

Business Banking Agreement



신한은행 캐나다
SHINHAN BANK CANADA

www.shinhan.ca



Table of Contents

Business Banking Agreement	3
General Terms and Conditions	3
Definitions.....	3
Your Deposit Account	3
Your contract with us	4
Your authorization to us.....	4
Your account obligations.....	5
Your payment obligations	5
Overdrafts	7
Charges to account	8
Foreign Currency Transactions	9
Compliance with laws.....	9
Verifying your accounts.....	9
Indemnity	10
Stop Payment.....	10
Limitation of Liability.....	11
Holding of Funds.....	11
Your Duty of Care	12
Closing or Freezing Accounts	12
Waivers	13
Notices.....	13
No assignment.....	13
Governing law	13
Shinhan Cardholder Agreement	13
Definitions.....	14
Using your Shinhan Access Card	14
Setting Transaction Limits.....	15
Transaction Charges & Fees.....	15
Selecting and Protecting your Personal Identification Number (PIN)	15
Lost, Stolen, Authorized & Unauthorized Use of the Card.....	15
Your Liability for Authorized & Unauthorized Use of the Card	16
Limitation of Our Liability	16
Settling Disputes	17
Shinhan Access Card Contact Service	17
Indemnity.....	17

Effective as of April, 2016

Electronic Communication Service Agreement	17
Internet Banking Service Agreement	18
Terms used in this Agreement.....	18
Other Agreement/Conflict	19
Changes	20
Notices.....	20
Suspension and Termination	20
Use.....	20
Instructions.....	20
Setting Limits	21
Fees	21
Payment.....	21
Liability and Indemnity	22
Security.....	23
Mobile Banking Website	24
Records.....	24
Governing Law	24
Language	24
Sharing your Personal Information	24
Complaint Resolution	25
During the process	26

Business Banking Agreement

General Terms and Conditions

You acknowledge that any personal deposit Account offered at Shinhan Bank Canada ("SHBC") abide by this agreement, including any changes in the future. Once you complete a signature form or initiate any financial activities in which requires any means of our involvement, it is that you have read, understood, expressly agreed all the terms and conditions addressed in the agreement.

Definitions

- **"Account"** means each personal deposit account you already have and also each account you requested SHBC to open for you when you signed the Signature Card or, if you signed a Signature Card to be changed or maintained or added as a joint account holder of an existing account or accounts.
- **"Agreement"** means this Business Banking Agreement.
- **"Security Card"** means the card with the combinations of numeric numbers for accessing an internet banking and paying a bill payment.
- **"Signature Card"** means the account information card you signed when opening each Account, or when requesting that you be added as a joint account holder of the Account.
- **"Instrument"** means, among other things, a cheque or other bill of exchange, promissory note, draft, money order, order for payment, bill payment, remittance, bankers' acceptance, coupon, electronic debit or credit or other payment instrument, whether negotiable or non-negotiable.
- **"Internet Banking"** means SHBC financial services available by Internet.
- **"SHBC"** and **"Bank"** means Shinhan Bank Canada.
- **"Shinhan Access Card"** means the card issued to you by SHBC for you to perform transactions at automated bank machines and branches, Interac transactions for retail purchases from the Account, and cash withdrawals from the Account(s).
- **"You"** and **"Your"** means the account holder(s) named in the signed Signature Card.
- **"We"**, **"Us"** and **"Our"** mean Shinhan Bank Canada.

Your Deposit Account

You authorize us to endorse for deposit in your name any item(s) received for deposit in your Account(s) absent any such endorsement. We reserve the right to refuse to accept deposits or specific items for deposit to your Account(s).

Your contract with us

This agreement is given for consideration. It sets out the terms under which we operate accounts, provide certain financial services and carry out instructions.

When you sign the application for deposit and customer information and signature card, you are bound by this agreement. In addition, you are responsible for:

- Any instruction given on the accounts;
- Any request made for service relating to the accounts; and
- All your liabilities and obligations to us.

If you are a partnership or joint venture, each individual or entity which is a member (but not the limited partners of a limited partnership) is responsible for:

- All obligations to provide any money needed to fund the account;
- All present and future transactions entered into or which may be entered into with us in your name, and every promissory note, bill of exchange, draft, cheque, receipt, security agreement, mortgage, encumbrance or charge, agreement or other instrument or document made, drawn, accepted, endorsed or signed in your name by any of the number and combination of persons who have been authorized from time to time to enter into the transactions with us in your name; and
- Your obligations even if the partnership or joint venture is dissolved or the membership changes.

Your authorization to us

You authorize us to act on any instruction you give us relating to the accounts and the services we provide for those accounts under this agreement.

An instruction is a request to transfer funds to or from the accounts. Examples include cheques, transfers between accounts and any orders for the payment of money. Instructions may be given by electronic or written communication.

You authorize us to record any telephone or other verbal communication.

You agree that we may record and store information about your accounts and services in any form and a copy of our permanent business record(s) (in any form, including microfilm, photocopy, CD-ROM, image) of any communication may be substituted for the original. You agree that those records, or any recorded verbal communication, may be used as conclusive evidence of the content of that communication in any legal or other proceedings.

We are not obliged to act on any instruction which is not properly given or which does not comply with all requirements for clearing the instruction. Clearing is the process by which we settle payment for instructions.

