

# Corporate Account Terms and Conditions

For Corporate Customers Applicable for  
Japan branches

*Effective 1 November 2021*



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## **Section 1. Deposit Account General Agreement**

The provisions of the Deposit Account General Agreement (“this Agreement”) outlined herein apply to Deposit Account(s) (“Deposit Account(s)”) held with the domestic branches of The Hongkong and Shanghai Banking Corporation Limited (the “Bank”). The Bank carries out transactions with the Customer (each “Customer” shall, where the context requires, include any personal representative of the Customer) when the Customer accepts all of the provisions of this Agreement and the Terms and Conditions pertaining to the Deposit Account that are stipulated in the following Articles and Sections.

### **Article 1. Purpose and Intent of This Agreement**

This Agreement is intended to clarify the legal relationship between the Customer and the Bank with regard to the transactions under the Deposit Account, as such transactions are stipulated in Article 6 (Deposit Account Transactions).

### **Article 2. Opening the Deposit Account, etc.**

- 2.1 In making an application to open the Deposit Account, the Customer is required to file such application with the Bank, by using the application form prescribed by the Bank on which required items must be filled in or inputted, by registering the seal (or signature, if the Customer prefers to register a signature) with the Bank and by submitting to the Bank all the required documents prescribed by the Bank. The Customer may commence transactions only after the Bank has received and approved the application.
- 2.2 Even after the opening of the Deposit Account, if the Customer does not make an initial deposit within one (1) year from the time of opening the Deposit Account, the Bank may, after serving notice on the Customer, terminate the Deposit Account.

### **Article 3. Refusal of Transactions with Anti-social Forces**

The Bank shall decline the opening of the Deposit Account if the Customer falls under any category of person or entity in Paragraph 5 of Article 21(Termination).

### **Article 4. Verification of Customer Identity**

- 4.1 At the time of opening the Deposit Account and on a regular basis thereafter, the Bank will verify the Customer’s identity in accordance with all relevant Japanese and foreign laws and regulations including the Act on Prevention of Transfer of Criminal Proceeds, and requests by public organisations such as national governments, in view of the international initiatives for the prevention of financial crimes such as money laundering and financing of terrorist activities.
- 4.2 In the event of being unable to complete the verification of the Customer’s identity as stipulated in Article 4.1 (including any additional verification of the Customer’s identity which the Bank may need after the opening of the Deposit Account), the Bank may restrict or suspend any or all transactions under the Deposit Account, or, after serving the notice on the Customer, terminate the Deposit Account, even if transactions have been commenced.

### **Article 5. Joint Account**

Unless otherwise permitted by the Bank, the Deposit Account cannot be opened in the form of a joint account with more than one account holder.

### **Article 6. Deposit Account Transactions**

- 6.1 The Deposit Account comprises of transactions and services prescribed in the following items; provided, however, that a separate application may be required for certain transactions and/or services:
  - (i) Savings Account:  
The Bank handles savings account transactions in Japanese yen and in certain foreign currencies approved by the Bank.
  - (ii) Time Deposit Account:  
The Bank handles time deposit account transactions in Japanese yen and in certain foreign currencies approved by the Bank.
  - (iii) Current Account:  
The Bank handles current account transactions in Japanese yen and in certain foreign currencies approved by the Bank.

- (iv) Fax Banking Services:  
The Bank provides the services and transactions prescribed by the Bank where the Customer issues instructions using a facsimile machine (the “Fax Banking”). However, some departments of the Bank may not handle Fax Banking.
  - (v) Domestic Fund Transfer:  
The Bank undertakes transactions for domestic remittances (fund transfer) based on the remittance application prescribed by the Bank and other similar transactions.
  - (vi) Overseas Remittance:  
The Bank undertakes transactions for overseas remittances based on an overseas remittance application and declaration form prescribed by the Bank and other similar transactions.
- 6.2 The Bank has the right to cancel, withdraw, suspend or supplement any of the transactions and/or services at any time with or without notice to the Customer.

### **Article 7. Documents Issued before Execution of Agreements**

Documents which need to be issued before execution of agreements shall be separately issued to the Customer if it does not fall under the category of specified investor (*tokutei touseika*) defined under Paragraph 31 of Article 2 of the Financial Instruments and Exchange Act upon opening of a Deposit Account in foreign currency in accordance with applicable rules, laws and regulations. A Deposit Account in a foreign currency shall be handled with the Customer’s consent to and understanding of the details of the documents which need to be issued before execution of agreements.

### **Article 8. Fees**

- 8.1 The account management fees and other fees with respect to the Deposit Account shall be prescribed by the Bank separately. The Bank shall have the right to deduct such fees, including the revised or the newly established fees, from any Deposit Account at any time . However, if the Customer designates a Deposit Account for payment of such fees, the Bank shall deduct such fees firstly from such Deposit Account.
- 8.2 In the event of deduction of fees from a Deposit Account in accordance with Article 8.1, and if such deduction is to be made from a Deposit Account denominated in a currency other than the currency of the amount that the Bank is to collect, the Bank shall have the right to deduct from such Deposit Account an amount calculated by applying the exchange rate at the time of such deduction pursuant to Article 16 (Foreign Exchange Conversion Rate).
- 8.3 If the Bank is unable to deduct fees in accordance with Articles 8.1 and 8.2, including the revised or newly established fees, the Bank may restrict or suspend any or all transactions under the Deposit Account, or, after serving notice on the Customer, terminate the Deposit Account.
- 8.4 The Bank may deduct fees prescribed by this Article only to the extent permitted by laws and regulations and the Bank shall not charge any fees in breach of any applicable laws and regulations.

### **Article 9. Dormant Account**

- 9.1 The Bank will treat any Deposit Account which has not had a deposit or withdrawal made for a continuous period of six (6) months since the most recent deposit or withdrawal transaction, as a dormant account. The Bank is not required to notify the Customer of the fact that it has designated a Deposit Account as a dormant account.
- 9.2 In the event that a Deposit Account becomes a dormant account, the Bank may impose restrictions on the use of such Deposit Account. In this event, the Bank may charge dormant account management fees prescribed by the Bank.
- 9.3 If one (1) year has elapsed after a Deposit Account became a dormant account, the Bank may cease to accrue interest on the balance of such Deposit Account at any time.

### **Article 10. Date of Transaction**

- 10.1 All transactions with the Bank shall take place on a “Business Day” stipulated by the Banking Law and Cabinet Office Regulations thereunder. A “Business Day” refers to a day other than Saturday, Sunday and any other Japanese bank holidays stipulated by laws and regulations.
- 10.2 In the event that the Bank is requested by the Customer through facsimile, etc., to effect a transaction through the Deposit Account, the Bank will, unless specifically instructed otherwise by the Customer, effect the said transaction request on the same day as the Bank accepts the said request. Depending on the time of day when the said request is accepted the Bank may effect the transaction request on the next Business Day. In this regard, even if the funds available for

payment (which phrase shall mean here and below the aggregate of the balance in the account and any amount made available to the Customer under an overdraft facility agreement if the Customer is separately provided with an overdraft facility by the Bank) were sufficient for that transaction at the time of the Bank's acceptance of such request, the Bank may treat such request as cancelled if the funds available for payment are insufficient at the time of execution of such transaction.

- 10.3 Notwithstanding Articles 10.1 and 10.2, if, depending on the nature of the transaction, a transaction request under the Deposit Account cannot be effected as aforesaid due to a holiday in the jurisdiction of the relevant currency the Bank may effect such transaction request on the first Business Day on which such transaction request can be effected.

#### **Article 11. Deposits**

- 11.1 Deposits into the Deposit Account shall be made in the manner accepted by the Bank.
- 11.2 The minimum unit is JPY1 if the deposit is made in Japanese yen and 1 fractional unit if the deposit is made in a foreign currency.
- 11.3 If a remittance is made to the Deposit Account and the Bank receives a cancellation request from the originating financial institution due to a mistake in the transmission, such as a duplicate transmission, etc., after the credit entry has been made by the Bank, the Bank shall cancel the credit entry of the remitted funds.
- 11.4 The Bank shall cancel any credit entry made in error to the Deposit Account or any credit entry made by the Bank in its discretion in anticipation of receiving funds where such funds are not subsequently received.

#### **Article 12. Treatment of Instruments**

- 12.1 The Customer may deposit cheques, drafts and other instruments (collectively, the "Instruments") only to the extent permitted by the Bank.
- 12.2 All the blank items on a draft (in particular date of issue and payee) and cheque (particularly date of issue) shall be completed in advance by the Customer. The Bank bears no responsibility for the completion of any blank items.
- 12.3 Where necessary, the Instruments shall be endorsed in advance by the Customer.
- 12.4 The Bank will accept the deposit of, or make payment on, the Instrument in the amount indicated in the amount column stipulated on such Instrument regardless of any other indication that may be shown elsewhere, whether in words or in figures.
- 12.5 The Customer shall pay the Bank any fees as prescribed by the Bank, if any expense is incurred by the Bank arising from the collection of the Instrument or if the Instrument entrusted for collection is dishonoured. Further, the Bank shall separately charge the cost incurred from special requests of the Customer.
- 12.6 If the Bank asks another branch of the Bank or another financial institution to collect the Instrument on its behalf, the Bank will so entrust such collection by forwarding the Instrument in accordance with the timing and procedure as determined by the Bank.
- 12.7 With regard to a bill of exchange without acceptance of the payer, the Bank shall only notify the payer that the Bank is entrusted with its collection, but the Bank shall bear no obligation to present such draft for acceptance or payment. The same shall apply to Instruments which cannot be presented for clearance.
- 12.8 The Bank will credit the amount of a draft processed as "a draft to be paid on due date" to the Customer's Deposit Account on its payment date, if (i) there is a sufficient number of days before the payment date and (ii) the draft is collectable by clearance, etc., on the due date. In this event, the Bank will make the amount of the draft available for payment when the Bank confirms its settlement after the deadline for notifying dishonoured drafts between banks, on the next business day after the payment date. If the draft is not processed as "a draft to be paid on due date," the Bank will credit the amount of the draft to the Customer's Deposit Account and make it available for payment, after confirming the settlement with the payment report between banks.
- 12.9 The deposit under an Instrument will not be available for withdrawal nor bear interest until the Bank confirms the settlement of such Instrument.
- 12.10 In the event that an amount is deposited in the Deposit Account pursuant to an Instrument and the Instrument is then dishonoured, the Bank will immediately notify the Customer of such dishonour and debit the amount of such Instrument and the fees stipulated in Article 12.5 from the Deposit Account; the Bank will promptly return such Instrument based on the Customer's request.
- 12.11 Where an Instrument is are dishonoured, the Bank shall take the necessary steps to preserve the

- Customer's rights in accordance with the prior written requests from the Customer.
- 12.12 In order to cancel an Instrument, the Customer shall submit to the Bank the Bank's prescribed request form with the Customer's signature or seal which has been registered with the Bank, by the business day immediately before the payment date if such Instrument has a payment date. The Bank shall promptly cancel and return the Instrument to the Customer based on the Customer's request.
- 12.13 The Bank shall not be liable for any damages resulting from any loss, defacement or delay of, or damage to an Instrument due to unavoidable events such as unexpected incidents, disasters or accidents in transport. The Bank shall also not have any liability for any damages resulting from transmission delays caused by failure of communication devices or lines due to unavoidable events.
- 12.14 The rights of the applicant based on the entrustment of collection shall not be transferred or pledged.

