



Terms and Conditions

For Products and Services of HSBC Savings Bank (Philippines) as of 31 July 2010

TABLE OF CONTENTS

I. DEFINITION OF TERMS	2	V. HSBC GLOBAL VIEW	21
II. PRODUCTS AND SERVICES	3	A. Use of the Service	21
III. ACCOUNT PACKAGES	3	B. Service Security	22
IV. THE ACCOUNTS	3	C. Cancellation, Discontinuance and Changes	22
A. Account Opening	3	D. No Warranties,* Limits to our Liability and Indemnity	22
B. Acceptance of Deposits/Investments	4	E. Other Terms Applying	22
C. Class of Accounts	5	F. Miscellaneous	23
D. Interest on Accounts	5	VI. DEBIT CARD	23
E. Total Relationship Balance	5	1. Definitions	23
F. Dormant Account/s	6	2. Issue of Debit Card	24
G. Signature Cards	6	3. Cardholder Obligations and Card Validity	24
H. Account Withdrawals	6	4. ATM Usage	24
I. Issuance and Maintenance of Checkbooks	6	5. Merchant Establishment Usage	24
J. Issuance and Use of ATM Card/Confidentiality of Account PIN	7	6. Fees	25
K. PhoneBanking Services	8	7. Disclosure of Information	25
L. Personal Internet Banking Services	8	8. Loss of the Debit Card	26
M. SMS Banking Services	13	9. Statements and Records	26
N. Telegraphic Transfers	14	10. Termination	26
O. Closure of Accounts	14	11. Authorization and Indemnity for Telephone, Telex and Facsimile Instructions	27
P. Automatic Transfer of Funds	14	12. General	27
Q. Diminution of Account Balance/Value	14	VII. DEPOSIT INSURANCE	28
R. Confirmation/Periodic Statements of Account	15		
S. Joint Accounts	15		
T. Disclosure of Information	16		
U. Credit Accommodations	16		
V. General Terms and Conditions	16		
W. AutoSaver Account (ASA)	18		
X. MoneyBack Time Deposit (MBTD)	20		
Y. US Dollar Checking Account	20		
Z. Pre-qualified Credit Cards for HSBC Advance Accounts	21		

Terms and Conditions

The following terms and conditions shall govern each account/service/product, which you, as customers of the The Hongkong and Shanghai Banking Corporation Limited (HSBC), open, make use of, or avail/receive the benefits of.

I. DEFINITION OF TERMS

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

“**Bank**”, “**we**”, “**our**”, and/or “**us**” shall be understood to refer to HSBC.

“**Accountholder**”, “**Depositor**”, “**you**” and/or “**your**” shall be understood to refer to you as a person or persons who open, make use and/or avail/receive the benefits of any account/service/product offered by HSBC.

“**Account Packages**”, “**Bundled Accounts**”, shall be understood to refer to all-in-one integrated product packages. Examples are product packages such as HSBC Premier and HSBC Advance.

“**AutoSaver**” (**ASA**) means a savings deposit product that allows you to set aside a certain fixed amount every month from your other demand deposit accounts for deposit into the ASA.

“**ASA Interest Rate**” means a floating rate set by the Bank at its discretion which will be applied to your ASA.

“**ASA Maximum Limit**” means the maximum amount that can be saved in your ASA, set by the Bank at its discretion.

“**Fixed Savings Amount**” means a fixed amount set by you, within the minimum and maximum amounts set by the Bank that will be credited to the ASA on a regular basis.

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

“**Information Provider**” means a third party from whom the Bank sources information for the provision of any of the Bank’s products or services.

“**MoneyBack Time Deposit**” (**MBTD**) means a term deposit product that gives back to the client a MoneyBack Amount at the time of making the time deposit placement while returning the equivalent of his original balance (net of withholding tax) at the end of the term.

“**MBTD Amount**” means the amount to be deposited to the MBTD.

“**MBTD Interest Rate**” means the interest rate earned by the MBTD based on the prevailing Bank-determined interest rate applicable on Placement Date.

“**MBTD Principal Balance**” is the difference between the MBTD Amount and the MoneyBack Amount.

“**Minimum Account Balance**” is computed based on average balance of each account for the whole month. This is applicable to Classic Account packages.

“**MoneyBack Amount**” means a portion of the MBTD Amount that is returned upfront as determined by the Bank.

“**Personal Internet Banking**” means the personal internet banking service provided by the Bank through online@hsbc.

“**PhoneBanking**” means telephone banking service provided by the Bank.

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

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

“**SMS Banking**” (**SMS**) means the SMS services provided by the Bank, which includes HSBC CC, Text Alerts and Textbanking.

“**Total Relationship Balance**” is calculated based on the average total balances in all deposit accounts, plus the market value of all investments held, within the bundled account package in your name in any one (1) calendar month.

“**Transfer Date**” means the day in each month set by you for the debiting of the Fixed Savings Amount from your demand deposit account and credited into your ASA Account.

II. PRODUCTS AND SERVICES

When used herein, the products and services¹ shall be understood to consist of any of the following, namely:

- ▶ Savings, current and time deposit accounts, and investment placements (each an 'account') in Philippine pesos and other foreign currencies maintained from time to time with the Bank.
- ▶ Loan products and credit facilities which may be offered by the Bank from time to time.
- ▶ The Automated Teller Machine Card ('ATM Card') or any other card/document which the Bank may issue in connection with the product or service.
- ▶ PhoneBanking Services.
- ▶ Personal Internet Banking Services (online@hsbc).
- ▶ SMS Banking.
- ▶ Global View².
- ▶ Any other facility, product and service which the Bank may offer from time to time as part of its products and services.

III. ACCOUNT PACKAGES

When used herein, Account Packages shall be understood to refer to the following:

- ▶ HSBC Premier
 - Affluent market proposition
 - Total Relationship Balance (TRB) requirement³ of PHP4,000,000 or its foreign currency equivalent.
- ▶ HSBC Advance
 - Mid-market proposition
 - TRB requirement of PHP100,000 or its foreign currency equivalent or a Mortgage in the amount of at least PHP2,000,000⁴
- ▶ Classic
 - Mass-market proposition

¹ Some products and services listed above may not be available at this time. As soon as these services become available, the terms and conditions herein included pertaining to such products and services shall apply.

² HSBC Global View (the 'Service') is provided by HSBC Holdings plc and its worldwide subsidiaries (each of which is included when the words 'we' and 'us' and 'our' and 'HSBC' are used in these terms). The Service enables you to link and view on a HSBC internet website, in any country in the world, your HSBC accounts held and accessible through HSBC Personal Internet Banking in that country with your HSBC accounts held and accessible through HSBC Personal Internet Banking in any other country. The Service is not available in all countries. Please refer to terms and conditions related to this service before you begin using the Service and linking your accounts.

³ TRB Requirements may change from time to time without need of prior advise to client. Please refer to An Easy Guide for Bank Services and Charges for the updated list of tariff of bank products and services

⁴ To continue enjoying the benefits and services of an HSBC Advance account, Mortgage-only customer must maintain a TRB of PHP100,000 or its foreign currency equivalent immediately after the last amortization. Otherwise, you will be charged the equivalent below balance fee for HSBC Advance. Please refer to *Easy Guide for Bank Services and Charges* for the updated list of tariff of bank products and services.

- Minimum Account Balance requirement⁵ of at least PHP25,000 in a Peso savings account⁶.

IV. THE ACCOUNTS

A. Account Opening

- ▶ 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.

Unless otherwise allowed under existing laws and regulations, your accounts shall be maintained in your true and full name.

- ▶ The Bank, at its sole discretion, may open accounts for you upon receipt of your instructions by telephone or through Personal 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 PhoneBanking service through key log-in of your PhoneBanking personal identification number (PTB-PIN) or through accessing the Personal Internet Banking service through key log-in of your Internet Banking Username (IBU), Password and Security Code, 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 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.

- ▶ **For non-residents.** 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 conversion 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

⁵ Minimum Balance Requirements may change from time to time without need of prior advise to client. Please refer to An Easy Guide for Bank Services and Charges for the updated list of tariff of bank products and services.

⁶ Please refer to An Easy Guide for Bank Services and Charges for the complete list of Minimum Account Balances for other products and currencies.

ninety (90) days is considered an inward investment that must be funded by the Philippine currency proceeds of foreign currency inwardly remitted to the Philippines and must be registered with the Bangko Sentral ng Pilipinas for you to repatriate the principal and earnings thereon.

- ▶ You agreed 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, as applicable:
 - Certificate of Inward Remittance, telegraphic transfer advice or other proof acceptable to HSBC that the funds deposited, transferred or remitted were sourced from an inward remittance of foreign currency
 - Proof of conversion of foreign currency to Philippine currency
 - Deed of conveyance of similar instrument, duly executed, evidencing the conversion of real or personal property and reflecting the amount of the consideration for the conversion

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.

You further authorize HSBC to inform the Commission of Internal Revenue or equivalent officer of the government that as a non-resident, you are exempt from tax on interest income from foreign currency deposits.

You authorize the Bank 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. Upon establishment of your non-resident status and the submission to the BIR by the Bank of your account name, account numbers and related details to which such non-resident status attaches, its foreign currency deposits maintained with the Bank should be exempted from Philippine withholding taxes.

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 that this permission is executed as a pre-requisite to the entitlement of the undersigned to the withholding tax exemption privilege under existing tax rules.

B. Acceptance of Deposits/Investments

The Bank may accept your deposits/investments in cleared cash. Cash deposits shall be subject to detailed count and verification. The Bank shall have the right to automatically debit from your account or collect from you amounts corresponding to shortages or discrepancies due to counterfeit or out-of-circulation cash items, errors in counting or calculations and/or errors in denominations that are detected after our receipt of the cash items, notwithstanding any machine validated or manually signed receipt.

In the case of check deposits/investments, the Bank acts as your collecting agent in receiving your checks and other items/documents for collection, and withdrawals may not be made against such deposits, or drawings against such investments, as the case may be, until actual payment/credit has been received by the Bank. All charges shall be for the account of the depositor, 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. The Bank shall have the right to automatically debit from your account any amounts which may have been credited to your account in the event of over crediting, fraud, mistake, discrepancy, irregularity or such other reasons upon the discretion of the Bank.

Second-endorsed checks are not allowed. In exceptional circumstances where the Bank agrees to accept a second-endorsed check, you agree to keep the Bank free and harmless from and indemnify the Bank for, any claim, charge, suit, loss or damage for such acceptance.

Deposits/investments may be made through the Bank's automated teller machines (ATMs), Easy Pay machines, or similar types of machines. For our mutual protection, the opening of the envelope will be made by two (2) HSBC representatives or, if this is not possible, the opening will be recorded by our security camera. Contents of the envelope will be subject to verification. Should there be a discrepancy between the amount indicated in the envelope and the amount contained in the envelope as confirmed by our representative/s the amount confirmed by our representative/s will be credited to your account. The Bank shall notify you of any discrepancy at the soonest possible opportunity.

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

C. Class of Accounts

- ▶ 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 and/or investments you made 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.
- ▶ 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.
- ▶ 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 a and b, 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.
- ▶ 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.
- ▶ 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.

