

E-Channels Terms and Conditions

1. Introduction

- 1.1 The Customer wishes to use and receive certain Services provided by the Bank via E-Channels and the Bank is willing to make those Services available to the Customer.
- 1.2 The Customer and the Bank agree that such Services shall be supplied to and used by the Customer subject to the terms and conditions contained in this Agreement.
- 1.3 In this Agreement, the following terms and expressions shall have the meanings ascribed to them as stated below:

Agreement	This agreement, the Terms and Conditions, the schedules, any supplementary terms for the provision of the Services provided to you in writing and the Security Procedures, as may be modified from time to time in accordance with the provisions of this Agreement.
Bank (also we, us, our)	The bank named in this Agreement in the section entitled 'Principal Bank and Governing Law'.
Customer (also you, your, yours)	The customer named in the section of this Agreement entitled 'Customer Details'.
Customer Associate	(a) The associate companies of the Customer named in a Customer Associate agreement or as set out in the section of this Agreement entitled 'Customer Associate Schedule'; or (b) the individual named in a 'Customer Associate Letter of Authority (Individual)'.
Customer Instruction	Any advice, request, instruction or communication which is received by the Bank through an E-Channel.
E-Channel (s)	HSBC Group's electronic banking systems, each of which is described in a schedule in this Agreement, and which we may authorise you to access and use from time to time in accordance with the relevant schedule and the other terms of this Agreement.
HSBC Group	HSBC Holdings plc and its subsidiaries and associate undertakings and any of their branches.
Institution	(a) Any member of the HSBC Group (other than the Bank); and (b) any third party financial institution which the Customer has notified to the Bank.
Materials	Any content, tools or other materials (other than software) made available to you.
Security Procedures	The facilities and procedures used to control the operation of each of the E-Channels and Services as set out in this Agreement.
Services	Any electronic banking or related services supplied via an E-Channel and ancillary services that we provide, procure or make available to you from time to time, as further described in this Agreement.
Software	Any software supplied by us for use in conjunction with any E-Channel.
Terms and Conditions	The terms and conditions set out in the section of this Agreement entitled 'Terms and Conditions'.

User (s)

Any of your employees, agents and any other individual(s) authorised by the Customer, whom from time to time are appointed to use an E-Channel pursuant to this Agreement.

- 1.4 In this Agreement, references to the singular include the plural and vice versa and clause headings are included for convenience only and do not affect its interpretation.

2. SERVICES

- 2.1 Subject to your compliance with the instructions and procedures set out in this Agreement, we will use reasonable efforts to make the Services available to you. Such Services will be subject to any notifications of any restrictions received by us relating to any such Users from time to time.
- 2.2 You shall communicate with us via your Users. You shall ensure your Users only use the E-Channels and the Services in accordance with all terms of this Agreement and agree to be bound by and observe the terms of this Agreement.
- 2.3 From time to time, we may make available to you enhancements, improvements and upgrades to the existing Services, which shall be governed by the provisions of this Agreement.
- 2.4 From time to time you may require or we may offer to you new E-channels or Services. We will provide to you in writing any terms applicable to those new E-channels or Services prior to making them available to you, which will form part of this Agreement. If you consent to receiving such new E-Channels or services, then your (or any of your Users') access to or use of any such new E-Channel or services shall be deemed to constitute your acceptance of any such terms.

3. CUSTOMER INSTRUCTIONS

- 3.1 We may treat all apparently valid Customer Instructions received by the Bank through an E-Channel as instructions properly authorised by you, even if made fraudulently and even if they conflict with the terms of any other instructions or mandates given by you at any time concerning your accounts or affairs. We shall be under no obligation to check the authenticity of Customer Instructions or the authority of the person or persons giving them.
- 3.2 Where we have reason to believe that a Customer Instruction purporting to come from you has not been properly authorised by you or that any other breach of security has occurred in relation to your use of an E-Channel, we reserve the right not to act, or to delay acting upon the Customer Instruction and we will inform you as soon as is reasonably possible.
- 3.3 You are responsible for the accuracy and completeness of Customer Instructions (including the appropriate application of the Security Procedures) and for ensuring that they will achieve your intended purpose.
- 3.4 You are responsible for ensuring that Customer Instructions are transmitted correctly. Without prejudice to this obligation, we will use reasonable efforts to dispatch an acknowledgement within a reasonable period upon receipt by us of a Customer Instruction.
- 3.5 In the event that you request us to cancel or modify any Customer Instruction for whatever reason, we will make all reasonable efforts to comply with your request. However, we are not liable for any failure to cancel or modify the Customer Instruction if such a request is received at a time or under circumstances that render us unable to comply with your request.
- 3.6 Where permitted, we are entitled to debit your accounts, wherever they are situated and whenever they are opened, with any amount that we have paid or incurred in accordance with a Customer Instruction.
- 3.7 As part of the Services, you may issue a Customer Instruction requesting us to forward certain information to third parties on your behalf. If we agree to act on such request, we will use reasonable efforts to forward any such information to the recipient and address specified in the relevant Customer Instruction within a reasonable time of receipt of such Customer Instruction. You must ensure that the information you ask us to forward is complete, accurate and will not give rise to any claim against us (including without limitation any claim in defamation, in relation to privacy or data protection or for infringement of any other third party rights).

4. DEALINGS WITH INSTITUTIONS

- 4.1 You appoint us as your agent on your behalf to request any Institution to supply any of the E-Channels with information about you and your accounts, and to use the E-Channels to instruct an Institution to give effect to a Customer Instruction.
- 4.2 We may appoint an agent or third party to provide some or all of the Services under this Agreement. Other than in relation to an Institution selected by you, where we use an agent or any third party in performance of any Service, we shall use reasonable care in any such selection. In any event neither we nor any other member of the HSBC Group shall be liable for any loss (including loss of profit), damage, delay or failure to perform occasioned by the acts or omissions of any such third party or agent whether selected by us or you.
- 4.3 In order that an Institution may give effect to a Customer Instruction, you agree that we may, as your agent, agree with any Institution that where applicable the terms of this Agreement apply between you and that Institution.

5. CONFIDENTIALITY

- 5.1 We may need to share, store or transmit information about you, your Users or accounts within the HSBC Group or with any Institution, agent or third party used by us for the purpose of providing the Services. Subject to Clause 11.2, any such sharing, storage or transmission of such information will be done in a confidential basis and we will endeavour to maintain the strict confidentiality of such information within the HSBC Group unless: (a) otherwise required by any applicable law, regulation or request of any public or regulatory authority; or (b) where disclosure is required for the purposes of preventing crime; or (c) we deem disclosure necessary to give effect to a Customer Instruction. In addition, in any situation where the Customer provides confidential information to any member of the HSBC Group on a restricted basis (eg price-sensitive information), that HSBC Group member has procedures to ensure such restrictions are observed. Nothing in this Clause 5.1 shall apply when the Bank discloses confidential information to a third party as a result of the Bank exercising its rights pursuant to Clause 11.2.
- 5.2 You must keep confidential all information about the E-Channels and the Services contained in this Agreement and all information concerning your access to and use of the E-Channels and Services. You may only disclose such information to your Users or other employees or agents and then only to the extent strictly necessary for the proper use of the E-Channels and Services.
- 5.3 All parties agree to comply with all applicable data protection and other laws to the same or similar purpose in all relevant jurisdictions. The use of information which relates to individuals in relation to each E-Channel may be further described in the relevant schedules to this Agreement. You hereby authorise us to process any such information in the manner described in this Agreement. Where appropriate, you will ensure that your Users and other relevant individuals consent to such processing.

6. SECURITY PROVISIONS

- 6.1 You agree to comply with the Security Procedures and any other reasonable instructions we may issue to you regarding the E-Channels' security. You agree it is your responsibility to set up, maintain and regularly review security arrangements concerning your access to and use of each of the E-Channels and information stored on your computing and communications systems.
- 6.2 You confirm that you have assessed the security arrangements set out in this Agreement, and have determined that they are adequate to protect your interests.
- 6.3 You must notify us as soon as reasonably possible upon becoming aware of any actual or attempted unauthorised access to the E-Channels or any unauthorised transaction or attempt to execute an unauthorised transaction pursuant to this Agreement.
- 6.4 You must ensure that neither you, your Users nor your employees do anything during or after the term of this Agreement which may result in the security of the E-Channels, or the systems or security of any other HSBC Group customers, being compromised.

7. LIMITED WARRANTIES

- 7.1 We will use all reasonable efforts to ensure that the E-Channels will perform in substantial conformity to the description in this Agreement. To the extent permitted by law, this is the only performance warranty made by the Bank in respect to the E-Channels or the Services. We shall have no liability for breach of any implied term including, without limitation, those as to satisfactory quality, merchantability or fitness for any particular purpose of the E-Channels or the Services.
- 7.2 We warrant that your use in accordance with this Agreement of the Software or Materials will not infringe the intellectual property rights of any third party.
- 7.3 We will ensure that the information supplied to you through any of the E-Channels reflects the information in our computer systems or information received from a third party, including an Institution. We do not warrant that the information is accurate, sufficient or error-free, nor that the information on our computer system is current and up-to-date at the time it is accessed via the E-Channel.
- 7.4 In the case of a breach of the warranty in Clause 7.1 above, we will take all reasonable steps to correct the defective software and/or retransmit or reprocess any Customer Instruction, at no additional cost to you.

8. LIMITED WARRANTIES

- 8.1 Subject to Clause 8.2, we grant you a non-exclusive, non-transferable licence to use the Software and the Materials in conjunction with the relevant E-Channel(s) for the intended business purpose contemplated by this Agreement. Title to and all rights in the Software and the Materials belong to us or our licensors and, except for the specific rights granted to you by this Agreement, you will acquire no rights whatsoever in relation thereto.
- 8.2 Your use of certain Software and Materials may be subject to additional restrictions. These will be notified to you upon the supply of the Software or Materials from time to time. You shall be deemed to have accepted any such additional terms upon any User using any such Software or Materials.
- 8.3 You undertake not to alter, reverse engineer, copy (other than to the extent necessary for the permitted use), publish or impart to any third party any Software or Materials.

9. LIABILITY

- 9.1 Subject to Clauses 9.2 to 9.5 (inclusive), the Bank and/or any other member of the HSBC Group shall only be liable for any loss, damage or delay which you suffer or incur as a direct result of the Bank's or the other HSBC Group Member's gross negligence or wilful misconduct and shall not be liable for any other loss or damage of any kind.
- 9.2 Neither the Bank nor any other member of the HSBC Group shall in any event be liable to you for any loss of business or profits or data, or indirect, consequential or special loss or damage arising out of your use of, or in connection with, the E-Channels or the Services, whether or not the Bank or that other member of the HSBC Group has been advised of the possibility of such loss or damage and whether or not arising out of negligence, breach of this Agreement or otherwise.
- 9.3 Neither party nor any other member of the HSBC Group purports to exclude or limit liability in relation to fraud, personal injury or death.
- 9.4 Subject to Clause 9.5, the liability of the Bank and each other member of the HSBC Group to you due to, under and/or arising out of or in connection with this Agreement shall, in aggregate in any calendar year, not exceed USD1 million.
- 9.5 Notwithstanding the limit set out in Clause 9.4 above, to the extent a successful claim against the Bank or any other member of the HSBC Group (ie for direct loss arising as a result of its gross negligence or wilful misconduct only) relates to all or part of the principal amount payable under a Customer Instruction (such amount, the Lost Principal), the relevant member of the HSBC Group shall be liable for:
 - 9.5.1 The Lost Principal; and
 - 9.5.2 Any interest which might reasonably have been earned in relation to the Lost Principal, provided that any interest payment shall be reduced accordingly if (a) any interest or other charges which would have been payable by you were not charged as a result of the loss; or (b) any interest was earned by you which would not otherwise have been earned.

- 9.6 You will indemnify and hold the Bank and any other member of the HSBC Group harmless from all losses and liabilities incurred by the Bank or any other member of the HSBC Group as a result of:
- 9.6.1 Any breach by you of your obligations under this Agreement; or
- 9.6.2 The Bank or any other member of the HSBC Group acting on any Customer Instruction or other communication relating to the Services, whether or not such Customer Instruction or communication was: (a) authorised by you, or (b) in an agreed form.

10. TERMINATION

- 10.1 Either party may terminate this Agreement in whole or in relation to any E-Channel:
- 10.1.1 On not less than 30 days' written notice to the other party; or
- 10.1.2 With immediate effect by written notice to the other if the other party: (a) commits a material breach of this Agreement (or, if termination is in relation to an E-Channel only, commits in relation to that E-Channel a material breach of the terms applicable to that E-Channel) which is not remedied within 14 days of a written notice requiring remedy; or (b) becomes insolvent under the laws of any applicable jurisdiction.
- 10.2 Upon termination for any reason of any part of this Agreement for which Software or Materials were supplied, any such Software or Materials licence terminates.
- 10.3 Termination will not affect the rights and remedies of either party accrued to the date of termination nor will it affect any provision of this Agreement (including, without limitation, Clauses 5, 6, 9, 11.2 and 12) which is intended to apply after termination.
- 10.4 From time to time we may suspend some or all of the E-Channels or Services for routine, non-routine or emergency maintenance or for any other reason where we reasonably consider it necessary to do so. In the event of such a suspension, we will provide you, within a reasonable period, notice prior to the suspension.

11. FORCE MAJEURE AND OTHER RIGHTS

- 11.1 Neither party nor any member of the HSBC Group will be liable for any loss (including loss of profit), damage, delay or failure in performing any of its duties relating to this Agreement caused in whole or in part by the action of any government or governmental agency, natural occurrence, law or regulation (or any change in the interpretation thereof), injunction, currency restriction, sanction, exchange control, industrial action (whether involving its staff or not), war, terrorist action, equipment failure, or interruption to power supplies or anything else beyond its reasonable control. The affected party will attempt to notify the other party as soon as is reasonably practicable of the existence of such circumstances.
- 11.2 The Bank and other members of the HSBC Group are required to act in accordance with the laws and regulations operating in various jurisdictions which relate to 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. The Bank may take, and may instruct other members of the HSBC Group to take, any action which it, in its sole and absolute discretion, considers appropriate to act in accordance with all such laws and regulations. Such action may include but is not limited to: the interception and investigation of any payment messages and other information or Customer Instructions sent to or by the Customer or on its behalf via the Bank's systems or any E-Channel or any other member of the HSBC Group's systems or E-Channels; and making further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity. Notwithstanding any provision of this Agreement, neither the Bank nor any other member of the HSBC Group will be liable for loss (whether direct, consequential or loss of profit, data or interest) or damage suffered by any party arising out of:
- 11.2.1 Any delay or failure by the Bank or any other member of the HSBC Group in performing any of its duties under this Agreement or other obligations caused in whole or in part by any steps which any of them, in their sole and absolute discretion, considers appropriate to act in accordance with all such laws and regulations;
- 11.2.2 The exercise of any of the Bank's or any other member of the HSBC Group's rights under this clause. In certain circumstances, the action which the Bank or any other member of the HSBC Group may take may prevent or cause a delay in the processing of certain information. Subject to the overriding requirements of any applicable laws and regulations, the Bank will endeavour to notify the Customer of the existence of such circumstances as soon as is reasonably practicable.

12. MISCELLANEOUS

- 12.1 This Agreement forms the entire agreement between the parties concerning the supply and use of the E-Channels and Services. It supersedes any pre-existing agreements, communications, representations and discussions between you and us relating to the E-Channels and Services, which are hereby terminated. Neither party will have a right of action against the other arising from any previous agreement, communication, representation and discussion in respect to the E-Channels and Services, except in the case of fraud. Any other agreements between us and you, terms of business and/or mandates relating to the conduct of your accounts or our provision of related services shall remain unaffected, save that if any conflict between such terms and the terms of this Agreement arises, this Agreement shall prevail in so far as the conflict relates to the subject matter of this Agreement.
- 12.2 Any notice to be given under this Agreement must be communicated by post or facsimile to the address most recently notified by the receiving party. Proof of posting or transmission of any notice to the Customer shall be deemed to be proof of receipt of the notice by the Customer at the time when the notice would in the ordinary course be delivered or transmitted.
- 12.3 If we agree that you may communicate with us or we agree to communicate with you (or any third party) via e-mail, the internet, SMS, or any other method (other than via the relevant E-Channel), you acknowledge the risks that any such communications may be intercepted, monitored, amended or otherwise interfered with by third parties. We are not responsible or liable to you or any third party in the event of any such occurrence in relation to any communication between us and you (or which appears to have been made on your behalf), or any communication you ask us to enter into with any third party.
- 12.4 You agree to pay our fees and other tariffs (where applicable) for providing the E-Channels or Services as we advise you from time to time, and we are entitled to debit your accounts wherever they are situated and wherever they are opened, with the amount of any such fees and/or tariffs. We may vary our fees and/or tariffs and the frequency and dates of payment on giving you not less than 30 days' notice.
- 12.5 Each party shall take all reasonable precautions to ensure that communications through the E-Channels are not affected by computer viruses, Trojan horse programs (such as keyloggers) and other harmful programs or components.
- 12.6 Each of the terms of this Agreement (including for the avoidance of doubt the exclusions of liability in Clause 9) is severable from the others and if one or more of them becomes void, illegal or unenforceable, the remainder will not be affected in any way.
- 12.7 The rights of the Bank under this Agreement (a) may be exercised as often as necessary; (b) are cumulative and not exclusive of its rights under any applicable law; and c. may be waived only in writing and specifically. Any delay in the exercise or non-exercise of any such right is not a waiver of that right.
- 12.8 You may not assign any right or benefit under any provision of this Agreement without our prior written consent.
- 12.9 We may make modifications to this Agreement which are required due to changes in any laws and/or regulations by giving you not less than 30 days' notice or, exceptionally, such shorter period as is necessary for the effective operation of the Services.
- 12.10 No addition to or modification of any provision of this Agreement (other than as set out in Clauses 2.4, 8.2 and 12.9 above) shall be binding upon us unless made by a written instrument signed by the Bank's duly authorised representative.
- 12.11 Certain jurisdictions may have particular legal or regulatory requirements that require you to agree to supplementary terms. Where such supplementary terms are necessary, we will provide those terms in writing together with this Agreement and other relevant documentation, and such supplementary terms shall form part of the Agreement.
- 12.12 In the event of any conflict between these Terms and Conditions and any of its schedules (other than express variations of these Terms and Conditions set out in any schedule), these Terms and Conditions shall prevail to the extent of the inconsistency.
- 12.13 Where the Customer comprises one or more individuals (whether acting in a personal capacity or as a trustee(s), partners or otherwise) any notice in this Agreement (but not, for the avoidance of doubt, instructions given by Users appointed in accordance with this Agreement) may be given by the individual who is the Customer or, where the Customer comprises more than one individual, by any of such individuals.
- 12.14 Where the Customer is a partnership, this Agreement will continue in force unless revoked by notice given by any one partner, notwithstanding any change of name of the partnership, admission of a new partner(s) or any partner ceasing to be a member of the partnership by reason of death or otherwise.

13. AUTHORISATION BY CUSTOMER

- 13.1 You authorise and instruct us to supply the E-Channels and the Services in respect to the accounts as set out in the Accounts and Services Schedule.
- 13.2 You may subsequently request and authorise us to provide or withdraw E-Channels or Services in respect to accounts opened at any time with us or an Institution in writing signed by a duly authorised person or person(s). The terms of this Agreement shall apply to all Services provided via the relevant E-Channels in relation to any accounts.
- 13.3 Certain E-Channels may only be accessed by specified Users. The person(s) nominated in each of the respective schedules are appointed as the initial User(s) for those E-Channels. Such Users are authorised to access and use the relevant E-Channels and Services as set out in the relevant schedules.
- 13.4 If you access or use an E-Channel or the Services actually or purportedly on behalf of a Customer Associate, or otherwise act in any way on behalf of such Customer Associate, you shall ensure that you have appropriate authorisation from the Customer Associate to act on its behalf and you agree on behalf of the Customer Associate that the terms of this Agreement shall apply between us and the Customer Associate (as if it were the Customer) in relation to such access, use or other action.

14. LAW AND PROCEEDINGS

- 14.1 This Agreement is governed by and will be construed in accordance with the laws of the jurisdiction named within the section of this Agreement entitled 'Principal Bank and Governing Law'. Both parties irrevocably submit to the non-exclusive jurisdiction of the courts of that named jurisdiction in respect to any proceedings which may be initiated in connection with this Agreement.
- 14.2 You agree that any of the Services provided by us to you shall be deemed to be provided in the jurisdiction named pursuant to Clause
 - 14.1 irrespective of where a User accesses an E-Channel or uses the Services (if such access or use is in a different jurisdiction).

E-Channels Supplementary Terms and Conditions – Cheque Outsourcing Service (“COS”)

1. INTRODUCTION

- 1.1 These Terms apply to and govern the use of the COS by the Customer and shall at all times and for all purposes form part of the E-Channels Master Customer Agreement entered into between the Customer and the Principal Bank in respect to the E-Channel(s) and the Services therein covered (the Agreement).
- 1.2 Pursuant to Clause 13.4 of the Terms and Conditions, it is hereby confirmed, for the avoidance of doubt, that where the Customer is using the COS for and on behalf of a Customer Associate, the terms of the Agreement, including these COS Terms, shall also apply between the Bank and that Customer Associate as if it were a Customer, and all references to ‘Customer’ shall in this context and for the said purpose, be a reference to that ‘Customer Associate’.
- 1.3 Expressions defined in the Agreement have the same meanings under these COS Terms unless otherwise specified.
- 1.4 These COS Terms are supplementary to and shall not prejudice any party’s rights and obligations under the Agreement. Notwithstanding any provisions to the contrary set out in the Agreement, in the event of inconsistency between these COS Terms and the remainder of the Agreement, these COS Terms shall apply insofar as the COS is concerned and shall also prevail to the extent of the inconsistency.
- 1.5 Certain jurisdictions may have particular legal, regulatory, business or service requirements that require you to agree to country-specific conditions. Where such country-specific conditions are necessary, they will be set out in a COS Schedule or otherwise provided by the Bank.
- 1.6 In these COS Terms, the following terms and expressions shall have the meaning ascribed to them as stated below:

Bank (also we, us, our) The HSBC member named on the first page of each COS Schedule as providing the COS Service in the jurisdiction therein mentioned. Notwithstanding that the Bank is defined in the Terms and Conditions to mean the Principal Bank, all references to the Bank in the Terms and Conditions shall, as and when and to the extent that they apply to or otherwise relate to the COS Service, be construed to read as the Bank as that term is defined in these COS Terms.

Business Day A day on which banks located in the jurisdiction of (i) the Bank issuing the Instrument concerned (ii) the Customer Account to be debited in respect of the Instrument and (iii) the printing of the Instrument, as shall be applicable, are all open for business.

Cashier’s Order A Cheque issued and payable by the Bank (in its capacity as both the drawer and the drawee of the Cheque) at the request of the Customer. It is usually issued in the local currency of the Bank. It can also be issued in a foreign currency if the jurisdiction in which the Bank is located supports such foreign currency settlement.

Cheque An unconditional order in writing, addressed by the Customer to the Bank, requiring the Bank to pay on demand the amount therein specified to or to the order of the payee therein named or to the bearer as the case may be by debiting the specified account of the Customer. A cheque is locally cleared (ie, it is cleared in the jurisdiction where the debiting account is located). A cheque can be in either the local currency of the Bank or other currencies if the local jurisdiction in which the Bank is located supports such foreign currency settlement.

COS Schedule Each COS Schedule to these COS Terms (as updated from time to time) that sets out certain particular use and requirements of the COS in one applicable jurisdiction and which includes other particulars specific to that jurisdiction.

Cheque Outsourcing Service (COS) The cheque outsourcing service provided by the Bank to the Customer under and/or through the E-Channel(s) and forming part of the Services and more particularly described in these COS Terms.

COS Terms These E-Channels Supplementary Terms and Conditions governing the use of the COS as modified in writing from time to time, including its schedules and any supplementary terms for the provision of the COS published on the E-Channel(s) or otherwise made available to the Customer from time to time.

Customer Account An account of the Customer maintained with the Bank or any other member of the HSBC Group (if applicable) in respect to which the COS is supplied.

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- 1.2 Pursuant to Clause 13.4 of the Terms and Conditions, it is hereby confirmed, for the avoidance of doubt, that where the Customer is using the COS for and on behalf of a Customer Associate, the terms of the Agreement, including these COS Terms, shall also apply between the Bank and that Customer Associate as if it were a Customer, and all references to ‘Customer’ shall in this context and for the said purpose, be a reference to that ‘Customer Associate’.
- 1.3 Expressions defined in the Agreement have the same meanings under these COS Terms unless otherwise specified.
- 1.4 These COS Terms are supplementary to and shall not prejudice any party’s rights and obligations under the Agreement. Notwithstanding any provisions to the contrary set out in the Agreement, in the event of inconsistency between these COS Terms and the remainder of the Agreement, these COS Terms shall apply insofar as the COS is concerned and shall also prevail to the extent of the inconsistency.
- 1.5 Certain jurisdictions may have particular legal, regulatory, business or service requirements that require you to agree to country-specific conditions. Where such country-specific conditions are necessary, they will be set out in a COS Schedule or otherwise provided by the Bank.
- 1.6 In these COS Terms, the following terms and expressions shall have the meaning ascribed to them as stated below:

Bank (also we, us, our) The HSBC member named on the first page of each COS Schedule as providing the COS Service in the jurisdiction therein mentioned. Notwithstanding that the Bank is defined in the Terms and Conditions to mean the Principal Bank, all references to the Bank in the Terms and Conditions shall, as and when and to the extent that they apply to or otherwise relate to the COS Service, be construed to read as the Bank as that term is defined in these COS Terms.

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Cheque An unconditional order in writing, addressed by the Customer to the Bank, requiring the Bank to pay on demand the amount therein specified to or to the order of the payee therein named or to the bearer as the case may be by debiting the specified account of the Customer. A cheque is locally cleared (ie, it is cleared in the jurisdiction where the debiting account is located). A cheque can be in either the local currency of the Bank or other currencies if the local jurisdiction in which the Bank is located supports such foreign currency settlement.

COS Schedule Each COS Schedule to these COS Terms (as updated from time to time) that sets out certain particular use and requirements of the COS in one applicable jurisdiction and which includes other particulars specific to that jurisdiction.

Cheque Outsourcing Service (COS) The cheque outsourcing service provided by the Bank to the Customer under and/or through the E-Channel(s) and forming part of the Services and more particularly described in these COS Terms.

COS Terms These E-Channels Supplementary Terms and Conditions governing the use of the COS as modified in writing from time to time, including its schedules and any supplementary terms for the provision of the COS published on the E-Channel(s) or otherwise made available to the Customer from time to time.

Customer Account An account of the Customer maintained with the Bank or any other member of the HSBC Group (if applicable) in respect to which the COS is supplied.

Demand Draft Instrument	A Cashier's Order except it is issued in foreign currency.
Payee	Any instrument that the Bank shall from time to time agree to include within the COS including, without limitation, Cheques, Cashier's Orders and Demand Drafts.
Unclaimed Instrument	The person or entity named in an Instrument as the beneficiary or payee of that Instrument.
	A Cashier's Order or a Demand Draft issued by the Bank which was not presented for payment within a designated period of time.

2. THE CHEQUE OUTSOURCING SERVICE (COS)

- 2.1 Under the COS, the Bank will, subject to the terms of the Agreement, store, format, print, issue and/or deliver Instruments with such payment details included or attached, if applicable, in accordance with Customer Instructions to the extent permitted by the applicable laws and regulations. Where the Instrument concerned is a Cheque, the Cheque is to be issued by the Bank for and on behalf of the Customer. The Bank may provide certain ancillary or related services under the COS as it shall determine from time to time.
- 2.2 In each jurisdiction where the Customer has subscribed to the COS and the Bank has agreed to provide the same, the Bank shall provide the COS service, accessible via the E-Channel(s), and together provided in accordance with the terms of the Agreement including, without limitation, these COS Terms and the COS Schedule concerned.
- 2.3 The Bank may from time to time expand, reduce, vary, suspend, withdraw or cancel any part(s) of the COS in the jurisdiction concerned and will, to the extent practicable, give reasonable notice to the Customer.
- 2.4 Customer Instructions referred to in Clause 2.1 can be sent to the Bank individually (in case there is only one Instrument) or in batch (if there is more than one Instrument). Where Customer Instructions are sent in by batch and the processing of any Instrument in this batch involves the immediate debiting of a Customer Account, the entire batch of Customer Instructions will not be processed if the Bank is unable to process one or more of these Customers Instructions within this same batch for whatever reasons. In the event that one or more of these Customer Instructions within this batch aforesaid has already been effected or are being processed, the Bank will accordingly reverse or stop these transactions as the case may be.
- 2.5 If a Customer Instruction does not specify the instrument date of an Instrument to be issued by the Bank, the Bank will insert the date on which it receives the Customer Instruction as the instrument date and process the instruction accordingly if it receives that Customer Instruction on or before the cut-off time of a Business Day as designated by the Bank from time to time. If the Bank receives the Customer Instruction on a day that is not a Business Day or after its cut-off time on a Business Day, the Customer Instruction will be deemed to have been received by the Bank before its cut-off time on the immediately following Business Day and the Bank will insert the date of the immediately following Business Day as the instrument date of that Instrument.
- 2.6 While the Bank will endeavour to process all Customer Instructions it receives and to also update the EChannel(s) in a timely manner to enable the Customer to view the latest status of each Customer Instruction, the Customer understands and acknowledges that it takes time to process each Customer Instruction and there will inevitably be a time lag between a Customer Instruction being effected and the time that its status is reflected or reported via the E-Channel(s) or by such other means as shall be acceptable to the Bank.
- 2.7 Where the Instrument to be issued by the Bank under the COS is a Demand Draft, the Customer agrees to the following:
 - 2.7.1 Without prejudice to other provisions in the Agreement under which the Bank is entitled to incur charges on behalf of the Customer and to seek reimbursement therefrom, all charges incurred overseas are for the account of the Payee of the Demand Draft; and
 - 2.7.2 Where the Bank is unable to provide a firm exchange rate quotation, the Bank shall effect the remittance on the basis of a provisional exchange rate which shall be subject to adjustment when the actual exchange rate is ascertained. Any difference between the provisional rate and the actual rate shall be debited/credited (as the case may be) to a Customer Account.
- 2.8 Where the Bank agrees to have a Cashier's Order issued in another jurisdiction by another member of the HSBC Group located in that jurisdiction, all relevant laws and regulations in that jurisdiction and all other terms and conditions of that HSBC member governing that Cashier's Order will also apply to the extent applicable and appropriate.

3. OBLIGATION OF AND UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES BY THE CUSTOMER

- 3.1 The Customer warrants and confirms that it has assessed and that it fully understands, agrees to and is satisfied with:
- 3.1.1 All the features of the COS;
 - 3.1.2 How the COS will be provided under and/or through the E-Channel(s) or such other means as shall be acceptable to the Bank including, without limitation, the contingency measures mentioned in Clause 3.8 ('other means'); and
 - 3.1.3 How it should, and that it will, utilise the COS under and/or through the E-Channel(s) or other means to achieve its intended purpose.
- 3.2 Without prejudice to the generality of Clause 3.1 above, the Customer further understands and agrees that:
- 3.2.1 The COS is supplied in respect to the Customer Accounts designated by the Customer from time to time;
 - 3.2.2 It shall at all times ensure that the Customer Instructions are given by persons who are authorized to utilise the COS and are authorised to give Customer Instructions via the E-Channel(s) and are also in compliance with the mandate of the relevant Customer Account, as the case may be;
 - 3.2.3 The Bank will not check whether an Instrument issued in accordance with a Customer Instruction (in the case of Cheques) is in compliance with the mandate of the Customer Account concerned; and
 - 3.2.4 Without prejudice to the foregoing, where the Customer Instruction is to issue a Cheque, failure by the Customer to ensure that the person(s) authorised to give such Customer Instruction via the E-Channel(s) are also authorised signatories to the relevant Customer Account, and that the specimen signatures provided by the Customer to the Bank for imprinting on the Cheques correspond with the specimen signatures in respect of the Customer Account concerned, will result in the Cheque not being honoured upon the presentation thereof.
- 3.3 The Customer shall, in respect to a Customer Instruction sent to the Bank to issue a Cashier's Order or Demand Draft, ensure that there are sufficient funds standing in the Customer Account(s) to be debited to enable the Bank to carry out that Customer Instruction.
- 3.4 Without prejudice to any provisions on confidentiality and authorisation set out in the Agreement, the Customer hereby:
- 3.4.1 Undertakes that it has at all times all authorisation and consents necessary for the transfer, use, processing and/or storage of all information (including, without limitation, personal data) furnished to or received by the Bank in connection with the COS, including, without limitation, those of the Payees.
 - 3.4.2 Authorises the Bank to provide any member(s) of the HSBC Group or third parties (including, without limitation, the Bank's agents and its service providers) not only the Customer Instructions, but also with any information relating to the Customer, Customer Accounts and the Payees including, without limitation, personal data) where that is, in the reasonable opinion of the Bank, necessary or desirable for the provision of the COS or is otherwise required or permitted by any applicable law or regulation or at the request of any public or regulatory authority. The Bank is further authorised by the Customer to transfer, use, process and/or store the said information to, through and/or in various jurisdictions as the Bank shall reasonably think necessary or desirable for the provision of the COS.
 - 3.4.3 For the avoidance of doubt, information mentioned in Clause 3.4 shall, without limitation, include specimen signatures of those persons who are authorised to sign Cheques in respect of the Customer Accounts, company logos of the Customer and its brand and trade names.
- 3.5 The Customer agrees to observe and comply with all applicable laws and regulations that shall apply to or be imposed on any aspect of the COS. The Customer further undertakes to sign and provide as the case may be such further information and documentation to the satisfaction of the Bank as it shall reasonably request for the purposes of complying with the said laws and regulations or generally, to facilitate its provision of the COS.
- 3.6 The Customer understands that where a Customer Instruction specifies that the charges of the Bank are for the account of the Payee in respect to an Instrument but that the charges concerned shall exceed the value of the Instrument, the Bank may or may not issue the Instrument and in the event that the Bank exercises its discretion to issue the Instrument, the Bank is entitled to debit such charges from any Customer Account(s) as it shall see fit.

- 3.7 The Customer understands and agrees that failure by the Customer to comply with the terms of this Agreement including those set out in Clause 3 may result in the Customer Instructions not being effected, or where they are effected, result in their being delayed or not achieving their intended purposes. The Customer understands and agrees that the Bank cannot be held responsible or liable in any way under such circumstances
- 3.8 The Customer understands and agrees that in the event where the Bank is unable to, for whatever reason(s), provide any part(s) or the whole of the COS under and/or through the E-Channel(s), the Bank will endeavour, but without any obligations, to provide other contingency measures to enable the Customer to utilise such services covered under the COS through such other means, medium or channel other than the E-Channel(s). All the provisions in the Agreement that apply to the COS will, to the extent applicable, continue to apply to and govern the use of the COS provided under and/or through such contingency measures unless the Bank specifies otherwise.

4. RIGHTS AND OBLIGATIONS OF THE BANK

- 4.1 The Customer hereby irrevocably authorises the Bank to debit the amount of each Instrument (other than a Cheque wherein the designated account will be debited only upon the presentation thereof) that the Bank shall issue in accordance with a Customer Instruction to the Customer Account specified in that Customer Instruction.
- 4.2 The Bank may treat all apparently valid Customer Instructions received by it as Customer Instructions properly authorised by the Customer, even if they may conflict with the mandate designated for the EChannel(s) or the mandate designated for the Customer Accounts concerned.
- 4.3 The Bank's or its agent(s)' accounts and records in respect to the COS shall, in the absence of manifest error, be conclusive evidence of the matters in which they relate to, including, without limitation, the Customer Instructions received by the Bank, any amendment, replacement or cancellation thereof, and the time at which they were received by the Bank and the related transactions effected. The Customer agrees not to object to the admission of such accounts and records as evidence in legal proceedings by reason only that they are not original, not written, are hearsay and/or are produced by a computer.
- 4.4 The COS in a jurisdiction to which the Customer has subscribed will be provided by the Bank in that jurisdiction and not elsewhere. In this regard, the Principal Bank is for all purposes entering into these COS Terms (and all other terms set out in the Agreement that apply to the COS) with the Customer as the agent of the Bank in that jurisdiction. As such, the contracting parties to the Agreement and these COS Terms insofar as they govern the use of the COS by the Customer in a jurisdiction shall for all purposes be the Bank in that jurisdiction and the Customer. It follows that the obligations and liabilities, if any, of the Banks in respect of their respective provision of the COS in the different jurisdictions concerned shall at all times be several.
- 4.5 All Customer Instructions, information and other materials sent in to the Bank under the Agreement will not, except as required by law, be returned to the Customer and will be retained by the Bank for a designated period of time at the Bank's discretion. Without imposing any obligations on the Bank, the Bank will endeavour to address any request from the Customer to return or provide copies of any Customer Instruction it has previously sent to the Bank or other information and materials it has provided to the Bank under or in respect to the COS but subject always to the Bank's being able to meet with such requests.
- 4.6 Upon the occurrence of any event which results in the Bank not being able to provide the COS in accordance with its normal procedures, the Bank will endeavour to resume the COS including the processing and effecting of Customer Instructions received by the Bank prior to the occurrence of that event but not yet processed and effected. In this regard, where such Customer Instructions involve the issuing of any Instrument, the Customer hereby authorises the Bank to replace the instrument date of such Instrument by the date upon which the Bank is able to process that Customer Instruction or to issue that Instrument, as the case may be.

