



HSBC Bank Armenia CJSC terms and conditions of electronic communication and for carrying out banking transactions via internet

The terms and conditions of electronic communication and for carrying out banking transactions of HSBC Bank Armenia cjsc (hereinafter also Terms & Conditions) set forth herein stipulate the terms and procedure of carrying out transactions and communication by the Customers of the Bank via Internet (hereinafter the Service or Internet Banking Service). The pronouns “we”, “us” refer to the Bank, and the pronouns “you”, “your” refer to the Customer in these Terms& Conditions.

Before accessing the Bank's Service, Customers must carefully read these Service terms. If they disagree, they must not use the Service. The Customer accepts that starting and continuing to use the Service means and shall be considered by the Bank as an unreserved acceptance by the Customer of these terms.

1. The list of transactions and information provided via the service

The Customer may carry out the following financial transactions and receive the following information via the Service:

Transactions:

- Opening of a time deposit,
- changing deposit maturity instructions,
- opening of additional bank account(s),
- blocking of lost or stolen ATM card, ordering of a new ATM card,
- transfers of funds,
- transfers to the Bank's Master/ArCa credit cards,
- request for a credit card limit temporary increase,
- ability to stop lost or stolen cheques, ordering cheque-books,
- activation of SMS service for the purpose of receiving information on bank account transactions,
- change of contact details (e-mail address(es), telephone number(s), including mobile phone number(s)) provided to the Bank.

Note: In the payment orders the information on transactions processed via Internet Banking/Mobile Banking, including transaction purpose and narrative, beneficiary details is inputted and recorded in English, Armenian or Russian using English alphabetic characters.

Information:

- order and receipt of account(s) balance and transactions via account(s) in electronic manner, in hard copy or via SMS messages,
- receipt of information on credit card balances,
- receipt of information on interest rates for time deposits and current/savings accounts balances.

Note: credit card balances are presented as of 7am of previous working day (Yerevan time).

The list of transactions and information available via the Service are specified in these Terms and may be changed from time to time with a one month prior notice to the Customer via the Bank's web-page or through any branch.

The Service offered to the Customer shall be governed by these Terms, the Bank's General Terms & Conditions for the Operation of Customer Bank Accounts, Bank Deposits, Electronic Banking and Other Banking services /for individuals, including sole entrepreneurs/ (General Terms), the Bank's Card Products Terms and Conditions and other applicable terms and conditions of the Bank.

2. Registration and access to the service - security codes and rules

The Customer must have a bank account in force with the Bank and ATM card provided to the Customer by the Bank in order to register to the Service. During the Service registration process, the Customer selects a personal username, which is a unique code forming the Customer's identity for his/her login to the Service. After the moment the Customer selects a personal username a personal page is created in the Bank's web server containing all the personal data relating to the Customer which is necessary to use the Service and to which only the Customer has access. After the moment the personal page of the Customer is created, the Customer shall select a personal memorable question from the list of questions available on personal page and fill out a corresponding personal memorable answer which shall be used for the purpose of identification of the Customer during the process of using the Service. The Customer shall also select two security questions from the list of security questions available on personal page and fill out the answers to these questions, which may be used by the Customer during the process of changing the personal memorable question and personal memorable answer. The personal username, personal memorable question and corresponding personal memorable answer, as well as two security questions and corresponding security answers (henceforth jointly referred to as Identification and Security Details), combined with the security code (token device) provided to the Customer, ensure security of the Service. The token device is delivered to the Customer through any Bank branch or through any convenient means agreed by the Bank and the Customer. If the token device is delivered to the Customer through other means agreed between the Bank and the Customer, the Customer shall incur all expenses in connection with the delivery. The Customer also undertakes to use the token device personally and not to provide it to third parties.

In cases of any failure or malfunction of the token device the Bank is obliged to provide a new device to the Customer, at the request of the Customer. The Bank is not responsible for any failure or malfunction of the token device and is not under any obligation to deliver a new device to the Customer if such failure or malfunction is caused at Customer's fault. The Bank may cancel the Customer's security token for security reasons and provide him/her with a new one, whenever it deems this to be necessary. If the Customer loses the security device, it is recommended to the Customer to immediately change the personal memorable question and the corresponding personal memorable answer. If the Customer is unable to do so, he/she must immediately notify the Bank by phone +374 (60) 655 444 or in a written form and request that the security code (token device) is cancelled or access to the Service is temporarily suspended.

