



## **GENERAL BUSINESS CONDITIONS**

### **1. SCOPE OF APPLICATION**

#### **1.1 SCOPE**

These General Business Conditions (hereinafter referred to as “General Conditions”) shall apply to and govern the Customer’s accounts, dealings transactions and business relations with Nations Trust Bank PLC and its successors and assigns (including, without limitation, forward contracts, swaps, options and any derivative transactions).

#### **1.2 AMENDMENTS**

Any amendments to these General Conditions and any Special Conditions of the Bank will be notified to the Customer in writing. Such amendments shall be deemed to have been approved unless the Customer objects thereto in writing within a period of thirty (30) days from the date of such notification.

### **2. KEEPING OF ACCOUNTS**

#### **2.1 PERIODIC BALANCE STATEMENTS**

##### **2.1.1 Issue of periodic balance statements**

Unless otherwise agreed upon, the Bank will issue periodic balance statements for the Customer’s account(s), which are in operational state, at such intervals to be determined by the Bank.

##### **2.1.2 Time allowed for objections**

Any objections a Customer may have concerning the incorrectness or incompleteness of a periodic balance statement received by the Customer must be raised promptly, but in any event must be received by the Bank in writing within thirty (30) days following receipt of such statement by the Customer. In the absence of any objections within the period specified above the periodic statement shall be deemed to be correct and binding on the Customer.

## **2.2 REVERSE ENTRIES AND CORRECTIONS MADE BY THE BANK**

Incorrect entries to any account may be reversed, corrected or cancelled by the Bank through a further entry ("reverse entry") whether prior to or after the issue of the next periodic balance statement or passbook update. The Bank will without undue delay notify the Customer of any such reverse entry made. With respect to the calculation of interest (or other return), the Bank shall effect the entries retroactively as of the day on which the incorrect entry was made.

## **2.3 OVERDRAWN AMOUNTS**

The Bank may at its discretion (without being obliged to do so) extend credit, grant financial accommodation or advance moneys to the Customer for the purpose of meeting any payment or carrying out any instruction of the Customer, in which event any and all liabilities of the Customer arising pursuant thereto (i) shall be repayable by the Customer on the Bank's demand (unless otherwise agreed to by the Bank in writing) and (ii) shall bear interest at such mutually agreed rate (or in the absence of such agreement, at such rate as the Bank may reasonably determine in accordance with its internal procedures).

## **2.4 COLLECTION ORDERS**

### **2.4.1 Conditional credit entries effected upon presentation of documents**

If the Bank credits the Customer with the counter value of cheques, other instruments and direct debits prior to their payment by the paying bank or other entity this is done on condition of punctual payment thereof to the Bank in full, even if these items are payable at the Bank itself. If such cheques, instruments, items or direct debits

are not paid to the Bank as aforesaid or if the Bank does not obtain the amount under the collection order, the Bank will be entitled to cancel the conditional credit entry and/or debit any account of the Customer (including for interest and costs) regardless of whether or not a periodic balance statement has been issued in the meantime.

#### **2.4.2 Payment of direct debits and cheques made out by the Customer**

Direct debits and cheques are paid if the debit entry has not been cancelled in accordance with the Bank's normal procedures.

### **2.5 RISK INHERENT IN FOREIGN CURRENCY ACCOUNTS AND TRANSACTIONS**

#### **2.5.1 Foreign Currency Accounts**

Foreign currency accounts of the Customer serve to effect the cashless settlement of payments and disposals by the Customer in foreign currency.

#### **2.5.2 Remittance**

- (a) A remittance/draft is to be dispatched entirely at the applicant's risk.
- (b) The Bank will normally convert the remitted funds into the currency of the remittance on the day such funds are actually received by the Bank, at the Bank's selling rate. However, the dates of conversion and transfer are entirely at the Bank's discretion.
- (c) In case of cancellation of a remittance refund is to be made only on the basis of the amount actually received from the correspondents, and at the Bank's buying rate on the day of refund. The Bank is entitled to reimbursement for the expenses so incurred on itself and its correspondents or agent. All cancellation charges, levies and commissions collected are not refundable.
- (d) The Bank shall not be liable for any loss or damage due to delay in payment, or in giving advice of payment, loss of items in transit or otherwise, mutilation, error, omission, interruption, or delay in

transmission or delivery of any items, letter, telex, telegram or the actions of the Bank's correspondents or agents.

