

## **General Terms and Conditions on Deposit Transactions**

These general terms and conditions on deposit transactions (these “Terms and Conditions”) set forth general and basic matters for the purposes of conducting deposit transactions between The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch (the “Bank”) and its Customer (or accountholder) in a speedy and reliable manner on the basis of mutual trust, and of reasonably reconciling the interests of both parties. The Bank shall keep these Terms and Conditions at each sales branch, and the Customer may inspect these Terms and Conditions at any time during business hours, and also request delivery.

※ The underlined parts in Articles 18 and Article 21 hereof are different from the standard terms and conditions of the Fair Trade Commission.

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

These Terms and Conditions shall apply to the transactions relating to deposit accounts with free deposits and withdrawals, savings accounts, and installment savings deposit.

### **Article 2 Transaction in Real Name**

- (1) The Customer shall conduct transactions on the real name basis.
- (2) The Bank may require presentment or submission of the real name verification certificates, such as resident registration certificate and business registration certificate, or any other necessary document for verification of the real name of the Customer, and the Customer shall comply with such requirement.

### **Article 3 Place of Transaction**

The Customer shall conduct all deposit transactions at a branch where the deposit account is opened (the “Opening Branch”), and no deposit shall be paid in any currency other than the one specified in the certificate of deposit account unless approved by the Bank. However, the Customer may transact through other branches,

financial institutions, or cash dispensing machine • ATM • computer • telephone, etc. (“electronic medium”) as prescribed by the Bank.

#### **Article 4 Method of Transaction**

The Customer shall conduct transactions with bank book (including certificate and e-bank book) or the forms of check or note issued by the Bank. However, bank books are not required to be used when deposit is made or transaction is conducted under the terms and conditions of use of automatic transfer and electronic medium.

#### **Article 5 Reporting of Seal and Password, etc**

- (1) The Customer shall at the start of the transaction report the matters necessary to the transaction, such as seal or signature, password, name, trade name, name of representative, name of agent, and address. The Customer himself may enter a password on a keypad (hereinafter referred to as “PIN-Pad”). In case branch visit is not available, the Customer shall report password prior to the first transaction using electronic medium according to the procedure determined by the Bank.
- (2) Notwithstanding paragraph 1 as above, the Customers may not report password for savings account and installment savings deposit.
- (3) The Customer may report seal together with signatures, or additionally report either of them.
- (4) In the case of not issuing a bank book, the Bank may omit the aforementioned procedure of reporting seals or signatures.

#### **Article 6 Deposit**

- (1) The Customer may make deposits in cash or other readily collectible securities such as check, note or other securities (the “Securities”).

- (2) The Customer may conduct account remittance (which is the Customer making deposit into its own account from a branch other than the Opening Branch, or a third party making deposit into the Customer's account from the Opening Branch, other sales branches, or other financial institutions) in cash or Securities, or account transfer (withdrawing fund from a certain account and depositing into the customer's account).
- (3) If deposit is made in Securities, the depositor shall at the time of deposit take such necessary steps as supplementation of blank of Securities, endorsement, or affixation of names and seals upon receipt, and the Bank shall not be obligated to supplement the blank or otherwise.
- (4) If Securities to be deposited are in the form of checks or notes, the Bank shall process them for the amount specified in the checks or notes.

#### **Article 7 Timing of Deposit**

- (1) Deposit made in accordance with Article 6 shall be deemed to be made as of the following timing:
  1. If deposit is made in cash: upon receipt and verification by the Bank;
  2. If account remittance or transfer is made in cash: upon recordation of the deposit in the deposit ledger;
  3. If deposit or account remittance is made in Securities: when the Bank performs the bank clearing of the Securities, the time limit on return upon dishonor is passed, and the Bank verifies the settlement of the Securities. However, the Securities to be paid by the Opening Branch must be verified for settlement during the same day.
- (2) Notwithstanding the preceding paragraph (1) 3, if the Securities are cashier's checks, and there is no report of accidents within the presentment period, and the Bank verifies that settlement will be certainly made, deposit is deemed to have been made at the time of recordation of deposit in the deposit ledger.
- (3) The Bank shall promptly conduct verification, or make a deposit record set forth in the preceding paragraphs (1) and (2) absent any special circumstances.

## **Article 8 Default on Securities**

- (1) If the Securities deposited pursuant to paragraph (1) of Article 6 default, the Bank shall deduct the amount of such Securities from the deposit ledger, and notify the Customer of such fact at the address reported by the Customer (depositor if deposit does not involve a bank book), except under the inevitable circumstances such as the inability to communicate.
- (2) The Bank shall at the request of the Customer (depositor if deposit does not involve a bank book) return the defaulted Securities without taking any measures to preserve the rights to the Securities directly to the Customer at the sales branch where the deposit is made. However, if the issuer of the Securities deposits relevant funds in cash or securities readily convertible into cash in the deposit account into which the Securities are to be deposited by no later than the business day immediately following the date on which the issuer of the Securities defaults, the Bank may return such Securities to the issuer.