- ▶ 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.
- ▶ Any card or identification issued by the Bank to you to reflect the Class to which your account is designated (if applicable) is to facilitate identification of your Class only. The Bank's records shall be conclusive as to the Class allocated to you at any time except for manifest error.
- ▶ The withdrawal of a Class shall not in itself affect the use or operation of your accounts unless the Bank shall specify otherwise.

D. Interest on Accounts

- ▶ Your account shall earn interest on a per annum basis at the rate fixed by us from time to time.
- ▶ 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.
- ▶ 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.
- ▶ 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.

E. Total Relationship Balance

You shall maintain account balances at the agreed/required TRB or Minimum Account Balance applicable to your account package, 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 without need of giving you prior notice. You shall ensure that you are always aware of the details of the required TRB or Minimum Account Balance applicable to you, which details are available upon request or published/posted within the Bank's premises or in HSBC's Internet Banking.

F. Dormant Account/s

If no withdrawals were performed in your account for at least one (1) year for current or checking account and two (2) years for savings account, the account will be considered dormant for which a corresponding monthly service fee will be imposed until reactivated by withdrawal of funds.

G. Signature Cards

You agree to complete and submit signature cards containing your specimen signature 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.

H. Account Withdrawals

Withdrawals/funds transfers from your account/s shall be subject to the following terms:

- ▶ **Savings and Current Accounts.** Withdrawals/funds transfers may be made by you personally or by a person authorized by you at any Bank branch during normal banking hours, or through any ATM facility through which withdrawals or fund transfers from your account/s are permitted by the Bank. Any withdrawal made by a person submitting a withdrawal slip purporting to be signed by you or your duly authorized signatory/representative, or made through an ATM by the use of your ATM Card shall have the same effect as if made by you personally and will absolve the Bank from any liability to you or to any other party.
- ▶ **Time Deposits/Investment Placements.** Withdrawal/roll-over/reinvestment of time deposits and/or investment placements may only be affected or allowed upon specific instructions from you and upon surrender and/or cancellation of the time deposit certificate, the relevant document evidencing such investment placement or such other document issued therefore, 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.
- ▶ **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 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 a different currency in the event of unavailability of the currency requested.

I. Issuance and Maintenance of Checkbooks

You acknowledge and agree that:

- ▶ The Bank shall issue checkbooks only in respect of a Philippine peso current account and only checks procured from the Bank may be honored by the latter unless otherwise specifically agreed upon.
- ▶ You shall maintain your checkbooks in a secure and safe place accessible only to you and to your authorized signatories/representatives, and you shall ensure that you are the only person or duly authorized signatory/representative who draws or issues the same. Any alterations on your checks shall be confirmed by you or your authorized signatory/representative's 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 or to draw checks by any means which may enable the 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.
- ▶ 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 only, (ii) clearly state the amount in words and figures in the spaces provided on the checks, (iii) write words and figures close to the left-hand margin so that other words and figures cannot be inserted, and add the word "only" after the amount stated in words, and (iv) countersign alterations to the check with your full signature, without which the Bank reserves the right to return the checks that have been altered.
- ▶ 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.
- ▶ 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.
- ▶ The Bank shall exert reasonable efforts to notify you of any returned check. 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.

- ▶ Lost/stolen checks shall be reported immediately to the Bank by telephone and confirmed in writing twenty-four (24) hours from such telephone report. You agree that a check paid/accepted/certified for payment before receipt of your written notice shall be for your account.
- ▶ 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 twenty-four (24) hours from receipt of such telephone instructions. You will not hold the Bank responsible nor liable for any payment made prior to, 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.

J. Issuance and Use of ATM Card/Confidentiality of Account PIN

- ▶ **Issuance of ATM Cards.** You may be issued, at the sole discretion of the Bank, Automated Teller Machine Card/s (ATM Card/s) which you may use to access your account/s through the Bank's or its affiliated ATMs and effect such permitted transactions in relation therewith. You agree to keep the ATM Card/s in a secure and safe place, to take all reasonable care and precaution to prevent loss and/or theft of the ATM Card and to sign the ATM Card/s immediately upon your receipt thereof. You agree that you shall be the person authorized to use the ATM Card/s issued to you. You further agree that your ATM Card will automatically expire if not used for one (1) year and that you will be charged the prevailing bank charge to obtain a replacement card.
- ▶ **Ownership of ATM Cards.** The ATM Card/s shall at all times remain the property of the Bank and you agree to immediately surrender the ATM Card/s to the Bank upon request. You acknowledge that the Bank may withdraw/suspend the ATM Card/s or services offered in connection therewith without need of prior notice, and shall have no obligation to inform you of the reason for the withdrawal/suspension.
- ▶ **Non-transferability.** The ATM Cards are issued to you for your exclusive use and are non-transferable and cannot be lent for the temporary use of any other person, nor can the same be pledged or charged as security in any manner whatsoever.
- ▶ **Joint Account Cards.** If any account is in the name of more than one person, and any one of such persons may transact on the account, the Bank may issue ATM Cards to some or all of you. In such cases, the Bank may implement transfer/debit/withdrawal instructions that are received from any one of you using any of the ATM Card/s issued.
- ▶ **Credit/Debit of the Account.** Your relevant account will debited/credited with the amount of any withdrawal, transfer, and/or other transaction effected by the use of any of the ATM Cards, including charges that may be imposed by affiliate ATM networks. You agree and undertake to maintain sufficient funds in your account/s to meet any such transactions. Any withdrawal, transfer or other transaction effected on your relevant account in payment of any outstanding obligation with the Bank in currencies other than the currency of the obligation will be converted into the obligation's currency based on the selling and buying rates of the Bank prevailing at the time of debiting/crediting the relevant account/s.
- ▶ **Report of Loss/Theft of ATM Cards.** You agree and undertake to immediately report to the Bank by telephone, and to confirm in writing within twenty-four (24) hours following such report, the loss or theft of any ATM Card issued to you. Any losses due to withdrawal/debit/transfer of funds using any loss/stolen ATM Card made prior to receipt by the Bank of your written confirmation shall be for your account. You acknowledge that the Bank has no obligation to issue replacement cards to you following the loss or theft of the ATM Card/s originally issued to you.
- ▶ **Personal Identification Number.** You shall be issued a personal identification number (PIN) which shall be assigned to you by the Bank, and known only to you as pertaining to your relevant account, to enable you to initially access your account and effect permitted transactions/instructions through the Bank's or its affiliated ATMs. You may replace the Bank-assigned PIN with a PIN of your own choice. You are required to keep your PIN (whether Bank-assigned or the replacement PIN of your choice) confidential at all times and you shall not divulge the same to any other person. Your 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 have been authorized by you.
- ▶ **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 or debit executed outside the Philippines using an ATM Card against your account in the Philippines constitutes a disbursement from said account 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 that country. You confirm that by making any such withdrawal or debit, you have complied with the applicable laws and regulations in both jurisdictions. Cash withdrawals made outside the Philippines using ATM Cards 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 the 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.

You understand and agree that the Bank does not have any control over the participants of the ATM or

other networks 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 networks or communications facilities linking the same, or (ii) caused or due to unauthorized or fraudulent access or utilization of your ATM Card or any service.

K. PhoneBanking Services

- ▶ **PhoneBanking Access.** You may use your account number or a bank-assigned PhoneBanking Number (PBN) and PhoneBanking Personal Identification Number (PTB-PIN) which shall be known only as pertaining to your relevant account, to access PhoneBanking Services for accounts under the same customer number. You may replace the PTB-PIN assigned by us with a PTB-PIN of your choice. You agree to keep your PBN and PTB-PIN (whether Bank-assigned or the replacement PIN of your choice) confidential at all times and you shall not divulge the same to any other person. Your non-compliance with this provision shall relieve the Bank of any accountability for any loss arising from the use of your PTB-PIN to effect any transaction relating to your Account/s. Any transaction/instructions effected using your PTB-PIN shall be conclusively presumed to be authorized by you. You further agree and undertake to immediately report by telephone, and confirm in writing within twenty-four (24) hours following such report, your awareness that an unauthorized person has knowledge of your PTB-PIN. Any losses due to withdrawal/debit/transfer of funds using your PTB-PIN prior to receipt by the Bank of your written confirmation shall be your account.
- ▶ **Telephone Instructions.** You agree that the Bank, at its sole discretion, is entitled to act on the instructions received from you by telephone which the Bank reasonably believes emanated from you by the use of your PhoneBanking Personal Identification Number (PTB-PIN) or some other form of personal identification. The Bank reserves the right not to act on your 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 you gave us the correct and valid PTB-PIN or some identification we required from you, and to refrain from acting until receipt of your written confirmation. You agree further that the Bank shall not be liable for acting in good faith based on telephone instructions which it believes emanated from you or your authorized representatives. The Bank shall not have any duty to verify the identity of the person(s) giving telephone instructions by any means other than your PTB-PIN or a form of identification we may require.
- ▶ **Record of Transactions.** The Bank's record of the transactions processed by the use of PhoneBanking 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.

- ▶ **Joint Accounts.** If any account is in the name of more than one person, and any one of such persons may transact on the account, the Bank may issue PTB-PINs to some or all of you. In such cases, the Bank may implement transfer/debit/withdrawal instructions from such account/s which are received from any one of you using any of the PTB-PINs issued, or such PTB-PINs substituted by each of you.
- ▶ **Report of Lost ATM Card, Credit Card, Check/Checkbook, Mobile Phone or SIM Card.** You may report the loss of your ATM Card, credit card check/checkbook, mobile phone or SIM card at any time through PhoneBanking. Your lost card/s, and/or checks, will be blocked, and/or your textbanking service will be suspended immediately, or upon receipt by the Bank of your confirmation in writing within twenty-four (24) hours from your verbal report or within the relevant period/s specified in these terms and conditions and amendments hereto, to prevent the fraudulent use thereof. You shall, however, continue to be liable for transactions, and shoulder any loss or damage, using the lost cards, checks, mobile phone or SIM card that were executed or incurred prior to the Bank's receipt of your written confirmation of the loss.

L. Personal Internet Banking Services

1. Services

- ▶ The Bank shall provide subject to these Terms and Conditions online services and facility from time to time (the 'Services') through any internet site established, operated and/or maintained by or on behalf of the Bank ('Internet Site') to enable customers (each a 'Customer' which expression shall, where the context requires, include any personal representative or lawful successor of the Customer) 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, goods, benefits and privileges from the Bank and/or members of the HSBC Group.
- ▶ As part of the Services, the Bank may make available via any Internet Site financial, market or other information and data ('Information') supplied by any person (each an 'Information Provider' which expression shall include any person who supplies any information to an Information Provider) and may provide reports compiled from Information in any form, medium or means ('Reports').
- ▶ The Bank has the right to determine and vary from time to time the scope and type of the Services to be made available including, without limitation:
 - Expanding, modifying or reducing the Services at any time
 - Imposing and varying any restrictions on the use of the Services 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 Customer may conduct by using the Services

- Prescribing and changing the normal service hours during which the Services are available and any daily cut-off time for any type of Services or transactions. Any instruction of the Customer 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

- ▶ The Bank may require the Customer to nominate or register specific account(s) for the purposes of the Services.