Through the combined use of Identification and Security Details the Customer confirms his/her identity, as well as the fact that the request/order of a relevant transaction originated exclusively from him/her. The Customer states that submission of requests/orders through the use of Identification and Security details: (a) is equivalent to request/orders signed personally by the Customer, and (b) serves as a satisfactory proof for the Bank confirming the relevant order/request of the Customer. During the usage of the Service the requests/orders of the Customer on implementation of transactions may be exceptionally submitted via sending secure electronic messages through the use of Identification and Security details. The Customer, herewith irrevocably accepts the terms of transactions carried out by the Bank based on relevant Customer order/request through the aforementioned combined use of Identification and Security details security codes, states that the Bank is in no way responsible for the actions and transactions carried out in compliance with these Terms and undertakes to keep the Bank indemnified from any claims arising therefrom.

The Identification and Security Details are unique, strictly personal and secret. The Bank is unable to know the Identification and Security Details selected by the Customer. They are selected by the Customer when he/she registers for the Service, and may be changed by the Customer. The Customer acknowledges and is

aware that changing the Identification and Security Details regularly is a necessary security measure, which the Customer must be sure to implement.

The Bank will not contact the Customer to request the he/she reveal his/her Identification and Security Details following his/her registration with the Service,

The Customer undertakes to ensure the safe storage of Identification and Security Details in order to prevent unauthorized access of third parties to that information and the leakage thereof. As soon as he/she finds out that his/her Identification and Security Details have leaked or are being used improperly and/or illegally, the Customer must immediately change his/her Identification and Security Details himself/herself or request the Bank that these details be deactivated.

The Customer is aware that if three unsuccessful verification attempts are made during the access to the Service, the Customer's access to the Service shall be automatically deactivated for security reasons. Also, if the Customer is unable to remember his/her personal memorable question/answer, he/she may change it using the personal security questions and answers on the Bank's website. If he/she does not remember the security questions and answers, he/she may submit a request for new Identification and Security Details on the Bank's website. In order to activate new Identification and Security Details and use the Service with these details, the Customer must make a confirmation via telephone +374 (60) 655 444 or through any Bank branch.

The Customer is obliged to install the latest and updated versions of programs/software, operating systems and antivirus applications and related data and PC protection software (anti-spyware, firewalls and more). The Bank shall have no liability whatsoever for any equipment or software provided to the Customer by any party not controlled by the Bank in connection with the Service.

The Customer is aware of the fact and risk that, the transmission of data through Internet may entail risks of malicious interception or distortion of the Customer's codes or details, submission of orders by unauthorised third parties as a consequence of unauthorized access to the Customer's computer programs, of the distraction or distortion of the content of Customer's orders/requests and other information he/she received through the Service and that he/she fully undertakes these risks.

The Bank cannot guarantee the absence of computer viruses and is not responsible if such viruses cause any loss of equipment, software, files or any other loss to the Customer.

Due to security considerations it is necessary to log out from Internet Banking Service clicking on "Exit" and not close the browser window prior to visiting other web-sites. The Bank uses Secure Socket Layers (SSL), which provide a high level security for internet communications. SSL provides encrypted communication channel during the process of using the Service encrypting your personal information from the moment it leaves your computer and ensuring that no one else can read it. Depending on your browser setting, when using the Service a pop-up window will appear on the screen of your computer to notify you that you will be entering a secured page.

When you log in to the Service you are said to be in a secure session. You know you are in a secure session if the URL address begins with https:// or a padlock symbol appears in the lower right hand corner of your browser.

The Customer acknowledges that any failure or breach of security procedures and rules herein may entail risks of breach of information confidentiality, unauthorized implementation of transactions by third parties, distraction or distortion of the content of electronic messages and that the Customer may incur loss in the event of such breaches. The Bank shall not compensate the losses of the Customer suffered as a consequence of such breaches.

3. Transaction limits and restrictions; statements and information provided to the Customer

The Bank shall set a daily limit for transactions carried out by the Customer via the Service. The transaction limit for each Customer is specified in a respective section of the Service.

The Customer may reduce the daily limit of his/her transactions via the Service. The increase of transactions daily limit may be carried out by the Customer based on written request submitted to the Bank, as well as application provided via the Service -within 48 hours.