### **2.5.3 Customer's risk**

The Customer shall enter into each foreign currency transaction with full awareness that foreign currency transactions could involve foreign exchange risks for which the Bank shall not be responsible.

## **3. DUTIES OF THE CUSTOMER**

### **3.1 CLARITY OF ORDERS**

Orders of any kind must be timely, clear and unequivocal in their contents. Amendments, confirmations or repetitions, of orders must be designated as such.

### **3.2 SPECIAL REFERENCE TO URGENCY IN CONNECTION WITH THE EXECUTION OF ORDERS**

If a Customer requires particularly prompt execution of an order (e.g. because a money transfer must be credited to the payee's account by a certain date), the Customer shall notify the Bank of this requirement separately.

### **3.3 EXAMINATION OF, AND OBJECTIONS TO, NOTIFICATIONS RECEIVED FROM THE BANK**

The Customer must immediately examine statements of account (other than the periodic balance statement which is governed by paragraph 2.1) transaction statements, statements of securities and of investment income, other statements, advices of execution of orders, and information on expected payments and consignments as to their correctness and completeness and immediately notify the Bank in writing of any objection and in the absence of any objection in the manner set out above the aforesaid statements, advices and information shall be deemed to be correct and binding on the Customer.

### **3.4 NOTICE TO THE BANK IN CASE OF NON-RECEIPT OF STATEMENTS**

The Customer must notify the Bank immediately in writing if any periodic balance statement referred to in paragraph 2.1.1 and / or any other statement or advice or information is not received.

## **4. COST OF BANK SERVICES**

### **4.1 INTEREST, CHARGES AND OUT-OF-POCKET EXPENSES**

#### **4.1.1 Interest and charges**

The Customer shall pay interest on moneys due to the Bank at such rate(s), on such basis or bases and at such time(s) as shall be agreed in writing with the Bank from time to time or, in the absence of such written agreement, as determined by the Bank. The Customer shall pay charges/fees for services provided by the Bank in accordance with the charges/fees published in the Bank's tariff booklet, a copy of which will be made available to the Customer by the Bank on request.

#### **4.1.2 Interest on overdue amounts**

The Bank shall be entitled at its discretion to charge a higher rate of interest on amounts not paid when due or amounts overdrawn without prior agreement and such interest may be compounded periodically as determined by the Bank.

#### **4.1.3 Variable interest and charges**

In the case of variable interest rate loans, the interest rate will be adjusted in accordance with the terms of the respective agreement. Charges for services may be changed by the Bank at its reasonable discretion unless otherwise agreed in writing.

#### **4.1.4 Costs and expenses**

The Customer shall pay or reimburse to the Bank immediately upon demand and the Bank shall be entitled to debit any of the Customer's account(s) with all commissions and other charges usually charged by the Bank whether or not previously notified to the Customer and all other costs, charges and out of pocket and other expenses incurred

by the Bank in connection with these General Conditions, any Special Conditions or any other agreement between the Bank and the Customer, including legal expenses.

#### **4.1.5 Taxes and other levies**

The Customer shall also be liable to reimburse the Bank all Turnover Tax, National Security Levy, Goods and Services Tax or any other similar turnover based tax, stamp duties or other levies which may be payable on the transactions carried out by the Bank with the Customer.

## **5. SECURITY**

### **5.1 Right of the Bank to request Security**

The Bank shall be entitled at any time when it deems necessary to require the Customer to provide security for any liabilities of the Customer (whether present, future, unmatured, conditional or contingent) to the Bank

### **5.2 REALISATION OF SECURITY**

If the Customer fails to or does not pay any sum or provide cash cover or security, then whether or not any contingent or other obligation or liability owing by the Customer to the Bank shall have actually matured, the Bank may without demand for payment or notice to any person, sell, realize or otherwise dispose of (including making any currency conversion) any of the Customer's assets in such manner and on such terms as the Bank may in its absolute discretion think fit. Neither the Bank nor any of its agents shall be responsible in any way for any loss which may be occasioned in exercising the aforesaid power of sale or disposal, and the Bank shall not be liable for the actions or omissions of any broker, auctioneer, agent or other person employed by the Bank in connection with such sale or disposal.