2. Governing Terms and Conditions

The Services provide an additional means for the Customer to operate accounts, conduct transactions and dealings and obtain services, products, information, goods, benefits and privileges from the Bank and/or other members of the HSBC Group as shall be made available from time to time. Transactions and dealings effected by using the Services are subject to the Terms and Conditions and the Bank's general Disclaimer and Internet Privacy Statement. All other terms and conditions governing the relevant accounts, transactions, dealings, services, products, information, goods, benefits or privileges shall continue to apply but where there is any discrepancy, these Terms and Conditions shall prevail for the purposes of the Services.

3. Use of Service

- ▶ To access the Services for the first time, the Customer is required to register online or in such other manner as the Bank may from time to time specify and indicate his acceptance of all the terms and conditions governing the use of the Services and to provide such information as the Bank may reasonably specify for identifying him.
- ▶ By registering to use the Services, the Customer warrants that all information provided by the Customer to the Bank in relation to the Services is true, complete and up-to-date.
- ▶ The Services are for the sole and exclusive use by the Customer.
- ▶ The Customer shall not use or knowingly allow any other person to use the Services, the Information and/or the Reports for or in connection with any illegal purpose or activity. The Customer shall notify the Bank as soon as practicable if he becomes aware of such use.
- ▶ 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. Any rate, price and information offered by the Bank for the purpose of the relevant transaction shall be binding on the Customer upon the Customer confirming his acceptance irrespective of any

different rate, price or information quoted by the Bank.

- ▶ By registering to use the Services, the Customer shall automatically be registered to receive electronic statements ('e-Statements'). As a result, the Customer will no longer receive paper statements, but will instead be able to view and download his monthly Statements of Account online. Premier Customers may revert to receiving paper statements at any time in the future by setting the statements to paper within Internet Banking. Classic and HSBC Advance Customers may only obtain individual paper statements by making a request at their branch of account. The paper statement will be released at the branch upon payment of a statement fee. Please refer to *Easy Guide to Bank Services and Charges* for the prevailing fees.

- ▶ The Customer acknowledges that there may be a time lag in transmission of instructions, information or communication via the Internet.

4. User ID, Password and Security Code

- ▶ The Customer shall follow the guidance provided by the Bank online in designating the user identification code (the 'User ID'), the password (the 'Password') and second password ('Second Password') for identifying the Customer for the purposes of the Services.
- ▶ The Customer may change the Password and Second Password at any time but any change shall be effective only if accepted by the Bank. The User ID cannot be changed by the Customer.
- ▶ The Bank may, in its sole discretion require a Customer to use a Security Code (a one-time password generated by the Security Device) to access the Services in the event of which it is the sole responsibility of the Customer to apply to the Bank for a Security Device (an electronic device used to generate the Security Code) or a replacement if a Security Device has previously been issued but is subsequently lost or has failed to function as intended.
- ▶ The Customer, after having registered to use the Services and having ordered a Security Device, may also be given the option to access the Services via a Second Password. The Second Password may be used for some but not all of the Services, subject to such security parameters and conditions as the Bank may impose. Once the Customer has set the Second Password, he will no longer be able to suppress it and shall continue to have access to the Services through either the Security Device or his Second Password.
- ▶ The Customer shall act in good faith, exercise reasonable care and diligence in keeping the User ID, the Password, and where applicable, the Second Password, and/or the Security Device and the Security Code in secrecy. At no time and under no circumstances shall the Customer disclose the User ID, the Password and/or the Second Password

and/or the Security Code to any other person or permit the Security Device to come into the possession or control of any other person.

- ▶ The Customer shall be fully responsible for any accidental or unauthorized disclosure of the User ID, the Password and where applicable, the Second Password and/or the Security Code to any other person and shall bear the risks of the User ID, the Password, the Second Password, the Security Device or the Security Code being used by unauthorized persons or for unauthorized purposes.
- ▶ Upon notice or suspicion of the User ID, the Password, and where applicable, the Second Password and/or the Security Code being disclosed to, and/or the Security Device being lost or has otherwise come into the possession or control of any unauthorized person or any unauthorized use of the Services being made, the Customer shall notify the Bank in person as soon as practicable or by telephone at such telephone number(s) as the Bank may from time to time prescribe (and the Bank may ask the Customer to confirm in writing any details given) and, until the Bank's actual receipt of such notification, the Customer shall remain responsible for any and all use of the Services by unauthorized persons or for unauthorized purposes.

5. Customer's Instructions

- ▶ The Customer is required to quote any one or more of the User ID, the Password, the Security Code, Second Password and any other identifiers as shall be prescribed by the Bank from time to time in order to log on to the Services and give instructions to the Bank online. Instructions in connection with the Services shall not be considered to be 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.
- ▶ Any instruction given in connection with the Services by quoting the User ID, the Password, the Security Code, Second Password and such other identifiers of the Customer as prescribed by the Bank, once given, may not be rescinded or withdrawn without the consent of the Bank or the relevant member of the HSBC Group. All such instructions given, as understood and acted on by the Bank or the relevant member of the HSBC Group in good faith, shall be irrevocable and binding on the Customer whether given by the Customer or by any other person purporting to be the Customer. The Bank and the relevant member of the HSBC Group shall be under no duty to verify the identity or authority of the person giving any such instruction or the authenticity of such instruction apart from verifying the User ID, the Password, the Security Code, Second Password and such other identifiers (if any) of the Customer.
- ▶ 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.
- ▶ Advice or confirmation that an instruction has been received and/or a transaction has been effected

through the Services will be provided by the Bank online. Such advice or confirmation shall be deemed to have been received by the Customer immediately after transmission and it is the duty of the Customer to check such advice or confirmation. It is also the duty of the Customer to enquire with the Bank if the Customer does not receive an advice or confirmation within the time usually required for a similar advice or confirmation to be received.

- ▶ Information relating to any account or transaction made available on the Internet Site(s) is for reference only. The Bank's records of such account and transaction shall be conclusive unless and until the contrary is established.
- ▶ Where the Bank knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the accounts of the Customer or the Services in general, the Bank may, in its absolute discretion and without any liability, refuse to act on or delay acting on the instruction and in that event, the Bank will, to the extent possible, inform the Customer as soon as practicable.

6. Fees

The Bank reserves the right to charge fees in relation to the use and/or termination of the Services including, without limitation, to impose a charge for its provision of the Security Device and to revise such fees. The Bank shall determine and give reasonable notice to the Customer of the rate of any fee from time to time before they become effective which shall be binding on the Customer if the Customer continues to maintain or use the Services on or after the effective date. Fees may be collected from the Customer in such manner and at such intervals as the Bank may specify.

7. Customer's Undertakings and Responsibilities

- ▶ The Customer shall provide such information as the Bank may from time to time reasonably request for the purposes of providing the Services. The Customer shall also ensure that all information provided to the Bank is at all times accurate, complete and up-to-date including, without limitation, the Customer's address and other contact details.
- ▶ The Customer authorizes the Bank to disclose and transfer information relating to the Customer, the Customer's account(s) and/or the transaction(s) executed by the Bank on the Customer's behalf to such person(s) as the Bank may be requested (whether or not compelled by law) to do so by any law, rules or regulations of any competent jurisdiction in which the Bank executes transaction(s) on the Customer's behalf or any exchange, government or regulatory authority in such jurisdiction.
- ▶ The Customer 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 the Services or any Internet Site or any software comprised in them.

- ▶ The Customer acknowledges that it is the responsibility of the Customer to determine independently market prices and rates for trading purposes through his usual trading channels, to verify any Information and/or Report before relying or acting on it and to seek independent professional advice on legal, tax and other issues in connection with the use of the Services, the Information and the Reports, these Terms and Conditions and any transactions and dealings which may affect the Customer under all applicable laws.

8. Information and Information Providers

- ▶ The Customer acknowledges and agrees that the Information, the Reports and their form, format, mode or method of compilation, selection, configuration, presentation and expression (collectively 'Confidential Information') are trade secrets and confidential and proprietary property of the Bank and the respective Information Providers.
- ▶ Unless expressly permitted by these Terms and Conditions, the Customer shall not, and shall not attempt to:
 - 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 means to any other person or commercially exploit any Confidential Information
 - 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
 - Incorporate or combine the Confidential Information with any other programs
- ▶ The restrictions on disclosure shall not apply to any Confidential Information:
 - Where its disclosure is compelled by law but only to the extent required by law and only after written notice of the requirement to disclose has been given by the Customer to the Bank
 - Where the Bank has expressly agreed in writing to its disclosure
- ▶ The Customer agrees that all right, title and interest in and relating to the Confidential Information and any and all related copyright, patent, trademark, service mark, proprietary property, trade secrets and exclusive works are and shall remain the exclusive property of the Bank and the respective Information Providers. No right, title or interest other than the right to access the Information and the Reports subject to these Terms and Condition is conveyed or transferred to the Customer. The Customer shall not make any representation nor do any act which may be taken to indicate that the Customer has any such right, title or interest.
- ▶ 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 Customer on or after the effective date, subject to prior notification, of such terms and conditions shall constitute the Customer's acceptance thereof.

- ▶ The Information and the Reports are made available for reference only and are not intended for trading or other purposes. Neither the Bank nor any Information Provider shall be considered an investment adviser to the Customer.
- ▶ 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 the Customer or any other person.
- ▶ The Information will be made available as it is supplied and identifying the Information Provider directly supplying it to the Bank. The Bank does not endorse or expresses any comment on any Information supplied by any Information Provider nor assumes any duty to check or verify any Information.
- ▶ No warranty, representation or guarantee of any kind relating to the Information and/or the Reports is given or may be implied and no employee or agent of the Bank or any Information Provider is authorized to give any such warranty, representation or guarantee.

9. Liabilities of the Bank

- ▶ The Bank will take reasonably practicable steps to ensure that its systems in connection with the Services 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, any member of the HSBC Group or any Information Provider warrants or represents that the Services, the Information and the Reports are free from virus or other destructive features which may adversely affect the Customer's hardware, software or equipment.
- ▶ The Bank will make all reasonable efforts to ensure that the Security Device provided to the Customer will perform as necessary to permit access to the Services as and when required. The Customer must notify the Bank immediately if any Security Device fails to function correctly and the only obligations that 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 ninety (90) days of its date of issue and (ii) if the Bank is satisfied that there is no default or negligence on the part of the Customer which results in or contributes to the Security Device's failure to function correctly. Other than as specified in this

Clause 9(c), 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 or fitness for purpose of any Security Device. In addition, the Bank cannot be held liable for any loss or damages incurred or suffered by the Customer arising from the Customer's failure to safe-keep and/or use the Security Device in accordance with the Bank's instructions and recommendations.

- ▶ Unless Clause 10(b) applies or due to the gross negligence or willful default of the Bank, any member of the HSBC Group or their respective officers or employees and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant transaction (whichever is less), neither the Bank nor any member of the HSBC Group assumes any liability or responsibility to the Customer or any other person for the consequences arising from or in connection with :
 - Use of the Services (including, without limitation, the use of the Security Device) and/or access to any information as a result of such use by the Customer or any other person whether or not authorized
 - Any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing the Services (including, without limitation, any interruption, interception, suspension, delay or failure to generate the Security Code using the Security Device), in transmitting instructions or information relating to the Services or in connecting with the Internet Site(s) caused by any acts, omissions or circumstances beyond the reasonable control of the Bank including, without limitation, failure of any communication network, act or omission of any third party service providers, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law)
 - Transmission and/or storage of any information and/or data relating to the Customer, the Services and/or transactions or dealings conducted by the Customer pursuant to the Services through or in any system, equipment or instrument of any communication network provider
- ▶ In no event shall the Bank, any member of the HSBC Group or any Information Provider be liable to the Customer or any other person for any incidental, indirect, special, consequential or exemplary damages including, without limitation, any loss of use, revenue, profits or savings.