### **Article 13. Withdrawals**

- 13.1 A withdrawal can be made only when the relevant Deposit Account has a sufficient balance available for withdrawal and only after the verification procedures have been completed with respect to the seal (or signature) affixed on the withdrawal slip, etc., against the specimen of the seal (or signature) previously registered with the Bank. Notwithstanding the foregoing, where there are special provisions which apply to specific transactions such as transactions through Fax Banking Services, etc., such special provisions shall prevail.
- 13.2 In the event that more than one withdrawal is requested by the Customer on a single day and the aggregate amount of those withdrawal requests exceeds the available amount for withdrawal, the Bank may in its discretion decide which withdrawal is made.

### **Article 14. Application of Laws and Regulations Related to Foreign Exchange**

All foreign currency transactions between the Customer and the Bank will be dealt with in accordance with this Agreement, the Foreign Exchange and Foreign Trade Law, any Government or Ministerial ordinances promulgated thereunder and any other foreign exchange related laws and regulations.

### **Article 15. Fluctuations in Foreign Exchange Rates**

The Customer hereby confirms that he or she fully understands and acknowledges the possibility of gain or loss due to exchange rate fluctuations in relation to the foreign exchange transactions. The Bank bears no responsibility for any such loss incurred by the Customer.

### **Article 16. Foreign Exchange Conversion Rate**

- 16.1 In the event that all or part of a deposit is withdrawn and converted into another currency, that the repayment of obligation to the Bank by setoff, etc. is made in a currency other than the one in which such obligation is denominated or that a deposit is transferred to another deposit after conversion of the currencies, the Bank shall comply with such timing, method and procedure as prescribed by the Bank, and apply an exchange rate determined by the Bank.
- 16.2 In the event that any deposit, transfer, or remittance, etc., is made to the Deposit Account in a currency other than a currency of such Deposit Account, the Bank shall apply an exchange rate prescribed by the Bank, similarly applying, mutatis mutandis, the provisions of Article 16.1., to convert the funds so deposited, transferred, or remitted into a currency of such Deposit Account, and then credit it to the Deposit Account.

### **Article 17. Statement of Account, etc.**

- 17.1 The Bank shall issue a deposit account statement (or, at the Bank's discretion, a transaction report) as evidence of transactions on a Deposit Account in accordance with the procedures, methods and form (including electromagnetic methods) prescribed by the Bank (the "Deposit Account Statement").
- 17.2 The Bank will not issue any passbook, savings certificate, etc., for a Deposit Account.
- 17.3 In the event that the Customer requests the Bank to re-issue a Deposit Account Statement in paper form, the Bank may charge fees as prescribed by the Bank.
- 17.4 If a Deposit Account Statement or any other document sent by the Bank contains an error, the Customer shall notify the Bank thereof within fifteen (15) days after the date when such document is received by mail or when such document becomes available for viewing via an electromagnetic method, or any other period specified separately. If the Bank does not receive any such notice within such period, the Bank will deem that the Customer has acknowledged and agreed to the



contents of such Deposit Account Statement, etc.

#### **Article 18. Changes to Registered Information, etc.**

- 18.1 The Customer shall immediately notify the Bank in the manner prescribed by the Bank of the loss of a draft, cheque, cheque book, withdrawal slip or seal; or any changes to the Customer's business name, company name, representative/agent, address, telephone number, facsimile number, seal, signature, or any other information registered with the Bank. In such cases, the Customer may also be required to submit to the Bank an extract of the commercial register and the seal impression certificate, or any other documentation as deemed necessary by the Bank.
- 18.2 In the event that the Bank dispatches any notice or document to the Customer's business name/company name and address registered with the Bank, such notice or document will be deemed to have been delivered within the time which is normally expected for delivery, even if the said notice or document is delayed or does not reach the Customer.
- 18.3 In the event that the Bank dispatches any notice or document to the Customer's business name/company name and address registered with the Bank, but such notice or document is returned to the Bank without reaching the Customer, the Bank may suspend the delivery of Deposit Account Statements.
- 18.4 The Bank shall bear no responsibility for any damages incurred from the Bank dispatching any notice or document to the Customer's business name/company name and address registered with the Bank, or caused at any time due to the failure to notify any changes to the Customer's registered information in accordance with Article 18.1. The Bank will not be responsible for any damages caused on except in the case of negligence by the Bank.

#### **Article 19. Registration of Seal, etc.**

- 19.1 The Customer's seal (or the authorized signature) used in transactions with the Bank shall be registered in advance using the Bank's prescribed form.
- 19.2 In the event that the Customer wishes to make transactions by an agent pursuant to Article 22 (Registration of Agent), the principal shall register the business name/company name and seal (or the authorized signature) in likewise manner as stipulated in Article 19.1 above.

#### **Article 20. Prohibition of Transfer or Pledge**

- 20.1 The Customer may not, without the permission of the Bank, transfer, pledge or otherwise dispose of the Deposit Account, deposits or any other rights.20.2 In the case where the Bank permits a pledge or other third party's right, such permission shall be made by using the form prescribed by the Bank.

#### **Article 21. Termination**

- 21.1 The Customer can, unless otherwise stipulated by the Bank, terminate the Deposit Account at any time at the Customer's discretion. In order to terminate the Deposit Account, the Customer must complete all the necessary items in the forms prescribed by the Bank for the purpose, apply the Customer's registered seal (or signature) in the appropriate places, and submit the completed forms to the Bank **at least 30 days before the termination date that the Customer requests.**
- 21.2 The Customer shall, upon termination of the Deposit Account, pay in full any outstanding balance of the principal and interest of any overdraft facility and/or any other obligations that the Customer owes to the Bank in connection with the Deposit Account.
- 21.3 When a Deposit Account is terminated and the Customer has a product that, in principle, cannot be terminated prior to termination, such as time deposits, such termination procedures will be performed after crediting the proceeds of such product (after deduction of applicable cancellation fees prescribed by the Bank) to the Customer's Savings Account or Current Account, if any.
- 21.4 If any of the below-mentioned events occurs with respect to the Deposit Account, the Bank may immediately suspend any or all transactions under the Deposit Account, or, after serving notice on the Customer, terminate the Deposit Account:
  - (i) It is confirmed that the named Customer of the Deposit Account does not exist or any transactions under the Deposit Account have been commenced against the named Customer's will.
  - (ii) The Customer violates Article 20 (Prohibition of Transfer or Pledge) of this section.
  - (iii) The Deposit Account has been used, or is likely to be used, for any purpose that is

- contrary to public order or morality, or laws and regulations of Japan or foreign country.
- (iv) If it has become clear that the Customer made false statements or notifications, or is likely to make false statements or notifications, with regard to the matters confirmed by the Customer pursuant to Paragraph 1 of Article 4 (Verification of Customer Identity) and Paragraph 2 of Article 27 (Prevention of Financial Crimes such as Money Laundering and Financing of Terrorist Activities) or the Customer has registered, or is likely to register, false information with the Bank.
  - (v) The Customer fails to fulfil a payment obligation owed to the Bank after the Bank's demand for the payment, or the Customer fails to observe a material term of the terms and conditions regarding the transactions with the Bank.
  - (vi) The whereabouts of the Customer become unknown to the Bank due to a reason attributable to the Customer, such as failure to notify a change of address, etc.
  - (vii) The Customer has not used its Deposit Account for more than 2 years.
  - (viii) Laws and regulations permit.
  - (ix) When the Bank has reasonably determined that the Deposit Account has been used, or is likely to be used in conflict with applicable laws, etc., concerning money laundering, financing of terrorism or economic sanctions (including sanctions imposed by international organisations such as the United Nations Security Council and the European Union) of Japan or any foreign country.
  - (x) Where there is the possibility of the occurrence of any of the events listed in (i) to (ix) above and the Customer fails to respond to a related enquiry from the Bank without a legitimate reason.
  - (xi) When transaction limitations pursuant to Paragraph 2 and 3 of Article 27 (Prevention of Financial Crimes such as Money Laundering and Financing of Terrorist Activities) have not been resolved for over six (6) months.
  - (xii) There occurs a reasonable and probable cause other than the foregoing events which requires the Bank to restrict or suspend transactions with the Customer or terminate the Deposit Account of the Customer.
- 21.5 In addition to the circumstances set out in Article 21.4, in the event that the Customer falls under any of the following, the Bank may restrict or suspend transactions under the Deposit Account or, after sending a notice to the Customer, terminate the Deposit Account.
- (i) In the case that the representations and covenants made by the Customer at the time of application for the opening of the Deposit Account are found to be to be false.
  - (ii) In the case that the Customer has become known to constitute any of the following (each, an "Anti-Social Group"):
    - (1) an organised crime group (*bouryoku dan*);
    - (2) a member of an organised crime group;
    - (3) a person who has ceased to be a member of an organised crime group within the past five years;
    - (4) a quasi-member (*jun kousei in*) of an organised crime group;
    - (5) a company or an association related to an organised crime group;
    - (6) a corporate racketeer (*soukaiya*), a blackmailer adopting social movement slogans (*shakai undo tou hyoubou goro*), a special knowledge crime organisation (*tokushu chinou bouryoku shuudan*) or the like; or
    - (7) a person similar to any of the foregoing.
  - (iii) In the case that the Customer has become known to have any of the following relationships:
    - (1) a relationship where the Customer's business is deemed to be conducted under the control of any Anti-Social Group;
    - (2) a relationship where the Customer's business is deemed to be conducted with a substantial involvement of any Anti-Social Group;
    - (3) a relationship where the Customer is deemed to use any Anti-Social Group improperly for purposes such as to obtain unfair advantage for itself, its business or any third party or to cause damage to any third party;
    - (4) a relationship where the Customer is deemed to have an involvement with any Anti-Social Group, such as provision of funding or other favours; or
    - (5) a relationship where any director of the Customer or any person who has a substantial involvement in the management of the Customer's business has a relationship with any Anti-Social Group which would be regarded as socially

- negative.
- (iv) In the case that the Customer has, either by itself or through any third party, engaged in any action that constitutes any of the following:
- (1) making a demand in a violent manner;
  - (2) making an illegal demand or one which is not due;
  - (3) using threatening speech or behaviour, or violence, in relation to transactions with the Bank;
  - (4) defaming the reputation of the Bank or interfering with the business of the Bank by spreading rumours, fraudulent actions or resorting to force; or
  - (5) any actions similar to any of the foregoing (1) to (4).
- 21.6 Neither the Bank nor any other HSBC Group Company (as defined in Article 23.4) will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or any damage suffered by the Customer or any third party arising out of, or in connection with, the application of this Article 21, Paragraph 2 of Article 2 (Opening the Deposit Account, etc.), Paragraph 2 of Article 4 (Verification of Customer Identity) or Paragraph 3 of Article 8 (Fees). The Customer shall indemnify and hold harmless the Bank for any damages that the Bank may incur arising out of, or in connection with, the application of this Article 21.
- 21.7 In the event that the Bank dispatches a notice of termination to the Customer's business name/company name and the address which is registered with the Bank, such notice will be deemed to have been delivered within the time normally expected for delivery, even if such notice is delayed or does not reach the Customer.

