

## INTRODUCTION

This Service Schedule ("**Cheque Schedule**") sets out the terms of the cheque issuance and printing service ("**Cheque Service**") provided for the purpose of printing and dispatching cheques drawn against the Customer's Account ("**Customer Cheques**") and/or bank drafts ("**Bank Drafts**"). In respect of the issuance and printing of Bank Drafts, this Cheque Schedule shall apply only where such service is provided by the Bank in the US and in Europe.

## CUSTOMER CHEQUES

1. As a pre-requisite for providing the Cheque Service for the issuance of Customer Cheques, an access channel needs to be agreed and in place between the Customer and the Bank.
2. The Customer shall complete the Customer Cheque Set-up Form and depending on the relevant country requirements as specified in the service documentation either provide
  - 2.1. Original signatures of those authorized by the Customer to sign Customer Cheques on the Customer's behalf to enable the Bank to create facsimile signatures, or
  - 2.2. An authorization for certain individual employees of the Bank to sign Customer Cheques on the Customer's behalf ("**Appointed Signatories**") and any financial or other corporate stamp as required pursuant to applicable laws and regulations ("**Company Seal**").
3. Each Customer Cheque printed and dispatched pursuant to the Cheque Service shall either bear the facsimile signature of one or more of the Customer's authorized signatories or the original or facsimile signatures of two Appointed Signatories and any required Company Seal
4. The Customer shall, in respect of each Customer Cheque issued and dispatched pursuant to the Cheque Service, ensure that the Account used to fund the Customer Cheque shall, on presentment of the Customer Cheque, contain sufficient funds to cover the Customer Cheque and any relevant fees. If the Account does not contain sufficient funds, the Bank may refuse payment of the Customer Cheque.
5. The Customer hereby acknowledges that:
  - 5.1. the Company Seal/facsimile signatures (as referred to in clause 2) will be used by the Bank strictly for the issuance of Customer Cheques only;
  - 5.2. the Bank shall not be liable for any loss, damage arising from the use of the Company Seal / facsimile signatures by the Bank for such purpose; and
  - 5.3. Any suspension or revocation of the authorization to use the Company Seal /facsimile signatures shall not become effective unless and until the Bank shall have received prior written notice from the Customer.

## BANK DRAFTS

The Customer shall complete the Master setup form related to Bank Draft. Subject to the Customer's compliance with the terms of the Agreement, the Bank shall, on instruction of the Customer, debit the Customer's relevant Account with the face value of the Bank Draft together with any relevant fees and print and dispatch the Bank Draft. If the Account does not contain sufficient funds to cover the Bank Draft and any relevant fees, the Bank will not print and dispatch the Bank Draft.

## STOP REQUEST

1. The Customer may issue a stop request in respect of a Customer Cheque or Bank Draft to an address supplied by the Bank for this purpose.
2. If the stop request is received by the Bank prior to the printing and/or dispatch of the Customer Cheque or Bank Draft, the following shall apply:
  - 2.1. The Bank shall use reasonable efforts to prevent the printing and/or dispatch of the Customer Cheque or Bank Draft;
  - 2.2. If the Customer Cheque or Bank Draft has been printed but not dispatched, the Bank shall arrange for its destruction; and
  - 2.3. Where the stop request is made in respect of a Bank Draft, the Bank shall, subject to any other claim outstanding against the Customer, arrange for the Customer's Account previously debited in respect of the Bank Draft to be credited with an amount equal to the face value of the Bank Draft.
3. If the stop request is received after the Customer Cheque or Bank Draft has been dispatched, or if it is not practicable to prevent the dispatch of Customer Cheque or Bank Draft or if, in the Bank's reasonable opinion, the stop request contains a credible and substantiated assertion that the Customer Cheque or the Bank Draft has been lost or stolen, the following shall apply:
  - 3.1. in respect of a Customer Cheque - the Bank will confirm receipt of the stop request and shall treat the stop request in accordance with local cheque laws applying to the Account previously intended to fund the Customer Cheque; and
  - 3.2. in respect of a Bank Draft - the Bank will pass on the stop request to the drawee bank and, if the drawee is not a HNB branch, the Bank shall not be liable for the processing of the stop request once the Bank has passed on the stop request to the drawee bank.
  - 3.3. The Bank shall, subject to any other claim outstanding against the Customer, arrange for the Customer's Account previously debited in respect of the Bank Draft to be credited with an amount equal to the face value of the Bank Draft if either of the following conditions is satisfied:
    - 3.3.1. The Bank has received confirmation from the drawee bank that the Bank Draft has been stopped unconditionally and indefinitely; or
    - 3.3.2. If the Bank Draft has become time barred under statute of limitations rules applying to the Account previously debited in respect of the Bank Draft.

## CUSTOMER ACKNOWLEDGEMENTS

1. Notwithstanding other clauses of this Cheque Schedule, the Customer acknowledges that Customer Cheques and Bank Drafts provided pursuant to the Cheque Service:
  - 1.1. May not qualify as cheques under local laws on cheques on the basis that they only bear facsimile, and not original, signatures; and
  - 1.2. May only be stopped on the basis of certain evidence to be provided by the Customer and/or within a certain period of time and/or may be incapable of being stopped.

## DISPATCH

1. The Bank shall dispatch Customer Cheques and Bank Drafts to the address notified by the Customer ("**Distribution Address**") using the delivery services as specified by the Customer in the instruction. Should the Customer provide the Bank with an incorrect, incomplete or illegible Distribution Address, the Bank may dispatch the Customer Cheque or Bank Draft directly to the Customer
2. Any undeliverable Customer Cheques shall be returned to the Customer. Any undeliverable Bank Drafts shall be destroyed. The Bank shall, subject to any other claim outstanding against the Customer, arrange for the Customer's Account previously debited in respect of the destroyed Bank Draft to be credited with an amount equal to the face value of the Bank Draft.

## LIABILITY AND INDEMNITY

1. Without limiting clause 10 of the General Conditions, the Bank shall not be liable for any consequences arising out of or in connection with:
  - 1.1. the transport or delivery by the delivery service chosen by the Customer to the Distribution Address of a Customer Cheque or Bank Draft;
  - 1.2. Any valid or invalid endorsement of a Customer Cheque or Bank Draft;
  - 1.3. the Bank refusing to pay any Customer Cheque because the relevant Account is insufficiently funded at the date the Customer Cheque is presented for payment;
  - 1.4. The Bank paying a Customer Cheque in circumstances where a stop request has been made which is not in compliance with relevant legal requirements;
  - 1.5. A drawee paying a Bank Draft in circumstances where the drawee informs the Bank that a stop request is not in compliance with relevant legal requirements; or
  - 1.6. Movements in currency exchange rates and the Bank crediting the Customer's Account under clause 4 or 6.
2. Without limiting clause 10.6 of the General Conditions, the Customer agrees to indemnify the Bank on demand against any:
  - 2.1. actions, claims, demands, proceedings which may be brought against the Bank; and
  - 2.2. losses, costs, damages, expenses (including, without limitation, legal fees) or liabilities incurred or sustained by the Bank

## GOVERNING LAW

Arising out of or in connection with its paying of a Customer Cheque which is presented to it for payment in circumstances where the Customer Cheque has been printed or dispatched without the authority of the Customer or has been otherwise printed or dispatched in breach of legal or regulatory requirements applying to the Customer or of the Customer's own internal management or procedural requirements.

This Cheque Schedule and all matters arising from or connected with it shall be governed by the laws as specified in the Services Selection Form.