10. Liabilities of the Customer

- ▶ Unless Clause 10(b) applies, the Customer shall be fully liable and responsible for all consequences arising from or in connection with use of the Services (including, without limitation, the use of the Security Device and Second Password) and/or access to any Information or Report or any other information as a result of such use by the Customer or any other person whether or not authorized.
- ▶ Subject to Clause 4(f) and if, in the reasonable opinion of the Bank, there is no negligence, fraud or fault on the part of the Customer, the Customer shall not be liable for loss or misplacement of funds caused by unauthorized transactions conducted through the use of the Services as a result of:
 - A computer crime which should have been prevented by the risk control and management measures had the Bank adopted such measures in accordance with Clause 9(a)
 - A human or system error of the Bank
 - A missed or misdirected payment caused by the gross negligence or willful default of the Bank, its officers or employees
- ▶ The Customer shall indemnify the Bank, any member of the HSBC Group, 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, unless due to the gross negligence or willful default of the Bank, any member of the HSBC Group, any Information Provider or their respective officers or employees or unless Clause 10(b) applies.

11. Variation and Termination

- ▶ The Bank may, at any time, without giving notice or reason suspend or terminate all or any of the Services or their use by the Customer.
- ▶ The Customer may terminate the use of the Services at any time by giving to the Bank prior written notice.
- ▶ All provisions of these Terms and Conditions which in order to give effect to their meaning need to survive the suspension or termination of the Services and/or the use of the Services by the Customer shall remain in full force and effect after suspension or termination including, without limitation, Clauses 3(b), 4, 7, 8, 9 and 10. Notwithstanding such suspension or termination, the Customer shall continue to be bound by these Terms and Conditions to the extent that they relate to any obligations or liabilities of the Customer which remain to be performed or discharged.

12. Amendments

The Bank may revise these Terms and Conditions and/or introduce additional terms and conditions at any time and from time to time. Any revision and/or addition to these Terms and Conditions shall become effective subject to the Bank giving reasonable notice to the Customer which may be given by posting it on the Internet Site(s) or by display, advertisement or other means as the Bank thinks fit, and shall be binding on the Customer if the Customer continues to maintain or use the Services on or after the effective date of variation.

13. Communication

- ▶ The Bank shall be entitled to prescribe, from time to time, the form of notice (whether written or any other form) and the mode of communication with respect to each type of notice to be given pursuant to these Terms and Conditions.
- ▶ Communications delivered personally, sent by post, facsimile transmission, telex or e-mail shall be deemed to have been received by the Customer: where delivered personally, at the time of personal delivery or on leaving it at the address last notified in writing by the Customer to the Bank, where sent by post, forty-eight (48) hours after posting if such address is in the Philippines and seven (7) days after posting if such address is outside the Philippines, or, where sent by facsimile transmission, telex or e-mail, immediately after transmitting to the facsimile or telex number or e-mail address last notified in writing by the Customer to the Bank. Communications sent by the Customer to the Bank shall be treated as delivered to the Bank on the day of actual receipt by the Bank.

14. Severability

Each of the provisions of these Terms and Conditions is severable and distinct from the others and, if at any time one or more of such provisions is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions shall not be affected in any way.

15. Waiver

No act, delay or omission by the Bank shall affect its rights, powers and remedies under these Terms and Conditions or any further or other exercise of such rights, powers or remedies. The rights and remedies under these Terms and Conditions are cumulative and not exclusive of the rights and remedies provided by law.

16. Miscellaneous

- ▶ Where the account in question is a joint account, the reference in these Terms and Conditions to 'Customer' shall be deemed to mean all and each of the joint Accountholders. All the Customers shall be bound by these Terms and Conditions and be jointly and severally liable for all the transactions and dealings effected by using the Services.

- ▶ Unless the context otherwise requires, 'person' includes an individual, firm, company, corporation and an unincorporated body of persons.

17. Governing Law and Jurisdiction

- ▶ The Services and these Terms and Conditions shall be governed by and construed in accordance with the laws of the HK SAR.
- ▶ Each of the Bank and the Customer submits to the non-exclusive jurisdiction of the Courts of the HK SAR but these Terms and Conditions may be enforced in the Courts of any competent jurisdiction.

M. SMS Banking Services

This section applies to all customers of HSBC and the HSBC Group who sign up for SMS Services, including HSBC CC and Text Alerts:

- ▶ You agree and authorize the Bank to send promotional advertisements of its products and services to you through mail, short messaging service, multi-media messaging services, electronic mail and other forms of telecommunication, unless you expressly notify the Bank otherwise.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ You may request to terminate the use of SMS by giving the Bank seven (7) days written notice. You may also request to terminate or change SMS via PhoneBanking, if PIN verified, otherwise you will have to send a written request for any changes to be effected.
- ▶ 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 from the Bank agreeing to provide SMS.

- ▶ You authorize the Bank to debit your account for the monthly charges due for SMS and agree that the report generated by the Bank's system for billing purposes is final.

N. Telegraphic Transfers

The following terms and conditions shall apply to all applications for telegraphic transfers, including demand drafts:

- ▶ 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.
- ▶ 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.
- ▶ 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 explicitly state the same, either by placing the words "IN FULL" after the amount of remittance indicated in words or by a separate written instruction in which case the charges will be for your account.
- ▶ The Bank reserves the right to draw the telegraphic transfer on a different place from that specified by you if operational circumstances so requires.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ Applications for same day value are subject to cut-off times related to the geographical location of the destination.
- ▶ 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

- ▶ Where payment is to be made in favor of a beneficiary not or its agent. Where any alternative means of remittance other than telegraphic transfer is not acceptable, you should inform the Bank.
- ▶ 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 or 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.
- ▶ You shall be liable for all taxes, fees and charges due on your telegraphic transfer.
- ▶ You agree to comply with any tax and/or regulatory requirements that may apply or relate to your telegraphic transfer.

O. Closure of Accounts

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.

P. Automatic Transfer of Funds

You agree and authorize the Bank, as its sole discretion but without any obligation, to transfer sums from between 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 or liable for any losses or damages that may result from the exercise of its discretion not to affect the transfer.

Q. Diminution of Account Balance/Value

The Bank shall have no obligation or liability to you for any reduction due to taxes, or depreciation in value, of funds credited to or maintained in your account/s.

R. Confirmation/Periodic Statements of Account

As part of the HSBC Advance account package, you will receive written confirmations and Statement of Account via electronic means only. You agree to register yourself in HSBC's Personal Internet Banking (the 'Service'), and subscribe to receive the written confirmations and Statement of Account via this Service. Should you opt to receive printed written confirmations and Statement of Account, a monthly statement fee as provided for in the HSBC Advance *Easy Guide to Bank Services and Charges* shall be for your account.

The Bank will send to you written confirmations of transactions executed upon your instructions and/or Statements of Account, electronic or otherwise at its discretion, 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 statement of account and notify the Bank by delivering 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 the periodic statement of account, a written notice of alleged errors or omissions therein. You acknowledge and agree that should you fail to give the Bank any such written notice of errors or omissions within the periods aforementioned, you waive any right to raise any objection to, or to contest, and shall be deemed to have agreed to, the correctness and validity of said written confirmation or statement of account. For written confirmations/statements of account sent electronically, the same shall be considered as received by you as soon as the same is posted and becomes available for your viewing.

S. Joint Accounts

You agree that the following terms and conditions shall govern joint accounts:

- ▶ Each person who is a signatory for a joint account may be treated by the Bank as an Accountholder of such joint account;
- ▶ Each of you represent that you are of legal age, and has the capacity to enter into legally binding contracts;
- ▶ 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;
- ▶ The Bank will not provide joint accounts that require at least two (2) signatories to transact using ATM, SMS Banking, PhoneBanking, and Internet Banking facilities.
- ▶ Absent any instructions to the contrary, you authorize the Bank to:
 - Honor, at its sole discretion, any withdrawals, fund transfers or disbursement effected by any one of you through the Bank's PhoneBanking facilities and/or ATMs, SMS Banking, Internet banking, and all checks, telephone instructions,

other instruments and transactions signed and effected by any one of you without restriction

- 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
- 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
- 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
- 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
- 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, for which any one of you may become liable, whether solely or jointly
- Deliver, upon 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

- ▶ On the death of any one of you, any one of the surviving Accountholders shall immediately notify the Bank in writing of such fact. Any credit balance on any account or accounts in your joint names, and any securities, deeds, boxes and parcels and their contents, and property of any description held in your joint names shall belong to and shall be held by the Bank to the order of the surviving Accountholder/s, without prejudice to any rights which the Bank might have in respect thereof arising out of any lien, mortgage, charge, pledge, set-off, counter-claim, or otherwise whatsoever and also, subject to compliance with the law, including payment of taxes.
- ▶ Delivery of notice to any one of you shall be deemed sufficient notice to all of you.
- ▶ 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.
- ▶ 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 or perjury, that all your co-

depositors are still living 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.

T. 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 any member thereof, 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 receiving bank/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.

U. 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.

V. General Terms and Conditions

▶ 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 within the HSBC Group, 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 of the Bank in a different jurisdiction or at any member of the HSBC Group, or held by you jointly with other persons. For such purpose, the Bank shall be entitled to convert the balance in such other account into the same currency as the outstanding obligation. You further authorize the Bank to dispose of any securities, deeds, boxes and parcels and their contents, and property of any kind and apply the proceeds thereof towards the

satisfaction of your liabilities to the Bank. The Bank's rights hereunder shall not be affected by your death or subsequent legal incapacity.

- ▶ You shall ensure that there are sufficient funds (or prearranged credit facilities) in your account/s for the purpose of complying with your instructions and the Bank shall not be liable for its failure to carry out such instructions due to inadequacy of funds and/or credit facilities.
- ▶ The Bank, at its sole discretion, may from time to time, decide to carry out your instructions notwithstanding inadequacy of funds in your account/s 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.
- ▶ 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.
- ▶ 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 currency at the time of establishment of the obligation) and hereby agree that said article shall not be applicable.
- ▶ You agree that the Bank shall not be liable for inadvertently committed errors in the handling or processing of transactions.
- ▶ 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.
- ▶ You shall be liable for all taxes, fees and charges due on any and all transactions that 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.
- ▶ 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, such terms and conditions shall be supplementary in character to these Terms and Conditions in respect of such transactions, products or services, and your availment of such transactions, products or services signifies your acceptance of the said specific terms and conditions.