The Bank may change the transaction limit(s) to be carried out via the Service with a written notice, including in electronic manner, or making a telephone call to the Customer.

The Bank may also restrict at its discretion the Customer's accessibility to the services provided through Internet Banking System, as well as change the deadlines of provision of services and submission of Customer's orders/instructions via Internet Banking System with a one month prior notice to the Customer through the Bank's web-page.

If the Customer provides loan payment instruction via the Service before 17:00 on Bank's working days- from Monday till Friday, it will be processed the same day. If the Customer gives loan payment instruction via the Service after 17:00 on Bank's working days- from Monday till Friday, as well as on Saturday or on non- working days, it will be processed on next working day after submission of the instruction.

If the Customer requests information via the Service, it will be provided within two working days upon the receipt of the request.

The Bank reserves the right to reject processing of Customer requests/orders on implementation of transactions in cases and in the manner defined in RA legal acts and/or the Bank's General Terms by notifying the Customer within two working days after the receipt of requests/orders.

The Customer ensures that the bank account(s) opened via the Service are in compliance with his/her residency status. In case of a change in the Customer's residency status the Customer is obliged to properly update his/her personal details (in a written form or by visiting the Bank).

According to RA legislation the interests on term deposits are payable in Armenian Drams (AMD): Therefore the Customer is obliged to open an AMD account on his/her name for the purpose of receiving the deposit interest amounts if he/she does not have an AMD account with the Bank and opens a Term Deposit Account in foreign currency through the Service. In case the Customer orders a cheque book from AMD and USD current accounts held with the Bank via the Service it can be collected from HSBC Bank Armenia cjsc specified branch within 90 days from date specified in the cheque book request. In case the Customer does not collect the cheque book from the bank within that period of time, the Customer agrees and acknowledges that HSBC is entitled to cancel the cheque book. The Customer hereby accepts that HSBC has the right to charge his/her account with the cost of issuing the cheque book in accordance with Bank's present Tariffs of Charges.

The Customer is entitled to receive information (including account statements) stipulated in the Law related to the accounts opened through the Service in the manner agreed with the Bank. The Customer may choose a specific manner of receiving information (statements) through the Service.

4. Customer's rights, obligations and liability

The Customer acknowledges that the software necessary for the Service is owned by the Bank: in cases of copying, imitation or manipulation of the software by the Customer the Bank reserves its rights for the rectification of any loss it may incur.

The Customer may notify the Bank of any change in his/her personal details and mailing addresses. If the Customer does not notify the Bank about changes in his/her personal details and mailing addresses, and the Bank receives a transaction order based on personal details provided to the Bank before, such orders are considered to originate from the Customer, with the Bank having no responsibility for any loss suffered by the Customer as a result of such failure.

The Customer is entitled to request the suspension of access through the Service and the reactivation of access. In cases of receiving a request for suspension of access to the Service, the Bank shall process such requests as soon as possible, maximum by the 5th business day following this request.

If the Customer does not use the Service for twelve (12) months after registration to the Service, the Bank shall be entitled to suspend Customer's access to the Service.

The Customer undertakes the obligation to enter accurate, complete and clear orders. He/she shall keep and meticulously update his/her registration information so that this shall be kept true, accurate, valid, up-to-date and complete.

The Customer acknowledges and agrees that transactions on the bases of the Customer's orders/requests shall be carried out within the deadlines specified for such transactions by the Bank.

The Customer is liable for any loss incurred by the Bank due to a breach of these terms.

The Customer must refrain from using the Service in the manner which is not in compliance with these Terms—such as the linking of the Bank's website with a third-party website, with the Bank otherwise being entitled to rectification of any losses incurred and to compensation.

The Customer accepts that the use of the web pages on the Bank's website has the sole purpose of carrying out financial transactions and receipt of information by the former. Therefore, the Customer must refrain from any action aimed at the reverse engineering or reconstruction of the source code or software found on the Bank's website or at the Customer's unauthorized access to any service, software system of a stand-alone computer or computer network or any attack on the Bank's website and on its systems in general in any way (such as by using mechanical means or automated processes).

The Customer hereby states that no transaction that he/she carried out through the Service contributed to money laundering and terrorism financing and takes responsibility for the genuineness and legality of his/her transactions. The Customer must provide to the Bank any supporting documents that may be requested by the Bank, the Central Bank of the Republic of Armenia or by any other competent authority.