#### **Article 22. Registration of Agent**

- 22.1 The Customer may make transactions with the Bank through an agent.
- 22.2 The appointment of the agent shall be registered in advance using the Bank's prescribed form and unless cancellation of the appointment of the agent has been registered with the Bank, the Bank shall treat all instructions for transactions made by the agent as made by the Customer.
- 22.3 The Customer's instructions pursuant to this Agreement shall include instructions given by the agent.

#### **Article 23. Set off, etc.**

- 23.1 In the event that any obligation to the Bank of the Customer is due, the Bank may set-off such obligation against any deposit or other claim against the Bank of the Customer at any time, even prior to the due date of such deposit or other claim.
- 23.2 In the event that the currencies of the obligation and of the claim are different, the Bank still has the right to set-off as stipulated in Article 23.1.
- 23.3 In the event of set-off as stipulated in Articles 23.1 and 23.2, interest on discount rates for, and damages, etc., of the claims and obligations will be calculated for a period ending on the date of calculation, and the applicable interest rates and other related rates will be reasonably determined by the Bank. The Bank shall also have the right to determine the applicable foreign exchange rate at the time of such calculation.
- 23.4 The Bank shall have the right to assign the obligations of the Customer to any judicial person, etc., of the HSBC Group whose ultimate holding company is HSBC Holdings plc. (an "HSBC Group Company") or to any third party designated by the Bank for collection purposes and without the consent of the Customer, and any such HSBC Group Company or such third party may assign the assigned obligations of the Customer to any other HSBC Group Company (including the Bank) or to any other third party without any consent of the Customer. The Customer hereby agrees not to oppose to such assignment.
- 23.5 The Bank shall may appoint an external debt collecting agency, and have it collect any obligations owed by the Customer to the Bank.

#### **Article 24. Disclaimer**

- 24.1 In the event that the Bank has verified, with due care, the seal (or signature) affixed on a cheque, withdrawal slip or any other document submitted to the Bank or the personal identification information notified by telephone or facsimile against the seal (or signature) of the person who has the authority to transact with the Bank, or against the personal identification information of the Customer registered with the Bank, and that the Bank has determined that they are identical, then the Bank shall not be liable for any damages incurred as a result of any incident such as any of them being forged, counterfeited, or fraudulently used, or the person making the telephone call was not the Customer, etc.

- 24.2 Unless otherwise agreed by the Bank, any payment obligation of the Bank owed to the Customer in relation to the Deposit Account will be performed at the branches prescribed by the Bank, and will not be performed at the overseas head office or branches of The Hongkong and Shanghai Banking Corporation Limited.
- 24.3 The Bank will only bear responsibility for the results of a transaction where they are solely attributable to the actions of the Bank. The Bank will bear no responsibility for the results of actions caused by events beyond the Bank's reasonable control, such as imposition of taxes and other public dues; changes in currency value; regulations concerning foreign exchanges and remittances; market fluctuations; freezing of funds; forced remittances; war; natural disaster; civil unrest; economic blockade; laws, ordinances, and instructions by applicable agencies; intentional misconduct, negligence, default and bankruptcy of the correspondent institutions and other agents of the Bank; and delays and damages during transit.
- 24.4 The Bank shall not be liable for any delay or failure of the Bank's equipment, systems or software, or in providing any of the Bank's services to the Customer to the extent that is attributable to any cause beyond the Bank's reasonable control, including any communication equipment or line malfunction or failure, and under no circumstances shall the Bank be responsible to the Customer for losses, damages, or expenses arising from or in connection with such delay or failure, unless the cause is attributable to the Bank.
- 24.5 In the event that the Customer and the Bank encounter discrepancies regarding the contents, amounts, etc., of the transactions reported in any Deposit Account Statement or any other document or transactions actually executed between the customer and the Bank, the records of the Bank shall be deemed as accurate in the absence of manifesto error. The Bank will bear no responsibility for damages, etc. incurred as a result of such discrepancies, unless the cause is attributable to the Bank. If the Bank has not received notice from the Customer disputing any Deposit Account Statement or any other document within fifteen (15) days after the date when such document was received by mail by the Customer or when such document becomes available to the Customer for inspection via an electromagnetic means, the Bank will deem the Customer to have acknowledged and agreed that the contents of such document are accurate.
- 24.6 If five (5) years have passed after the execution of a transaction under the Deposit Account, the Bank will not agree to any correction, cancellation, etc., of such transaction, absent manifesto error on the part of the Bank.

#### **Article 25. Handling of Customer Information**

The Bank may provide transactional information or personal information of the Customer ("Customer Information") to any domestic or overseas HSBC Group Company, agent, business trustee or other third party designated by the Bank for the administration, preservation, disposition, or in any other case necessary for the Bank to perform its businesses in relation to the Deposit Account. In addition, the Bank may disclose Customer Information if required to do so by domestic and foreign applicable laws or by a court or in other legal procedures, or if requested to do so by any domestic and foreign governmental agency. The Customer shall provide reasonable cooperation to the Bank for such purpose. Handling of Customer Information shall otherwise be subject to any rules/regulations that the Bank shall prescribe separately.

#### **Article 26. Restrictions on Transactions, etc.**

- 26.1 If the Bank considers that the Customer's request for a transaction, etc., constitutes an abuse of the Bank's services, then the Bank can impose restrictions on such transaction or refuse to execute such transaction.
- 26.2 Even after agreement is made with regard to a transaction, etc., as requested by the Customer, if there arises a market disruption or an usual change in financial conditions prior to the execution of such transaction, etc., then the Bank is entitled not to execute such transaction, etc.
- 26.3 The Bank will bear no responsibility for any damages incurred by the Customer or any third party as a result of the restrictions on, or refusal of the execution of, any transaction, etc., as provided for in Articles 26.1 and 26.2.

#### **Article 27. Prevention of Financial Crimes such as Money Laundering and Financing of Terrorist Activities**

- 27.1 The Bank will act in full compliance with all relevant laws and regulations of Japan and any foreign country, and requests by public organisations such as national governments and international organisations, having regard the international initiatives of the prevention of financial crimes such as money laundering and financing of terrorist activities.

- 27.2 In addition to Customer identity verification pursuant to Article 4 (Verification of Customer Identity), in order to verify the Customer's information and to understand details of a specific transaction, etc., in an appropriate manner, the Bank may request the Customer to provide confirmations or submit related documents, etc., by a deadline set by the Bank. If the Customer does not respond to the request by the time prescribed by the Bank without a legitimate reason, the Bank may limit all or part of transactions, such as deposit and remittance, etc., based on the Terms and Conditions.
- 27.3 When the Bank determines that in light of the Customer's response to a confirmation or document request pursuant to Article 27.2, the specific transaction details, the explanation of the transaction by the Customer, or other circumstances, a deposit is likely conflict with applicable laws and regulations, etc., of Japan or any foreign country concerning money laundering, financing of terrorism or economic sanctions, the Bank may limit all or part of transactions such as deposits and withdrawals, etc., based on the Terms and Conditions.
- 27.4 Even when transactions are limited pursuant to Article 27.2 and Article 27.3, if it is deemed that the risk of conflict with laws and regulations, etc., of Japan or any foreign country concerning money laundering, financing of terrorism or economic sanctions has been resolved based on the explanation of the Customer, etc., the Bank will promptly release the transaction limitations.
- 27.5 Neither the Bank nor any other HSBC Group Company will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or any damage suffered by the Customer or any third party arising out of:
- (i) any delay or failure by the Bank or any HSBC Group Company in processing any payment messages or other information or communications, or in performing any of its duties or other obligations in connection with the Current Account or any other account or the provision of any services to the Customer, caused in whole or in part by any steps which the Bank or any HSBC Group Company, in its sole and absolute discretion, considers appropriate to take in accordance with any laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to financial crimes such as, amongst other things, the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions; or
  - (ii) The exercise of any of the Bank's rights under this Article.

#### **Article 28. Governing Law and Jurisdiction**

All transactions with the Bank, and the documents related thereto, and the terms and conditions thereof shall be construed in accordance with the laws and regulations of Japan (including governmental ordinances relating to finance and exchange control, etc., administrative guidance, and general practical examples of general practices). The Tokyo District Court shall have non-exclusive jurisdiction in first instance over any lawsuit or legal proceeding concerning transactions with the Bank.

#### **Article 29. Procedural Customs, etc.**

All matters not set out in this Agreement shall be handled in accordance with other terms and conditions, rules and regulations of the Bank or customary procedures.

#### **Article 30. Amendment, etc., to this Agreement**

- 30.1 The Bank may, whenever changes in Japanese or foreign laws and regulations, or in social and financial circumstances occur or any other rational reason exists, make changes to the Terms and Conditions upon notification of such amended terms and conditions by proper methods such as notification to the Customer or on the website of the Bank.
- 30.2 Any amendments pursuant to Article 30.1 shall take effect on the date specified as an effective date in such notification, etc.

#### **Article 31. Transfer of Contractual Position of The Bank**

The Bank may, upon prior written notice to, but without seeking the consent of, the Customer, transfer and assign all rights, interests and obligations of the Bank arising out of the transactions and services under the Deposit Account to any HSBC Group Company incorporated in Japan, which is directly or indirectly wholly owned by HSBC Holdings Plc, and which is appropriately licensed to engage in the business regarding the transactions and services under the Deposit Account.

**Article 32. Language**

The Japanese language version of the Terms and Conditions shall constitute the authentic version and govern all transactions with the Bank unless otherwise stipulated by the Bank. In the event that the Bank prepares an English translation of such Japanese terms and conditions for reference purposes and there is any discrepancy between the provisions of such Japanese version and the provisions of the English translation prepared for reference purposes, the provisions of such Japanese version shall prevail.

**Article 33. Deposit Insurance**

Deposits held with the Bank's domestic branches are not covered by Deposit Insurance.