- ▶ 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 ATM Cards 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 the Accountholder's instructions or to send monthly statements 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.
- ▶ In no event will the Bank, the HSBC Group or any Information Provider be liable to you for any incidental, consequential, indirect damages (including loss of profits and business interruption), or special or exemplary damages.
- ▶ If it becomes unlawful under any applicable law for branches 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 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 Banks 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.
- ▶ 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 the Philippine courts.
- ▶ 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, among 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 Accountholder or on the Accountholder'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:
- ▶ Any delay or failure by the Bank or any member of the HSBC Group in processing any such payment messages or other obligations in connection in any accounts or the provision of any services to the Accountholder, 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
- ▶ 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, while such action is being taken.
- ▶ You agree to keep the Bank indemnified at all times against, and to save the Bank harmless from, all actions, proceedings, claims, losses, damages, cost 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.
- ▶ 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 you 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.

- ▶ The Bank reserves the right to destroy any documents relating to the accounts or your instructions within one (1) year from the relevant transaction date or after microfilming or electronic data capture, whichever comes first.
- ▶ 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.
- ▶ All communications sent by mail addressed to the latest address registered with the Bank shall be deemed to have been duly delivered to you.
- ▶ 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.
- ▶ All Bangko Sentral ng Pilipinas (BSP) rules and regulations on deposit account/s investment placements and foreign exchange purchases shall form part of and be incorporated by reference to this Agreement.
- ▶ You shall inform the Bank of any changes in your address or contact details through mail or written advice. The Bank shall not be held liable for your inability to receive any statements, advice, confirmation or any other document relating to your Accounts, as well as your inability to transact, resulting from your failure to update your address or contact details with us.
- ▶ 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 to Bank Services and Charges* available at our branches, and are subject to change without prior notice.
- ▶ In order for the Bank to render prompt and accurate service to you, you hereby authorize the Bank to record (without the Bank being necessarily obligated to so) any and all telephone conversations with you, whether initiated by the Bank or by you, including without limitation, your instructions, statements, complaints, inquiries, as well as your advice and reminders in relation to your accounts with us. 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.
- ▶ Unless specifically instructed by you otherwise, the Bank may, from time to time, inform you of its promotional offers through mail/e-mail/fax/SMS or by telephone. Specially selected products and services of its branches, subsidiaries, affiliates, agents and

representatives or third parties selected by any of them and certain companies may also be offered to you through mail/e-mail/fax/SMS or by telephone.

- ▶ In case any portion of these Terms and Conditions is declared invalid, illegal or unenforceable under any applicable law by a competent legal authority, such invalidity, illegality or unenforceability shall not affect the other portions, which shall remain to be valid and binding. You agree that the Bank shall have the right to employ collection agent(s) and third parties, including members of the HSBC Group, to collect any outstandings or overdue amount owed by you in respect of any or all of your debts, credit accommodations or liabilities owing to the Bank. For this purpose, you consent to the Bank's transfer of data regarding your accounts, debts, credit accommodations and/or liabilities to the collection agent or third party, including the relevant HSBC Group member. You further agree to keep the Bank indemnified for costs and expenses including without limitation legal fees, costs of engaging the collection agent(s) and third parties and other expenses which are of reasonable amount and which are reasonably incurred by the Bank in demanding, collecting, suing or recovering such outstandings or overdue amount.
- ▶ You likewise agree that the Bank shall have the right to assign your obligations under any debt, credit accommodation or liability owing the Bank, including any securities, to any third party with prior notice to you, except if the assignment is to any member of the HSBC Group where no prior notice is required. If our account is past due notwithstanding the above, you agree that the Bank shall have the right to assign your obligations and securities to any third party even without prior notice to you. In relation thereto, you authorize the Bank to disclose information about your account and credit standing to third party potential buyers as may be necessary for the proper processing and evaluation of the assignment.

W. AutoSaver Account (ASA)

You agree that the following terms and conditions shall govern ASA:

- ▶ You may only open one (1) Philippine peso and one (1) US dollar ASA Account.
- ▶ In conjunction with your ASA Account, you are required to maintain a separate regular "Demand Deposit Account" (Savings or Checking), with positive balance at all times. A Philippine Peso Demand Deposit Account cannot be maintained for a US Dollar AutoSaver Account.
- ▶ At account opening date, you will set a Fixed Savings Amount within the minimum and maximum amounts that the Bank shall, at its sole discretion, impose. You will likewise set a "Transfer Date", which is the day in each month that your Fixed Savings Amount will be debited from your Demand Deposit Account and credited into your ASA Account; **provided that** the first Transfer Date of the ASA Account must be a working day. I/we will also indicate the number of months that the transfers

should be made, provided that the number shall not be less than twelve (12) months.

- ▶ The interest rate that will be applied to your ASA Account shall be a floating rate, which shall be set by the Bank at its sole discretion, and which shall be subject to change without prior notice. Interest will only accrue on cleared funds and will be credited to your ASA Account, net of withholding taxes, on a quarterly basis. Such withholding taxes due on the interest shall be for your account. Any tax exemptions and/or preferential tax treatment being claimed shall be subject to compliance with documentary requirements, as may be advised by the Bank.
- ▶ You may make deposits into your ASA Account, apart from those scheduled on the Transfer Date. However, total balances in your ASA Account may not exceed PHP2,500,000 for PHP accounts or USD50,000 for USD accounts. Balances in excess of the maximum limit will be automatically transferred by the Bank to your regular Demand Deposit account without need of prior notice to me/us.
- ▶ At any time, you may amend instructions on your ASA Account by calling On Call, HSBC's 24-Customer Service Hotline or issuing written instructions to the Bank. Provided that the Bank is able to validate the authenticity of your instructions, the requested changes will be effected within five (5) working days from receipt of the same. However, you may not reduce the total number of monthly transfers to less than twelve (12). You may send the amended instructions to my/our Branch of Account via fax if you have previously submitted to the Bank a Letter of Indemnity to receive instructions by facsimile (LOI). Otherwise, you shall visit your Branch of Account to fill out an amendment form, or you shall call On Call to give amendment instructions.
- ▶ Should you request the amendment of any of the specifications of your ASA Account, including without limitation, the Fixed Savings Amount and the Transfer Date, an Amendment Fee of PHP100 (for PHP accounts) and USD5 (for USD accounts) per amendment will be levied from your ASA Account to cover costs of maintenances on the account.
- ▶ Funds in your ASA Account are withdrawable and transferable anytime via branch over-the-counter transactions, ATMs, PhoneBanking, Personal Internet Banking and SMS Banking*. You may obtain an ATM Card for your ASA Account, subject to your payment of the applicable ATM Card Fee.
- ▶ In the case of US Dollar ASA Accounts, funds in deposit are withdrawable via ATM, although the same will be dispensed in Philippine pesos. A request for re-conversion of the PHP funds to USD will be subject to existing laws and regulations on the sale of foreign currency.
- ▶ An "Account Review Date" will be assigned to your ASA Account at the time of account opening. The Account Review Date will fall six (6) calendar days after the last Transfer Date. On Account Review Date, the Bank will execute the instructions contained in on the disposition of the funds in deposit in your ASA Account as of that date as stated in your ASA Account Opening Form. In the absence of any disposition instruction or assuming no contrary instruction is received by the Bank from you by the Account Review Date, the Bank will retain the total balance in your ASA Account, and continue the monthly transfers of the Fixed Savings Amount from your regular Demand Deposit account to your ASA Account on the designated Transfer Dates for the same number of transfers as originally instructed, or until the maximum account balance amount is reached, whichever comes first. You understand that the Bank may do this without prior advise to you.
- ▶ If the Transfer Date falls on a weekend or a holiday, your transfer instructions will be done on the banking day prior the weekend or holiday.
- ▶ If the Account Review Date falls on a weekend or holiday, your instructions or any default action by the Bank will be effected on the next banking day.
- ▶ Should your Demand Deposit Account have insufficient or uncleared funds on Transfer Date, transfer of the Fixed Savings Amount will not be effected, and your ASA Account shall be terminated, even without prior advice to you. The Bank will subsequently transfer the total balance of your ASA Account, net of applicable withholding taxes, to your Demand Deposit Account, and close your AutoSaver Account, without need for prior advice to you.
- ▶ You may instruct the Bank to terminate your ASA Account at any time. Should you terminate your ASA Account prior the agreed Expiry Date as indicated in the ASA Account Opening Form, a Handling Fee at the prevailing rate to cover the costs of maintenances on the account shall be deducted from the net proceeds of your ASA Account.
- ▶ The Bank shall shoulder the applicable Documentary Stamp Tax on your behalf.
- ▶ Your ASA transactions shall be included in your consolidated monthly statement of account.
- ▶ You will examine each written confirmation and/or statement of account and notify the Bank by delivering within ten (10) days from receipt, in the case of written confirmation, or ninety (90) days from posting, in the case of a period statement of account, a written notice of alleged errors or omissions therein. Should you fail to respond or deliver any written notice within the periods aforementioned, you waive any right to raise any objection to, or to contest, and shall be deemed to have agreed to, the correctness and validity of the relevant confirmation or statement of account. You agree that in case of any dispute regarding the interest rate applied, the applicable rates indicated in the Bank's daily interest rate sheet will apply.
- ▶ Your ASA Account shall be considered as part of the Bank's products and services.

X. MoneyBack Time Deposit (MBTD)

You agree that the following terms and conditions shall govern MoneyBack Time Deposit:

- ▶ The MBTD Amount should be deposited to your demand deposit savings or checking account on the day of MBTD account opening. If you do not have a demand deposit account, we will open one for you.
- ▶ Your MBTD account will only be opened on the day cleared funds are received by the Bank (the 'Placement Date').
- ▶ On Placement Date, the MoneyBack Amount based on the prevailing Bank-determined amount will be returned to you by crediting such amount to your demand deposit account. A transaction confirmation slip will be issued to you to reflect said crediting of the MoneyBack Amount.
- ▶ Meanwhile, an MBTD account will be opened on Placement Date, to which the Principal Balance will be credited. The Principal Balance constitutes the starting balance of your MBTD account, and shall be reflected on your Statement of Account and other account records as the principal of your MBTD.
- ▶ The Bank will not pay advance interest on your MBTD. However, the Bank will pay interest either on the maturity date or the pre-termination date.
- ▶ The MBTD will earn interest based on the MBTD Interest Rate. The MBTD Interest Rate shall be that reflected on your MBTD Transaction Advice.
- ▶ The Bank shall shoulder the applicable Documentary Stamp Tax on your behalf.
- ▶ Withholding taxes arising from, or due on, the MBTD and the interest income derived therefrom, shall be for your account.
- ▶ On the agreed maturity date of your MBTD, the Bank shall make payable to you the Principal Balance plus interest earned, NET of withholding taxes on the amount of interest earned. The amount of funds you will receive on Maturity Date will be less than your original Deposit Amount.
- ▶ If the maturity date falls on a weekend or holiday, the net proceeds of the MBTD shall be available on the next banking day.
- ▶ On maturity date, if no contrary instruction is received by the Bank from you, the Bank may, at its sole discretion, terminate your MBTD and transfer the net proceeds to your designated demand deposit savings or checking account.
- ▶ If you terminate the MBTD prior to the agreed maturity date, said pre-termination will be subject to the Bank's consent and to applicable penalty fees found under "Time Deposit Services" in the Bank's "Easy Guide to Bank Services and Charges".
- ▶ Withdrawals, fund transfers and closure of your MBTD may not be executed via ATM, Internet Banking or SMS Banking.
- ▶ You agree that in case of any dispute regarding the MoneyBack Amount, the applicable amount indicated in the Bank's daily Board Rates sheet on the Placement Date will apply.