The net proceeds of any sale or disposal, after payment of all expenses, charges and other disbursements in connection therewith and any prior claims, shall be applied towards payment of the moneys then owing or to become owing by the Customer to the Bank.

A statement made by any of the Bank's officers that the power of sale or disposal has become exercisable shall be conclusive evidence of such fact.

## **6. SET-OFF AND LIEN**

### **6.1 AGREEMENT ON LIEN/SET-OFF**

The Customer and the Bank agree that the Bank acquires a lien and/ or security right on any securities and properties of the Customer which have come or may come into the possession of the Bank. The above is without prejudice to any general or banker's lien or right of set-off or other right to which the Bank may be entitled. The Customer undertakes to do such act or sign such documents as may be required by the Bank for the purpose herein

### **6.2 SECURED CLAIMS**

The lien and security right serves to secure all existing future and contingent claims, arising from the Bank's relations with the Customer (whether arising under these General Conditions, any Special Condition or in respect of any agreement or transaction, whether actual, future or contingent, as principal, surety or otherwise, and in whatever currency), which the Bank has against the Customer.

### **6.3 INTEREST AND DIVIDEND COUPONS**

All the above mentioned securities are subject to the Bank's lien / right and the Customer is not entitled to demand delivery of the interest and dividend coupons over which the Bank has such a lien / right.

## **7. ELECTRONIC BANKING SERVICES**

The Customer may request the Bank to provide Electronic Banking Services provided by the Bank on the following terms and conditions when those services are available at the Bank and the Bank may in its absolute discretion extend such services.

### **7.1 DEFINITIONS**

**Computer** means any device the functions of which includes the storing and processing of information.

**Computer Statement** means a statement produced by a single computer or several computers or any combination of computers or different computers operating in succession in any combination or different combinations of computers operating in successions in any order whether:-

- (i) directly or otherwise; or
- (ii) with or without human intervention,
- (iii) by means of any appropriate equipment or otherwise,
- (iv) derived or reproduced from information supplied to a computer or by calculation, comparison or by any other process whatsoever of which a computer is capable of.

**Authenticated user** means a user who has been authenticated to the electronic system using user credentials.

**User Credentials** means a user name and password which is only known to the user.

**Customer Instructions** means any request or instruction to the Bank effected through Electronic Banking by an authenticated user.

**Customer Password** means a string of characters, which is used to authenticate a Customer to the electronic banking system.

**Electronic Banking** means the Bank's computer controlled Electronic Financial Services system (by whatever name as may be decided by the bank).

**Electronic Banking Services** means any electronic financial service using Electronic Banking and ancillary services such as installations, training and maintenance services provided by the Bank from time to time to the Customer.

**Institution** means any branch of the Bank or any company which is a subsidiary or an associate of the Bank or any Customer service center thereof or any financial institution or company so designated by the Customer from time to time.

**Intellectual Property Rights** means any and all rights of copyright design right know-how patent design trade mark and any other intellectual property rights of any description whatever whether the rights of the Bank therein were by way of acquisition assignment or other mode.

## **7.2 CUSTOMER'S APPLICATION AND GUIDE**

- 7.2.1** The Customer may apply for Electronic Banking Services of the Bank and obtain those services subject to the terms and conditions herein contained which shall come into operation and application upon the Bank allowing the Customers application or request for Electronic Banking Services.
- 7.2.2** The application or request for Electronic Banking Services by the Customer may be refused by the Bank without assigning any reason therefor.
- 7.2.3** The Customer agrees to follow the procedures and to observe the terms conditions and restrictions as set out by the Bank in connection with the use of Electronic Banking Services.

## **7.3 BANK CHARGES**

- 7.3.1** The Customer shall obtain from the Bank a copy of the Bank's Scale of Charges before obtaining Electronic Banking Services.
- 7.3.2** The Bank may in its absolute discretion vary any item in the Bank's Scale of Charges after thirty (30) days' notice to the Customer.
- 7.3.3** The Customer agrees and undertakes to pay all charges to the Bank as per the Bank's Scale of Charges for the provision of Electronic Banking Services as advised from time to time to the Customer by the Bank.

## **7.4 SECURITY CONTROL**

- 7.4.1** It shall be the Customer's responsibility to establish and maintain the Management Control features and security features relating to the use of Electronic Banking Services as advised by the Bank. The Customer shall ensure that such features and procedures together with the Electronic Banking encryption system if any which enciphers information from the Customer's computer to the Bank's Electronic Banking system are acceptable security procedures.