## Section 2. Terms and Conditions for Savings Account

These Terms and Conditions for Savings Accounts (hereafter in this section, the “Terms and Conditions”) govern the Bank’s handling of all transactions including deposit and withdrawal of deposit in Japanese yen and certain foreign currencies approved by the Bank made by a Customer with a Savings Account.

### Article 1. Types of Transactions

Savings deposits (*futsu yokin*) in Japanese yen and in certain foreign currencies approved by the Bank will be handled in the Savings Account.

### Article 2. Deposits

- 2.1 The Bank will accept deposits by way of remittance from other financial institutions, transfer from the Customer’s Savings Account or Current Account, or deposit of Instruments approved by the Bank to the Savings Account.
- 2.2 Instruments for deposit may be received by postal mail and other methods approved by the Bank.

### Article 3. Withdrawals

- 3.1 Withdrawals shall be made by transfer to an account by Fax Banking or by other ways approved by the Bank. The use of Fax Banking shall be subject to “Section 5. Fax Banking Terms and Conditions.”

### Article 4. Interest on Deposits

- 4.1 If the daily final balance (the amount of accepted Instruments shall be excluded from such balance until they are settled) is one (1) Yen (one (1) fractional unit in the case of foreign currency) or more, deposit interest shall accrue for units of one (1) Yen (one (1) auxiliary currency in case of foreign currency) and such interest, calculated at the interest rate prescribed by the Bank, shall be credited to the Customer’s Yen Savings Account on a date prescribed by the Bank.
- 4.2 The interest rate referred to in Article 4.1 will be varied reflecting changes in financial conditions, and a different interest rate may apply depending on the balance on the account.

### Article 5. Excessive Drawing

- 5.1 When the Bank has in its discretion paid from the Savings Account an amount in excess of the funds available for payment (including the case where such excess over the funds available for payment occurred as a result of the cancellation of a credit entry in accordance with Paragraph 3 and 4 of Article 11 (Deposits) of “Section 1. Deposit Account General Agreement”), the Customer shall reimburse the Bank, immediately upon demand, for payment of the deficiency.
- 5.2 Damages resulting from the payment of the deficiency mentioned in Article 5.1, shall be calculated at the rate prescribed by the Bank, and pursuant to the method specified by the Bank.
- 5.3 Any funds received or transferred for deposit in the Savings Account after the Bank has made a payment as provided for in Article 5.1, will be first allocated to reimburse the Bank for payment of the deficiency.
- 5.4 Should the Customer fail to reimburse the Bank as provided for in Article 5.1, or fail to pay damages as provided for in Article 5.2, the Bank shall be entitled to set off all such claims against any and all accounts or liabilities of the Bank to the Customer regardless of their due date.
- 5.5 As long as any liability to reimburse the Bank for payment of deficiency as provided for in Article 5.1 is outstanding, all Instruments received by the Bank from the Customer for deposit in the Saving Account shall be deemed to be assigned to the Bank as security for such reimbursement liability.

### Article 6. Application of Other Provisions

- 6.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by “Section 1. Deposit Account General Agreement”.
- 6.2 In the event of any discrepancy between “Section 1. Deposit Account General Agreement” and the Terms and Conditions, the Terms and Conditions shall prevail.

### **Section 3. Terms and Conditions for Time Deposit Account**

The Terms and Conditions for the Time Deposit Account (hereafter in this section, the “Terms and Conditions”) provides for the Bank’s handling of all transactions including deposit and withdrawal of time deposits (the “Time Deposit”) in Japanese yen and certain foreign currencies approved by the Bank made by a Customer with the Time Deposit Account.

#### **Article 1. Types of Transactions**

Time deposits (*teiki yokin*) in Japanese yen and in certain foreign currencies approved by the Bank will be handled in the Time Deposit Account.

#### **Article 2. Deposits**

The Bank will accept Time Deposits only by way of transfer from the Customer’s Savings Account or Current Account. The Bank will not accept Instruments for this purpose.

#### **Article 3. Maturity**

- 3.1 The Bank will on the maturity date and pursuant to an instruction given by the Customer, renew the aggregate sum of either the principal and interest of the Time Deposit or the principal of the Time Deposit, as a Time Deposit in the same currency and for the same deposit term.
- 3.2 The renewed maturity date of the renewed Time Deposit will be determined based on the maturity date of the Time Deposit before renewal (hereinafter referred to as the “Renewal Date”) as the deposit date. The same shall apply when the renewed Time Deposit is further renewed.
- 3.3 In the case that the Customer does not renew the Time Deposit and desires to have it repaid on the maturity date, the Customer shall submit a repayment request form, sealed (or signed) with the Customer’s seal (or signature) registered with the Bank, to the Bank by the day and time designated by the Bank on the maturity date. In the case such Customer’s request is received after the day and time designated by the Bank, the repayment will be made on the following business day, and the interest on and after the maturity date will accrue at the interest rate designated by the Bank which is applicable to the Savings Account in the same currency as the Time Deposit (or the interest rate applicable to Yen Savings Account as designated by the Bank, if the principal and/or the interest of the Time Deposit in a foreign currency is converted into Japanese yen and credited to the designated account in Japanese yen).
- 3.4 In the case that the principal and/or the interest of the Time Deposit in a foreign currency is credited to the designated account in Japanese yen on the maturity date pursuant to Article 3.3, the Bank will calculate such amount to be credited by applying the foreign exchange rate on the maturity date to the said principal or interest in accordance with the provision of Article 16 (*Foreign Exchange Conversion Rate*) of “Section 1. Deposit Account General Agreement.”

#### **Article 4. Interest on Deposits**

The interest rate shall be determined at the time of deposit for the term from the deposit date to the day prior to the maturity date. Provided, however, that the interest rate in case of renewing the Time Deposit after the maturity date shall be the interest rate specified by the Bank on the Renewal Date.

#### **Article 5. Cancellation before Maturity Date**

- 5.1 The Customer may not cancel the Time Deposit before its maturity; provided, however, that the Bank may agree to the cancellation when the Bank recognises that such cancellation is unavoidable and no reason exists for the Bank to reject such cancellation.
- 5.2 In the event that the Bank allows the Customer to cancel the Time Deposit before its maturity date pursuant to Article 5.1, the applicable interest for the period from the deposit date (or the most recent Renewal Date) to the date of cancellation will be zero (0), and only the original amount of deposited principal (or the amount of principle renewed) will be credited to the Customer’s Savings Account or Current Account, whichever account is in the same currency as the currency of such principal.

#### **Article 6. Application of Other Provisions**

- 6.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by “Section 1. Deposit Account General Agreement.”
- 6.2 In the event of any discrepancy between “Section 1. Deposit Account General Agreement” and the Terms and Conditions, the Terms and Conditions shall prevail.



## Section 4. Terms and Conditions for Current Account

These Terms and Conditions for the Current Account (hereafter in this section, the “Terms and Conditions”) govern the Bank’s handling of current deposits in Japanese yen and certain foreign currencies approved by the Bank made by a Customer into the Current Account.

### Article 1. Transaction Details

Current deposits (*toza yokin*) in Japanese yen and in certain foreign currencies approved by the Bank will be handled in the Current Account.

### Article 2. Deposits

- 2.1 The Bank will accept deposits by way of remittance from other financial institutions, transfer from the Customer’s Savings Account or Current Account, or deposit of Instruments approved by the Bank into the Current Account.
- 2.2 Instruments for deposit may be received by postal mail and other methods approved by the Bank.

### Article 3. Payment of Drafts and Cheques

When a cheque is presented for payment, or, if a draft is presented for payment within the presentation period, it shall be paid from the Current Account. In addition, cheques, promissory notes, and accepted bills of exchange that a registered agent draws in its own name will also be paid from the Current Account.

### Article 4. Forms for Drafts and Cheques

- 4.1 The Customer is required to use the forms provided by the Bank when drawing cheques on the Bank or promissory notes payable at the offices of the Bank.
- 4.2 When accepting bills of exchange payable at the offices of the Bank, the Customer is required to ascertain that the forms for such have been provided by financial institutions which are authorized to receive deposits.
- 4.3 The Bank will not honour any cheque, promissory note, or bill of exchange which does not comply with Article 4.1 and 4.2.
- 4.4 Upon request, the Bank will provide the Customer with a reasonable quantity of cheques, promissory notes, and bill of exchange forms, at cost.

### Article 5. Scope of Payments

- 5.1 The Bank is not obligated to pay cheques, promissory notes, or bills of exchange presented for payment in excess of the funds available for payment in the Current Account.
- 5.2 The Bank will not make partial payment of the amount of cheques, promissory notes, bills of exchange.

### Article 6. Selecting Payment

If the total amount of all cheques, promissory notes, or bills of exchange presented for payment is in excess of the funds available for payment in the Current Account, the Bank may select, at its sole discretion, which instruments to make payment of.

### Article 7. Overdrafts

- 7.1 When the Bank has paid, at its discretion, a cheque, promissory note, bill of exchange or made any other payment from the Current Account in excess of the funds available for payment (including the case where such excess over the funds available for payment has occurred as a result of the cancellation of a credit entry in accordance with Paragraph 3 and 4 of Article 11 (Deposits) of “Section 1. Deposit Account General Agreement”), the Customer shall reimburse the Bank, immediately upon demand, for payment of the deficiency.
- 7.2 Damages resulting from the payment of the deficiency mentioned in Article 7.1 shall be calculated at an interest rate and method prescribed by the Bank.
- 7.3 Any funds received for deposit in the Current Account after the Bank has made a payment as provided for in Article 7.1 will be first allocated to reimburse the Bank for payment of the deficiency.
- 7.4 Should the Customer fail to reimburse the Bank as provided for in Article 7.1, or fail to pay damages as provided for in Article 7.2, the Bank shall be entitled to set off all such claims at any

time against any and all accounts or liabilities of the Bank to the Customer regardless of their maturities.

- 7.5 As long as any liability to reimburse the Bank for payment of a deficiency as provided for in Article 7.1 is outstanding, all Instruments received by the Bank from the Customer for deposit in the Current Account shall be deemed to be assigned to the Bank as security for such reimbursement liability.

#### **Article 8. Substitute for a Payment Guarantee**

The Bank will not certify or guarantee any cheques drawn by the Customer. Instead, the Bank will issue cashier's cheques upon request, deducting the amount of the cashier's cheques from the Current Account.

#### **Article 9. Drafts and Cheques without an Issue Date or Payee**

- 9.1 In drawing cheques, promissory notes, or bills of exchange, or in accepting bills of exchange, the Customer is required to fill in all blanks as completely as possible, as required by law for the validity of such Instruments. Notwithstanding any omissions, if cheques, or promissory notes or bills of exchange payable on a fixed date, which are issued by the Customer and which lack the drawing date, are presented for payment, the Bank may pay without notifying the Customer.
- 9.2 The Bank is not liable for any damages that may result from any actions taken in accordance with Article 9.1.