Y. US Dollar Checking Account

You agree that the following terms and conditions shall govern the US Dollar Checking Account:

- ▶ The US Dollar Checking Account is an interest-bearing checking account that may be availed of by HSBC Advance and HSBC Premier Accountholders of HSBC.
- ▶ The US Dollar Checking Account is for local clearing and checks are only valid if presented in the Philippines. These checks can be accepted abroad but must be presented 'for collection' and clearing in the Philippines.
- ▶ An ATM Card may be provided upon request. ATM withdrawals in the Philippines will be in pesos and conversion will be based on the prevailing exchange rate.
- ▶ The cost of a checkbook shall be for your account. Available are US Dollar Checking Account Temporary checkbooks in 20 leaves and Regular checkbooks in 50 leaves. The cost of a checkbook shall be stated in *Easy Guide to Bank Services and Charges* and may be paid in US dollars or in Philippine pesos. Clients may immediately obtain a temporary US dollar checkbook upon account opening.
- ▶ New or existing HSBC Advance or HSBC Premier Accountholders may open a US Dollar Checking Account, provided that they maintain the applicable TRB for their account classification.
- ▶ Clients must, at all times, maintain sufficient funds in their US Dollar Checking Account to cover all checks issued. A minimum maintaining balance is not required for this account as long as client meets the required Total Relationship Balance (TRB) for the account. The Bank shall have the right, without need of giving prior notice to the Accountholder, to close an account with zero balance for two (2) consecutive months. This right shall be without prejudice to the right of the Bank to close such Account for any reason.
- ▶ The operation of the US Dollar Checking Account shall be subject to the Terms and Conditions for Products and Services of HSBC.

Transmittal fee charges for USD Checking Account

There will be corresponding transmittal charges per check you issue. Payment mode varies depending on the type of transfer as follows:

TRANSMITTAL FEE TYPE	PAYMENT MODE
Via Local Payment (default)	Amount to be debited against client USD checking account
Via Transfer (between HSBC Group accounts in the Philippines)	Free of charge
Via GSRT (real time) at the beneficiary's option	Charged against the Face amount of the check (beneficiary's account)
Via Telegraphic Transfer (for checks accepted abroad and presented here in the Philippines for clearing)	Charged against the Face amount of the check (or at the client's and beneficiary's option)

Please refer to “*Easy Guide to Bank Services and Charges*” booklet for the corresponding fee amount.

Z. Pre-qualified Credit Cards for HSBC Advance Accounts

As an inducement to the grant by the Bank of a Credit Card to you, you hereby agree to assign, cede, transfer and convey to the Bank by way of security all of your rights, titles and interests in and over any or all monies under your Account with the Bank (the Assigned Fund) up to the amount of your credit limit for a period of one (1) month from the time the Credit Card is issued. In the event that any obligation under your Credit Card is not paid on maturity or where a default situation occurs during this period, you authorize the Bank to withdraw/preterminate the Assigned Fund and apply so much of the funds necessary to pay for your obligation. You agree that the Assigned Fund will not and you will not cause the same to be under any lien or any order of attachment, garnishment or execution. If the Assigned Fund become subject to any lien or to any order of attachment, garnishment or execution, you shall promptly notify the Bank and immediately cause the release and discharge of such lien, attachment, garnishment or execution. If the Assigned Fund matures, the Bank shall automatically make the necessary renewal. In the event of renewal of the Assigned Fund, it shall be deemed automatically ceded, transferred and conveyed unto the Bank under the same terms. This shall not prejudice any other remedies available to the Bank under the law, these terms and conditions as well as the terms and conditions for HSBC's Credit Card Products.

V. HSBC GLOBAL VIEW

HSBC Global View (the ‘Service’) is provided by HSBC Holdings plc and its worldwide subsidiaries (each of which is included when the words ‘we’ and ‘us’ and ‘our’ and ‘HSBC’ are used in these Terms). The Service enables you to link and view on a HSBC internet website, in any one country in the world, your HSBC accounts held and accessible through HSBC Personal Internet Banking in that country with your HSBC accounts held and accessible through HSBC Personal Internet Banking in any other country. The Service is not available in all countries.

Please read the following terms and conditions (‘Terms’) before you begin using the Service and linking your accounts.

A. Use of the Service

- ▶ **Information You Provide.** You agree we may use any information you provide to us or which we hold about you (whether in connection with the Service or otherwise) but only as required to provide the Service to you.
- ▶ **Account Access.** You agree that our employees, regulators, third party service providers, auditors, legal advisers and other agents may have access to your information as reasonably required to provide the Service, investigate complaints and comply with applicable law, regulation and any applicable code.
- ▶ **Your HSBC Accounts.** By using the Service, you agree that we may access and link your HSBC accounts held in any country in the world by accessing and linking on your behalf, the HSBC web sites designated by you, to retrieve your account information and to use and hold the information on our servers (wherever they may be located in the world) in connection with providing the Service and you hereby appoint us as your agent for this limited purpose. You confirm that you are the legal owner of the account(s) designated by you and that you have authority to use the Service.
- ▶ **Service Instructions.** You agree to comply with any instructions we notify to you at any time in connection with the use of the Service or the security of the Service. We will never contact you to ask for your password(s) or logon information. You agree not to use the Service for illegal purposes.
- ▶ **Our Rights in the Service.** You acknowledge and agree that HSBC owns all rights in the Service and the content displayed on our site(s). You are only permitted to use this content in connection with the Service. You may not copy, reproduce, distribute, or create derivative works from this content. You also agree not to reverse engineer or reverse compile any of our technology, including but not limited to, any Java applets associated with the Service.
- ▶ **Tax and Regulatory Authorities.** You acknowledge that by using the Service to link and view your HSBC account(s) held in any one country in the world (the ‘First Country’), with your HSBC account(s) held in

any other country in the world, that this may mean that tax and/or regulatory authorities in such other country in the world where your HSBC account(s) is held may, by law, have the right of access to your HSBC account information relating to your account(s) held in the First Country and vice versa. You may wish to seek guidance on this from your tax and legal advisers.

B. Service Security

The following provisions are for the benefit and security of all users of the Service.

- ▶ Provide Accurate Information. You agree to provide true, accurate, current and complete information about yourself as requested in linking your account(s). You also agree to keep your account information up to date and accurate at all times.
- ▶ Keep Your Password(s) Safe. You are responsible for maintaining the confidentiality of your password(s) and other security details relating to the Service. Your password(s) and other security details must not be disclosed to anyone, other than as required to use the Service. Please notify us immediately of any unauthorized use of your password(s) or of any other breach of security. Except to the extent required by law, regulation or any applicable code, we will not be liable to you for any loss that you may incur as a result of someone else using your password(s) in connection with the Service. You must not use another person's password(s) at any time.

C. Cancellation, Discontinuance and Changes

- ▶ Cancellation of the Service. You may cancel the Service at any time by giving us notice. Upon receipt of your request to cancel the Service, the linking of your account(s) will cease. You may also request, at any time, that one or more of your linked accounts be removed from the Service. The Service will be cancelled if you remove all your linked accounts from the Service.
- ▶ Discontinuance of the Service. We reserve the right to discontinue, temporarily or permanently, the Service at any time either with or without notice if you are in breach of these Terms or the terms of any other agreement with us or if you no longer meet our qualifying criteria or if there is a suspected breach of security or if we need to carry out maintenance or if for commercial, legal or regulatory reasons, we consider at any time the provision of the Service is no longer viable.
- ▶ Changes to the Service and to these Terms. We may change the Service and/or these Terms at any time for technical reasons or to improve the Service by giving you such notice as is required by law, regulation or any applicable code. We may also introduce a fee for using the Service by giving you such notice as is required by law, regulation or any applicable code. If you do not agree to any changes we make (including if we introduce a fee), you may stop using the Service before the changes are made. You agree that we will not be liable to you or to any

third party for any changes to or for any discontinuance of the Service.

D. No Warranties,* Limits to our Liability and Indemnity

- ▶ NO WARRANTIES. We will take reasonable care to ensure that any information provided to you through your use of the Service is an accurate reflection of the information contained in our computer systems, or where the information is provided by a third party, accurately reflects the information we receive from that third party. Due to the nature of the Service and to circumstances beyond our reasonable control, YOU AGREE THAT YOUR USE OF THE SERVICE IS AT YOUR OWN RISK AND THAT THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DO NOT GUARANTEE THAT THE SERVICE WILL BE UNINTERRUPTED, TIMELY OR ERROR-FREE AND TO THE MAXIMUM EXTENT ALLOWED BY LAW, REGULATION OR ANY APPLICABLE CODE, THE SERVICE IS PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- ▶ LIMITS TO OUR LIABILITY. YOU AGREE THAT, TO THE MAXIMUM EXTENT ALLOWED BY LAW, REGULATION AND ANY APPLICABLE CODE, WE WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL LOSSES OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES, RESULTING FROM: (i) THE USE OR THE INABILITY TO USE THE SERVICE; (ii) UNAUTHORIZED ACCESS TO THE SERVICE; (iii) STATEMENTS OR CONDUCT OF ANYONE IN THE COURSE OF PROVIDING THE SERVICE; OR (iv) ANY OTHER MATTER RELATING TO THE SERVICE.
- ▶ Indemnity. You agree to indemnify and fully compensate us and our service providers from any third party claims, liability, damages, losses, expenses and costs (including, but not limited to, legal fees) caused by or arising from your breach of these Terms or by your infringement of any of our intellectual property rights.

E. Other Terms Applying

These Terms shall not affect the terms of any agreement (the 'Other Terms') that may apply to you relating to the use or operation of our Personal Internet Banking service(s) in respect of your account(s) and the Other Terms shall remain in full force and effect. In the event that these Terms conflict with the Other Terms, these Terms shall prevail to the extent they relate specifically to the Service, they comply with the law, regulation and any applicable code and to the extent of any such conflict. You must not conduct transactions under Other Terms contrary to applicable sanctions (including if you are a US person, OFAC sanctions).

F. Miscellaneous

- ▶ The Service is personal to you and you may not assign it to anyone. You agree not to make any commercial use of the Service.
- ▶ Unless otherwise provided in these Terms, all notices we give you or you give us shall be in writing and may be given by electronic mail on the same basis as (and subject to the same conditions as) the Other Terms. Additionally, unless prohibited by law, regulation or any applicable code, we may give you notice by message we broadcast through the Service or through our Personal Internet Banking service.
- ▶ Any notice given by electronic mail or which we broadcast through the Service or through our Personal Internet Banking service under F2 shall be regarded as received 24 hours after its despatch.
- ▶ Any relaxation by us of these Terms at any time does not affect our right to enforce these Terms strictly at any time.
- ▶ If any of these Terms is held to be unenforceable, then such provision shall be construed, as nearly as possible, to reflect the intention of the parties with all the other provisions remaining in full force and effect.
- ▶ These Terms are the entire understanding between you and us about the Service.
- ▶ These Terms shall be governed by the law of the jurisdiction or country in which your HSBC account(s) is held in respect of which you first use the Service to link that account(s) to account(s) held in another country or jurisdiction and to the extent allowed by law, you agree to the non exclusive jurisdiction of the courts of that jurisdiction or country.