You acknowledge that if the words and numbers of an instruction differ, the words will be correct. If there is a discrepancy between any instruction and the written confirmation of it, the instruction as we understood it will be taken as correct.

You authorize us to obtain, store and use system specifications of your computer system relating to the provision of a service but we are not required to do so.

Your account obligations

You must:

- Give us specific authorization or additional information if reasonably required by us;
- Ensure that all your instructions to us meet our requirements with regard to form, signatures, verification and authorization; and
- Ensure that all confidential information we give you is kept confidential.

You agree to maintain security systems, procedures and controls to prevent and detect:

- Theft of funds;
- Forged, fraudulent and unauthorized instructions and electronic transfer of funds; and
- Losses due to fraud or unauthorized access to the service.

Your payment obligations

You are responsible for setting payment of your instructions. Unless you have made specific arrangements with us, you will ensure that your accounts have sufficient cleared funds to settle any instructions at the time that you give us an instruction. We are not required to settle an instruction if sufficient cleared funds are not available in your account. The reported balances for your account may include amounts which are not cleared funds. Cleared funds mean cash or any funds from any deposit which have been finally settled through the clearing system.

We may process your payment instructions and any charges to your account in any order convenient to us. Where more than one instruction is presented for payment on your account, the order of processing may affect whether an instruction is honoured if there are insufficient cleared funds in the account.

You acknowledge that we must clear instructions using a clearing system and are bound by the rules of any clearing system we use, including rules for endorsement of instructions, identity of payee and the time for final settlement. These rules affect our ability to honour your request to cancel instructions and the procedures we must follow to settle your instructions and clear funds for you. You acknowledge and agree that these rules shall in no way whatsoever operate or be construed to impair or limit any rights or remedies we have against you.

We reserve the right to clear and transfer instructions by whatever method we choose, whether they are drawn on your account or negotiated by you. You grant us sufficient time to settle all instructions. You acknowledge that we may delay crediting your account until we receive the cleared funds for the instruction.

If we cannot charge a payment, fee or expense to your account, or if we ask you, you must immediately pay us any amounts you are required to pay under this agreement, plus interest at our posted overdraft rate. Interest will be calculated on a daily basis and will be payable monthly or as we may otherwise require.

We may at any time refuse to honour an instruction for any proper or lawful reason, including garnishment, a trust provision or an instruction which would overdraw your account or increase the overdraft in it. We retain this right even if we have previously chosen not to exercise it.

You authorize us to charge the following to any of your accounts, even if they are not specifically designated for the instruction or service:

- The amount you ask us to pay in any instruction;
- The amount of any instruction we have paid to you or credited to your account that is reserved in whole or in part for any reason (including fraud, loss or endorsement error), or in respect of which we do not receive settlement for any reason (including fraud, loss or endorsement error) together with all related costs; and
- Payment of any amount you owe us, including fees, charges, costs and expenses.

If an instruction on your account requires settlement in a currency other than the currency of the amount, we may sell to you or purchase from you the amount of the other currency required to settle your instruction. The sale or purchase will be at our customer rate of exchange in effect at the time. Any costs for this exchange will be added to the sale amount payable by you or otherwise deducted from the purchase amount payable to you. We will charge the resulting total sale amount or

credit the resulting net purchase amount to your account.

Overdrafts

We may allow your account be overdrawn by prescribed amount to cover withdrawals, payments, service fees, or any similar transactions at our complete discretion. If an Account is overdrawn, you agree that we have the right to immediately claim the overdrawn balance in a time frame prescribed by us and you must pay us, when we ask, regardless of any commitment or condition of you. On the other hand, we may decide not to approve the overdraft balance without any notice. We will not be liable for any loss or inconvenience suffered by you in consequence of doing so.

You acknowledge that SHBC will charge service fee(s) to your Account for any authorized overdraft (per each) and interest(s) on the overdrawn amounts at the rate and in the manner specified in the bank loan policy or this agreement as revised from time to time. Any changes to the overdraft or interest rate including how interest is calculated are effective from the date stated in the notice posted at SHBC branches or sent to customers.

You also agree commitments below required regarding the overdrawn balance.

- You will bring your Account to a positive balance.
- For any dishonoured items, you will pay us the handling charge for each debit drawn on the Account and all other applicable service charges. Handling charges are treated as overdraft amounts.
- You will pay us the overdraft interest charge set out in the Business Account Packages & Other Fees provided by the Bank. Interest is accrued and calculated daily to each statement date on each debit from the date on which the debit is charged to the Account. Overdraft interest charges are treated as overdraft amounts.
- If your overdraft balance goes into default, we may close your Account and convert your overdraft balance to delinquent demand loan status. Interest payable will be calculated daily and applied to the demand loan at a rate specified in the bank loan policy.
- We may end this agreement without notice if at any time there are not enough funds to transfer from the transfer account(s).
- Regardless of such termination, you are responsible for paying us for all debit and other charges made following termination.
- We may change or end this Agreement and/or the fees in respect of the Service at any time. You agree to changes made when notice is given in our branch.