#### **Article 10. Handling of Crossed Cheques**

- 10.1 If a crossed cheque is presented for payment and it has an impressed seal (or registered signature) on its reverse side, the Bank can make payment to the bearer.
- 10.2 The Bank is not liable for any damages covered by Article 38, Paragraph 5 of the Cheques Act. If, however, as a result of any such action described in Article 10.1 the Bank is compelled to pay damages to a third party, the Bank shall be entitled to reimbursement from the Customer.
- 10.3 If a cheque is issued by an agent in its own name, the Bank, as in Article 10.2, is not liable for any damages and the Bank shall be entitled to reimbursement from the Customer.

#### **Article 11. Approval Inquiries**

- 11.1 The Bank may pay any promissory note or bill of exchange without inquiring as to whether any necessary approval has been received, even if any act related to the promissory note or bill of exchange requires the approval of a board of directors or meeting of shareholders, or some other procedure of a similar type.
- 11.2 The Bank is not liable for any damages that may result from any actions taken in accordance with Article 11.1.

#### **Article 12. Interest on Deposits**

- 12.1 If the daily final balance (the amount of accepted Instruments shall be excluded from such balance until they are settled) is one (1) Yen (one (1) fractional unit in the case of a foreign currency) or more, deposit interest shall accrue for units of one (1) Yen (one (1) auxiliary currency in the case of a foreign currency) and such interest, calculated at the interest rate stipulated by the Bank, shall be credited to the Yen-denominated Current Account on a date prescribed by the Bank; provided, however, that any interest on the Current Account shall not exceed the upper limit prescribed by applicable law.
- 12.2 The interest rate referred to in Article 12.1 will be varied reflecting changes in financial conditions, and a different interest rate may apply depending on the balance on the Current Account.

#### **Article 13. Withdrawal**

- 13.1 A withdrawal shall be made pursuant to instructions Fax Banking or by any other way approved by the Bank by transfer to an account specified in the instructions. The use of Fax Banking shall be subject to "Section 9. Fax Banking Terms and Conditions".
- 13.2 For the withdrawal of cash in a foreign currency upon instruction of the Customer, the Bank shall withdraw the amount equivalent to such withdrawal in Japanese yen or a foreign currency in accordance with the provision of Article 13 (*Withdrawals*) of "Section 1. Deposit Account General Agreement."; the Bank may collect a fee separately determined by the Bank for the withdrawal of cash in a foreign currency. In addition, a withdrawal of cash in a foreign currency shall require the Customer to have notified the Bank of the withdrawal at least five (5) business days prior to the

withdrawal date and is conditional on the said currency being available.

#### **Article 14. Termination**

14.1 The Current Account may be terminated at any time at the discretion of either party. **However, the termination at the discretion of the Customer shall be subject to Paragraph 1 of Article 21(Termination) of “Section 1. Deposit Account General Agreement”.**

- 14.2 If the Bank terminates the Current Account in accordance with the rules and regulations of a Clearing House demanding the suspension of transactions with the Customer, that termination shall take effect immediately upon dispatch of the Bank’s termination notice, regardless of whether the notice reaches the Customer.

#### **Article 15. Processing After Termination**

- 15.1 Once the Current Account has been terminated, the Bank is not liable for payment of cheques or promissory notes drawn by the Customer or bills of exchange accepted by the Customer prior to the termination.
- 15.2 Once the Current Account has been terminated as prescribed in Article 15.1, the Customer shall return all unused cheques, promissory notes, and bills of exchange forms to the Bank immediately and at the same time settle the Current Deposit Account.

#### **Article 16. Processing based on Draft Clearinghouse Rules**

- 16.1 In addition to the terms of these Current Account Terms and Conditions, Current Account transactions are also subject to the rules and regulations of the applicable Clearing House.
- 16.2 When the applicable Clearing House implements emergency measures due to unavoidable circumstances such as natural disasters or other domestic/national emergencies, then the Bank may take appropriate actions in accordance with those measures, such as paying promissory notes or bills of exchange presented for payment after the prescribed period for presentation has elapsed notwithstanding Article 3 (Payment of Drafts and Cheques) by debiting the Current Account.
- 16.3 The Bank shall not be liable for any damages that may result from any actions taken in accordance with Article 16.2.

#### **Article 17. Application of Other Provisions**

- 17.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by “Section 1. Deposit Account General Agreement,”
- 17.2 In the event of any discrepancy between “Section 1. Deposit Account General Agreement” and the Terms and Conditions, the Terms and Conditions shall prevail.

## **Section 5. Terms and Conditions for Fax Banking**

These Terms and Conditions for Fax Banking (hereafter in this section, the “Terms and Conditions”) govern the Bank’s handling of a Customer’s a Deposit Account where the Customer uses the Fax Banking Service (the “Service”).

### **Article 1. Description of the Service**

- 1.1 The Bank will perform the following transactions, etc. (“Designated Transaction(s)”), for the Customer at the Customer’s expense based on an individual request form received via the Customer’s facsimile machine on condition that the prescribed terms and conditions have been satisfied in accordance with the Terms and Conditions.
  - (i) Reissuance of monthly report and transaction notice;
  - (ii) Issuance of balance certificate;
  - (iii) Domestic transfer, overseas remittance, transfer within the branch office (including change or unwinding of requests); and
  - (iv) Establishment, renewal, instruction upon maturity, cancellation, etc., of Time Deposits
- 1.2 The Bank shall stipulate separately the specific content of the Service (including the scope of Designated Transactions, terms of use, and specific methods of use) that is not covered by the Terms and Conditions and may at any time determine or modify the content of the Service.
- 1.3 If, in accordance with Article 1.2, the Bank determines or modifies the content of the Service, the Bank will either give notice to the Customer or make a public announcement of such determination or modification by a method (for instance, in writing) the Bank deems appropriate.

### **Article 2. Verification of Customer Identity and Identifying Transaction Details**

- 2.1 The Customer shall enter the details of a requested Designated Transaction on the request form prescribed by the Bank with the Customer’s seal (or signature) which has been registered with the Bank and send the form to the Bank by facsimile. Due to the nature of communication via facsimile machine, if a problem arises, the Service will be discontinued and the Customer will be required to request transactions of the Bank via proper methods.
- 2.2 If the Bank receives a request described in Article 2.1 by facsimile (the Bank’s prescribed request form received from a Customer by facsimile is called the “Fax Request Form”), it will investigate the items enumerated below and when the Bank has verified them by measures it deems appropriate, the Bank will deem it has received a valid request for a transaction under the Service from the Customer.
  - (i) The location of the Customer or its agent, and transaction details;
  - (ii) The Fax Request Form contains items that allow adequate identification of the Customer and is sufficient to clearly verify the requested transaction details; and
  - (iii) The seal or signature of the Customer or its agent that appears on the Fax Request Form corresponds to the seal or signature registered with the Bank in advance.
- 2.3 In addition to the verification procedures in Article 2.2, if the Bank deems it necessary it will verify that the user of the Service is, in fact, the Customer itself by measures prescribed by the Bank (together with the verification procedures in Article 2.2, “the Customer Identification Procedures”). If the Bank deems it necessary, the Service will not be provided until the Customer Identification Procedures have been completed.
- 2.4 Except in the case of negligence by the Bank, in providing the Service based on the Bank’s verification through the Customer Identification Procedures that the person initiating the transaction is actually the Customer, the Bank shall not be liable even if the Service is utilized fraudulently by a third party.

### **Article 3. Requesting a Transaction and the Designated Transaction**

- 3.1 Once the Bank has carried out the procedures in Articles 2.2 and 2.3 regarding the various transaction requests of the Service and approved these, the transaction shall be deemed verified, and from that point forward the Customer cannot cancel or modify the transaction without the consent of the Bank.
- 3.2 From time-to-time transactions requested by the Customer will not be processed on the day the request is made owing to limitations of the Bank’s system or limitations involving business processing. In such a case, the Bank shall not be liable for the delay in executing the transaction.

#### **Article 4. Unavailability of the Service**

The Service will be unavailable in any of the following situations:

- (i) If the amount of money to be remitted or transferred is larger than the funds available for payment on the designated remittance date or designated transfer date;
- (ii) If transactions under the designated payment account has been restricted or suspended, or the designated payment account has already been closed;
- (iii) If the Customer has initiated a stop payment on the designated payment account and the Bank has conducted the prescribed procedures in accordance with it;
- (iv) If the Customer has suspended payments or a petition has been filed for the commencement of bankruptcy, civil rehabilitation procedures, corporate reorganisation procedures, special liquidation procedures or other such disposition (including any similar petition in any jurisdiction other than Japan) in respect of the Customer;
- (v) If there is a notification or an order to temporarily seize or order to seize the Customer's deposits or other credits owed by the Bank;
- (vi) If a transfer transaction has been requested but transactions under the designated payment account have been restricted or suspended, or the designated account for the transfer has already been closed;
- (vii) If a requested remittance of money is in violation or potential violation of the laws of Japan or any foreign country; or
- (viii) If the execution of the Service becomes impossible or the Bank, at its sole discretion, discontinues the Service, because of riot, social disturbance, war, government law, order or regulation, measures taken by a government agency, natural phenomenon, violent weather, fire, major accident, strike, sabotage activity, explosion, or other similar or dissimilar unforeseen event that reduces the Bank's ability to perform the Service, or if the Bank considers it necessary to suspend the Service.

#### **Article 5. Customers' Responsibilities**

The Customer shall be responsible for all consequences arising from, or associated with the use of the Service.

#### **Article 6. Disclaimer**

- 6.1 The Bank shall not be liable whatsoever for any damage, loss or any other expenses (direct or indirect) suffered or paid by the Customer from the delayed handling or the failure in handling on account of disruptions of telecommunication or calls, unclear faxes, omission of pages, or failure or disconnection of telecommunication equipment, telephone lines or calls not attributable to the Bank.
- 6.2 As long as the Bank has performed the verification and handling provided for in Article 2 (Verification of Customer Identity and Identifying Transaction Details), the Bank shall not be liable to the Customer or a third party for damages stemming from the fraudulent use of Customer Identification Information, the overstepping of authority, or the alteration of the content of a request in a fax by a person other than the Bank or its employees.
- 6.3 If an error is discovered in a transaction or an account balance as a result of identification under Article 2 (Verification of Customer Identity and Identifying Transaction Details) and if there are doubts between the Customer and the Bank, the content of a Fax Request Form received by the Bank according to the method provided for in Article 2 (Verification of Customer Identity and Identifying Transaction Details) shall be deemed accurate and the subsequent processing shall take place as long as there is no verification that the Bank was in error. As a result, the Bank will treat matters such as the unwinding of a remittance and the correction of a transaction due to a subsequent request by the Customer as a request for a new transaction. In addition, as long as there is no verification that the Bank was in error, the Bank shall not be liable if it has processed a transaction in accordance with the content of a Fax Request Form it received. Further, the Bank shall not be liable for damages suffered by the Customer or a third party for the delayed handling or failure of handling caused by disruption of telephone services.
- 6.4 The Bank shall not be liable whatsoever for damages, losses or any other expenses (including direct or secondary damage) suffered or paid by the Customer unless they are attributable to the Bank if the transaction information, etc., of the Customer has leaked by bugging, etc., through telecommunication routes including public telephone lines and leased telephone lines.
- 6.5 If a Customer uses the Service from overseas, the Bank shall handle that usage as if it took place in Japan. Further, in some cases, the Service cannot be used from overseas because of the foreign

country's laws, systems, or the specifications of the communications information and communications equipment; the Bank shall not be liable for damages, losses, or other costs stemming from such usage.