## **Article 9 Interest**

- (1) Interest shall be calculated in Korean won at the rate determined by the Bank for the agreed-upon period of deposit or the period from the date on which deposit is made under Article 7 (the date of deposit in the case of cashier's check/household check) to the date immediately preceding the date of payment.
- (2) The Bank shall maintain or post the table of deposit rates by the type of deposit at each sales branch and on the Bank webpage, and if the rates are changed, the contents of such change shall be posted at the sales branch and on the Bank webpage for one month.
- (3) If the rates are changed pursuant to paragraph (2), the changed rate shall apply from the date of change for the deposits with free deposits and withdrawals, and the rate agreed upon at the time of contract shall remain in effect for the savings account and installment savings deposit, in principle. However, if the deposit is on a floating rate basis, the changed rate shall apply from the date of such change.

- (4) Savings account and installment savings deposit to which floating rates apply shall specify in the bank book the method of applying rates at the time of initial transaction, and the installment savings deposit account to which floating rates apply shall expressly set forth the changed rate in the bank book, whenever change is made.
- (5) The amount of interest actually payable to the Customer shall be the amount calculated under the preceding paragraph (1), less the amount of taxes withheld pursuant to income tax law and other applicable laws.

#### **Article 9-2 (Dormant Deposits)**

- (1) The Bank shall deem deposits falling under any of the following subparagraphs as deposits for which obligatory rights or claims are extinguished (hereinafter “Dormant Deposits”).
  1. For ‘Account with Free Deposits and Withdrawals’, if no less than five years have elapsed since the final transaction date including interest payment; or
  2. For ‘Deferment or Installment Deposit Account’, if no less than five years have elapsed since the final transaction date including maturity date or interest payment.
- (2) Dormant Deposits under paragraph (1), may be contributed to Korea Inclusive Finance Agency in accordance with Article 40 of the Act on Financial Support for Ordinary People, and the original right holder may request payment for the dormant deposits contributed in accordance with Article 45 of the same Act.

#### **Article 10 Request for Payment and Termination**

- (1) If the Customer desires to withdraw the deposit or interest or to terminate the deposit contract using a bank book, the Customer shall submit the payment or termination form on which transaction seals or authorized signatures are affixed, with the necessary matters such as password previously reported filled in or entered on a PIN-Pad.
- (2) If the Customer desires to make a transaction without a bank book and is verified by a real name verification certificate, the entire or part of the procedure pursuant

to Paragraph (1) may be omitted, as determined by the Bank.

- (3) If the Customer desires to use automatic transfer, electronic medium or bio information for withdrawal, the Customer shall comply with the terms and conditions concerned.
- (4) Notwithstanding Paragraph (1) of this Article, depositors who are not individuals or individual businesses may omit the report of password or PIN-PAD input required under Paragraph (1) of this Article.

#### **Article 11 Customer Identification and Verification, etc**

- (1) The Bank may ask for the information for customer identification and verification including but not limited to information on Beneficial Owner according to the Act on Prohibition of Financing for Offence of Public Intimidation and the Act on Reporting and Using Specific Financial Transaction Information, and when the request for the required information is rejected, the relevant financial transaction shall be refused by the Bank and as for the existing customer, the Bank shall exit the relationship. A customer who is a legal person or entity shall submit information on Beneficial Owners including but not limited to shareholders' list in order to check and verify Beneficial Owner (Beneficial Owner refers to the natural person(s) who ultimately owns or controls a customer).
- (2) The Bank may request relevant information and materials in order to check and verify the actual party of the relevant transaction, the purpose of the transaction, sources of the funds, etc. in addition to the standard identification and verification of the customer, if a customer is identified as a high risk customer (i.e. nationality, type of business, etc.) or using high risk products or services.
- (3) The Bank may refuse or restrict the financial transaction for the person who is designated and announced as the financial transaction restricted person under the Act on Prohibition of Financing for Offence of Public Intimidation and/or the person who is included in the sanction list by international organization such as UN in relation to anti-money laundering.

## **Article 12 Timing of Payment**

- (1) In case of the deposits with free deposits and withdrawals, payment shall be made upon the request of the Customer. In this case, payment shall be made with the fund that was first deposited for free corporate deposit account.
- (2) Savings account and installment savings deposit account shall be paid upon request of the Customer after the date of expiration.

## **Article 13 Assignment and Pledge**

- (1) If the Customer desires to assign or pledge the deposit, prior notice shall be given to the Bank to obtain its approval. However, no assignment or pledge is allowed if prohibited under law.
- (2) No assignment or pledge is allowed for deposits with free deposits and withdrawals.