**7.4.2** The Customer undertakes to keep all Customer passwords strictly confidential at all times. The Customer shall ensure that security measures within the Customer's control are both adequate and properly maintained.

**7.4.3** The Bank may accept any Customer instructions as authentic and properly authorized and the Bank shall be under no obligation to investigate the authority of persons effecting Customer instructions or verify the accuracy and completeness of any Customer instructions.

## **7.5 CUSTOMER INSTRUCTIONS**

**7.5.1** The Customer shall be responsible for all Customer instructions and he/she shall not be entitled to disclaim any responsibility even if a Customer password was used by a third party without the Customer's knowledge or authority.

**7.5.2** The Bank shall not be responsible for any consequences whatsoever of any Customer instructions being inaccurate or incomplete.

**7.5.3** The Customer undertakes to notify the Bank immediately of any known or suspected unauthorized access to the Customer's account(s) via the Bank's Electronic Banking system or unauthorized transactions and in the event of such notification the Bank shall take necessary steps to avoid loss or damage to the Customer by such unauthorized access or transaction. Provided however that the Bank shall not be liable for any loss or damage caused to the Customer in the absence of any willful default on its part.

## **7.6 CONFLICTING INSTRUCTIONS**

The Bank shall be entitled but not obliged to accept Customer instructions as instructions which have been properly authorized by the Customer, notwithstanding that such instructions conflict or may conflict with or are in any way inconsistent with any other instructions received under any other mandate given by the Customer to the Bank relating to any of the Customer's accounts. However the Bank may in

its absolute discretion reject or refuse to act on any Customer Instruction without notice and without assigning any reason therefor to the Customer. The Bank is under no obligation to cancel or amend any payment or other transactional instruction after such instructions have been transmitted to the Bank. However the Bank may use its reasonable efforts to act on a request made by the Customer for cancellation or amendment of a payment or other transactional instruction prior to the Bank's execution of such instruction, but the Bank shall not be liable in any manner howsoever if such cancellation or amendment is not effected.

## **7.7 LICENSE FOR SOFTWARE AND DOCUMENTATION**

When extending Electronic Banking Services the Bank will grant the Customer a non-transferable non exclusive license to use the Electronic Banking software and documentation, and any revisions thereof provided by the Bank to the Customer in connection with Electronic Banking ('the Electronic Banking Materials') on the computer equipment selected by the Customer to access Electronic Banking Services of the Bank. The Customer shall be responsible for such equipment and related transmission links. The Customer shall keep the Electronic Banking Materials strictly confidential at all times and shall not copy such Materials, (except the Electronic Banking software for security purposes), or allow any other person access to them without the Bank's prior written consent. The Electronic Banking Materials and all copies thereof and all Intellectual Property rights therein shall remain the exclusive property of the Bank at all times.

## **7.8 CONFORMITY OF SOFTWARE**

The Bank warrants that the Electronic Banking software will conform at the date of supply in all material respects with the current specifications as set out by the Bank, provided the Electronic Banking software is used properly. The Bank does not warrant the fitness, suitability or performance of Electronic Banking, the Electronic Banking Services or the Electronic Banking Materials. The Bank does not warrant that the operation of Electronic Banking will be uninterrupted or error free.

## **7.9 AGENT OF THE CUSTOMER**

The Customer hereby appoints the Bank as the Customer's agent for the purpose of:

- (a) Giving instructions on the Customer's behalf to any relevant Institution to transmit or otherwise communicate to the Bank and/or the Bank's Electronic Banking Services any information concerning the Customer and the Customer's account(s) (whether now in existence or opened hereafter) with any such Institutions.
- (b) Opening continuing and conducting accounts with any institution in order to give effect to any Customer Instruction and the Customer agrees that any such account will be opened and conducted on such terms and condition as that institution shall reasonably consider appropriate; and
- (c) Agreeing on the Customer's behalf with any relevant institution that the provisions of this Agreement shall *mutatis mutandis* apply as between the Customer and such Institution (references in these Clauses to the Bank being deemed to be references to such institution and references in these Clauses to Electronic Banking Services being deemed to include references to any similar services provided by such institution)

## **7.10 DELAY & FAILURE TO PROVIDE SERVICE**

The Customer agrees that the Bank shall not be liable to the Customer for any loss or damage whatsoever which the Customer may suffer if the Bank is delayed or prevented from providing the Customer with Electronic Banking Services or any other service by reason of strikes, industrial dispute, failure or suspension of power supplies or telecommunication systems or other systems or equipment or any other causes beyond the Bank's control whether such cause constitutes force majeure or not.