**Article 7. Application of Other Provisions**

- 7.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by "Section 1. Deposit Account General Agreement."
- 7.2 In the event of any discrepancy between "Section 1. Deposit Account General Agreement" and the Terms and Conditions, the Terms and Conditions shall prevail.

## **Section 6. Terms and Conditions for Domestic Fund Transfer**

These Terms and Conditions for Domestic Fund Transfer (hereafter in this Section, the “Terms and Conditions”) govern the Bank’s handling of domestic Yen fund transfer requests and other similar transfer requests made by a Customer holding the Deposit Account, using a transfer request form prescribed by the Bank (the “Transfer Request Form”).

### **Article 1. Scope of Application**

All transfer transactions made to a recipient’s Yen deposit account held at the Bank or at the head office or branches in Japan of other financial institutions shall be handled in accordance with the Terms and Conditions.

### **Article 2. Request for Transfer**

- 2.1 A request for transfer shall be handled in the following way:
  - (i) A request for transfer shall be accepted if it is made by way of fax banking or online banking or other way prescribed by the Bank, during the hours and within the amount prescribed by the Bank.
  - (ii) When requesting a transfer, the Customer shall use the Transfer Request Form in which the business name/company name and branch name of the financial institution which is the receiving party, type of account, account number, name of the recipient, transfer amount, name of the applicant (the Customer), address and telephone number of the applicant (the Customer) and other items prescribed by the Bank must be accurately stated.
- 2.2 The Bank shall execute the transaction based on the details stated in the Transfer Request Form, which are deemed to be the contents of the Customer’s request.
- 2.3 If the Transfer Request Form is incomplete or incorrect with regard to the requested items set forth in Article 2.1, the Bank will not be responsible for any damages, losses or costs that arise therefrom.
- 2.4 When requesting a transfer, in addition to the funds to be transferred, the Customer is required to pay transfer fees prescribed by the Bank and any other fees required in connection with this transaction (the funds to be transferred and such fees, collectively referred to as “Transfer Fund, etc.”) to the Bank.

### **Article 3. Formation of a Transfer Contract**

- 3.1 A transfer contract shall be entered into when the Bank has accepted the request for transfer pursuant to Article 2 (Request for Transfer) and received the Transfer Fund, etc.
- 3.2 If a transfer agreement is entered into in accordance with the preceding Paragraph, the Bank shall provide a transfer fund receipt to the Customer. The Customer shall confirm the details of the transfer request by confirming the transfer fund receipt and keep the transfer fund receipt in a safe place as this is documentary evidence of the establishment of the transfer agreement.

### **Article 4. Issuance of Notice of Transfer, etc.**

When a transfer contract has been entered into, the Bank shall, pursuant to the contents of the request, issue a notice of transfer to the financial institution which is the receiving party, on the day of the request, directly or through a bank, etc. (the “Related Banks”); provided, however, that in the case of unavoidable circumstances such as when the request is made just before the close of business hours for acceptance of transfers or on a business day when there are excessive transfer requests, the notice of transfer may be issued on the business day following the date of request.

### **Article 5. Transfer Using Instruments**

- 5.1 In the case of a transfer request to a recipient’s deposit account maintained with a financial institution other than the Bank, the Bank will not accept the Transfer Fund, etc., in the form of Instruments.
- 5.2 In the case that the Bank receives a request to transfer funds to a recipient’s Deposit Account held in any of the Bank’s domestic branches, if the Bank approves the acceptance of cheques and other instruments for the purpose of creating the said Transfer Fund, etc., the Bank shall submit a transfer fund receipt showing such approval and issue a notice of transfer showing acceptance of the Instruments, before confirmation of settlement. Further, there are instances where the issuance of the notice of transfer is made after the confirmation of the settlement of the Instruments.
- 5.3 The Bank shall immediately notify the Customer if the Instruments accepted pursuant to Article

- 5.2 are dishonoured, and at the same time the Bank shall cancel the notice of transfer if the Bank has issued it prior to confirmation of settlement. In this case, the Bank shall take procedures to preserve the rights with regard to the said Instruments only when the Bank has received a written request in advance.
- 5.4 The Customer shall submit a receipt prescribed by the Bank with the Customer's name and seal (or signature) affixed on it in addition to the transfer fund receipt, and the Instruments which have been dishonoured will be returned from the relevant branch office. In this case, the Bank may request personal identification documents prescribed by the Bank.
- 5.5 The Bank shall not be liable for any damage suffered by the Customer as a result of the Bank returning the dishonoured Instruments upon confirming with reasonable care that the transfer fund receipt submitted by the Customer had been issued by the Bank.

#### **Article 6. Enquiries, etc., on Transaction Details**

- 6.1 If the transfer amount has not been credited to the recipient's deposit account, the Customer shall promptly make enquiries with the branch of the Bank where the transfer request was made. In such case, the Bank or the Related Banks shall take steps to investigate the matter, such as by making enquiries with the financial institution which is the receiving party, and report the results thereof. In accepting the Customer's enquiry, the Bank may ask the Customer to submit a request form prescribed by the Bank.
- 6.2 The Customer may receive enquiries from the Bank on the details of the request, if the Bank receives an enquiry from the financial institution which is the receiving party or the Related Banks, regarding the notice of transfer issued by the Bank, and the Customer shall give a prompt response. If the Bank does not receive a response from the Customer within an appropriate time frame or if an inappropriate response is received with regard to the enquiry, the Bank may take any measure that the Bank considers appropriate and will not be responsible for any damage arising out of it.
- 6.3 If the transferred funds are returned for reasons such as the recipient's account does not exist, the Bank will notify the Customer who shall take the procedures to receive the transfer funds pursuant to Article 7 (Amendments to Request) or, Article 8 (Unwinding (*kumimodoshi*)). Further, if there is no reply within an appropriate time frame or if the reply is inappropriate, the Bank will deduct an unwinding (*kumimodoshi*) cancellation fee from the returned funds and deposit the balance into the Customer's Deposit Account from which the funds for such transfer were withdrawn, without obtaining an unwinding (*kumimodoshi*) request from the Customer. In such a case, the Bank shall not be responsible for any losses or damages incurred by the Customer as a result thereof, and the Bank will not return the transfer fees, etc., to the Customer.

#### **Article 7. Amendments to Request**

- 7.1 If the Customer wishes to amend the contents of the request after the transfer contract has been entered into, such amendments shall be processed according to the following procedures by way of Fax Banking or other way as prescribed by the Bank; provided, however, an amendment might not be allowed depending on the contents or the timing of the amendment request. In addition, any amendment to the transfer amount shall be handled according to the unwinding (*kumimodoshi*) procedures provided for in Article 8 (Unwinding (*kumimodoshi*)).
- (i) When requesting an amendment, the Customer shall submit to the Bank a request form for amendment as prescribed by the Bank (the "Amendment Request Form") with the Customer's name and seal (or signature) previously registered with the Bank affixed (or signed), together with the Transfer Fund Receipt prescribed by the Bank and other documents prescribed by the Bank which the Bank considers necessary. In such a case, the Bank may request personal identification documents prescribed by the Bank.
- (ii) The Bank shall, in accordance with the contents of the Amendment Request Form, issue an amendment request telegram to the financial institution which is the receiving party.
- 7.2 When the Bank makes the amendment after verifying, with reasonable care, that the seal (or signature) used on the Amendment Request Form matches the one which was used on the Transfer Request Form, the Bank shall not be responsible for any damages caused thereby.
- 7.3 In Article 7.1, if the financial institution which is the receiving party or the Related Banks have already received the notice of transfer, an amendment may not be made. In such a case, the Customer shall negotiate with the recipient.



#### **Article 8. Unwinding (*kumimodoshi*)**

- 8.1 If the Customer wishes to cancel a request for transfer after the transfer contract has been entered into, such cancellation shall be processed in accordance with the following unwinding (*kumimodoshi*) procedures by Fax Banking or other methods accepted by the Bank:
- (i) When requesting an unwinding (*kumimodoshi*), the Customer shall submit to the Bank by fax transmission, a request form for unwinding (*kumimodoshi*) as prescribed by the Bank (the “Unwinding Request Form”) with the Customer’s name and the Customer’s seal (or signature) previously registered with the Bank affixed (or signed), In such a case, the Bank may ask the Customer to provide personal identification documents prescribed by the Bank.
  - (ii) The Bank shall, in accordance with the Unwinding Request Form, issue an unwinding (*kumimodoshi*) request telegram to the financial institution which is the receiving party.
  - (iii) The transfer fund which has been unwound shall be refunded in accordance with the manner set forth in the Unwinding Request Form (provided, however that such manner must be acceptable to the Bank).
- 8.2 When the Bank makes an unwinding (*kumimodoshi*) after verifying, with reasonable care, that the seal (or signature) used on the Unwinding Request Form matches the one which was used on the Transfer Request Form, the Bank shall not be responsible for any damages caused thereby.
- 8.3 If the financial institution which is the receiving party or the Related Banks, have already received the notice of transfer, an unwinding (*kumimodoshi*) pursuant to Article 8.1 may not be made. In such a case, the Customer shall negotiate with the recipient.

#### **Article 9. Contact Details for Notices and Enquiries**

- 9.1 Notices and enquiries made by the Bank to the Customer regarding the request for transfer shall be made to the address and telephone number stated in the Transfer Request Form, or to the address and telephone number registered in relation to the Deposit Account from which the transfer fund, etc., were transferred.
- 9.2 With regard to Article 9.1, the Bank shall not be responsible for any damage incurred as a result of incomplete or incorrect contact details or interruption of telephone service, etc.