5. Bank's rights and obligations - bank disclaimer

The Bank shall be responsible for uninterrupted operation of the Service. The Bank does not bear any liability for interruptions/failures of the Service, due to events of force majeure, which the Bank was not able to predict or prevent. Such circumstances include earthquake, flood, fire, war, civil disorders, strikes, cessation of communication services, actions of state authorities etc., that make the performance of obligations assumed by the Bank impossible.

Through the Service, the Bank may transmit information sent electronically and automatically to its system by third parties, in the exact form in which this was sent to the Bank and bears no responsibility regarding its content.

The Bank bears responsibility for the losses of the Customer which result from malice aforethought or gross negligence of the Bank during the process of using the Service by the Customer.

The Bank may use small text files stored on the Customer's hard disk (cookies), which do not collect any information regarding any document or file in the Customer's computer. They are used to facilitate the Customer's access for the use of specific Bank services, for statistical reasons in order to determine the areas in which the Bank's services are useful or for marketing purposes. The Customer may set up his/her browser in such a way that it never accepts cookies. If the Customer does not wish to use cookies for his/her identification, he/she cannot have any further access to the services specified herein.

The Bank shall take reasonable care to ensure that any information provided to the Customer by the Internet Banking Service is an accurate reflection of the information contained in its computer systems or where the information is provided by a third party, accurately reflects the information the Bank receives from that third party. Due to the nature of the product and circumstances beyond control of the Bank, the Bank does not warrant that the information provided by the Service is accurate or error free. Some of the information available through the Service may be identified on the screens or in the user guide as subject to a disclaimer or other provisions. If the Customer relies on that information, the Customer does so subject to the disclaimer or those provisions.

6. Personal data protection - application and data security

The Customer consents to the collection and processing by the Bank of the personal data related to the Customer according to the provisions of the RoA legislation and the General Terms, as in force, for the purpose of proper provision of the Services. The Customer is aware and gives his/her consent that his/her personal data may be provided also to the Bank's Group member companies, as well as to other persons stipulated in General Terms.

If the Customer does not agree with the terms of personal data protection provided, he/she must refrain from using the Service.

By providing his/her e-mail address, the Customer is aware and gives his/her consent that the Bank may regularly send electronic messages at the e-mail address specified by the Customer for the purpose of advising the Customer on services provided by the Bank. The Bank has taken all necessary measures for a high level of security and protection of the Customer's data. However, the Bank is not responsible if, despite the above due diligence, the confidentiality of Customer information is breached due to illegal activities of third parties.

7. Service fees

The Bank may set fees for using the Service in the amount specified in the Bank's Tariff of Charges (for individuals), which may be charged from the relevant accounts of the Customer with the Bank.

In the case of a change in the fees, the Bank shall inform the Customer according to the General Terms of the Bank.

8. Duration - suspension and termination of service use/access

The duration of these Terms is indefinite. At any time, the Customer may request that his/her access to the Service be terminated by sending a written notice via the Service or via any Bank Branch. The Bank shall execute the Customer's access termination order as soon as possible, maximum by the 5th business day after receiving the order.

The Bank reserves the right to suspend or terminate the Service's use by the Customer without any prior warning, in the following cases: (a) improper use of the Service by the Customer; (b) breach of any of these terms by the Customer or violation of any other Customer obligation towards the Bank due to a different cause; (c) in case of closure of bank accounts of the Customer with the Bank, (d) in cases if the Customer advises the Bank on his/her intention to terminate the Service's use in any manner.

9. Links to other websites

The Bank does not control the availability, the content, the personal data protection policy, the quality and the completeness of the services of other websites and pages to which it directs users through links, hyperlinks or advertising banners; the Bank cannot be considered to approve the content or services of the websites and pages to which it directs users.

10. Amendment of terms

These terms may be amended by the Bank with a one month prior notice to the Customer through the Bank's web-site or branches.

The Customer's acceptance of any amendments shall be indisputably deduced if he/she continues to carry out transactions through the Service. The Customer agrees that in case of using the Service these Terms shall apply inclusive of the amendments and changes made thereto at the moment of using the Service.

Note: In case of discrepancies between the Armenian and English versions of this page, the Armenian version shall prevail.