

30 June 2011

Notice of Amendments to the Conditions for Services

Please be informed that with effect from 30 July 2011 (“Effective Date”), the following amendments to the “Part 2: Banking Services” of our Conditions for Services will apply.

Condition 11 “CBS Phone Banking Services” of “Part 2: Banking Services” will be revised as follows:

- 11.1 If you have enrolled for the CBS Phone Banking Services, we will assign a multi-user number and password to you for such service. Any instruction given through CBS Phone Banking Services by any person using your password is valid, conclusive and binding on you, notwithstanding any different requirements in your mandate for any account or any other arrangement.

Condition 13 “Autopay Services” will be added to “Part 2: Banking Services” as follows:

13. Autopay Services

- 13.1 We accept instructions from you concerning autopay services by or via one or more of the following channels:
- (a) in the form of machine readable input (e.g. CD-ROM, USB flash drive etc) and/or electronic files which have been prepared by you for direct input; and/or
 - (b) by way of online transmission via CBS Online or File Transfer System or our approved service(s) or channel(s) prescribed from time to time.
- to process your Payroll, and/or to effect payments from your account(s) and/or to debit or arrange the debiting of accounts with amounts which you advise are due to you and to transfer such amounts to your account(s) through the autopay system.
- 13.2 We provide you with software package by way of CD-ROM or other means containing a software programme including any revisions, supplements or replacements thereto to facilitate your submission of instructions to us and/or other information, preparation of information, preparation of the Employer’s Return of Remuneration and Pensions to be filed with the Inland Revenue Department, and/or authorizing us to transmit the Mandatory Provident Fund contributions data to the designated third party.
- 13.3 You agree that the software and any rights relating thereto is and shall remain at all times our sole property and you undertake to:
- (a) acquire no title or any rights whatsoever in relation to the software except that you may use the software as expressly provided herein.
 - (b) keep the software safe in your custody and restrict access to those of your officers or employees who need to use it.

- (c) not allow the software (or any part thereof) to be used without our permission for any purpose other than the preparation of instructions in any place other than Hong Kong.
 - (d) not allow the software (or any part thereof) to be copied, reproduced, amended, modified, reverse compiled or disclosed to any unauthorized person in any manner without our consent.
 - (e) use the software only in accordance with any manuals or guides issued by us in relation to the software and adopt updates, revisions, supplements and replacements as and when provided by us.
 - (f) return the software (together with our user manual and connected device) to us unconditionally and immediately on our request.
 - (g) report any damage to or loss, theft or unauthorized access to or use of the software to us immediately.
- 13.4. To have access to the autopay services, passwords recognized or prescribed by us may be assigned to you. You undertake to keep the passwords secret.
- 13.5. All instructions once given to us shall be deemed duly given by you and be conclusively binding on you irrespective whether or not such instructions are given by you personally or by any other person on your behalf whether authorized or unauthorized. You shall be fully responsible therefor.
- 13.6 You shall give instructions to the branch to which you have submitted this service application or other branch or location(s) or other channel(s) subsequently designated by us/agreed between us and you in no less than two (2) Banking Days or such other duration of period as prescribed by us from time to time prior to the effective day of payment or receipt. In this Condition 13 only, the reference to “Banking Day” means a day, other than a Saturday, Sunday or public holiday, on which we are open for general business in Hong Kong and where there is inter-bank clearing and settlement of funds in Hong Kong. You acknowledge and understand that you are solely responsible for the genuineness, correctness, accuracy and/or completeness of any instructions prepared or arranged by you, and that we are under no duty to check or verify the same and shall take no responsibility whatsoever arising therefrom. You also acknowledge and understand that we are under no duty to verify the genuine or correctness of the Mandatory Provident Fund contributions data to be transmitted to the third party designated by you and shall take no responsibility whatsoever arising therefrom.
- 13.7 You acknowledge and understand that the autopay services are operated on a numerically based system and confirm that a transfer to an account having the same number as given in the instructions or a debit request for such amount from such account number(s) as specified in the instructions shall constitute good and complete compliance by us with the instructions. We shall not be under any duty to ensure that the name of the account to/from which the autopay amount is credited/debited is identical or similar to the name of the account holder on our record.
- 13.8 You accept that instructions sent to us via online-transmission cannot be guaranteed to be secure or error free as they can be intercepted, corrupted, lost, arrive late or contain viruses. You acknowledge and accept that we do not have any liability for any errors and omissions in, or for delay or failure of arrival or receipts of, any instructions via online transmission.