## **7.11 VALIDITY AND ENFORCEABILITY OF INSTRUCTIONS**

The Customer and the Bank agree not to contest the validity or enforceability of any message including Customer Instructions transmitted electronically between the parties in the provision and use of Electronic Banking Services. Any messages, if introduced as evidence on paper in any judicial or other proceedings, will be admissible as

between the parties subject to the same conditions as those applicable to records which are maintained in documentary form and the parties shall not bring into question the admissibility as evidence of messages so exchanged and stored on the basis of the provisions in these presents

## **7.12 TERMINATION**

**7.12.1** Either party may terminate the Electronic Banking Services by giving thirty (30) days' notice to the other party provided that the Bank shall be entitled to terminate the same immediately in the event of a material breach thereof by the Customer or upon closure of the Customer account(s) with the Bank. Provided however that any such termination shall not affect the rights which have accrued to the Bank prior to such termination.

**7.12.2** Upon termination of the Electronic Banking Services for any reason the Customer's license to use the Electronic Banking Materials shall cease forthwith and the Customer shall immediately return to the Bank the Electronic Banking Materials, including all copies thereof, and erase the contents of any Electronic Banking software held on hard or floppy disk and destroy all Customer Passwords.

## **8. PHONE BANKING SERVICE**

**8.1** When the phone banking service ('the Service') is made available by the Bank to the Customer on the latter's application, and the Customer has in such application notified the Bank of the accounts of third parties with the Bank or any other Banks or other financial institutions to which the Customer wishes to be able to transfer funds from time to time ('Pre-designated Accounts') the Bank will then arrange for the Customer to have access to the phone banking system of the Bank and thereby facilitate the creation by the Customer of a confidential Telephone Personal Identification Number ('TPIN') without even the knowledge of the Bank and a Telephone Identification Number ('TIN').

- 8.2** The Bank offers such facilities through the Service as it shall from time to time decide and may at its absolute discretion revoke or modify the right given to the Customer to use the service without prior notice.
- 8.3** The amount which the Customer may transfer by use of the Service to any Pre-designated Account which is not maintained in the Customer's name or which the Customer maintains at another Bank or institution shall be limited to such sum as the Bank may from time to time specify.
- 8.4** The Customer agrees to keep his TPIN confidentially and to exercise all due care to prevent its disclosure to any third party ('third party' means anyone other than those authorized by the Customer to give instructions on the system)
- 8.5** The Customer declares that he is aware that the Bank's phone banking system will be acting upon the instructions received from any person using the TPIN.
- 8.6** The Customer shall take every internal control and procedural measure to ensure that the TPIN is not used by any unauthorized person or in any unauthorized manner howsoever.
- 8.7** The Customer shall also ensure that its other employees or agents or third parties cannot and do not use the TPIN. The Customer shall bear all risks arising from the use of the Service and agrees to perform and ratify any contract entered into with or action taken by the Bank as a result of any use by the Customer of the Service and agrees to keep the Bank indemnified against any loss whatsoever which it may suffer thereby.
- 8.8** The Customer agrees to follow the procedures and observe the terms, conditions and restrictions as specified by the bank.

## **9. CURRENT ACCOUNTS**

- 9.1** No interest is allowed on Current Account balance.
- 9.2** Cheque books are supplied on a nominal charge and the Bank reserves the right to refuse to pay drawings sought to be made on any other form.
- 9.3** In the use of Cheques, Customers are requested to give careful attention to the following:

- (a) The Bank will not be held responsible in the event of a cheque being paid on a forged signature/s through the negligence of the Customer in handling the Cheque Book/s issued to him/her or otherwise.
- (b) Signatures to Cheques should be in the identical style as the specimen signature appearing on the Specimen Signature Card left with the Bank.
- (c) The amount drawn must be written in the Cheque in words as well as in figures and both words and figures should start as close as possible to the printed "Rupees" and "Rs" respectively.
- (d) Should it become necessary to make any alteration to a Cheque such alteration must be authenticated by the full signature of the Drawer.
- (e) The Bank may decline to pay Cheques bearing a date that is six months or more previous to the date of presentation for payment.
- (f) The Bank does not accept any responsibility in the event of a post dated Cheque being inadvertently paid and debited to the account of a Customer. A postdated cheque is one which bears a date subsequent to the date on which it is presented for payment.

