

# General Terms and Conditions for Foreign Exchange Transactions

These General Terms and Conditions for Foreign Exchange Transactions (the "General Terms and Conditions") are established to facilitate the prompt and accurate foreign exchange transactions between The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch (the "Bank") and the customer based on mutual trust.

The Bank shall keep and post a copy of the General Terms and Conditions at each of the Bank's offices and the e-banking media so that the customer may review them or request a copy thereof.

## Article 1 (Scope of Application)

These General Terms and Conditions shall apply to each of the following transactions.

- ① Foreign currency remittance;
- ② Foreign currency purchase;
- ③ Purchase and collection of foreign currency cheques, etc.; and
- ④ Other transaction equivalent to each of the aforementioned paragraphs.

## Article 2 (Real Name Transaction)

- ① The customer shall conduct a transaction hereunder in his/her real name.
- ② The Bank may request the customer to present or submit ID card including but not limited to resident registration certificate, passport, business registration certificate, etc. or other documents in order to verify the real name of the customer and the customer agrees to follow such request.

## Article 3 (Overseas Remittance)

- ① Unless separately requested by the customer, the Bank may select its foreign exchange bank ("FX Bank") (referring to paying bank, collection bank, etc. The same shall apply hereinafter) at its sole discretion.
- ② In sending payment instructions, etc. to the FX Bank, the Bank may use plain language, code, ciphers, etc.
- ③ The customer shall check whether details of the remittance made are accurate and correct based on the copy of the payment instruction upon completing the remittance transaction.
- ④ In case where a cancelation request is made by the customer, the Bank shall receive the remittance cancelation confirmation from the FX Bank, and then deduct any and all cost incurred upon the Bank and the FX Bank from the actual amount received from the FX Bank before paying the foreign currency amount to the customer. In this case, the

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Bank may also pay the amount in Won currency by applying the T/T buying rate notified by the Bank at its branch office at the time of the payment.

#### **Article 4 (Purchase of Foreign Currency)**

① If any foreign currency bought by the Bank proves counterfeit or forged currency, the customer shall immediately pay damages calculated by applying the relevant foreign currency amount and the foreign currency loan default rate at the time of the purchase based on “Foreign Currency Purchase Application” submitted for the period from the purchase date to the date immediately preceding the payment date to the Bank.

② If the counterfeit or forged currency is confiscated by the relevant authorities, etc, or if there is any reason based on which the Bank deems it necessary to not return the currency including but not limited to concerns over possible reoccurrence, the Bank may not return the counterfeit or forged currency to the customer.

#### **Article 5 (Collection and Purchase of Foreign Currency Cheques, etc.)**

① In case where the Bank receives a notification of payment refusal from the FX Bank or deposit is not made within the period as prescribed in the relevant regulations of the Bank in respect of the demand draft purchased by the Bank, the customer shall make the payment in each of the followings as requested by the Bank as calculated on the basis of detailed statement furnished by the Bank to the customer.

1. The amount recorded on the demand draft:

i. The relevant foreign currency amount or the amount in Won currency by applying the T/T selling rate notified by the Bank at its branch office at the time of the payment.

2. Damages

i. The damages calculated by applying the loan default rate for the period from the date following the expiration date of the exchange commission collection (if the default occurs within the exchange commission collection period, the date of default) to the date immediately preceding the repurchase date.

3. Other incidental costs

② In case where the Bank receives a request of returning the collection amount from the FX Bank after making payment of the collection amount, Paragraph ① shall apply.

③ In respect of Paragraph ① and Paragraph ②, if the customer pays the amount set forth in Paragraph ①, the Bank shall return the demand draft to the customer. However, this shall not apply when it is not possible to return due to any cause not attributable to the Bank.

④ In respect of Paragraph ① and Paragraph ②, the customer shall pay the amount in

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Paragraph ① based on the demand draft submitted at the time of the purchase(collection) application or "Foreign Purchase (Collection) Application", and the Bank shall exercise any and all rights regarding the demand draft until the customer completes the payment of the amount in Paragraph ①.

⑤ In case where the Bank makes the payment for the purchase or collection of the demand draft, General Terms and Conditions for Bank Credit Transaction (Corporate Borrower) shall apply.

#### **Article 6 (Fees, Cost, and Liability)**

① The Customer shall be liable for any and all costs whatsoever, including the interest, fess default interest, postage, telegram charges, and the costs for legal proceedings under the transaction as prescribed in each of the Paragraphs in Article 1 and compensation for damages incurred upon the Bank unless they are additionally arising due to causes attributable to the Bank, and the Customer shall pay the amount as the Bank's request which shall include the calculation ground. However, if the customer raises objection to the calculation method, etc., the Bank shall review the objection and notify the result thereof to the customer.

② The Bank shall publicly notify the rate and the calculation method of the expenses including but not limited to interest, charges, delay fees, postage fees, telegram fees unless it is difficult to do so due to the nature thereof (e.g. legal costs resulting from refusal of payment, etc., or items for which the calculation method varies depending on individual circumstances or where there is a large variation in amounts).

③ In the event that damages arise due to reasons attributable to the Bank, the scope of compensation shall be limited to ordinary damages as prescribed under the Civil Act. The Bank shall be liable for special damages only if it knew or could have known of the particular circumstances that caused such damages.

#### **Article 7 (Compliance and Sanctions)**

The customer acknowledges and agrees as follows:

① The Bank may, to the extent legally permissible under the laws of the relevant jurisdiction, take appropriate measures ("Compliance Measures") to comply with domestic and foreign laws and regulations, such as sanctions or the "Act on Prohibition against the Financing of Terrorism and Proliferation of Weapons of Mass Destruction," and may instruct other members of HSBC Group to take such measures. The Compliance Measures may include the following:

(a) Refusal of the following:

(i) Issuance, renewal, extension, transfer, and assignment of trade services:

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- (ii) Payment of claims; or
- (iii) Processing of trade services and instructions that are in violation of sanctions or domestic and foreign laws and regulations.

#### **Article 8 (Application Mutatis Muntandis of Provisions)**

Unless separately agreed by the parties, matters not mentioned in the General Terms and Conditions follow as provided in ICC's Uniform Rules for Collections, Terms and Conditions on Electronic Trade, terms and conditions on electronic financial banking transaction and relevant regulations of the Bank.

#### **Article 9 (Amendment to General Terms and Conditions)**

① If the Bank intends to amend the General Terms and Conditions, or in case the changes will adversely affect the customer, the Bank shall post notices of the amendment in the Bank's offices and on the webpage of the Bank one (1) month prior to the effective date of the amendment.

② In case the amendment under Paragraph ① above will adversely affect the customer, the Bank shall notify the customer of such amendment via means agreed in advance with the customer at least thirty (30) days before the amendment. However, this shall not apply if the terms before the amendment shall apply to the customer or in case the customer expressly indicates the intention of not receiving the notification on the amendment.

③ When the Bank gives notice to the customer under Paragraph ② above, it shall include to the notice, "The customer may terminate the General Terms and Conditions within thirty (30) days from the date when the notice arrives in case of not agreeing with the amendment, and the proposed amendment shall be deemed accepted and agreed to by the customer unless the customer does not provide notice of intention to terminate the General Terms and Conditions".

④ The proposed amendment to the General Terms and Conditions and the terms of other agreements shall be deemed accepted and agreed to by the customer, unless the Bank receives the customer's written objection to such amendment within thirty (30) days after the notices in Paragraph ③ above are received by the customer, and the Bank shall inform that if the customer does not express a separate opinion within thirty (30) days from the date of receipt of the notice, the customer is deemed to have agreed to the change.