## **Article 14 Reporting of Accidents and Changes**

- (1) Upon loss, theft, destruction, damage of bank book, seal, card, securities or the forms relating thereto, the Customer shall forthwith report in writing to the Bank. Under the urgent or inevitable circumstances, however, the Customer may report such event during business hours over the phone or otherwise, and in this case a written report shall be made within the next following business day.
- (2) If the Customer desires to change seals, signatures, password, name, trade name, name of representative, name of agent, address, phone number, and other reported matters, report of such change shall be made in writing. However, the Customer may change password through electronic medium without the written report as above. The Bank shall change password if the requirement for such change including account number, resident registration number, password previously reported is fully met.
- (3) In the case of some of the reported matters, such as address and phone number,

the Customer may change such matters through electronic medium as prescribed by the Bank.

- (4) The report set forth in paragraphs (1) and (2) shall take effect after the lapse of a reasonable period of time after the acceptance by the Bank of such report during which the Bank takes necessary measures such as data input, and if inevitable circumstances such as computer difficulties make it impossible to process it, the report shall be processed as soon as reasons for such inability are remedied such as restoration.
- (5) If the Customer desires to withdraw the report set forth in paragraph (1), the Customer shall directly report in writing.

#### **Article 15 Reissue of Bank Books and Card, Etc.**

Upon the receipt of the report as to accidents relating to bank book, seal, and card in accordance with Article 14, the Bank shall reissue such items or make payment after the completion of necessary measures such as verification of the reporting person as the Customer.

#### **Article 16 Method and Effectiveness of Notification**

- (1) The Bank may give notice by phone at the phone number reported by the Customer if notice concerns general matters occurring in the deposit transaction such as error corrections. If the answering person is not the Customer, but there is a good reason to believe that such person fully understands and will convey the matters to the Customer, the Bank shall be deemed to have duly given notice to the Customer.
- (2) If the Bank gives written notice as to the general matters occurring in the deposit transaction, the notice shall be deemed to have been delivered after time for normal delivery has passed, except in the cases of force majeure such as natural disaster.
- (3) Expression by the Bank of material intent such as unilateral termination of the

deposit contract shall be in writing, and shall become effective only when delivered to the Customer. However, this shall not apply if deposit contract is terminated under applicable laws or under the Terms and Conditions on Clearing House, or if the Customer fails to receive the expression of such intent due to its failure to report changes under Article 14.

### **Article 17 Indemnity**

- (1) If the Bank has carefully compared the seal (or signature) affixed on the payment request form, securities or report form with the seal (or signature) previously reported with bare eyes, as well as compared the password on the deposit payment form, etc or entered on a PIN-Pad with the one previously reported or registered, and then makes payment or conducts other business requested by the Customer based on the determination that both are certainly the same, the Bank shall not be held liable for damages to the Customer due to falsification, alteration or theft of seal or signature, and any other accidents. However, this shall not apply if the Bank has prior knowledge of, or could have known, such falsification, alteration or theft of seal or signature of the Customer.
- (2) The Bank shall not be held liable for damages to the Customer due to leakage of financial information such as account number, password, etc in connection with the use of electronic medium, provision of transaction information, or notification of financial transaction statement for reasons not attributable to the Bank.
- (3) If the Bank has carefully verified the real name by referring to real name verification certificates such as resident registration certificate, or converted into a real name basis account, the Bank shall not be held liable for damages to the Customer due to its falsification, alteration, or theft of real name verification certificates or other documents.
- (4) The Bank shall not be held liable for damages to the Customer due to a delay by the Customer in reporting or procedures set forth in paragraphs (1), (2), or (4) of Article 14. However, the Bank shall exercise duty of care in good faith to prevent losses to the Customer.

## **Article 18 Fees**

- (1) If the Customer conducts transactions with any branch other than the Opening Branch, other financial institutions, or via electronic medium, the Bank may charge online fees or collection fees or automatic outward transfer service fees.
- (2) In addition to the cases set forth in paragraph (1), if the Customer desires to issue a certificate or requests the reissue of a bank book for reasons attributable to the Customer, the Bank may receive fees relating thereto.
- (3) The fee schedule relating to paragraphs (1) and (2) shall be maintained or posted at each sales branch or directly presented to the Customer.
- (4) In addition to the cases set forth in paragraphs (1) and (2), the Bank may charge a basic fee from corporate customers whose total deposit amount held with the Bank is less than a certain threshold, and specific criteria for charging the fee will be posted on the Bank webpage. In this case, the Bank may withdraw the basic fee directly on the 10th of every month without any separate instruction from the depositor, and if the withdrawal date is not a business day, it may withdraw it on the immediately following business day. If the balance of the deposit falls short of the fee to be withdrawn, the Bank may withdraw it first within the balance available, and then charge the insufficient amount directly to the Customer.
- (5) After the notice in paragraph (4), the Customer may terminate the contract by written notice up to the business day immediately preceding the effective date of the changed fee. If the Customer's written objection does not reach the Bank within this period, the Customer is deemed to have approved the changed fee.