**9.4** The Bank does not undertake to honour cheques drawn against unrealised effects. "Unrealised effects" mean cheques or orders for which the Bank has not realized payment from other banks, Mercantile Houses, Government Offices, and which have not been credited to the Customer's account.

**9.5** The Bank will not be held responsible in the event of any Cheque being returned not paid as a consequence of funds being deposited on the day of presentment of the Cheque.

**9.6** Under no circumstance and at no time should the aggregate of the amounts of the Cheques drawn by any Customer exceed the amount standing to the credit of the account of that Customer and available to him for withdrawal. The Bank may terminate all business relations with customers who draw uncovered cheques.

**9.7** The Bank reserves the right to refuse payment of any Cheque drawn in contravention of these and other Rules of the Bank for the time being in force.

**9.8** When payment of a Cheque is countermanded it is agreed that the account holder will (i) indemnify the Bank against any loss resulting

from non – payment of the Cheque on presentment (ii) notify the Bank promptly in writing if the Cheques is/are recovered or destroyed or if the stop payment order is to be cancelled (iii) not hold the Bank responsible should the items be paid or certified by the Bank through inadvertence or oversight or through misdirection of the item; (iv) notify the Bank before issuing a REPLACEMENT Cheque and to inscribe on the face of such Cheque the word “REPLACEMENT” and a date different from that of the Cheque stopped. A countermand will not be accepted unless it is in writing and contains the correct particulars of the Cheque required to be stopped. Cancellation of the countermand should also be in writing and will not take effect until a reasonable time has elapsed between the time of receipt of the cancellation and presentment of the Cheque stopped. A stop payment order shall be effective only for six months unless renewed in writing. A charge (fixed at the discretion of the bank) will be made by the Bank for each request made by a Customer for stop payment of a Cheque.

- 9.9** Credit entries relating to Cheques deposited may at the Bank’s discretion be reversed on the business day following the date of such entries in respect of any Cheques not realized.
- 9.10** The Bank will review each Current Account periodically and will make a charge, for keeping the account. In addition, the Bank will charge commissions on Cheques returned unpaid for lack of funds.
- 9.11** Customers are required to maintain the minimum balance specified by the Bank from time to time.
- 9.12** Subject as hereinafter set out the Bank acts only as the Customer’s agent for collection of the items deposited with the Bank. It is understood and agreed that all transmission and carriage of such items by post or otherwise to or from the drawee bank or other paying organisation whether through the Clearing House or otherwise shall be at the sole risk and responsibility of the Customer, the Bank not being liable for any loss of, or damage to the items, under any circumstances except such as are directly attributable to any intentional wrongful act or omission of the Bank or its officers. Proceeds of cheques and other instruments so deposited will not be credited to the Customer’s account until receipt of payment by the Bank, in case where the Bank does immediately credit the Customer’s account with the amounts of a collection item, the said credit so given before realisation shall always be with recourse to the

Customer for the amount so credited should the item be dishonoured, the Bank being holder for value of that item. In all cases of collection of items any charges paid or incurred by the Bank will be for and on behalf of the account of the Customer.

- 9.13** Notice of dishonour of cheques or other items deposited for collection shall be given by the Bank as soon as possible after receipt thereof by the Bank
- 9.14** The Customer shall indemnify the Bank, as Collecting banker for any loss which the Bank may incur or suffer by reason of it's guaranteeing any endorsements, discharge or discharges, on any cheque, bill, note, draft, dividend, warrant, or other instrument presented by a Customer for collection and every such guarantee given by the Bank shall be deemed to have been given at the Customer's request in every case.
- 9.15** Accounts may not be overdrawn, even temporarily, unless prior written arrangements have been made with the Bank. Should an account become overdrawn, the Customer shall pay interest on the amount overdrawn at a rate to be fixed by the Bank having regard to the Bank's usual course of business.
- 9.16** Any reference to funds herein is only to the credit balance of the account on which the cheque is drawn and /or on which a credit facility is granted by the Bank.
- 9.17** Upon the closing of an account either by the Customer or by the Bank, all cheques forms previously issued to the Customer and remaining unused shall be the property of the Bank and the Customer shall forthwith return them to the Bank.
- (a) Loss of blank cheque forms should be immediately reported to the Bank.
- (b) Subject to the other terms and conditions set out herein in case several cheques or bills, the total amount of which exceeds the amount of the available funds, are presented simultaneously to the Bank, the Bank is entitled to choose which cheques or bills would be paid from the funds available in the account on which the drawing is made.