- 13.9 You warrant and represent to us that any input will be virus-free and accept that we shall have no responsibility or liability for any delay or inability to process the instructions as a result of any virus.
- 13.10 We shall act on any instructions on the effective date specified (provided that you give instructions in a sufficient time in advance as prescribed in this Condition 13.6) but shall not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by you by virtue of any delay in acting on any instructions, or for any inability to act as a result of any instructions being unclear or incomplete, or you having failed to submit the instructions by the cut-off time specified by us from time to time. If the effective date is a day which is not a Banking Day, the next Banking Day after such day will be treated as the effective date.
- 13.11 You shall ensure that there is sufficient credit balance standing in the account to be debited on the Banking Day immediately before the effective date specified in the instructions. We are not obliged to but may act on any instructions (without liability for any failure to do so) if, at that time, any credit balance standing to the account to be debited is insufficient or if the overdraft created or increased by any payment will exceed the amount acceptable to us. We are not responsible or liable for any delay or refusal to act on any instructions in such circumstances and you are liable for any resulting overdraft or amount owed to us as a result of our acting on any instructions in such circumstances.
- 13.12 We shall not be obliged to accept any cancellation or variation of any instructions on the effective date specified or if we consider we have insufficient time to act at our absolute discretion.
- 13.13 You represent and warrant that all necessary arrangements have been made in respect of any autopay-in and that we may admit, compromise or reject any claim made against us by any account holder whose account is debited as a result of any collection and may debit your account(s) with us with the amount of any claim admitted or compromised as we shall in our absolute discretion decide.
- 13.14 In case of the autopay-in arrangement, the amount that should be received by you would be credited into the account designated by you at the time when you apply for this service on the effective day specified in the instructions. The amount(s) so credited are subject to final payment (i.e. our actual receipt of freely remittable and immediately available and disposable funds thereof). Unless otherwise agreed by us, the amount(s) so credited are not available for withdrawal by you before the final payment is confirmed on the next Banking Day. We shall be entitled to charge or debit the account concerned with any amount(s) which cannot be collected together with interest thereon and any cost and expenses incurred.
- 13.15 The terms and conditions herein are without prejudice and in addition to any terms and conditions contained in any other documents which you have entered into or will be entering into regarding the autopay services, CBS Online and/or File Transfer System. You understand that in case of transmission of the instructions via CBS Online or File Transfer System, you must subscribe for the CBS Online or File Transfer System on the terms and conditions applicable thereto but that all the terms and conditions herein apply accordingly.

- 13.16 We shall have no responsibility whatever for any delay, error, omission, loss or damage howsoever arising from (i) the improper use of the software and/or related device or any your failure to comply with any of the terms and conditions set out herein and/or (ii) failure for whatsoever reason to receive payment from specified payers under the autopay-in arrangement and/or (iii) any mechanical failure, malfunction, interruption howsoever caused or the inadequacy of our computer system or any other causes beyond our control and/or (iv) any data contained in the computer printout provided by us used by you for whatsoever purposes including but not limited to the purpose of using such printout for tax returns.
- 13.17 Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any action, proceedings, claims, direct or indirect losses, damages, costs, expenses and/or demands whatsoever which may be brought or taken against us or suffered or incurred by us by reason of our implementing the instructions. You further authorize us to admit, compromise or reject any such action or claim as we may deem appropriate and to debit the account designated in this service application with the amount so admitted or compromised as we may in our absolute discretion decide.
- 13.18 We are hereby authorized to debit any of your account with us with any service charge from time to time specified by us in respect of the autopay services.
- 13.19 You acknowledge that the autopay services may be terminated by us at any time by seven (7) days' notice sent by ordinary post to your address last on our record.
- 13.20 You understand that if the autopay services are not used for one (1) year, we shall be entitled to, without notice, terminate the autopay services and delete all your records on our file.

A full set of the revised Conditions for Services is available at our branches upon request. Please note that the revised Conditions for Services shall be binding on you if you continue to maintain account(s) with us or use our services on or after the Effective Date. We may not be able to continue to serve you if you do not accept the revised Conditions for Services. For enquiry, please contact our branch staff or call our Customer Services Hotline at (852) 2622 2633.

Nanyang Commercial Bank, Limited

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