HSBC Group in processing any such payment messages or other information or communications, or in performing any of its duties or other obligations in connection with any accounts or the provision of any services to the account holder, caused in whole or in part by any steps which the Bank or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests; or
- (ii) the exercise of any of the Bank's rights under this clause.

In certain circumstances, the action which the Bank may take may prevent or cause a delay in the processing of certain information. Therefore, neither the Bank nor any member of the HSBC Group warrants that any information on the Bank's systems relating to any payment messages or other information and communications which are the subject of any action taken pursuant to this clause is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken.

- l. You agree to keep the Bank indemnified at all times against, and to save the Bank harmless from, all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against the Bank or suffered or incurred by the Bank and which shall have arisen either directly or indirectly out of or in connection with the Bank performing its obligation hereunder or accepting instructions, including but not limited to telephone instructions, and acting or failing to act thereon unless due to the

willful default of the Bank; or with your breach of any of the terms and conditions herein or any applicable laws and regulations. Such indemnity shall continue notwithstanding the termination of any of the Bank's products or services;

- m. The Bank shall have the right, at its absolute discretion and without need of prior notice to you, to refuse to pay when demanded, or when the same falls due, any of the Bank's indebtedness to you if and to the extent that your aggregate liabilities at the relevant time are equal to or exceed the Bank's indebtedness to you at that time, and such of the Bank's indebtedness shall remain outstanding on substantially the terms and conditions in effect immediately prior to such exercise, or on such terms as the Bank may, at its absolute discretion, consider appropriate in the circumstances;
- n. In order for the Bank to render prompt an accurate service, you authorize the Bank to record (without the Bank being necessarily obligated to do so) any and all telephone conversations with you, whether initiated by the Bank or by you, including without limitation, your instructions, statements, complaints, inquiries and the Bank's advice and reminders in relation to your account with the Bank. The Bank may use these recordings for any purpose in any proceeding. You further agree to waive any right under The Anti-Wire tapping Act (Republic Act No 4200) or any amendments thereto, or any similar law or regulation.
- o. The Bank reserves the right to destroy any documents relating to the Account/s or your instructions within one year from the relevant transaction date or after microfilming or electronic data capture, whichever comes first;
- p. Instructions by facsimile will be acted upon only on receipt of the original letter or after a blanket Disclaimer/Letter of Indemnity in favor of the Bank has been signed by you and received by the Bank;
- q. All communications sent by mail addressed to the latest address registered with the Bank shall be deemed to have been duly delivered to you;
- r. You warrant that all particulars given to the Bank are, to the best of your knowledge, accurate and true, and undertake to immediately to notify the Bank of any changes thereto in writing;
- s. All other Bangko Sentral ng Pilipinas (BSP) rules and regulations on deposit accounts/investment placements and foreign exchange purchases shall form part of and be incorporated by reference to this Agreement;
- t. You shall inform the Bank of any changes in your address or contact details through mail or written advice. Any requests for change in your address or contact details made via facsimile will be acted upon only on receipt of the original letter or after a blanket Disclaimer/Letter of Indemnity in favor of the Bank has been signed by you; and
- u. You agree to pay for all fees associated with the products and services, which you avail from us. The fees are outlined in our Easy Guide available at our branches, and are subject to change without prior notice.

23. Terms and Conditions for Non-Residents with Foreign Currency Accounts

- a. The Bank is authorized to inform the Bureau of Internal Revenue (BIR, the Philippines' tax authority) that you are a non-resident of the Philippines and to disclose or submit such information as may be necessary to establish such non-resident status for purposes of availing any tax exemption privileges for non-residents under prevailing tax laws.
- b. You undertake to provide or submit such documents or information as may be required by the BIR or the Bank to support your non-resident status and you understand and acknowledge that your availing of the tax exemptions privilege under existing tax laws shall be subject to the submission and completion of such documents and information.

24. Cash Concentration Service - If you avail of Cash Concentration Services, you agree to be governed, and to abide, by the terms and conditions for Cash Concentration Services which you acknowledge to have read and understood.

25. Deposit Insurance - The following provisions pertaining to Deposit Insurance set forth in the Philippine Deposit Insurance Corporation (PDIC) Regulatory Issuance No. 2009-09-159 (Deposit Insurance Guidelines on Determination of Beneficial Ownership, Including Transfers/Break-up of Deposits) and the Charter of the Philippine Deposit Insurance Corporation, as amended, and such other appropriate regulations issued by PDIC from time to time shall form part of the Terms and Conditions:

- a. Deposits are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum amount of Five Hundred Thousand Pesos (PHP500,000.00) per depositor or such other amount as may be mandated by PDIC or by law.
- b. PDIC shall recognize the registered owner/holder of a Legitimate Deposit in the books of the bank as the deposit entitled to deposit insurance, except where the records of the bank show that the Legitimate Deposit is maintained in the same right and capacity for the benefit of another depositor, in which case PDIC shall recognize the latter as the beneficial owner of the account entitled to deposit insurance.
- c. In cases (a) where a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit is/are broken up and transferred into one or more account/s; or (b) for deposit accounts and deposit transfers made in favor of individuals or of entities, either singly or jointly with individuals, from an account in the name of corporation, partnership, association, or unincorporated entity, the PDIC shall recognize the transferee/s as the beneficial owner/s of the account/s when:
- i. The transfer was made with all of the following conditions present:
- a. The break-up and transfer of deposit to the transferee is for a Valid Consideration;
- b. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the bank; and
- c. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, audited financial statements, orders of the courts or of competent government body/agency, are in the custody or possession of the bank upon takeover by PDIC.
- ii. The transferee/s is/are the Qualified Relative/s of the transferor. Qualified Relatives are transferees within the second degree of consanguinity or affinity of the transferor. Relationship shall be proven by relevant documents such as, but not limited to, birth certificates and marriage certificates.
- d. Deposit Splitting occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of natural or juridical persons is/are broken down and transferred into two or more accounts in the name/s of natural or juridical persons or entities who have no Beneficial Ownership on transferred deposits in their names within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the Bangko Sentral ng Pilipinas for the purpose of availing of the maximum deposit insurance coverage.
- e. Upon the determination by the PDIC of Beneficial Ownership or Deposit Splitting, the outstanding Legitimate Deposit/s in the closed bank maintained for the benefit of the beneficial owner/transferor, although in the name of another person/s or entity/entities, shall be subject to consolidation with the other Legitimate Deposits of the beneficial owner/transferor in said closed bank for deposit insurance purposes.

Note: For purposes of this section, the following definition of terms shall apply:

Legitimate Deposit - refers to money or its equivalent received by a bank as deposits in the usual course of business and recorded in the books of the bank as such, and opened in accordance with established forms and requirements of the Bangko Sentral ng Pilipinas (BSP) and/or the PDIC.

Beneficial Ownership - exists when a deposit is maintained in the same right and capacity for a depositor's benefit, whether in his own name or in the name of others.

Valid Consideration - that which gives cause to the transfer or break up of deposits, such as loan, payment for services or goods, or donation.

Deposit Account Records – pertains to account ledgers, signature cards, certificates of deposits, passbooks, corporate resolutions, orders of competent government body/agency, contracts or similar instruments, copies of which must be in the custody or possession of the bank upon takeover by the FDIC.