## **Article 19 Handling of Errors, Etc.**

- (1) If the Bank makes errors in connection with the deposit ledger or records of transaction in the bank book, the Bank shall confirm such error, make corrections and notify the Customer of such fact.
- (2) The Customer may verify the contents of transaction upon completion of

transaction, and request correction if there is discrepancy between the contents of transaction and the fact, and the Bank shall confirm the fact and correct the error.

## **Article 20 Protection of Secrecy regarding Deposit**

- (1) The Bank shall not provide to any third party data or information relating to the transaction details of the Customer, except when required under law such as the Act on Real Name Financial Transactions and Guarantee of Secrecy.
- (2) Upon receipt of the request for deposit not involving bank book (including wire transfer), and deposit balance inquiries through electronic medium or otherwise, the Bank may make deposits (remittance) and provide information on the depositor, the amount deposited, and the balance, upon the determination that the requesting party is the Customer based on the verification of the name of account holder, account number, and password (account number and password in the case of ARS), and shall not be held liable for damages to the Customer due to leakage of financial transaction information.

## **Article 21 Change in Terms and Conditions**

- (1) If the Bank desires to change these Terms and Conditions, or the terms and conditions of deposits with free deposits and withdrawals, savings account, or installment savings deposit account (hereinafter collectively referred to as “terms and conditions, etc.” in this Article), the Bank shall post such change on its internet homepage and at each sales branch for a period of one month prior to the date of the implementation of such change to notify the Customer. However, if the change to the terms and conditions, etc. is urgently needed due to an amendment to the applicable laws or the improvement of system, the Bank shall forthwith post or publicly announce such change.
- (2) When changing the terms and conditions, etc., the Bank shall notify the Customer of the changes (including the before and after comparison table) one month before the enforcement date of the changed terms and conditions, etc. in addition to the posting pursuant to Paragraph (1) in at least one of the following ways (two in the case of unfavorable changes to the Customer), but the method in subparagraph 1 shall be included. However, if the terms and conditions, etc. are changed urgently

due to revision of the law or improvement of the system, the Customer shall be notified immediately.

1. Notification by mail or e-mail based on the information reported by the Customer; and/or
  2. Notation on the bankbook
- (3) Notwithstanding Paragraph (2), Paragraph (2) shall not apply in the case of simple wording changes such as typos or wording corrections that do not involve substantial changes in content.
- (4) In the case of posting under Paragraph (1) or notification under Paragraph (2), the Bank shall include the intent that if the Customer does not agree to the change he/she may terminate the contract within one (1) month from the date of posting under Paragraph (1) or the date when the Customer receives the notice under Paragraph (2) and if the Customer does not express his/her intention to terminate the contract he/she is deemed to have agreed to the change.
- (5) If the Customer does not express his/her intention to terminate the contract within one (1) month from the date of posting or the date when the Customer receives the notice under Paragraph (2), it is deemed that the Customer has agreed to the change.

## **Article 22 Order of Application of Terms and Conditions**

- (1) In the event of discrepancy between the matters separately agreed upon by and between the Bank and the Customer and these Terms and Conditions, the former shall prevail.
- (2) In the event of conflicts between these Terms and Conditions and the terms and conditions of deposits with free deposits and withdrawals or savings account and installment savings deposits, the latter shall prevail.

## **Article 23 Miscellaneous**

The matters not set forth in these Terms and Conditions or the terms and conditions of deposits with free deposits and withdrawals or savings account and installment savings deposits shall be governed by relevant laws and the Terms and Conditions on Clearing House unless otherwise agreed.

#### **Article 24 Dispute Resolution**

If the Customer has an objection to the transaction with the Bank, the Customer may refer to a dispute resolution body in the Bank, or apply for dispute resolution through the Committee on Financial Dispute Settlement.

#### **Article 25 Governing Law and Jurisdiction**

- (1) These Terms and Conditions and the terms and conditions for each type of deposit accounts, and any and all matters relating to deposit transactions shall be construed and governed by applicable laws of Korea and the general banking practices in Korea.
- (2) Any and all lawsuits relating to these Terms and Conditions between the Customer and the Bank shall be filed by the Customer only with the court of competent jurisdiction in Korea. The court of competent jurisdiction where the Opening Branch is located shall be automatically deemed to have jurisdiction over these Terms and Conditions.

#### **Article 26 (Termination of Illegal Contract)**

A financial consumer may request termination of a contract in writing, etc. in accordance with Article 47 of the Financial Consumer Protection Act and related regulations.

This Agreement is provided in accordance with the relevant laws, regulations, and the internal control standards of The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch.