

Virtual Account Service Agreement

This Agreement (“the Agreement”) is made by and between The Hongkong and Shanghai Banking Corporation Limited (the “Bank”) and _____ (the “Company”).

In consideration of the mutual undertakings of the parties hereto, as set forth herein it is agreed that the Company uses Virtual Account Service of the Bank (the “Service”) subject to the following terms and conditions.

Article 1 (Purpose)

The purpose of the Agreement is to set forth matters terms and conditions upon which the Company may use Virtual Account Service of the Bank through electronic banking transaction.

Article 2 (Use, Purpose and Scope of Service)

The use, purpose, and scope of Virtual Account Service hereunder are as follows;

1. Service

- Virtual Account Service Only
- Virtual Account Service linked with RMS (Receivables Management System) Service
- Short Message Service (Additional Service)

2. Purpose of Use: ()

3. Service Scope

- ① Account Opening Service: The Bank shall create and send virtual accounts to be used by the Company as requested by the Company
- ② Deposit and Notification Service: The Bank shall transfer funds deposited into virtual accounts allocated for each customer of the Company to the Underlying Account (the “Master Account”) assigned by the Company, and send the Company deposit statements.
- ③ Transaction History View Service: The Bank shall enable the Company to view transaction details of deposits made in virtual accounts of the Company (The Company may view transaction details of deposits made into its virtual accounts through HSBCnet).
- ④ Virtual Account Service linked with RMS (Receivables Management System) Service (The virtual accounts allocated for each customer of the Company shall be used as Payer ID in reconciling account receivables against the amounts deposited in RMS (Receivables Management System)).

Article 3 (Limitation and Obligation of Service User)

1. Virtual Account Service hereunder shall be provided to corporate customers only.
2. In case a Virtual Account Service customer is an electronic financial business operator, the customer shall not have other company handle the management of its Virtual Account provided by the Bank hereunder on its behalf.
3. The Company shall send notice to the Payer (the Company’s customer) by mail or e-mail prior to the execution of the Service hereunder to ensure that the Payer is informed that Virtual Account assigned by the Bank to the Company as aforementioned is owned by the Company and is not the account of the Payer.
4. In case where there is any suspicion regarding unsound use of Virtual Account including opening Virtual Account not for the purpose of the collection as set forth in Article 2 Paragraph 2 hereof but for resale, the Bank may request the Customer to provide the purpose of use of Virtual Account.

Article 4 (Service Application)

1. The Company shall apply for the number of virtual accounts to be assigned to its customers, the account designated for fund collection and the account from which charges hereunder shall be deducted for the Bank to provide Virtual Account Service. The Company shall follow the same application procedure when it wishes to add, change or terminate the number of any existing virtual account or other accounts aforementioned.
2. The Company may request the Bank to deliver Virtual Account Service by providing the Bank with relevant customer information. Such information may be sent to the Bank via electronic means including but not limited to e-mail, computer disk, other electronic medium or channel. The file containing the information shall be encrypted before being sent and the Company shall be held responsible for authenticity of the said file.

Article 5 (Service Hour and Fund Transfer)

1. The service hour shall be the business hour of the Bank. Provided that, if circumstances dictate, the Bank may impose limitations on the service hour subject to prior consultation with the Company.
2. Funds deposited into Virtual Accounts of the Company shall be immediately transferred to the account designated hereunder without any separate withdrawal or transfer request process of the Company. If the Bank intends to alter the transfer method due to system change, business decision, policy, etc, the Bank shall notify the Company prior to such change.
3. In case a cashier's check deposited into a virtual account is transferred to the designated account, withdrawal of the fund is allowed only if the check clearing process is completed.
4. If a check the Bank received bounced and has been returned, the Bank may withdraw the amount dishonored from the designated amount of the Company without any separate deposit request.

Article 6 (Exception to Service)

If any virtual account or designated account falls under any of the following subparagraphs, the Bank shall notify of such fact and stop providing the service hereunder for the relevant account.

1. In case the virtual account or designated account is terminated or included in the list of suspended accounts
2. In case transactions of the virtual account or designated account are restricted due to legal issues, etc.

Article 7 (Confirmation of Transaction Detail)

1. The Company and the Bank agree to check details of transactions conducted hereunder through Account Information or Account Statement of HSBCnet (HSBC Global Internet Banking System) with no separate transaction statement created or distributed. However, this shall not apply if otherwise agreed by both parties.
2. The details of the transactions processed by other financial institutions than the Bank out of the data confirmed pursuant to Paragraph 1, shall be checked against the data of the KFTC. If there is any discrepancy between the KFTC data and actual transaction, the Bank shall confirm the final result and separately notify the Company of such result.

Article 8 (Charges)

1. The transaction charges for virtual account shall be calculated based on the number of transaction deposited into Underlying Account through virtual account during the period from 1st to the end of each month.
2. Charges added up for the period from 1st to the end of each month shall be automatically deducted from the designated account as specified in an application form for virtual account service on the first business day of the following month with no separate request procedure.
3. The aforementioned charges shall be determined based on separate consultation between the parties.
4. In case of altering charges, the Bank shall notify the Company in writing or via e-mail of such change at least one (1) month before the execution date and provide detailed explanation to help the Company fully understand the change. If there is no objection raised before the execution date, the Company shall be deemed to agree to the said change. If the Company incurs disadvantages due to the change above, the Company may terminate the Agreement within one (1) month from the first date on which the Company should pay the charge after change. In this case, the charge prior to the change shall apply to the date of termination.

Article 9 (Validity and Term)

The Agreement shall come into force commencing on [] when the Bank initiates Virtual Account Service for the Company after the Agreement is entered into, and remain in full force and effect unless a notice to the contrary is given from either party to the other in writing at least thirty (30) days prior to the anticipated expiry date. Any terms of this Agreement which by their nature extend beyond termination of the Agreement shall survive such termination until the other party has fulfilled all of its obligations under the Agreement, and bind successors and permitted assignees of each party hereto.

Article 10 (Termination)

1. The parties may terminate the Agreement in case of any subparagraph
 - 1-1. if both parties mutually agree in writing to terminate the Agreement;
 - 1-2. if either of the parties is found in breach hereof or fails to perform any of its obligations hereunder;
 - 1-3. if the credit worthiness of either party significantly deteriorates including cases where either of the parties files for bankruptcy, rehabilitation procedures, or corporate reorganization procedures, or in case of the appointment of administrator by creditor or the court;
 - 1-4. if performing the Agreement becomes impossible due to reasons relating to business policy of the Company or the Bank, revision or amendment of relevant laws and regulations, instructions of financial regulatory authorities, etc.;
 - 1-5. if Virtual Account has not been used for one (1) year since the account opening, the Bank may

- terminate the Agreement by notifying the Company in writing;
- 1-6. if the Company or the Bank disrupts financial order by violating relevant financial laws and regulations prescribed by regulatory authorities or loss or damage would be arising from violation of relevant laws and regulations by either party hereto; or
 - 1-7. if the Company misuses or abuses the Service hereunder for other purposes than those set forth in Article 2 Paragraph 2 hereof.
2. In case of terminating the Agreement pursuant to Article 1-1 hereof, unless otherwise specified, the Agreement shall be immediately terminated. And, in case of Paragraph 1-2, 1-3, 1-4, 1-5, 1-6 and 1-7 if after receiving the notice of non-compliance either party does not perform the obligation specified, the other party shall notify in writing of the termination with specific reasons one (1) month before the expected termination date.
 3. In case of Paragraph 2, the Company shall pay for the total amount of the remaining charges including outstanding payment to the Bank prior to the termination.
 4. The Customer who has been notified of the termination may raise objection thereto via the customer service center of the Bank.

Article 11 (System Operation)

The head of relevant departments of each party shall separately consult with each other in respect of detailed system operation for Virtual Account Service pursuant to Article 2 hereof.

Article 12 (Confidentiality)

The parties shall neither use nor divulge any of data or information recognized or obtained in the course of mutual information exchange for other purposes than the business hereunder.

Article 13 (Indemnification)

With respect to loss to be borne by the Bank and indemnification relating to electronic financial transactions hereunder, Article 20 of General Terms and Conditions on Electronic Financial Transactions (Share of Losses and Indemnification) shall apply.

Article 14 (Duty of Good faith, Diligence, Reasonableness and Care)

The Company and the Bank shall fulfill its duty of good faith, diligence, reasonableness and care in performing the Agreement

Article 15 (Miscellaneous)

1. With respect to transactions for each virtual account and Underlying Account hereunder, Deposit Agreement of the Bank shall apply, and as for fund transfers to other financial institutions than the Bank, the Business Rules on Interbank Shared Network established by the KFTC and the Detailed Procedure Guideline shall apply.
2. With respect to matters not set forth herein, General Terms and Conditions on Electronic Financial Transactions shall apply. If there is any inconsistency between this Agreement and General Terms and Conditions on Electronic Financial Transactions, this Agreement shall prevail.

Article 16 (Jurisdiction)

The court having jurisdiction over any dispute arising with respect of the Agreement shall be determined in accordance with the Code of Civil Procedure.

In witness whereof, the parties hereto have caused this Agreement to be signed by their duly authorized representatives in duplicate, each party retaining one (1) copy thereof, respectively.

Date: _____ (YYYY) _____ (MM) _____ (DD)

(The Company)

(The Bank)

The HongKong Shanghai Banking Corporation Limited, Seoul Branch

_____ (Signature/Seal)

_____ (Signature/Seal)