#### **Article 10. Fees**

- 10.1 When the Bank accepts a request for transfer, a transfer fee prescribed by the Bank shall be charged.
- 10.2 When the Bank accepts a request for an unwinding (*kumimodoshi*) or amendment of a transfer request, an unwinding (*kumimodoshi*) fee or amendment fee prescribed by the Bank shall be charged. In such case, the transfer fee shall not be refunded.
- 10.3 In the case that where the Bank does not return the transfer funds which have been unwound but the Bank accept a new request for transfer with such funds, the transfer fee prescribed by the Bank shall also be charged.
- 10.4 Any cost incurred by the Bank due to any special request regarding the transactions hereunder shall be charged separately.

#### **Article 11. Disclaimer for Force Majeure, etc.**

- The Bank shall not be responsible for any damage (whether direct or consequential, including loss of profit or interest, or otherwise) arising from the Bank’s inability to transfer funds or the delay in the transfer, etc., due to any of the following items:
- (i) Unavoidable circumstances such as natural disasters, incidents, accidents during transport, actions by courts or other governmental authorities;
  - (ii) Failures or malfunctions in terminal units, communication circuits or computers, etc., despite the Bank or other the financial institution having taken appropriate security measures; or
  - (iii) Causes attributable to any financial institution other than the Bank or the Related Banks.

#### **Article 12. Application of Terms and Conditions for Deposits, etc.**

The withdrawals, in the case that the Customer requests a remittance by transferring the Transfer Funds, etc., from the Deposit Account, shall be made in accordance with “Section 1. Deposit Account General Agreement” and other terms and conditions relating to Deposit Accounts.

**Article 13. Application of Other Provisions**

- 13.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by “Section 1. Deposit Account General Agreement”.
- 13.2 In the event of any discrepancy between “Section 1. Deposit Account General Agreement” and the Terms and Conditions, the Terms and Conditions shall prevail.

## Section 7. Terms and Conditions for Overseas Remittance

These Terms and Conditions for Overseas Remittance (hereafter in this Section, the “Terms and Conditions”) govern the Bank’s handling of Overseas Remittance Transactions and other similar transactions carried out by a Customer holding a Deposit Account, using an Overseas Remittance and Domestic Foreign Currency Remittance Request Form/Overseas Remittance, etc. Statement (the “Overseas Remittance Request Form”) prescribed by the Bank.

### Article 1. Scope of Application

- 1.1 The following overseas remittance transactions with the Overseas Remittance Request Form will be handled in accordance with the Terms and Conditions:
  - (i) Overseas Remittance Transactions.
  - (ii) Remittance transactions in foreign currency to the deposit account of the branches of The Hongkong and Shanghai Banking Corporation Limited located in Japan or other financial institutions located in Japan.
  - (iii) Yen-denominated remittance transactions between a resident and a non-resident or between non-residents under the laws and regulations concerning foreign exchange to the recipient’s deposit account maintained at the branches of The Hongkong and Shanghai Banking Corporation Limited located in Japan or other financial institutions located in Japan.
  - (iv) Transactions that are similar to any of the above and accepted by the Bank.

### Article 2. Definitions

- 2.1 In the Terms and Conditions, “Overseas Remittance Transactions” shall mean any of the following by the Bank pursuant to the entrustment of the Customer:
  - (i) Issuance of a Payment Order to the Banks Concerned to entrust them with the depositing of a certain amount to the recipient’s deposit account maintained at the head office or branches of The Hongkong and Shanghai Banking Corporation Limited located outside Japan or other financial institutions located outside Japan (Advise and Credit).
  - (ii) Issuance of a Payment Order to the Banks Concerned to entrust them with the payment of a certain amount to the recipient in a foreign country (Advise and Pay/Pay on Application).
  - (iii) Issuance of a Demand Draft to the Customer, where the payer is the head office or branches of The Hongkong and Shanghai Banking Corporation Limited located outside Japan or other financial institutions located outside Japan and the recipient is a person designated by the Customer.
- 2.2 In the Terms and Conditions, a “Payment Order” shall mean an instruction sent by the Bank to the Banks Concerned to entrust the payment of a certain amount to the recipient, pursuant to the entrustment of the Customer.
- 2.3 In the Terms and Conditions, the “Paying Bank” shall mean a financial institution which credits the funds remitted to the recipient’s deposit account or pays the same to the recipient.
- 2.4 In the Terms and Conditions, the “Banks Concerned” shall mean the Paying Bank and the head office or branches of The Hongkong and Shanghai Banking Corporation Limited or other financial institutions which conduct the following for remittances:
  - (i) Intermediation of Payment Orders.
  - (ii) Settlement of funds to be remitted between financial institutions.

### Article 3. Requests for Remittance

- 3.1 Requests for transfer shall be handled in the following way:
  - (i) Request for remittance shall be accepted, if it is made by way of fax banking or online banking or other way prescribed by the Bank, during the hours and within the amount prescribed by the Bank.
  - (ii) When requesting a remittance, the Customer shall use the Overseas Remittance Request Form in which the business/company name and branch name of the financial institution which is the receiving party, type of account, account number, name of the recipient, transfer amount, name of the applicant (the Customer), address and telephone number of the applicant (the Customer) and other items prescribed by the Bank must be accurately stated.
- 3.2 The Bank shall execute the transactions based on the details stated in the Overseas Remittance Request Form which are deemed to be the contents of the request.

- 3.3 If the Overseas Remittance Request Form is incomplete or incorrect with regard to the requested items set forth in Article 3.1, the Bank will not be responsible for any damages, losses or costs that arise therefrom.
- 3.4 When receiving a request for remittance, the Bank is required to ascertain certain matters under the laws and regulations concerning foreign exchange. The Customer is, therefore, required to take the following procedures:
- (i) Please state the purpose for remittance and fill in any other prescribed items information, on the Overseas Remittance Request Form.
  - (ii) Please fill in the necessary items on the declaration form as prescribed by the Bank and submit the form to the Bank, except for cases when the funds for remittance are to be transferred from a deposit account of the Customer whose identity has been verified by the official documents prescribed by the Bank.
  - (iii) Please submit the identity verification documents prescribed by the Bank such as a certified copy of the commercial registry, etc., except for cases when the funds for remittance are to be transferred from an account of the Customer whose identify has been verified by the official documents prescribed by the Bank.
  - (iv) For transactions requiring permission, etc., please present or submit documents proving such permission, etc.
- 3.5 When requesting a remittance, in addition to the funds to be remitted, the Customer is required to pay the remittance fees as prescribed by the Bank, fees for the Banks Concerned as prescribed by the Banks Concerned and any other fees and expenses required in connection with this transaction (the funds to be remitted and such fees and expenses, collectively referred to as “Remittance Fund, etc.”) to the Bank. The Bank will not accept the remittance funds, etc., in the form of Instruments.

#### **Article 4. Formation and Cancellation, etc., of a Remittance Entrustment Contract**

- 4.1 The remittance entrustment contract shall be entered into when the Bank accepts the request for remittance pursuant to Article 3 (*Requests for Remittance*) and receives the Remittance Fund, etc.
- 4.2 When the remittance entrustment contract is entered into pursuant to Article 4.1, the Bank shall provide the Customer with an overseas remittance calculation statement relating to the contents of the contract. The Customer shall confirm the contents of the contract by confirming the overseas remittance calculation statement and safely store the overseas remittance calculation statement as the Customer may be requested by the Bank to submit it at a later date, in case of events such as cancellation or unwinding (*kumimodoshi*).
- 4.3 Even after entering into the Contract pursuant to, Article 4.1, the Bank may, before issuing the Payment Order to the Banks Concerned, cancel the Contract if the Bank considers any of the following to be applicable. In such a case, the Bank shall not be responsible for any damages incurred by the Customer caused by such cancellation.
- (i) When the remittance is in violation of the laws and regulations concerning foreign exchange, such as when transactions, etc., are subject to an emergency suspension, etc.
  - (ii) When other reasonable grounds exist, such as the remittance being associated with crime, including money laundering or terrorist financing.
  - (iii) When a riot, social disturbance, war, hostile activities between countries, government law, order or regulation, embargo, measures taken by a government agency, insurrection, or freezing of assets or suspension of payments of the Banks Concerned occurs or threatens to occur, natural phenomenon, violent weather, natural disaster, major accident, strike, sabotage activity, explosion, or other similar or dissimilar unforeseen event that exceeds the ability of those involved to contain the event occurs or threatens to occur.
- 4.4 In the case of cancellation pursuant to Article 4.3, the Bank shall return the Remittance Fund, etc., received from the Customer. In such event, the Customer shall submit a receipt etc. prescribed by the Bank with the same name and seal (or signature) as used on the Overseas Remittance Request Form, along with the overseas remittance calculation statement as referred to in Article 4.2. In this case, the Bank may request the Customer to submit personal identification verification documents prescribed by the Bank; provided, however, that in the case that the Customer, pursuant to Article 19 (Registration of Seal, etc.) of “Section 1. Deposit Account General Agreement”, notifies the Bank of more than one seal or signature, provided that at least one of the seals or signatures is provided on the receipt, etc., prescribed by the Bank, the Bank shall accept such seal or signature even if it is different to the seal or signature provided on the Overseas Remittance Request Form.

- 4.5 When the Bank returns the Remittance Fund, etc., after verifying, with reasonable care, that the seal (or signature) used on the receipt, etc., matches with the one which was used on the Overseas Remittance Request Form or a seal or signature registered with the Bank, the Bank shall not be responsible for any damages caused thereby.
- 4.6 The Bank or each HSBC Group Company will comply with all laws, regulations and requests from public and regulatory authorities in each legal jurisdiction, with regard to money laundering, terrorist financing, prevention of financing or services to natural or legal persons who are or who may be subject to various sanctions and, at its independent and absolute discretion, may implement measures that it considers appropriate. Neither the Bank nor any HSBC Group Company will be responsible for any loss (whether direct or consequential, including, without limitation, loss of profit or interest or otherwise) or any damage incurred by the Customer or a third party, arising out of any delay or failure as a result of such measure in processing the Payment Orders and other information and correspondences, or in performing any of its duties or other obligations in connection with the current account or any other account, or the provision of any services to the Customer.
- 4.7 Neither the Bank nor any HSBC Group Company warrants that any information in the Bank's systems relating to any payment messages or other information and communications which are the subject of the measures taken by the Bank or such HSBC Group Company in accordance with Article 4.6, is accurate, current, or up-to-date at the time it is accessed, whilst such measure is being taken.

#### **Article 5. Issuance of Payment Orders, etc.**

- 5.1 When a remittance entrustment contract has been entered into, unless it is terminated by the Bank pursuant to Paragraph 3 of Article 4 (Formation and Cancellation, etc., of a Remittance Entrustment Contract), the Bank shall, pursuant to the content of the request for remittance, issue the Payment Order to the Banks Concerned.
- 5.2 The transmission method used for a Payment Order shall be determined by the Bank as it deems appropriate. In addition, the same shall apply with respect to Banks Concerned, unless the transmission method of the Payment Order is specified by the Customer and such specification is deemed appropriate by the Bank.
- 5.3 If any of the following applies, the Bank may select such Banks Concerned as the Bank deems appropriate in place of those designated by the Customer.
- (i) The Bank acknowledges that it is not possible to comply with the designation made by the Customer.
  - (ii) If by following the Customer's instructions, there is a possibility that excessive costs will be incurred for the Customer or there will be delays in the remittance, etc., and the Bank determines that there is another appropriate Banks Concerned.
- 5.4 The Bank shall not be responsible for any damages caused by the handling set out in Articles 5.2 and 5.3.