VI. DEBIT CARD

The Terms and Conditions for use of the Debit Card issued on demand deposit accounts held by individuals are as specified in this document and as amended by the HSBC from time to time. The Accountholder(s) shall be deemed to have unconditionally agreed to and accepted these Terms and Conditions by signing the Account Opening Form, or acknowledging receipt of the Debit Card in writing, or by signing on the reverse of the Debit Card, or performing a transaction with the Debit Card or after ten (10) days have elapsed since the Debit Card was dispatched to the address on record.

The Accountholder(s) will also continue to remain bound by the Terms and Conditions of operation of his Current/Savings accounts with HSBC.

1. Definitions

“**Accountholder**” refers to the individual who holds an Account with HSBC, whether in the sole capacity or as a joint holder.

“**Account(s)**” refers to the savings or current accounts held by individuals and that have been designated by HSBC to be eligible for the valid operation of the Debit Card.

“**ATM**” refers to automated teller machines.

“**BancNet ATM Network**” shall mean ATMs that honor the Debit Card and that display the BancNet symbols.

“**Cardholder**” refers to a person to whom a Debit Card has been issued by HSBC on an Account held with HSBC. The Cardholder should be either the sole Accountholder or in case of joint accounts, the sole signatory or authorized to act alone.

“**Debit Card**” means, as appropriate, the internationally valid debit card issued by HSBC to a Cardholder.

“**Debit Card Terms and Conditions**” means these Terms and Conditions, as the same may be amended from time to time by HSBC.

“**General Terms and Conditions**” means the Terms and Conditions for Products and Services of HSBC, as the same may be amended from time to time by HSBC.

“**HSBC**” means The Hongkong and Shanghai Banking Corporation Limited.

“**HSBC GROUP**” means the companies wholly or partially owned by HSBC, its parent companies or under common ownership with it.

“**International Transactions**” refers to all Transactions effected outside of the Philippines.

“**Merchant Establishments**” shall mean establishments that display Visa and/or Electron symbols wherever located which honor the Debit Card and shall include among others: stores, shops, restaurants, airline organizations etc. advertised by HSBC or Visa International.

“**PIN**” refers to the personal identification number.

“**Primary Account**” or “**Settlement Account**” shall mean, in case of multiple Accounts linked to the Debit Card, the Account that has been designated as being the main/first Account of operation i.e. the Account from which purchase transactions, charges and fees related to the Debit Card are debited.

“**Statement**” means a periodic statement of account/s sent by HSBC to an Accountholder setting out the transactions (including Debit Card transactions) carried out in the Account during the given period and the balance in such Account. It may also include any other information that HSBC may deem fit to include.

“**Transaction**” means any permissible instruction given by a Cardholder using the Debit Card, directly or indirectly, to HSBC to effect permissible actions in relation to the Account (examples of Transactions would be cash withdrawals, payments at points of sale, cash/check deposits etc).

“**Visa**” shall mean a mark owned by Visa International.

“**Visa ATM Network**” shall mean ATMs that honor the Debit Card and that display the Visa or Electron or Plus symbols or any other symbol that is under the property of Visa International.

Use of terms “you”, “your”, “him” or similar pronouns shall, where the context so admit, mean the Accountholder or Cardholder, as applicable. All references in the masculine gender will also include the feminine gender.

2. Issue of Debit Card

The issue and use of the Debit Card shall be subject to these Debit Card Terms and Conditions and the General Terms and Conditions, in force from time to time. In the event of an inconsistency, the Debit Card Terms and Conditions shall prevail.

The Debit Card and the related Personal Identification Number (PIN) will be issued in the name of the Cardholder, who will be responsible to keep the said Debit Card under his custody.

The Cardholder shall be responsible for all Transactions effected by the use of the Debit Card, whether or not the Transactions were/are authorized by the Cardholder, and shall indemnify HSBC for the loss or damage caused by any unauthorized use of the Debit Card or related PIN. In case of joint Accounts, all Accountholders, jointly and severally, shall indemnify HSBC, as above, against all actions, losses, claims and consequences arising out of the usage of the Debit Card, the safety of the PIN and the Transaction/s effected using the Debit Card. In case of such joint Accounts, all Accountholders shall be jointly and severally responsible and liable for all duties, responsibilities and liabilities of the Cardholder.

The Account shall be debited with the amount of any withdrawal, transfer and/or any other Transactions effected by use of the Debit Card. The Cardholder shall maintain sufficient funds in the Account in advance to meet any Transactions. The Cardholder shall not be entitled to overdraw the Account.

3. Cardholder Obligations and Card Validity

The Cardholder must sign the Debit Card immediately upon receipt. The Cardholder must not permit any other person to sign or use it and should safeguard the Debit Card from misuse by retaining the Debit Card under his personal control at all times.

The PIN issued to the Cardholder for use with the Debit Card or any numbers chosen by the Cardholder as a PIN, are for the use of the Cardholder and are non transferable and strictly confidential. A written record of the PIN number should not be kept in any form, place or manner that may facilitate its use by another party. The PIN should not be disclosed to any third party under any circumstances or by any means whether voluntary or otherwise.

The Debit Card is valid up to the last day of the month/year indicated. The Cardholder undertakes to destroy the Debit Card when it expires by cutting it into several pieces through the magnetic stripe. The renewal

Debit Card shall be sent to the Cardholder before the expiry of the Debit Card at the discretion of HSBC, upon evaluation of the conduct of the Account. HSBC reserves the sole right of renewing the Debit Card on expiry.

4. ATM Usage

The Debit Card is accepted at the HSBC Group ATMs and ATMs of other financial institutions, which are members of BancNet ATM and Visa ATM networks.

HSBC may, at its discretion, withdraw temporarily or terminate the ATM funds transfer facility and all funds transfer facilities for all types of Transactions. HSBC also reserves the right to change the maximum per day limit for funds transfer through the ATM.

Cash withdrawals performed by the Cardholder at the HSBC Group/Visa ATMs in countries other than the Philippines will be subject to a cash withdrawal fee, as per the prevailing tariff of charges. Cash withdrawals at Visa/BancNet ATMs in the Philippines will also be subject to a fee and will be debited to the Account at the time of posting the cash withdrawals.

Cash and/or checks deposited in any ATM by the use of the Debit Card will only be credited to the Account after verification by HSBC, which shall be conclusive and binding for all purposes. The ATM Customer Advice issued by the ATM at the time of deposit only represents what the Cardholder purports to have deposited and will not be binding on HSBC. Checks will be accepted for collection only and proceeds will not be available until these checks are cleared. Similarly, for all cash withdrawals at an HSBC ATM, any statement issued by the ATM at the time of withdrawal shall be conclusive, unless verified otherwise by HSBC. Any such verification shall likewise be final and conclusive and this verified amount will be binding on the Cardholder.

The availability of ATM service in a country other than that in which the Debit Card was issued is governed by the local regulations in force in such other country. HSBC shall not be liable if these services are withdrawn without notice thereof.

Should the Debit Card be captured in any ATM for reasons not limited to wrong PIN and expired card, the Debit Card will be automatically retrieved and destroyed by the financial institution that captured the card. The Cardholder must call HSBC to request for a replacement card, which shall be subject to a replacement fee of PHP300.

5. Merchant Establishment Usage

The Debit Card is for Electronic Use Only and will be accepted only at Merchant Establishments which have an electronic point of sale swipe terminal. Any usage of the Debit Card for purchases at Merchant Establishments other than through an electronic point of sale swipe terminal will be deemed unauthorized and the Cardholder shall be responsible for such transactions.

As a security feature, the Debit Card issued will be initially inactive for use at Merchant Establishments. In order to activate the Debit Card for Transactions at

Merchant Establishments, the Cardholder will be required to use the Debit Card at an ATM.

Whenever the Debit Card is used to make payments at Merchant Establishments, the Cardholder must sign the sales slip or key in the PIN (as required by individual Merchant Establishments) and retain the cardholder copy. Additional copies of the sales slip may be furnished by HSBC at an additional charge of PHP275. A sales slip with the signature of the Cardholder together with the Debit Card number noted thereon shall be conclusive evidence between HSBC and the Cardholder as to the extent of liability incurred by the Cardholder. HSBC shall not be required to ensure that the Cardholder has received/availed of the goods/service to his/her satisfaction. Any sales slip not personally signed by the Cardholder but which can be proven as being authorized by the Cardholder will also be deemed to be the Cardholder's liability.

The Debit Card is accepted at all electronic Merchant Establishments in the Philippines and overseas which display the Visa logo. HSBC does not accept any responsibility for any dealings the Merchant Establishment may have with the Cardholder, including but not limited to the supply of goods and services.

HSBC makes no representations about the quality of the goods and services offered by third parties providing benefits such as discounts to Cardholder. HSBC will not be responsible if the goods or service are in any way deficient or otherwise unsatisfactory. Should the Cardholder have any complaint relating to any Merchant Establishment, the matter should be resolved with the Merchant Establishment and failure to do so will not relieve the Cardholder from any obligations to HSBC.

The Cardholder will be liable for all costs associated with his failure to comply with his obligations in respect of the Debit Card, including without limitation costs for collection services, should it become necessary to refer the matter to any agent, or legal expenses, where legal resources have been utilized in resolution of a dispute.

HSBC accepts no responsibility for refusal of any Merchant Establishment to honor the Debit Card.

HSBC accepts no responsibility for any surcharge levied with the Transaction amount by any Merchant Establishment and debited to the Account.

A purchase and a subsequent credit for cancellation of the purchase of goods/services like air/rail tickets are two (2) separate Transactions. The refund will only be credited to the Account (less cancellation charges) as and when it is received from the Merchant Establishment. If the credit is not posted to the Account within thirty (30) days from the day of refund, the Cardholder should notify HSBC, along with a copy of the credit note from the Merchant Establishment.

In case of Debit Cards linked to multiple Accounts for purposes of ATM Transactions, Transactions at Merchant Establishments will be effected by debit to the Primary Account only. In case this Account has insufficient funds to honor such Transactions, HSBC will not honor the Transactions even if the necessary funds are available cumulatively or severally in the other Accounts linked to the Debit Card.

6. Fees

Annual or membership fees for the Debit Card, if any, will be debited from the Primary account on issuance/renewal as per the prevailing tariff. These fees are not refundable.

Fees for ATM Transactions will be debited from the Account from which they are made at the time of posting the ATM transaction. Debit Card related charges will be debited to the Settlement Account, from time to time, as per the prevailing tariff.

The current tariff is provided in the relevant *Easy Guide to Bank Services and Charges*. HSBC shall provide prior notice of any change to said tariff at least one (1) month before effecting any revision.

All Transactions in currencies other than the currency of the Primary account shall be automatically converted at the time of posting to the currency of the Primary account at Visa's foreign exchange selling rate, and shall be charged additional fees equivalent to the following: HSBC's service fee equivalent to 1.75% of the converted sum plus the reimbursement of the assessment fee charged by Visa to HSBC equivalent to 1% of the converted sum. The additional fees shall be imposed at the sole and absolute discretion of HSBC, and may be subject to change. The Cardholder will be informed prior to any such change.