Charges to account

We may charge for our services and debit your account(s) at any time with the following:

- **For instruments drawn accounts:**

The amount of any instrument payable by you at any of our branches or agencies;

- **Unpaid instruments:**

The amount of any instrument cashed or negotiated by us for you or credited to your account(s) (whether by means of deposits made by you or by payments received for you through electronic or other means) for which payment is not received by us on a final irrevocable basis, or is reversed, in whole or in part, and whether or not such non-payment or reversal complies with the rules of the Canadian Payments Association or other clearing organization for any reason (whether or not such instruments were drawn on other accounts with us), and with the amount of any other of your indebtedness or liability to us and with any expenses incurred by us in connection with paying of a dishonoured or unpaid instrument. Notwithstanding such charging, all rights and remedies of us against all parties are preserved. No charging of unpaid instruments shall be deemed to be payment of such instruments;

- **Lost or stolen instruments:**

The amount of any instrument received by us for your account(s) by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears by any cause whatsoever other than our negligence;

- **Costs of compliance:**

Any costs we incur in order to comply with any request or order issued under a statutory or court authority for information, documents or action to be taken by us respecting your account(s);

- **For account operation and services:**

Any reasonable service charges and fees for the operation of the account(s) and for any services or any package which you subscribe for and we may provide from time to time;

- **For taxes:**

All amounts collectible by us as taxes on the supply, sale or other provision of our products or services; and

- **Amounts deposited in error:**

Any amount deposited to your account(s) in error by us (you acknowledge that you do not acquire rights to funds deposited into your account(s) in error merely by virtue of the fact that such deposit has been made, regardless of the length of time the funds remain in the account(s).

If sufficient funds are not available in your account(s) for the foregoing, you agree to pay upon demand by us and will be liable to us for any such amounts owed including any overdraft, together with interest thereon at the interest rate charged by us from time to time for overdrafts.

Foreign Currency Transactions

Except as otherwise provided by us, all transactions in respect of your account in a currency different from that of the account will be converted by us to the currency of the account at the exchange rate in use by us at the time the transaction is processed.

Notwithstanding the above, any instrument received for deposit to your account in a currency other than that of the account may be declined by us.

Compliance with laws

We may require deposits to comply in all respects with all applicable laws, rules, regulations and standards of the Bank and/or the Canadian Payments Association. We may refuse to accept, honour, certify, pay or process instruments which do not comply with all applicable laws, rules, regulations, requirements and standards. We will not be liable for such refusal.

Verifying your accounts

We will periodically provide you with statements of your accounts in printed or electronic form as you preferred.

You must review each statement carefully to check and verify the entries. If you believe there are any errors or omissions, you must tell us in writing within 30 days of our mailing the statement or making it available for pick-up electronically or in person. If you don't tell us of any errors or omissions within those 30 days, you have acknowledged that:

- The balance show in your statement is correct
- All amounts charged to your account are valid
- You are not entitled to be credited with any amount not shown on your statement
- You have verified the validity of any instructions
- The use of any service shown is correct

After the 30 days, you cannot claim, for any purpose, that any entry on your statement is incorrect and will have no claim against us for reimbursement relating to an entry, even if the instruction charged to your account was forged, unauthorized or fraudulent.

We will tell you in the service materials or a notice if the nature of any service requires more frequent statements, exchange of information, reports or verification than described generally for the account. The account verification conditions described above will apply regardless of the reporting frequency, but the time period will be the one described in the service materials or notice and not the 30 days as above.

We will mail your statements of account to your latest address on our records or make them available for pick-up at the branch or electronically, as may be agreed in writing from time to time. If you do not receive a statement, or pick it up where this has been agreed, within 10 days after the end of the statement period, you must let us know within 15 days after the end of the statement period. If you do not let us know, you will be deemed to have received the statement 5 days after the mailing date, for all purposes, including the 30 day period to review the statement and advise us of any error.

Indemnity

You agree to indemnify and save us harmless from all costs, charges, complaints, expenses, damages, liabilities, claims, actions and losses whether directly or indirectly incurred, sustained or suffered by us or you in connection with any instruments; our enforcement of our rights hereunder, and the operation of any account, including claims of any third party; for non-payment of any instrument in accordance with instructions provided by you or non-acceptance of any instrument or our dishonour, or refusal to certify instruments; our acting, delaying in acting or declining to act upon any instructions received for transactions including returning instruments to other financial institutions for reimbursement under the rules of the Canadian Payments Association; and including, without limitation, legal costs and expenses (on a full indemnity basis) incurred by the bank in connection with any of the foregoing.

This indemnity is in addition to and not in substitution for any other indemnity that you have provided to us and survives termination of the operation of your account.

Stop Payment

We are not able to stop payment on any instrument which has already been presented for payment to us or which has been certified by us and we are not able to reverse any previously requested stop payment if the instrument has already been dishonoured.

Limitation of Liability

We are not responsible for confirming the accuracy of any information provided by you and are not responsible for any discrepancies between cheque numbers, serial numbers, amounts, payee names and other information provided.

We will not be responsible for or liable to you or any third party for any delay, damage, loss, liability, inconvenience or claim (other than any loss, liability or claim caused by our negligence or willful misconduct) arising out of:

- Any act or omission of any service organization or agent;
- Any system failure, malfunctioning, delay or failure to provide any services;
- Any errors resulting from incomplete or incorrect data received by us; or
- Unless otherwise agreed to us in writing, your communication of any confidential or other information to us by fax, or by other electronic means from a computer including electronic mail or if we communicate such information to you by these means at your request or as a reply to a communication sent to you over the same channel.