#### **Article 6. Exchange Rates**

- 6.1 When receiving a request for remittance, the Bank shall apply the foreign exchange rate determined by the Bank at the time of calculation by the Bank, if the Remittance Fund, etc., are received in a currency other than the currency to be remitted, except for the case where a forward foreign exchange contract is in place.
- 6.2 The exchange rate to be applied, in the event that the refund of the Remittance Fund, etc., or refunds under Paragraph 4 of Article 4 (Formation and Cancellation, etc., of a Remittance Entrustment Contract); Paragraph 3 of Article 8 (Enquiries, etc., on Transaction Details); and Item 3 of Paragraph 1 of Article 10 (Unwinding (*kumimodoshi*)); is made by the Bank in a currency other than the currency in which it was remitted, shall be the exchange rate determined by the Bank at the time of calculation by the Bank, except for the case where a forward foreign exchange contract is in place.

#### **Article 7. Currency of Payment to the Recipient**

When the Customer requests a remittance to be made in a currency provided for in any of the following items, the currency of the payment to the recipient may differ from the currency originally designated by the Customer. In this case, laws and regulations, customs and practices of the relevant countries, as well as the procedures prescribed by the Banks Concerned, shall be observed in respect of the currency of payment, foreign exchange rate, fees, etc.:

- (i) The currency differs from the currency of the country in which the Paying Bank is located.
- (ii) The currency differs from the currency of the recipient's deposit account.

#### **Article 8. Enquiries, etc., on Transaction Details**

- 8.1 If the funds remitted have not been paid to the recipient after the remittance request, the Customer shall promptly enquire with the branch of the Bank where such request was made. In such a case, the Bank shall take steps to investigate the matter, such as by enquiring with the Banks Concerned, etc., and report the results thereof. In order to address the Customer's enquiry, the Bank may ask the Customer to submit an enquiry request form for post-overseas remittance prescribed by the Bank.
- 8.2 The Bank may make enquiries with the Customer on the details of the remittance request, if the Bank receives an enquiry from Banks Concerned regarding the Payment Order issued by the Bank. In such a case, the Customer shall give a prompt response. If the Bank does not receive a response from the Customer within an appropriate time frame or if an inappropriate response is received with regard to the enquiry, the Bank may take any measure that the Bank considers appropriate and will not be responsible for any damage arising out of it.
- 8.3 With respect to the Payment Order issued by the Bank, if it has become known that the remittance cannot be made due to reasons such as refusal of the Payment Order by the Banks Concerned, the Bank will deduct an unwinding (*kumimodoshi*) cancellation fee from the returned funds and deposit the balance into the Customer's Deposit Account from which the funds for such remittance were withdrawn, without obtaining an unwinding (*kumimodoshi*) cancellation request from the Customer. In such case, the Bank shall not be responsible for any loss or damage incurred by the Customer as a result thereof, and the Bank will not return the remittance fees, etc., to the Customer.

#### **Article 9. Amendments to Request**

- 9.1 If the Customer wishes to amend the contents of the request after the remittance entrustment contract has been entered into, such amendments shall be processed according to the following procedures by way of Fax Banking or other way as prescribed by the Bank; provided, however, amendment might not be allowed depending on the contents or the timing of such request for the amendment. In addition, any amendment to the remittance amount shall be handled according to the unwinding (*kumimodoshi*) procedures provided for in Article 10 (Unwinding (*kumimodoshi*)).
  - (i) When requesting an amendment, the Customer shall submit to the Bank by fax transmission, a request form for amendment (including foreign currency Yen clearing and account transfer) as prescribed by the Bank (the "Overseas Remittance Amendment Request Form") with the name and signature or seal which are identical to those used on the Overseas Remittance Request Form, along a the copy of the Overseas Remittance Request Form and documents as prescribed and required by the Bank. In such a case, the Bank may request the Customer to submit identity verification documents as prescribed by the Bank. In addition, when a Demand Draft has been issued to the Customer, such Demand Draft shall also be submitted.
  - (ii) The Bank shall, in accordance with the Overseas Remittance Amendment Request Form, implement the necessary procedures for amendment such as issuing an amendment instruction by using Banks Concerned and communication methods considered appropriate by the Bank.
- 9.2 When the Bank makes the amendment after verifying, with reasonable care, that the seal (or signature) used on the Overseas Remittance Amendment Request Form matches with the one which was used on the Overseas Remittance Request Form, the Bank shall not be responsible for any damages caused thereby.
- 9.3 The amendments provided for in this Article may not be implemented due to reasons such as refusal to make amendments by the Banks Concerned, legal and regulatory restrictions and actions taken by the government, courts or other public authorities. If the amendment cannot be made and an unwinding (*kumimodoshi*) is to be processed, the unwinding (*kumimodoshi*) procedures provided for in Article 10 (Unwinding (*kumimodoshi*)) shall be implemented.

#### **Article 10. Unwinding (*kumimodoshi*)**

- 10.1 If the Customer wishes to cancel the request for remittance after the Contract has been entered into, such cancellation shall be processed in accordance with the following unwinding (*kumimodoshi*) procedures by Fax Banking or other methods the Bank accepts:

- (i) When requesting an unwinding (*kumimodoshi*), the Customer shall submit to the Bank, a request form for unwinding (*kumimodoshi*) as prescribed by the Bank (the “Overseas Remittance Unwinding Request Form”) with the name and seal (or signature) identical to those used on the Overseas Remittance Request Form, along with the copy of the Overseas Remittance Request Form and documents prescribed and required by the Bank. In such case, the Bank may request the Customer to submit identity verification documents as prescribed by the Bank. In addition, when a Demand Draft has been issued to the Customer, such Demand Draft shall also be submitted.
  - (ii) The Bank shall, in accordance with the Overseas Remittance Unwinding Request Form, implement necessary procedures for the unwinding (*kumimodoshi*) such as issuing n unwinding (*kumimodoshi*) instruction by using Banks Concerned and communication methods considered appropriate by the Bank.
  - (iii) When the Bank receives a refund relating to the remittance from the Banks Concerned who have accepted the unwinding (*kumimodoshi*), the Bank will immediately return such amount to the Customer. In such event, the Customer shall submit a receipt as prescribed by the Bank with the name and seal (or signature) identical to those used on the Overseas Remittance Request Form. In such case, the Bank may request the Customer to submit identity verification documents as prescribed by the Bank.
- 10.2 When the Bank makes the unwinding (*kumimodoshi*) after verifying, with reasonable care, that the seal (or signature) used on the Overseas Remittance Unwinding Request Form matches with the one which was used on the Overseas Remittance Request Form, the Bank shall not be responsible for any damages caused thereby.10.3 The unwinding (*kumimodoshi*) provided for in this Article may not be handled due to reasons such as refusal by the Banks Concerned, legal and regulatory restrictions, and actions taken by the government, courts or other public authorities.

#### **Article 11. Contact Details for Notices and Enquiries**

- 11.1 Notices and enquiries made by the Bank to the Customer regarding the Overseas Remittance Transactions shall be made to the address and telephone number stated in the Overseas Remittance Request Form, or to the address and telephone number registered in relation to the Deposit Account from which the remittance funds, etc., were transferred.
- 11.2 With regard to Article 11.1, the Bank shall not be responsible for any damage incurred as a result of incomplete or incorrect contact details or interruption of telephone service, etc.

#### **Article 12. Fees and Other Expenses**

- 12.1 When the Bank receives a request for remittance, the Customer is required to pay the remittance fees as prescribed by the Bank, fees for the Banks Concerned as prescribed by the Banks Concerned and any other fees and expenses required in connection with the transaction. In addition, the Customer may be required to pay fees and expenses relating to the Banks Concerned at a later date.
- 12.2 When the Bank receives a request for an enquiry, amendment or unwinding (*kumimodoshi*), the Customer is required to pay the fees and expenses prescribed by the Bank and the Banks Concerned, as set out below. In such a case, the fees, etc., specified in Article 12.1 shall not be refunded to the Customer. In addition, the Customer may be required to pay fees and expenses relating to the Banks Concerned at a later date:
  - (i) Enquiry fees.
  - (ii) Amendment fees.
  - (iii) Fees for unwinding (*kumimodoshi*).
  - (iv) Cable and postage fees.
  - (v) Any other fees and expenses incurred relating to the enquiry, amendment or unwinding (*kumimodoshi*).

#### **Article 13. Disclaimer for Force Majeure, etc.**

The Bank shall not be responsible for any of the following damages (whether direct or consequential, including loss of profit or interest, or otherwise) suffered by the Customer and third parties:

- (i) Damage due to unavoidable circumstances such as natural disasters, incidents, wars, accidents during transport, legal and regulatory restrictions or actions by the government, courts or other public authorities;
- (ii) Damage incurred as a result of failure or malfunction in terminal units, communication

- circuits or computers, etc., or telegram disintegration, error, omission, etc., caused thereby in spite of the Bank having taken appropriate security measures;
- (iii) Damage incurred as a result of the handling by the Banks Concerned in accordance with the customs of the countries where such Banks Concerned are located or procedures as prescribed by the Banks Concerned, or damage incurred by reasons attributable to the Banks Concerned (excluding the head office and branches of The Hongkong and Shanghai Banking Corporation Limited);
  - (iv) Damage incurred by reasons attributable to the Customer such as discrepancies in the recipient's name, etc.;
  - (v) Damage incurred in connection with the message sent from the Customer to the recipient;
  - (vi) Damage relating to the underlying relationship for the remittance between the Customer and the recipient or third party;
  - (vii) Damage incurred in relation to the exercise of the Bank's rights, in accordance with the Terms and Conditions; or
  - (viii) Damage incurred by reasons other than those attributable to the Bank.

**Article 14. Application of Terms and Conditions of Deposits, etc.**

The withdrawals, in the case that the Customer requests a remittance by transferring the Remittance Fund, etc. from the Deposit Account, shall be made in accordance with "Section 1. Deposit Account General Agreement" and other terms and conditions relating to Deposit Accounts.

**Article 15. Application of Other Provisions**

- 15.1 Any transactions arising under or relating to the Terms and Conditions shall also be governed by "Section 1. Deposit Account General Agreement,"
- 15.2 In the event of any discrepancy between "Section 1. Deposit Account General Agreement" and the Terms and Conditions, the Terms and Conditions shall prevail.