

**Rules and Regulations for e-Cheques Services  
of The Bank of East Asia, Limited (the "Bank")**

1. Applicability and definitions

(a) These Rules and Regulations apply to the Bank's services relating to e-Cheques. They supplement and form part of the existing agreement between the Bank and you. The provisions of the existing agreement between the Bank and you which apply to paper cheques or generally to the Bank's services continue to apply to e-Cheques and the Bank's e-Cheques Services to the extent that they are relevant and not inconsistent with the provisions in these Rules and Regulations. These Rules and Regulations prevail if there is any inconsistency between them and the provisions of the existing agreement between the Bank and you with respect to the e-Cheques Services.

(b) For the purpose of these Rules and Regulations, the following terms have the following meanings:

"Bills of Exchange Ordinance" means the Bills of Exchange Ordinance (Cap. 19, Laws of Hong Kong), as may be amended from time to time.

"Clearing House" means Hong Kong Interbank Clearing Limited and its successors and assigns.

"Deposit Channel" means any channel offered by the Bank from time to time for presentment of e-Cheques for deposit.

"e-certificate" means a certificate recognized by the Clearing House from time to time for the purpose of issuing e-Cheques that is issued by a certification authority acceptable to the Bank.

"e-Cheque" means a cheque (including a cashier's order), issued in the form of an electronic record (as such term is defined in the Electronic Transactions Ordinance (Cap. 553, Laws of Hong Kong)) with an image of the front and back of the e-Cheque or e-cashier's order (as the case may be). e-Cheques may be issued in Hong Kong dollars, US dollars and Renminbi.

"e-Cheque Drop Box" or "e-Cheque Drop Box Service" means an electronic drop box provided by the Clearing House that accepts presentment of e-Cheques in respect of which an e-Cheque Drop Box user must register an e-Cheque Drop Box Account with the Clearing House before presenting e-Cheques to a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"e-Cheque Drop Box Account" means a user account for the e-Cheque Drop Box Service, and for which each user must register with the Clearing House before using the e-Cheque Drop Box for presenting e-Cheques for deposit into a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"e-Cheque Drop Box Terms" means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service provided by the Clearing House and the use of the e-Cheque Drop Box Service.

"e-Cheques Issuance Services" and "e-Cheques Deposit Services" mean the services offered by the Bank to customers from time to time for issuing e-Cheques (including any services relating to e-certificates) and depositing e-Cheques respectively, and "e-Cheques Services" means collectively the e-Cheques Issuance Services and the e-Cheques Deposit Services.

"Industry Rules and Procedures" means the rules and operating procedures governing the handling of e-Cheques adopted by the Clearing House and the banking industry from time to time.

"Payee Bank" means the bank at which a Payee Bank Account is held.

"Payee Bank Account" means, in respect of each e-Cheque presented for deposit using the e-Cheques Deposit Services, the bank account of the payee of the e-Cheque maintained with the Bank into which the e-Cheque is to be deposited which may be a sole name or a joint name account of the payee.

"Payer Bank" means the bank which digitally signed an e-Cheque created by its customer.

"you" means each customer to whom the Bank provides e-Cheques Services and, where the context permits, includes any person authorized by the customer to sign e-Cheques on behalf of the customer from time to time.

## 2. Nature and scope of e-Cheques Services

- (a) The Bank may provide e-Cheques Services at its discretion. You may issue e-Cheques and deposit e-Cheques. In order to use the e-Cheques Services, you have to provide such information and documents and accept such terms and conditions which may be required or prescribed by the Bank and the Clearing House respectively from time to time. You may also be required to sign forms and documents prescribed by the Bank from time to time.
- (b) e-Cheques Issuance Services allow you to issue e-Cheques drawn on the Bank, in accordance with Clause 3 below.
- (c) e-Cheques Deposit Services allow you and other persons to present e-Cheques (whether payable to you and/or any other holder of the Payee Bank Account) for deposit with the Bank (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using the Bank's Deposit Channels, in accordance with Clause 4 below.
- (d) The Bank may provide e-Cheques Services relating to e-Cheques that are issued in any currency specified by the Bank from time to time, including Hong Kong dollars, US dollars or Renminbi.
- (e) The Bank has the right to set or vary from time to time the conditions for using the e-Cheques Services. These conditions may include the following (or any of them):
  - (i) the service hours of the e-Cheques Services (including cut-off times for issuing, countermanding or presenting e-Cheques).
  - (ii) any maximum amount or total number of e-Cheques which you may issue in any specified period.
  - (iii) any fees and charges payable by you for the e-Cheques Services.