In no event will we be liable for direct or indirect, special or consequential damages including, but not limited to, loss of profit or other economic loss in connection with, or arising out of, our providing, or ceasing to provide services in respect of an account.

Holding of Funds

If you use cheques (except for government issued cheque), EFTs, or any similar instruments for deposit to our account, we are entitled to hold proceeds of the instrument at our sole discretion. You also acknowledge that such instrument has no guarantee for withdrawal or transaction after a hold period.

Ultimately, you are responsible that any instrument is to be returned regardless of any reasons including an expiry of the hold period.

- The following conditions apply for cheque holding period.
 - a) A deposit transaction, at our sole discretion, has no illegal or fraudulent purpose.
 - b) An eligible enterprise¹ that is depositing cheque has no materially increased credit risk (i.e. inadequate overdraft/credit management, high volume of dishonoured items, notice of bankruptcy, etc.).
 - c) An account has been opened for more than 90 days.
 - d) A cheque has not been endorsed more than once or passed the date of the cheque more than six months.
- For cheques and negotiable instrument (denominated in CAD or USD) drawn on a financial institution's branch located in Canada, the proceeds will be available

after the maximum of 7 business days (please refer to the bank's cheque holding policy).

- For cheques of \$1,500 or less that are deposited in person at the branch, the maximum hold period is reduced to 4 business days, or 5 business days for cheques deposited in ATM or any other manner.
- For cheques and negotiable instrument drawn on a financial institution's branch located in the United States, the maximum period of 25 business days is necessary.
- If a financial institution's branch located outside of Canada or the United States, we will require, at least, 30 business days or use collection basis².

Hold period does NOT count the day of the deposit and the term "business days" does not include Saturdays, Sundays or statutory federal holidays. The hold period will begin on the first business day we enter the cheque or any similar means into the clearing exchange system operated by the Canadian Payments Association. We are authorized to extend the maximum hold period if we have reasonable grounds to believe improper, illegal or fraudulent activity in relation to an account.

¹ Eligible enterprise means a business with authorized credit of less than \$1 million, fewer than 500 employees and annual revenue of less than \$50 million.

² The funds will be deposited to your account only if the counterparty (other financial institution) clears the instrument and makes an actual payment to SHBC.

Your Duty of Care

You will maintain procedures and controls to detect and prevent thefts of instruments or losses due to fraud or forgery involving instruments. You will diligently supervise and monitor the conduct and work of all Authorized Signatories and all agents and employees having any role in the preparation of your instruments and your bank statement reconciliation or other banking functions. We shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless the loss was caused solely by our negligence, fault or willful misconduct.

Closing or Freezing Accounts

We may at any time, without notice to you, close any account, or freeze or hold the funds in any account, at our sole discretion, including, without limitation, for reasons of actual or suspected fraud or illegality, inaction on the account or breach of your obligations under any agreement between us and you.

Waivers

Subject to any specific instructions you have given us in writing, you agree that you have waived presentment, notice of dishonour and protest of all instructions drawn, made, accepted or endorsed.

Notices

We may give you any notices under this agreement by any means of written or electronic communications, or by posting notice in our branches and any of those will be adequate delivery of notice. When sending notices to you, we may send them to your latest address on our records. You will be deemed to receive notice five days after mailing, or at the time of delivery of a personal delivery, the sending of an electronic communication or the posting of a notice in our branches. If we both post notice in our branches and send you notice, the effective time of notice will be the date of posting in our branches.

No assignment

The terms and conditions in this agreement are binding on you and the person who succeeds you (including heirs, executors, administrators and legal representatives) or takes on your obligations.

Governing law

This agreement is governed by the laws of the province or other jurisdiction in which the branch identified on the application for deposit and customer information is located.

Shinhan Cardholder Agreement

Shinhan Cardholder Agreement (the "Agreement"), as amended from time to time lists out terms and conditions that apply when you use your Card. This Agreement does not replace any of the previous agreements you have had with us.

You hereby agree to use the Card in accordance with the terms and conditions set out in this agreement and any other terms and conditions that may be advised to you every now and then. When you access your accounts by using a Card, it is your responsibility to safely use your Card and keep your Personal Identification Number (PIN).

Definitions

- **"Account"** means any personal deposit or loan account that you have with us that may be accessed by using a Shinhan Access Card.
- **"Agreement"** means a Cardholder agreement
- **"Card"** means your Shinhan Access Card issued to you when you open an account at SHBC. The Card can be used to access your account and to perform transactions at automated bank machines and branches, Interac transactions for retail purchases from the Account, cash withdrawals from the Account(s).
- **"PIN"** means a Personal Identification Number for your Shinhan Bank Canada Access Card. It consists of a 4-digit secret number personally selected by you, for your use, as a means of your authorization to use certain services. The PIN is used to confirm the identity of the Cardholder and to authorize transactions used by Shinhan Bank Canada.
- **"ATM"** means Automated Teller Machine.
- **"POS"** means "Point Of Sale"
- **"You"** and **"Your"** means the account holder(s) named in the signed Signature Card.
- **"We", "Us"** and **"Our"** means Shinhan Bank Canada.

Using your Shinhan Access Card

Upon opening an account, we will issue you an Access Card, in your name. When you receive the card from us, you agree to the terms and conditions described in this agreement. Upon your enrollment, you may access the Automated Banking Service with your card, in conjunction with a PIN.

You can access your personal banking account by using your Card, through the following services:

- Designated ATMs (including Exchange Network)
- POS terminals for retail purchases

Other than the ones above, Shinhan Access Card also helps identify you when you request a service to be provided from us or to authorize the transactions you request from us at our branches.

You authorize the Bank to accept the instructions given in any manner as if you had given instructions in writing for purchases, sales, and transfers between your Accounts, or for other services made available from time to time.

Setting Transaction Limits

Your daily limits for ATM withdrawal, Accessible Account Transfers, and POS Transactions are set out in the document called "Shinhan Access Card Application/ Information" when the Card is first issued to you. We may establish and change limits (dollar or otherwise) from time to time, on the types of transactions which may be available, with or without prior notice to you. You are responsible to check your daily limits from time to time at any of our branch.

Transaction Charges & Fees

There is no application fee for the Card when you first apply for one. However, there are some requirements for you to pay fees for certain transactions. You agree to pay and we may deduct, without notice, from any of your Accounts.

- You acknowledge that the Automated Banking Service charges/fees for each transaction performed are in addition to any account level service charges which apply to your accounts.

Selecting and Protecting your Personal Identification Number (PIN)

You will be asked to choose a combination of 4 digits for a PIN to use the Card at any of our branches, ATMs or POS terminals set by us.

The code for the PIN should not be generated from personal information related sources that can be easily guessed by others such as your date of birth, bank account numbers, telephone numbers, and etc. Protecting and keeping your PIN is important as you will be considered liable for the use of your Card even if it is used by others. Under this agreement, you are bound to keep your PIN confidential and secure from all persons without exception and apart from the Card at all times.

This can be done by:

- Keeping possession of your Card at all times
- Avoiding PIN combinations that are easily guessed by others
- Avoiding your PIN in proximity to your Card
- Avoiding disclosure to any of the Bank's employees, friends or family members
- Taking all reasonable precautions to ensure no one finds out your PIN while using the Card at our branches, ATMs or POS terminals.

Lost, Stolen, Authorized & Unauthorized Use of the Card

You will notify us immediately as soon as you are aware that your Card is lost or stolen, or you suspect that someone is using your Card and PIN or simply knows your PIN without authorization, or you suspect your card is missing. You may notify us by calling or by visiting the nearest branch for the loss, theft, or any unauthorized use of the Card or PIN. Your liability for the transactions resulting

from the loss or theft of your Card will cease after we receive your notice of such loss, theft or unauthorized use.

Your Liability for Authorized & Unauthorized Use of the Card

You are liable for all debts, withdrawals and account activities resulting from:

- Authorized use of the Card by person to whom you have made the Card and/or PIN available
- Unauthorized use of the Card and/or PIN, where you have made available for use of the Card and PIN by keeping them together or in such a manner as to make them available for use, until we have received notice of loss, theft or unauthorized use.

You will be considered as contributing to the unauthorized use of the Card and/or PIN and will be fully liable for all debts, withdrawals and account activities

Where:

- The PIN you have selected is the same as or similar to an obvious number combination such as your date of birth, bank account numbers or telephone numbers.
- You write your PIN down or keep a poorly disguised written record of your PIN, such that it is available for use with your Card, or
- You otherwise reveal your PIN, resulting in the subsequent unauthorized use of your Card and PIN together.

You may be also liable if:

You fail to notify us as soon as you become aware that your Card is stolen or your PIN may have become known to anyone. In this situation, you are considered liable for the total amount of transaction proceeded by others.

Limitation of Our Liability

We are liable for unauthorized transactions after you have notified us. We are not liable to you for any delay, loss, damage or inconvenience which results from providing, or failing to provide any service, except where such losses result from technical problems, bank errors and any other system malfunctions for which the Bank is solely responsible. Also, we are not responsible for your acts or omissions, or those of any third party. Furthermore, the bank shall in no way be liable for any accident, act of aggression, theft, loss or damage you may suffer while using ATM, whether you are on the Bank or other premises. You are responsible for any errors, which result from you having incorrectly provided or selected from us, any account number, dollar amount or other information required for the operation of the services.

Settling Disputes

All disputes between you and a designated bill payment company, including your rights to compensation or any offset rights (set-off), shall be settled directly by the company and yourself. We do not verify, nor are we required to, that any purpose for which the payment is made has been fulfilled by the company as a condition of honouring your payment request on your Account. Also you are responsible to resolve directly with merchants on the problems involving the use of the Card for POS transactions.

Shinhan Access Card Contact Service

If your Card is lost or stolen, or retained by the automated banking machine, immediately visit your nearest branch of SHBC and request a replacement or call any branch of SHBC. After you report an unauthorized transaction, we will take an internal investigation process. During the investigation, you may be required to provide us a written statement indicating the information related to the incident.

Indemnity

You agree to indemnify and save us harmless from and against all losses that we may incur (other than due to our own gross negligence or misconduct), including without limitation, legal expenses incurred by or brought against us, arising from a breach by you of any part of this Agreement, or from our acting or declining to act upon any instruction or information received from you in accordance with this Agreement. This indemnity is in addition to any other indemnity or assurance against loss that you may provide to us, and will survive any termination of this Agreement.

Electronic Communication Service Agreement

You acknowledge that Shinhan Bank Canada is authorized to act on an instruction given by using an electronic communication for who meets any applicable eligibility. Additionally, you agree that we have a sole right and discretion in qualifying a customer to transact with an electronic communication. We accept a telephone, a facsimile, or an e-mail for a valid instruction. The list of services provided by us without separate agreement is followed, but not limited to.

- A transfer from your demand deposit accounts to purchase a term deposit
- A transfer among demand deposit accounts of which the account holder is consistent.
- A change of a principal and interest payment instruction of the existing term

deposit.

- A change of personal information that does not require any proof of the change.

Any electronic communication that instructs how we initiate a transaction on behalf of customer must be presented in the manner that is required by us without the need of further verification. We are not liable for any loss, damage, penalty or any similar means for the transactions conducted according to the instruction. We may need a separate agreement prior to carry out specific types of transactions. Once you agree the agreement in person at your branch, we will extend the capability of the electronic communication service beyond the list above. If your communication manner we act upon is conclusively deemed to be adequate for our records, we initiate the transaction regardless of whether or not authorized by you or whether or not accurately instructed. You agree to pay us service fees (or any similar charges) involved in executing the transaction from us or counterparty. Furthermore, you acknowledge that we may decline or delay acting on your instruction and may verify additional details with you for any reason.

Internet Banking Service Agreement

Please read the following Agreement prior to using Shinhan Bank Canada Internet Banking Service ("Service"). The Agreement contains important information, guidelines, and the terms and conditions governing access to the Service. This Agreement, as amended from time to time, applies when you access or use the Service.

You hereby agree to be bound by the terms and conditions of this Agreement. When you access your accounts through the Service, you do so under the terms and conditions of Personal or Business Banking Agreement. You also agree to comply with all instructions we may give you connected to accessing and using the Service.

Terms used in this Agreement

- **"Account"** means an eligible chequing or savings account;
- **"Agreement"** means the Internet Banking Services Agreement of Shinhan Bank Canada;
- **"Business Day"** means all days excluding Saturdays, Sundays, and statutory federal or provincial holidays in Canada;
- **"Electronic Access Device"** means a personal computer, telephone, cell phone, smart phone, personal digital assistant or any other allowed electronic device, including wireless devices, used to access the Service;

- **"Internet Banking"** means the banking services accessible by internet whereby Shinhan Bank Canada allows customers to view account information and/or make transactions online upon successful authentication;
- **"Mobile Banking Website"** means the Bank website specially designed for Internet Banking access through a mobile Electronic Access Device. This Mobile Banking Website has a selective view and functionality;
- **"Password"** means a confidential combination of numbers and/or letters selected by each individual customer to identify them in order to access the Service. A temporary password will be provided for customers when first logging in.
- **"Security Card"** means a card with a unique combination of numbers the Bank issues to each customer at the branch upon completing the Internet Banking Application. To initiate certain transactions, customers must provide the numbers that correspond to the instructions given by the Service. The Shinhan Security Card used for Internet Banking is an example of a security device;
- **"Security Questions"** means the questions and answers customers may be required to choose and provide answers for when prompted in order to confirm customers' identities when accessing the Service from unregistered electronic access device;
- **"Service"** means any product or service accessible through Internet Banking;
- **"Third Party Service Provider"** means a party retained by the Bank to act on the Bank's behalf to provide, or to assist in providing, the Service. In the event that such party is located in a foreign jurisdiction, it is bound by the laws of the jurisdiction in which it is located and may disclose personal information in accordance with those laws;
- **"User ID"** means a combination of numbers and/or letters that we may allow you to select. You must provide your User ID with your Password to access the Internet Banking;
- **"We", "us", "our", "Bank", and "SHBC"** refer to Shinhan Bank Canada;
- **"Website"** means the website operated by SHBC or a SHBC affiliate through which customers sign in to the Internet Banking Service;
- **"You" and "your(s)"** refer to each person who applies to use the Service and each person who uses the Service with the applicant's authorization.

Other Agreements/Conflicts

This Agreement must be read together with any other existing and future written agreements that you have with us and any terms, conditions or disclaimers provided on our Website. For example, there are a variety of additional terms, conditions and disclaimers in other agreements that govern your use of the

Account and the Service. If there is a conflict between this Agreement and any other agreements, the other agreement will have priority and will be applied to the extent necessary to resolve the conflict.

Changes

We may change the Service, the Website or this Agreement at any time. We will notify you of any changes. If you use the Service after the change takes effect, you agree to and consent to the change of this Agreement. Additionally, you understand that we may add, remove, or change any parts or features of the Service without giving you notice.

Notices

For Internet Banking, any notice may be given to you through the “News and Notice”, bulletin board or the pop-up window in Internet Banking, or may be sent to your E-mail or mailing address shown in our records.

Suspension and Termination

We may terminate either all or part of this Agreement or suspend or terminate your access to the Service at any time without prior notice, in which case this Agreement will continue to apply in respect of your past access. We will not be responsible for any loss or inconvenience that may result from such suspension or termination. You may terminate this Agreement by visiting your branch and giving us notice of termination.

Use

You must use your User ID and Password to access the Internet Banking Service. Use of Internet Banking will show that you have received, understood and agreed to this Agreement. You will use Internet Banking in accordance with the terms in this Agreement or as we may otherwise communicate to you from time to time. You will not use Internet Banking for illegal, fraudulent or defamatory purposes or take any steps which could undermine the security or integrity of any Internet Banking services, or cause harm or threaten to harm any other users of Internet Banking.

Instructions

Once the Service has been accessed, you agree to be responsible for any instruction given by you or purported to be given by you, regardless of whether or not it was actually from you. The instruction will be considered to be duly authorized and binding on you and will be enforceable against you. Any instruction given via Internet Banking will have the same legal effect as if it was a written instruction

and signed by you. You acknowledge that after an instruction is given to us via the Service, it is final and we have no obligation to cancel or reverse it or you will not dispute any transaction conducted according to a given instruction.

Setting Limits

We can set one or more access limits (for example, daily dollar limits on transfers or specific limits on withdrawals and transactions for each account) for the Service. You may request to change and manage these limits at the branch and we may change these access limits without notice.

Fees

You will pay all service fees and other charges that apply to the Service. We may debit your account for any applicable service charges. Service charges are subject to change from time to time and we will give you notice of any changes accordingly. Up-to date information on fees is available at all of our Canadian branches and online.

Please see Shinhan Bank Canada' Service Fee Disclosure for our current fees.

Payment

You can only make a Payment from Accounts that are available via the Service for this purpose. You are responsible for the accuracy of your electronic payment instructions, including the payee, billing account/invoice number and payment amount. Depending on the type of payment, electronic payment instructions once sent may be final and irrevocable and it may not be possible to retrieve funds sent in error.

It is your responsibility to ensure that sufficient funds are available in your account (or through overdraft protection linked to your account) as at the effective time of your payment. PLEASE BE ADVISED THAT YOUR PAYMENT INSTRUCTION, INCLUDING A POST-DATED OR SCHEDULED PAYMENT INSTRUCTION, WILL NOT BE PROCESSED WITHOUT SUFFICIENT FUNDS ON THE TRANSACTION DATE. You must make sure that all information provided in a payment instruction is accurate. We may update such payee information without notice if the payee tells us of a change or if we believe it necessary. Additionally, we are authorized to decline or refuse to act on your instruction if the Bank has reasonable grounds to suspect fraudulent, unlawful or improper activities of you or a payee of any payment. Although your Internet Banking payment will be withdrawn from the Account you select on the date you instruct us to make the payment, you acknowledge that not all payees treat payments as being received as of that date. You should give payment instructions several Business days in advance of the date on which

you wish payments to be effective and avoid any inconveniences. We will not be responsible for any disputes you have with payees with respect to circumstances such as processing delays, fees or penalties, etc.

Liability and Indemnity

1. Liabilities - General

We will not be responsible or liable for any damage, loss or inconvenience suffered or incurred by you with respect to the Service, this Agreement, or any instructions in connection with the Service. Additionally, we will not be liable under any circumstances for any loss, damage, or inconvenience incurred by you as a result of any failure, error, mistake, delay, omission, inaccuracy, inability, or malfunction, except for an unauthorized transaction, even if they were caused by our negligence or the negligence of our employees, agents or representatives.

2. Indemnities

Except with respect to claims, costs and liabilities arising because of our negligence, you will indemnify and hold us harmless against all losses and expenses that we, as the case may be, incur, sustain, suffer or are likely to suffer in connection with our execution of the user instructions. This includes all actions, claims, demands, proceedings, losses, damages, costs, charges and expenses as a consequence or by reason of providing a service through Internet Banking.

3. Your Responsibilities:

You are responsible for the full amount of all activities on your account conducted through Internet Banking resulting from

- a failure to comply with any of the obligations under this Agreement;
- a failure to notify us as soon as you become aware that your Password, Security Device, and Security Questions may have become known to someone else;
- accessing the Service from an Electronic Access Device that you are reasonably able to acknowledge may be at a risk of compromising and hacking;
- an entry error, mistake, omission, inaccuracy or inadequacy, or fraudulent or worthless deposit made through Internet Banking Services; or
- engagement in any fraudulent, criminal or dishonest acts related to Internet Banking.

4. Our Responsibilities:

Notwithstanding above, we are liable and reimburse you for monetary losses to your Account(s) resulting directly from the following unauthorized transactions:

- transactions processed after you have notified us that your Password, Security Device, and Security Questions may have become compromised;

- transactions where it can be shown that you have been a victim of fraud, theft, or have been coerced by trickery, force, or intimidation, so long as you report the incident to us immediately and cooperate and assist us fully in any investigation; or
- transactions resulting from negligent conduct by us, our employees or Third Party Service Providers

Security

While using the Service, the security of your information depends on you using safe practices. You agree that when conducting transactions through the Service, you will take all safeguarding measures necessary to ensure that

- you do not reveal any confidential information to anyone
- other people cannot see your computer screen or key pad on your Electronic Access Device, and
- other people cannot hear your call, as applicable.

You agree to comply with any additional security requirements that we may require in connection with the Service. If you become aware of any unusual, suspicious or fraudulent activity in an Account, you will notify us immediately.