7. Disclosure of Information

When requested by HSBC, the Cardholder shall provide any information, records or certificates relating to any matters that HSBC deems necessary for issuance of the Debit Card, maintenance thereof, execution of Transactions using the Debit Card, renewal of the Debit Card or any other purpose related to the Debit Card. The Cardholder authorizes HSBC to verify the information furnished by whatever means or from whichever source deemed necessary. If such information/data is not provided or if incorrect information/data is provided, HSBC may at its discretion refuse renewal of the Debit Card or terminate the Debit Card forthwith.

HSBC reserves the right to disclose customer information to any of HSBC's local or foreign branches, to any member of the HSBC Group, to a court of competent jurisdiction or a government office or agency upon their order.

HSBC reserves the right to disclose, in strict confidence, to other institutions, such information concerning the Account as may be necessary or appropriate in connection with its participation in any Electronic Fund Transfer network, or as HSBC may deem necessary for the performance of any obligations arising out of or in connection with the use or operation of the Debit Card.

HSBC reserves the right to, at its sole discretion, assign or outsource certain aspects of its operations to third party service providers at its sole discretion and to disclose details of the Accounts and the Cardholders to such third party providers.

In this connection, the Accountholder(s) understands that HSBC needs to and so authorizes HSBC to process, share, store or transmit information about the

Accountholder, the Account and/or the Transaction(s), within the HSBC Group or with any institution or agent or third party service provider used by HSBC. HSBC undertakes that any such processing, sharing, storage or transmission of information will be done on a confidential basis and HSBC will endeavor to maintain the strict confidentiality of such information. The Accountholder(s) and the HSBC shall comply with all applicable data protection laws.

From time to time, HSBC communicates various features/products/promotional offers which offer significant benefits to its customers and may use the services of third party agencies to do so. The Cardholder may avail of the 'Do Not Contact' service to opt out of such communication.

HSBC reserves the right to report to Bangko Sentral ng Pilipinas, any foreign currency withdrawals/payments effected using the Debit Card.

8. Loss of the Debit Card

In case of loss or theft of the Debit Card, the Cardholder shall immediately report such fact to HSBC, giving details of the place, date and circumstances of the incident and the last Transaction(s) made prior to the loss or theft.

The liability of the Cardholder for ATM Transactions and Transactions at Merchant Establishments made through the use of the lost or stolen Debit Card shall cease upon confirmed verbal notification by the Cardholder through the HSBC PhoneBanking in the Philippines.

A card replacement fee of PHP300 shall be charged to the Cardholder's Account to cover replacement of the Debit Card and the costs incurred in disseminating information about the loss or theft.

The Cardholder hereby agrees to indemnify HSBC fully against any liability (civil or criminal), loss, cost, expenses or damages that may arise due to the misuse or unauthorized use of a lost Debit Card before HSBC is informed of the loss.

Should the Cardholder subsequently recover the Debit Card, it must not be used. The Debit Card should be destroyed by cutting through the magnetic stripe.

9. Statements and Records

HSBC will send to the Cardholder confirmations of Transactions and/or Statements of Account, electronic or otherwise, at its discretion, showing the Transactions on the Debit Card and balances in relation to the Account(s).

The Cardholder agrees to examine each written confirmation and Statement of Account and notify HSBC by delivering within fifteen (15) days from delivery, in the case of the written confirmation, or sixty (60) days from mailing or posting, in the case of the periodic Statement of Account, a written notice of alleged errors or omissions therein. The Cardholder acknowledges and agrees that should he fail to give HSBC any such written notice of errors or omissions within the periods aforementioned, he waives, in his behalf and in behalf of any Accountholder with whom he jointly holds the

Account(s) linked to the Debit Card, any right to raise any objection to, or to contest, and shall be deemed to have agreed to, the correctness and validity of said written or electronic confirmation or Statement of Account.

The Cardholder can also get a verbal or written record of his Transactions at any time by calling HSBC's PhoneBanking or utilizing the mini statement facility at HSBC ATMs.

HSBC's record of Transactions processed by the use of the Debit Card shall be conclusive and binding for all purposes.

HSBC shall exert reasonable efforts to resolve an aggrieved Cardholder's disagreement with a Transaction indicated in the confirmation or Statement, within two (2) months of receipt of notice of disagreement. If after such effort, HSBC determines that the Transaction is a valid one, the same shall be communicated to the Cardholder.

10. Termination

HSBC reserves the right to cancel/withdraw at any time without any prior notice or to renew at its discretion, the Debit Card or any of the other services offered at any time without prior notice and without assigning any reason.

In the event that the Accountholder decides to close the Account with HSBC, the Debit Card issued for such Account will automatically be cancelled. The Cardholder must immediately cease to use the Debit Card and destroy the Debit Card linked to such Account. However, the Bank shall close the Account if there are no outstanding Transactions that have not yet been debited from the Primary account.

In the event that the Cardholder decides to terminate the use of the Debit Card, the Cardholder shall give HSBC no less than seven (7) days' prior notice in writing and forthwith return to HSBC, the Debit Card and obtain a valid receipt thereof. Such termination shall be deemed a termination of the Debit Card facility accorded by the HSBC to the Cardholder.

The Debit Card shall be the property of HSBC and must be returned to HSBC immediately and unconditionally upon HSBC's request. The Cardholder should ensure that the person to whom he releases his Debit Card is a true HSBC Officer before handing over the Debit Card.

HSBC shall be entitled to terminate the Debit Card facility with immediate effect and require the immediate return of the Debit Card upon the occurrence of any of the following events:

- ▶ Failure of the Accountholder(s) to comply with the Terms and Conditions or the General Terms and Conditions
- ▶ The occurrence of an event of default under any agreement or commitment (contingent or otherwise) of the Accountholder(s) or any one of them entered into with HSBC

- ▶ The Accountholder(s) becoming the subject of any bankruptcy, insolvency proceedings or proceedings of a similar nature
- ▶ Demise of the Cardholder
- ▶ Closure of the Account or failure to maintain the Minimum Account Balance

11. Authorization and Indemnity for Telephone, Telex and Facsimile Instructions

The Cardholder acknowledges that the sending of information or instructions through telephone, mobile phone text messages, telex, facsimile, e-mail or other electronic means is not fully secure and may be intercepted by third parties.

The Cardholder authorizes HSBC to rely upon and act in accordance with any notice, information, instruction or other communication which may from time to time be, or purport to be, given by the Cardholder or on the Cardholder's behalf via telephone, mobile phone text messages, telex, facsimile, e-mail, or other electronic means (the 'Instructions'), which HSBC believes, in good faith, to have been made by the Cardholder upon his instructions or for his benefit. HSBC shall not be liable for any loss or damage that the Cardholder may suffer as a result of HSBC's reliance, action, or refusal to act upon the Instructions.

HSBC shall be entitled to treat the Instructions as fully authorized by and binding upon the Cardholder, and HSBC shall be entitled to take such steps in connection with or in reliance upon the Instructions as HSBC may consider appropriate, whether the Instructions include instructions to pay money or otherwise to debit or credit any Account, or relate to the disposition of any money, securities or documents, or sending of information through mobile phone text messages, telex, facsimile, e-mail, or other electronic means.

In order for HSBC to render prompt and accurate service, the Cardholder authorizes HSBC to record (without HSBC being necessarily obligated to do so) any and all telephone conversations with the Cardholder, whether initiated by HSBC or by the Cardholder, including without limitation, the Cardholder's instructions, statements, complaints, inquiries and HSBC's advice and reminders in relation to the Cardholder's Account with HSBC. HSBC may use these recordings for any purpose in any proceeding. The Cardholder further agrees to waive any right under The Anti-Wire Tapping Act (Republic Act No. 4200) or any amendments thereto, or any similar law or regulation.

In consideration of HSBC acting on the Instructions, the Cardholder hereby irrevocably undertakes to indemnify HSBC and to keep HSBC indemnified against all losses, claims, actions, proceedings, demands, damages, costs and expenses that may be incurred or sustained by HSBC of whatever nature and howsoever arising out of or in connection with the Instructions. This authorization and indemnity shall remain in full force and effect until HSBC receives from the Cardholder a written notice terminating the same save that such termination will not release the Cardholder from any liability under this authorization and indemnity in respect of any act

performed in accordance with its terms prior to such termination.

12. General

The Accountholder(s) will promptly notify HSBC in writing of any change in address and telephone numbers.

HSBC reserves the right to add, to delete and/or vary any of these Terms and Conditions and such changed Terms and Conditions will be displayed on the HSBC website and a copy of the same available on request. Use of the Debit Card after the date upon which any change to these Terms and Conditions is to have effect (as specified in HSBC's notice), will constitute acceptance without reservation by the Cardholder of such change. If the Cardholder does not accept any such change, the Debit Card must be returned to the HSBC prior to the date upon which such change comes into effect.

Any notice hereunder sent by post will be deemed to have been received by the Cardholder and/or Accountholder within ten (10) days from the posting of the notification to the address last given to HSBC in writing. Publication of changes by such means as HSBC may consider appropriate will constitute effective notice to the Cardholder/Accountholder thereof.

If a Cardholder, by using the Debit Card, draws an amount in excess of the balance available permitted by HSBC, the Cardholder will pay HSBC promptly and unconditionally, the entire amount overdrawn with interest and penalties, if any, at a rate to be decided by HSBC. However this should not be construed as an agreement, either expressed or implied that HSBC is bound to grant any overdraft facility whatsoever.

HSBC will not be liable for any failure to provide any service or to perform any obligation thereunder where such failure is attributable (whether directly or indirectly) to any malfunction of the ATM, point of sale terminals, or the Debit Card, temporary insufficiency of funds, any dispute or other circumstances beyond its control.

Where HSBC knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Accounts or in connection with the use of Debit Card, HSBC may, in its absolute discretion and without any liability, decline authorization for any Transaction and in that event, the HSBC will, to the extent possible, inform the Cardholder as soon as practicable.

HSBC shall not be liable for any loss or damage, including any consequential or indirect loss or damage, arising from or related to the issue/use/loss of the Debit Card and related PIN, howsoever caused.

In addition to these terms and conditions, the usage of the Debit Card shall also be subject to Visa guidelines.

The issue and use of the Debit Card shall be subject to extant laws, rules and regulations, Visa guidelines and General Terms and Conditions, as may be in force from time to time. All authorizations and powers conferred on HSBC are irrevocable. The Debit Card Terms and Conditions will be construed in accordance with and governed by the laws of the Philippines.

The Cardholder irrevocably agrees that any legal action, suit or proceeding arising out of or relating to the Debit Card Terms and Conditions may be instituted, at the option of HSBC, in any competent court in Makati City, Metro Manila, and Cardholder submits to and accepts, with regard to any such action or proceeding for itself and in respect of its properties or assets, generally and unconditionally, the jurisdiction of any such court. The foregoing, however, shall not limit or be construed to limit the rights of HSBC to commence proceedings or to obtain execution of judgment against the Cardholder in any venue or jurisdiction where assets of the Cardholder may be found.

VII. 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:

- ▶ 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.
- ▶ 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.
- ▶ 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:
 - ▶ Transferee/s as the beneficial owner/s of the account/s when:
 - The transfer was made with all of the following conditions present:
 - The break-up and transfer of deposit to the transferee is for a Valid Consideration
 - 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
 - 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

- 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

- ▶ 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 (2) 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.
- ▶ 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 Deposits – 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 PDIC.