## 3. e-Cheques Issuance

- (a) Format of and steps for issuing an e-Cheque
  - (i) You are required to issue an e-Cheque in the format with such layout specifications and following the steps and inputting the details prescribed by the Bank from time to time. You are not allowed to add to, remove from or modify the contents, format, layout or image of an e-Cheque.
  - (ii) Each e-Cheque must be signed by you (as payer) and then followed by the Bank (as Payer Bank) with the Bank's respective digital signatures, except that the payer's digital signature may not be required for an e-Cheque that is a cashier's order.
  - (iii) Where you draw an e-Cheque on a joint account, you are solely responsible for ensuring that the e-Cheque is signed by such person(s) following such signing arrangement as authorized by the joint account holders for signing e-Cheques from time to time.
  - (iv) Where you are a corporation or any other entity, you are solely responsible for ensuring that each e-Cheque is signed on your behalf by such person(s) following such signing arrangement as authorized by you for signing e-Cheques from time to time.

(b) e-certificate

- (i) Your digital signature on an e-Cheque must be produced by an e-certificate that is valid (and not expired or revoked) at the time of producing that digital signature.
- (ii) Your digital signature on an e-Cheque must be produced by a specific usage e-certificate.
- (iii) The Bank will provide services relating to the specific usage e-certificate. The Bank's services include applying for, holding, maintaining, renewing, revoking and managing (or any of the above) a specific usage e-certificate on your behalf. If you choose to produce your digital signatures by a specific usage e-certificate, you direct and authorize the Bank to:
  - (1) provide such services in the scope and manner set by the Bank from time to time, which may include holding the specific usage e-certificate and the corresponding key and/or password for you, and effect and produce your digital signatures on e-Cheques on your behalf as instructed by you from time to time; and
  - (2) take all necessary steps (including providing all necessary information and personal data to the certification authority issuing the specific usage e-certificate) for the purposes relating to the specific usage e-certificate.
- (iv) In applying for a specific usage e-certificate for you, the Bank is entitled to rely on the information provided by you. You are solely responsible for providing the Bank with correct and up-to-date information. If the Bank obtains a specific usage e-certificate based on incorrect or outdated information provided by you, you are still bound by any e-Cheque signed by digital signatures produced by that e-certificate.
- (v) An e-certificate is issued by the relevant certification authority. You are bound by the terms and conditions specified by that certification authority in relation to your e-certificate. You are solely responsible for performing your obligations under those terms and conditions.

(c) Sending e-Cheques to payees

- (i) Once you confirm to issue an e-Cheque, the Bank will generate the e-Cheque file. You may download the e-Cheque file for delivery to the payee yourself. Alternatively, the Bank may send the e-Cheque file to the payee by electronic means on your behalf if the Bank offers this service.
- (ii) You should not issue an e-Cheque (or instruct the Bank to issue an e-Cheque on your behalf) to a payee unless the payee agrees to accept e-Cheques. You are solely responsible for:
  - (1) before issuing an e-Cheque (or instructing the Bank to issue an e-Cheque on your behalf) to a payee, informing the payee that he may agree or decline to accept the e-Cheque;
  - (2) using secured electronic means and taking appropriate email encryption and other security measures in sending the e-Cheque file; and
  - (3) providing the Bank with correct and up-to-date contact information of a payee to enable the Bank to send the e-Cheque file to the payee by electronic means on your behalf if the Bank offers this service.
- (iii) The e-Cheque file will be regarded as having been delivered to the payee upon the Bank sending it to the payee by electronic means using the payee's contact information provided by you. The Bank has no duty to verify whether the payee has actually received the e-Cheque file. You are advised to check with the payee whether he has actually received the e-Cheque file, whether it is sent by you or by the Bank.

(d) Waiver of presentment requirements

Each e-Cheque is only required to be presented by sending it in the form of an electronic record in accordance with the Industry Rules and Procedures. The Bank is entitled to pay each e-Cheque against presentation of its electronic record in that manner without requesting any other form of presentation. Without reducing the effect of Clause 3(a)(i) above and Clauses 5(a) and 5(b) below, you expressly accept the waiver of presentment requirements set out on an e-Cheque from time to time.