You can take further measures to enhance the security of your Internet Banking experience. There is a section called "Security Centre" on our Web Site explaining how you can make Internet Banking more secure and the measures the Bank takes to make Internet Banking more secure. You agree to implement and maintain safe computing practices which include having the security measures such as up-to-date virus scanning software and a firewall system available for your computer. Additionally, you must sign out and close your browser after each Internet Banking session to prevent anyone else from accessing your Internet Banking.

You must always keep your Password, Security Device and Security Questions strictly confidential. You must not disclose your Password, Security Device, and Security Questions to anyone. If you know or suspect that someone may know your Password, Security Device, or Security Questions, you must inform us immediately and change your Password, Security Device, and/ or Security Questions, as applicable, immediately. Your Password, Security Device, Security Questions must be unique and not easily guessable or obtained by others, including not using your birth date, your name, the name of a family member, your telephone number, social insurance number (SIN), or sequential numbers such as "1234." You must not select a Password that is the same as any personal identification number (PIN) you use with a Shinhan Debit Card issued to you.

Mobile Banking Website

In order to access to Mobile Banking Website, you must be registered to SHBC's direct banking or internet banking. You understand that you will not have access to all Internet Banking features such as functionality, content or information (including news and notices, legal and privacy terms, links, bills, statements, and complete transaction and account information) through the use of Mobile Banking.

Records

Our records of Internet Banking are final and conclusive. Those records include, but are not limited to, the retrieval, consolidation, organization, receipt and presentation of information regarding an Account or the Service. You agree that electronic data and records will be admissible as conclusive evidence of the contents to the same extent as that of original paper documents. You hereby waive any right to object to the introduction of any such electronic data or records as evidence.

Governing Law

This Agreement will be exclusively governed by the laws of the Province or Territory in which you live. If you live outside of Canada, this Agreement will be exclusively governed by the laws of the Province of Ontario. You and the Bank agree that the courts of the Province or Territory specified above shall have jurisdiction over each party for the determination of any matters arising out of this Agreement.

Language

You have expressly requested that these terms and all related documents, including notices, be written in English. Vous et moi avons expressément demandé que ce contrat et tout document y afférent, y compris tout avis, soient rédigés en langue anglaise.

For your better understanding, the direct banking service may contain descriptions in different languages. If the languages differ in their meanings, the English interpretation will have priority over the other languages.

Sharing your Personal Information

Given that we have received your consent at the time of application, we may share your personal information with Shinhan Bank Financial Group world-wide subsidiaries and affiliates to manage your relationship with Shinhan Bank financial group, to prevent credit and other business risks, and to meet legal and regulatory

requirements.

If you would prefer we do not share information within the Shinhan Bank Financial Group or you would not want to receive any other special offers and promotions, kindly let us know by contacting any of our branches.

Complaint Resolution

Your business is important and we are dedicated to provide our services with the professional and efficient manner. If you have a problem or complaint in the banking services provided, we can help to resolve your complaint with all of our efforts in an efficient and a professional manner.

Step 1

We always encourage you to immediately contact us for us to deliver an appropriate solution for your complaint. At first, you can contact our customer service representative (CSR) by a phone or visit your branch. If you are not satisfied with the response from our CSR(s), the meeting will be arranged with the customer care officer or branch general manager for you.

Step 2

If your complaint is not resolved after following Step 1, you may escalate the matter to the Chief Compliance Officer at Shinhan Bank Canada, listed below.

Shinhan Bank Canada
Chief Compliance Officer
5140 Yonge Street, Suite 2300 North York, Ontario M2N 6L7
Telephone: 416-250-3500
Toll free telephone: 1-855-SHINHAN (1-855-744-6426)
Fax: 416-250-3529
E-mail: customercare@shinhan.ca

Step 3

If you feel that the Bank's response has not resolved your concerns, you may escalate the matter to the Ombudsman for Banking Services and investments. The Ombudsman for Banking Services and Investments (OSBI) is an independent organization that investigates unresolved disputes from customers about banking services provided by the Bank, and thereby advises and provides recommendations

to each party.

Please be advised that the OBSI will only accept your request after you have either received a response letter from the Bank which is obtainable if the Bank needs to communicate its final decision or 90 days have passed since you have first submitted a complaint to the Bank.

Ombudsman for Banking Services and Investments
401 Bay Street, Suite 1505, P.O. Box 5, Toronto, Ontario M5H 2Y4
Toll free telephone: 1-888-451-4519
Toll free fax: 1-888-422-2865
Toronto area telephone: 416-287-2877
Toronto area fax: 416-225-4722
Email: ombudsman@obsi.ca
Website: www.obsi.ca

During the process

If your complaint concerns a violation of a regulatory matter, you can contact the Financial Consumer Agency of Canada.

FCAC supervises all federally regulated financial institutions to ensure that they comply with federal consumer protection provisions. It also educates consumers and public commitments designed to protect consumer interests.

For more information on regulatory issues governed by the FCAC, contact the FCAC at:

Financial Consumer Agency of Canada
427 Laurier Avenue West, 6th Floor
Ottawa, Ontario K1R 1B9
Toll free telephone: 1-866-461-FCAC (3222) [English] / 1-866-461-ACFC (2232) [French]
Toll free fax: 1-866- 814-2224
Email: info@fcac-acfc.gc.ca
Website: www.fcac-acfc.gc.ca