5. INDEMNITIES AND RESTRICTIONS ON LIABILITY

- 5.1 All the provisions set out in the Agreement relating to each Bank's liability to the Customer and the Customer's obligations to indemnify each Bank (which are currently set out in Clause 9 of the Terms and Conditions) shall for all purposes form part of these COS Terms as if they are explicitly set out in these COS Terms in full.
- 5.2 Where a Customer Instruction includes the forwarding or delivery (whether by hand, by post or otherwise) of an Instrument, the Bank shall not be held liable or responsible for any loss, damages, costs or expenses that the Customer or other persons including a Payee of the Instrument, may suffer or incur as a result of the loss of or damage to the Instrument or any delay in the delivery of the Instrument.

5.3 The Customer hereby agrees to hold the Bank and other members of the HSBC Group harmless from and keep the Bank and other members of the HSBC Group at all times indemnified against all actions, claims, proceedings, loss, damages, costs and expenses whatsoever which may be brought against the Bank or any other member of the HSBC Group or suffered or incurred by the Bank or any other member of the HSBC Group, howsoever arising, out of or in connection with these COS Terms including without limitation, any breach by the Customer of these COS Terms, the Bank acting on any Customer Instructions, Representative Instructions and any other instructions received by the Bank under or in connection with the COS, any Unclaimed Instruments, the Bank's agreement to stop payment in respect of any Instrument or to cancel and/or refund the same or to re-issue another Instrument in replacement thereof.

5. INDEMNITIES AND RESTRICTIONS ON LIABILITY

- 5.1 All the provisions set out in the Agreement relating to each Bank's liability to the Customer and the Customer's obligations to indemnify each Bank (which are currently set out in Clause 9 of the Terms and Conditions) shall for all purposes form part of these COS Terms as if they are explicitly set out in these COS Terms in full.
- 5.2 Where a Customer Instruction includes the forwarding or delivery (whether by hand, by post or otherwise) of an Instrument, the Bank shall not be held liable or responsible for any loss, damages, costs or expenses that the Customer or other persons including a Payee of the Instrument, may suffer or incur as a result of the loss of or damage to the Instrument or any delay in the delivery of the Instrument.

6. COS REPRESENTATIVES

- 6.1 The Customer hereby appoints the person specified in the COS Schedule as its authorised representative in respect of the COS provided by the Bank in the jurisdiction therein mentioned. This COS representative shall have full authority to, on behalf of the Customer, give instructions to the Bank in respect of all administrative and operational matters relating to the COS (Representative Instructions) as shall be prescribed by the Bank from time to time. The Customer may, subject to the Bank's approval, appoint more than one COS representative to act singly unless otherwise agreed.
- 6.2 Any change to the COS representative shall be effected by the Customer giving not less than 14 days' prior notice in writing to the Bank to that effect and designating the replacement COS representative and specifying the effective date of the change.

7. TERMINATION OF THE COS

- 7.1 The COS in each jurisdiction may at any time be terminated by either the Bank concerned or the Customer:
- 7.1.1 By giving not less than one (1) month's prior written notice to the other party; or
- 7.1.2 With immediate effect by written notice to the other if the other party (a.) commits a material breach of this Agreement in relation to the COS which is not remedied within 14 days of a written notice requiring remedy or (b.) becomes insolvent under the laws of that jurisdiction.
- 7.2 The termination of the COS in a jurisdiction shall for all purposes terminate the COS Schedule in respect to that jurisdiction but shall not affect the COS being provided in other jurisdictions.
- 7.3 Any termination of the COS and/or a COS Schedule shall be without prejudice to any rights, liabilities and obligations, which have accrued to the parties under the Agreement and/or these COS Terms prior to the said termination.

8. APPLICABLE LAW

- 8.1 Notwithstanding any provision to the contrary in the Agreement, these COS Terms and other applicable terms set out in the Agreement shall, insofar as they apply to and govern the use of the COS in a particular jurisdiction, be governed by and construed in accordance with the relevant laws of that jurisdiction in which the COS is being offered and each of the parties hereby submit to the non-exclusive jurisdiction of the courts of that jurisdiction

8. COS Country Conditions – India

These COS Country Conditions are supplemental to the COS Terms in respect of the provision of the COS Service in India. In the event of inconsistency between these COS Country Conditions and the rest of the COS Terms and/or the Agreement, these COS Country Conditions shall prevail to the extent of the inconsistency. To the extent that the terms set out in this COS Schedule grant rights to the Bank in addition to rights of a similar nature granted to the Bank under the COS Terms and/or the Agreement, such additional rights shall supplement, and not supersede, the relevant provisions of the COS Terms and/or the Agreement which deal with such similar rights. Expressions defined in the COS Terms and/or the Agreement have the same meanings when used in this COS Schedule.

1 In Clause 1.6, the definition of “INR Demand Draft” shall be added as follows:

“INR Demand Draft means a Cheque issued at the request of the customer by the Bank and drawn on and payable at correspondent bank locations under arrangements between the Bank and such correspondent bank(s).”

2 In Clause 1.6, the definition of “Instrument” shall include, without limitation, “INR Demand Drafts”.

3. Clause 2.6 shall be amended to read as under:

“While the Bank will endeavour to process all Customer Instructions it receives and to also update the EChannel(s) in a timely manner to enable the Customer to view the latest status of each Customer Instruction, the Customer understands and acknowledges that it takes time to process each Customer Instruction and there will inevitably be a time lag between a Customer Instruction being effected and the time that its status is reflected in or reported via the System or by such other means as shall be acceptable to the Bank. The Customer further understands and acknowledges that the status of each INR Demand Draft will be as per the latest information provided by the correspondent bank to the Bank and the Bank shall not be liable for any errors in information so received.”

E-Channels Supplementary Terms and Conditions – Receivables Management System Service (“RMS”)

1. INTRODUCTION

- 1.1 These RMS Terms apply to and govern the use of the RMS Service by the Customer and shall at all times and for all purposes form part of the E-Channels Master Customer Agreement entered into between the Customer and the Principal Bank in respect of the E-Channel(s) and the Services therein covered (the “Agreement”).
- 1.2 Pursuant to Clause 13.4 of the Terms and Conditions, it is hereby confirmed, for the avoidance of doubt, that where the Customer is using this RMS Service for and on behalf of a Customer Associate, the terms of the Agreement, including these RMS Terms, shall also apply between the Bank and that Customer Associate as if it were a Customer and all references to “Customer” shall in this context and for the said purpose, be a reference to that “Customer Associate”.
- 1.3 Expressions defined in the Agreement have the same meanings when used in these RMS Terms unless otherwise specified.
- 1.4 These RMS Terms are supplementary to and shall not prejudice any party’s rights and obligations under the Agreement. Notwithstanding any provisions to the contrary set out in the Agreement, in the event of inconsistency between these RMS Terms and the remainder of the Agreement, these RMS Terms shall apply insofar as the RMS Service is concerned and shall also prevail to the extent of the inconsistency.
- 1.5 Certain jurisdictions may have particular legal, regulatory, business or service requirements which require you to agree to country specific conditions. Where such country specific conditions are necessary, they will be set out in a RMS Schedule or otherwise provided by the Bank.
- 1.6 In these RMS Terms, the following terms and expressions shall have the meaning ascribed to them as stated below:

Accounts Receivable Reconciliation Service	One part of the RMS Service under which the Bank matches, reconciles and reports the Transactions against the AR Records stored in the Centralised Database and provide the Customer with Reconciled AR Files.
Allocation Rule	Any one or more of the rules designated by the Bank and selected by the Customer from time to time as the method by which an Instrument Value shall be allocated to the Invoice of a Payor in the event that such Payor does not specify the corresponding Invoice to the Instrument or the Instrument Value is not sufficient to settle all corresponding Invoices or does not match with the corresponding Invoices attached or specified.
AR File	A file containing one or more AR Records.
AR Record	A record prepared by the Customer setting out all necessary details of an Invoice to enable the Bank to deliver the Accounts Receivable Reconciliation Service. All AR Records are to be sent to the Bank in AR Files via the E-Channel(s) or such other means, medium or channel as agreed by the Bank and the Customer from time to time.
Automatic Exception Handling Service	An Exception Handling Service wherein the remaining value of an Instrument will be allocated to settle other outstanding Invoice(s) of the same Payor in accordance with an Allocation Rule.
Bank (also we, us, our)	means the HSBC member named on the first page of each RMS Schedule as providing the RMS Service in the jurisdiction therein mentioned. Notwithstanding that the Bank is defined in the Terms and Conditions to mean the Principal Bank, all references to the Bank in the Terms and Conditions shall, as and when and to the extent that they apply to or otherwise relate to the RMS Service, be construed to read as the Bank as that term is defined in these RMS Terms.
Business Day	A day on which both banks and clearing houses concerned are open for business in the jurisdiction in which the RMS Service is being provided.
Centralised Database	Database means the database in which the Bank stores all AR Records, Payor Records and any other information which is within the scope of the RMS Service.
Centralised Database Service	One part of the RMS Service under which the Bank stores, maintains and updates the AR Records and the Payor Records that it receives from the Customer in its Centralised Database. The Customer can access this Centralised Database under and/or through the EChannel(s) to perform and view enquiries on any Transactions and retrieve any records and view such other reports as agreed.

Consolidated Reporting Service	One part of the RMS Service under which the Bank provides reports of the Transactions to the Customer.
Exception Handling Service	A service under the Accounts Receivable Reconciliation Service wherein the remaining value of an Instrument after the first application of the Allocation Rule (if any) will be allocated to settle, whether fully or partially, other outstanding Invoice(s) of the same Payor in accordance with either the Automatic Exception Handling Service or the Manual Exception Handling Service.
Instrument	Payment instruments such as cash, local currency cheque, foreign currency cheque, promissory note, bank draft, cashier order and credit note etc. as shall be applicable from jurisdiction to jurisdiction and such other payment instruments which the Customer and the Bank may agree are to be covered under the RMS Service.
Instrument Value	The face value of an Instrument.
Invoice	An invoice issued by the Customer to any Payor which is brought within the scope of the RMS Service.
Manual Exception Handling Service	An Exception Handling Service wherein the remaining value of an Instrument will be allocated to settle other outstanding Invoice(s) of the same Payor in accordance with the instructions of the authorized RMS representative referred to in these RMS Terms.
Payor	The person or entity named on an Invoice as being responsible for settling the Invoice.
Payor File	A file containing one or more Payor Record.
Payor Record	A record prepared by the Customer setting out all necessary details of a Payor to enable the Bank to provide the RMS Service. All Payor Records are to be sent to the Bank in Payor Files via the E-Channel(s) or such other means, medium or channel as agreed between the Bank and the Customer from time to time.
Reconciled AR File	An AR file duly reconciled by the Bank for the Customer under the Accounts Receivable Reconciliation Service.
RMS Schedule	Each RMS Schedule to these RMS Terms (as updated from time to time) which sets out certain particular use and requirements of the RMS Service in one applicable jurisdiction and which includes other particulars specific to that jurisdiction.
RMS Service	The accounts receivables management system service provided by the Bank to the Customer under and/or through the E-Channel(s) and forming part of the Services and more particularly described in these RMS Terms.
RMS Terms	These E-Channels supplementary terms and conditions governing the use of the RMS Service as modified in writing from time to time, including its schedules and any supplementary terms for the provision of the RMS Service published on the E-Channel(s) or otherwise made available to the Customer from time to time.
Transaction	A payment (including paper-based and electronic payments) made by a Payor to the Customer the details of which can be captured by the EChannel(s).

2. THE RMS SERVICE

- 2.1 The Bank will make available the following services under the RMS Service for the Customer to select:
 - 2.1.1 Centralised Database Service;
 - 2.1.2 Accounts Receivable Reconciliation Service;
 - 2.1.3 Consolidated Reporting Service.
- 2.2 In each jurisdiction where the Customer has subscribed to the RMS Service and the Bank has agreed to provide the same, the Bank shall provide the RMS Service in accordance with the terms of the Agreement including, without limitation, these RMS Terms and the RMS Schedule concerned.
- 2.3 The Bank may from time to time expand, reduce, vary, suspend, withdraw or cancel any part(s) of the RMS Service in the jurisdiction concerned and will, to the extent practicable, give reasonable notice to the Customer.

3. OBLIGATIONS OF AND UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES BY THE CUSTOMER

- 3.1 The Customer shall provide the Bank with Customer Instructions and such other instructions (including Allocation Rules) in relation to the RMS Service in such format and through such other means, medium or channel as shall be requested or stipulated by the Bank from time to time.
- 3.2 Where the Customer has selected to use the Accounts Receivable Reconciliation Service, the Customer shall provide the Bank with the AR Files and Payor Files through the E-Channel(s) or such other means, medium or channel and with such security measures as shall be prescribed by or acceptable to the Bank.
- 3.3 Without prejudice to the generality of Clause 3.2, where the AR Files and Payor Files are to be sent to the Bank through emails, computer diskettes, CD ROMs or such other means, medium or channel other than through the E-Channel(s), they are required to be encrypted before they are sent to the Bank. The Customer is fully responsible for the security of all AR Files and Payor Files prior to their actual receipt by the Bank.
- 3.4 Without prejudice to any provisions on confidentiality and authorisation set out in the Agreement, the Customer hereby:
 - 3.4.1 undertakes that it has at all times all authorisation and consents necessary for the transfer, use, processing and/or storage of personal data and other information furnished to or received by the Bank in connection with the RMS Service, including, without limitation, those of the Payors; and
 - 3.4.2 authorises the Bank to provide any member(s) of the HSBC Group or third parties (including, without limitation, the Bank's agents and its service providers) with information relating to the Customer and the Payors where that is, in the reasonable opinion of the Bank, necessary for the provision of the RMS Service or is otherwise required or permitted by any applicable law, regulation or request of any public or regulatory authority. The Bank is further authorised by the Customer to transfer, use, process and/or store the said information to, through and/or in various jurisdictions as the Bank reasonably thinks necessary or desirable for the provision of the RMS Service.
- 3.5 The Customer agrees to observe and comply with all applicable laws and regulations that shall apply to or be imposed on any aspect of the RMS Service. The Customer further undertakes to sign and provide as the case may be such further information and documentation to the satisfaction of the Bank as it shall reasonably request for the purposes of complying with the said laws and regulations or generally, to facilitate its provision of the RMS Service.
- 3.6 The Customer understands and agrees that in the event where the Bank is unable to, for whatever reason(s), provide any part(s) or the whole of the RMS Service, the Bank will endeavour, but without any obligations, to provide other contingency measures to enable the Customer to utilise such services covered under the RMS Service through such other means, medium or channel other than the E-Channel(s). All the provisions in the Agreement which apply to the RMS Service will to the extent applicable continue to apply to and govern the use of the RMS Service provided under and/or through such contingency measures unless the Bank shall specify otherwise.
- 3.7 For the avoidance of doubt, it is hereby confirmed that "Customer Instruction", as that term is defined in the Agreement, includes also any AR File and Payor File received by the Bank through the E-Channel(s). In addition, insofar as the RMS Service is concerned, whenever and wherever AR Files, Payor Files and other instructions or communications are sent to and received by the Bank, including, without limitation, the transaction details referred to in Clause 4.4, through such other means, medium or channel other than the E-Channel(s), whether they are sent in from or provided by the Customer or the authorised parties referred to in Clause 4.4, they shall for all purposes each be deemed a "Customer Instruction" and all provisions in the Agreement that refer and apply to a Customer Instruction shall be construed accordingly.