4. e-Cheques Deposit

(a) The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with the Bank (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using the Bank's Deposit Channels.

(b) e-Cheque Drop Box Service

(i) The e-Cheque Drop Box Service is provided by the Clearing House. You are bound by the e-Cheque Drop Box Terms in relation to your use of the e-Cheque Drop Box Service. You are solely responsible for performing your obligations under the e-Cheque Drop Box Terms.

(ii) In order to use the e-Cheque Drop Box Service, you are required by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. You are allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is your same-name account or an account other than your same-name account. You are responsible for the presentment of all e-Cheques by you or any other person using your e-Cheque Drop Box Account (including presentment of any e-Cheques to a Payee Bank Account other than your same-name account).

(iii) Any issue relating to the use of the e-Cheque Drop Box Service should be handled in accordance with the e-Cheque Drop Box Terms. The Bank may (but has no obligation to) provide reasonable assistance to you. In particular, the Bank does not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On your request, the Bank may (but has no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by the Bank relating to an e-Cheque deposited using your e-Cheque Drop Box Account.

(iv) The Bank gives no representation or guarantee, whether express or implied, relating to the availability, quality, timeliness or any other aspect of the e-Cheque Drop Box Service provided by the Clearing House. Unless otherwise stated in the e-Cheque Drop Box Terms, you bear the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. The Bank is not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.

(c) The Bank's Deposit Channels

The Bank may specify or vary from time to time (i) the available Deposit Channels without notice; and (ii) the terms governing the use of any Deposit Channel.

(d) Appropriation

The Bank shall be entitled to appropriate any e-Cheque deposited with the Bank by depositing it to any account or sub-account as the Bank may at its discretion decide. Such appropriation shall override any purported appropriation by you.

5. Handling of e-Cheques, associated risks and the Bank's liabilities

(a) Handling of e-Cheques

You understand that the Bank and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques drawn by you or payable to you. Accordingly, the Bank is entitled to pay and collect e-Cheques for you in the following manner even if the Bills of Exchange Ordinance may not expressly provide for presentment of e-Cheques or

may specify other manner for presentment of cheques:

- (i) pay any e-Cheque drawn by you on the Bank upon presentment of that e-Cheque to the Bank in accordance with the Industry Rules and Procedures; and
  - (ii) collect any e-Cheque payable to you by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures.
- (b) Restriction of the Bank's liability  
Without reducing the effect of the provisions of the existing agreement between you and the Bank:
- (i) The Bank is not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the e-Cheques Services or the handling, processing, presentment, payment, collection, clearance or settlement of e-Cheques issued by you or presented by you or any other person using the Deposit Channels provided by the Bank to you, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Bank's negligence or wilful default or that of the Bank's officers, employees or agents;
  - (ii) in particular and for clarity, the Bank is not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the following (or any of them):
    - (1) use of the e-Cheque Drop Box Service by you or any other person, or the e-Cheque Drop Box Terms;
    - (2) your failure to comply with your obligations relating to the e-Cheques Services, including your obligation to safeguard against issuance of e-Cheques by unauthorized persons;
    - (3) presentment of any e-Cheque issued by you or payable to you in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance; and
    - (4) any failure or delay in providing the e-Cheques Services, or any error or disruption relating to the e-Cheques Services, caused by or attributed to any circumstance beyond the Bank's reasonable control; and
  - (iii) in no event will the Bank be liable to you or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.
- (c) Your confirmation and indemnity
- (i) You accept the restriction of liabilities and disclaimers imposed by the Bank and the Clearing House in relation to the e-Cheques Services and the services provided by the Clearing House respectively. You accept and agree to bear the risks and the liabilities for issuing and depositing e-Cheques.
  - (ii) Without reducing the effect of any indemnity given by you under the existing agreement between you and the Bank or any other rights or remedies that the Bank may have, you will indemnify the Bank and its officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the e-Cheques Services or your use of the e-Cheques Services.
  - (iii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably

foreseeable arising directly and solely from the Bank's negligence or wilful default or that of the Bank's officers, employees or agents.

(iv) The above indemnity shall continue to have effect after the termination of the e-Cheques Services.

6. Governing version

The English version of these Rules and Regulations shall prevail whenever there is a discrepancy between the English and Chinese versions.

7. Miscellaneous

No person other than the Customer or the Bank will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of these Rules and Regulations.