4. RIGHTS AND OBLIGATIONS OF THE BANK

- 4.1 Centralised Database Service
 - 4.1.1 The Bank will, upon its receipt of an AR Record and a Payor Record from the Customer, store, maintain and update both the AR Record and Payor Record in its Centralised Database according to Customer Instructions.
 - 4.1.2 The Bank will extract relevant details from the Transactions to update the Customer's AR Records which is store in the Centralised Database.
 - 4.1.3 The Bank will make available certain functionalities to the Customer under and/or through the E-Channel(s) E-Channel(s) such as retrieving information and updating the profiles of the Payors held in the Centralised Database and requesting for reports generated from information stored and held in the Centralised Database as the Bank may designate from time to time.

4.2 Accounts Receivable Reconciliation Service

4.2.1 The Bank will validate the AR Records it receives from the Customer according to pre-set criteria agreed with the Customer. It will then match and reconcile the AR Records stored in the Centralised Database against the Transactions in accordance with Customer Instructions, Allocation Rules and where applicable, the Exception Handling Service to prepare Reconciled AR Files for the Customer.

4.2.2 The Bank will provide the Reconciled AR Files to the Customer under and/or through the E-Channel(s).

4.3 Consolidated Reporting Service

4.3.1 The Bank will report the Transactions in such content, format and frequency and according to the report type(s) selected by the Customer.

4.3.2 The Bank will make available the reports referred to in Clause 4.3.1 to the Customer under and/or through the E-Channel(s).

4.4 The Bank may, at its sole discretion, agree to receive, accept and include within the RMS Service transaction details in addition to the AR Records, Payor Records and other details in respect of the Transactions and other transactions from either the Customer or parties authorised by the Customer to provide the Bank with such transaction details, including, without limitation, the Payors, other banks and other financial institutions. The Customer agrees to and will also ensure that these authorised parties will provide the said transaction details to the Bank in such format and through such other means, medium or channel and with such security measures as shall be agreed with the Bank from time to time.

4.5 The Bank's or its agent(s)' accounts and records in respect of the RMS Service shall, in the absence of manifest error, be conclusive evidence of the matters in which they relate to, including, without limitation, the Instruments received or collected by the Bank or its agent(s), the value of the Instrument, the related or corresponding Invoices, the Payors concerned and the time at which they were received and the related transactions effected. The Customer agrees not to object to the admission of such accounts and records as evidence in legal proceedings by reason only that they are not original, not written, are hearsay and/or are produced by a computer.

4.6 The RMS Service in a jurisdiction to which the Customer has subscribed will be provided by the Bank in that jurisdiction and not elsewhere. In this regard, the Principal Bank is for all purposes entering into these RMS Terms (and all other terms set out in the Agreement which apply to the RMS Service) with the Customer as the agent of the Bank in that jurisdiction. As such, the contracting parties to the Agreement and these RMS Terms insofar as they govern the use of the RMS Service by the Customer in a jurisdiction shall for all purposes be the Bank in that jurisdiction and the Customer. It follows that the obligations and liabilities, if any, of the Banks in respect of their respective provision of the RMS Service in the different jurisdictions concerned shall at all times be several.

5. INDEMNITIES AND RESTRICTIONS ON LIABILITY

5.1 All the provisions set out in the Agreement relating to each Bank's liability to the Customer and the Customer's obligations to indemnify each Bank (which are currently set out in Clause 9 of the Terms and Conditions) shall for all purposes form part of these RMS Terms as if they are explicitly set out in these RMS Terms in full.

5.2 For the avoidance of doubt, the Bank shall not be liable to the Customer or any other person in respect of any loss of profits, indirect or consequential loss or loss of interest which otherwise would have been payable to the Customer in respect of items which ought to have been, but, owing to the negligence or wilful default of the Bank or third parties, fail to be paid or are delayed in their being paid into the account(s) of the Customer.

5.3 The Customer hereby agrees to hold the Bank and other members of the HSBC Group harmless from and keep the Bank and other members of the HSBC Group at all times indemnified against all actions, claims, proceedings, loss, damages, costs and expenses whatsoever which may be brought against the Bank and other members of the HSBC Group or suffered or incurred by the Bank and other members of the HSBC Group, howsoever arising, out of or in connection with these RMS Terms including without limitation, any breach by the Customer of these RMS Terms and the Bank acting on any Customer Instructions, Representative Instructions, Allocation Rules and any other instructions received by the Bank under or in connection with the RMS Service including instructions provided under the Exceptions Handling Service.

6. RMS REPRESENTATIVES

6.1 The Customer hereby appoints the person specified in the RMS Schedule as its authorised representative in respect of the RMS Service provided by the Bank in the jurisdiction therein mentioned. This RMS representative shall have full authority to, on behalf of the Customer, give instructions to the Bank in respect of all administrative and operational matters relating to the RMS Service ("Representative Instructions") as shall be prescribed by the Bank from time to time. The Customer may, subject to the Bank's approval, appoint more than one RMS representative to act singly unless otherwise agreed.

- 6.2 Any change to the RMS representative shall be effected by the Customer giving not less than 14 days' prior notice in writing to the Bank to that effect and designating the replacement RMS representative and specifying the effective date of the change.

7. TERMINATION OF THE RMS SERVICE

- 7.1 The RMS Service in each jurisdiction may at any time be terminated by either the Bank concerned or the Customer:
- 7.1.1 by giving not less than one (1) month's prior written notice to the other party; or
- 7.1.2 with immediate effect by written notice to the other if the other party (a) commits a material breach of this Agreement in relation to the RMS Service which is not remedied within 14 days of a written notice requiring remedy or (b) becomes insolvent under the laws of that jurisdiction.
- 7.2 The termination of the RMS Service in a jurisdiction shall for all purposes terminate the RMS Schedule in respect of that jurisdiction but shall not affect the RMS Service being provided in other jurisdictions.
- 7.3 Any termination of the RMS Service and/or a RMS Schedule shall be without prejudice to any rights, liabilities and obligations, which have accrued to the parties under the Agreement and/or these RMS Terms prior to the said termination

8. APPLICABLE LAW

- 8.1 Notwithstanding any provision to the contrary in the Agreement, these RMS Terms and other applicable terms set out in the Agreement shall, insofar as they apply to and govern the use of the RMS Service in a particular jurisdiction, be governed by and construed in accordance with the relevant laws of that jurisdiction in which the RMS Service is being offered and each of the parties hereby submits to the non-exclusive jurisdiction of the courts of that jurisdiction.

RMS COUNTRY CONDITIONS SCHEDULE

These RMS Country Conditions are supplemental to the RMS Terms in respect of the provision of the RMS Service in India. In the event of inconsistency between these RMS Country Conditions and the rest of the RMS Terms and/or the Agreement, these RMS Country Conditions shall prevail to the extent of the inconsistency.

Specific Conditions applicable to RMS Terms in INDIA

- 1 You agree and understand that till further written communication issued by us, we shall offer only such services which fall under the standard package of the RMS Service in India.
- 2 As part of the standard package service proposition in India, we shall offer the following services only.
 - Reporting Services
 - Transaction Enquiry
 - Short Message Service("SMS") & electronic mail(email) advising.
- 3 The pricing for the standard package services shall be determined based on mutual consent and on the services availed by you.