**9.18** The funds in a Current Account as in all other accounts of a Customer is considered by the Bank to be security for all the obligations, present or future, of the Customer to the Bank and in the event of the dishonour by the Customer of such obligations the Bank is entitled without notice to the Customer to utilise such funds to fulfill such obligations of the Customer to the Bank and consequently refuse payment of cheques already drawn.

**9.19** These terms and conditions in this Clause 9 are in addition to the rules set out on the covers of the cheque books and on paying-in-slips and cash receipts and the Bank's Special Conditions and other rules posted in the lobby of the Bank.

**9.20** The Laws and Regulations of the Government of Sri Lanka and the usual practice customs and procedures common to Banks in Sri Lanka will apply to and govern the conduct of Current Accounts opened by the Bank and the realisation of items lodged to the credit of each account.

## **10. RULES FOR SAVING ACCOUNTS**

**10.1** Interest at such rates as shall be announced by the Bank will be allowed on daily credit balances and will be credited to the depositor's account monthly. Interest will not be allowed on average credit balances as may be determined by the Bank from time to time.

**10.2** All cheques and other monetary instruments accepted for deposit are credited subject to final payment. The Bank reserves the right to charge the depositor's accounts with items which are subsequently returned unpaid.

**10.3** All transactions through the Automatic Teller Machines are subject to the Terms and Conditions for the user of those machines.

**10.4** No interest will be paid if the savings account average balance is less than LKR 5000/-.

## **11. TERM DEPOSIT ACCOUNTS**

- 11.1** There is no obligation on the part of the Bank to release to the depositor/s the deposit of any part thereof during the currency of the term of the deposit whether original or subsequent.
- 11.2** The Term Deposit Receipt issued by the Bank to the Depositor/s at the time of the deposit is not transferable and until the same is duly discharged by the depositor/s and delivered to the Bank by the depositor/s the deposit will not be released by the Bank.
- 11.3** The expiry of the term or period of the deposit whether original or subsequent and the delivery to the Bank of the Term Deposit Receipt duly discharged as aforesaid are to be together conditions precedent to the release of any money lying in the term deposit.
- 11.4** No interest will accrue after expiry of the date of maturity of the deposit.
- 11.5** Unless instructions are given in writing by the depositor/s to the Bank to the contrary at least seven working days before the end of any current term of the deposit, the Bank has the right and authority although it shall not be obligatory on the Bank to do so, to renew the term deposit, exclusive/inclusively (as the case may be) of the accrued interest, if any, for a further term and for successive periods or terms at the end of each term for which such deposit may be lying or placed at the sole discretion and convenience of the Bank and subject to the conditions herein contained and such other conditions (including the rate of interest and term of withdrawal) as may be prescribed by the Bank from time to time.
- 11.6** Where the term deposit or any renewal thereof is in joint names, in the event of the death of any of the depositors, the survivors of such depositor/s will be entitled to all the rights and powers which the depositor/s so dying had at the time of such death in respect of the term deposit.
- 11.7** So long as any monies whether in Sri Lanka Currency or any Foreign Currency may now or hereinafter from time to time and at any time become due and owing to the Bank whether actually or contingently primarily or collaterally or jointly or severally or as principal or surety by the depositor/s or any or either of the depositor/s the Bank shall be entitled without making any previous demand of the same from the depositor/s or any or either of the depositor/s and notwithstanding anything to the contrary in any law or contract now in force or

hereafter to come into effect or existence at any time and without previous notice to the depositor/s or any or either of the depositor/s to set-off, realize, utilise, apply and appropriate the monies or currencies lying or placed in the said term deposit and any renewal thereof and the accrued interest on such monies in deposit against and in pro tanto satisfaction of all monies whether in Sri Lanka Currency or in Foreign Currency which may be or become due or owing to the Bank as aforesaid and the authority given to the Bank in that behalf being for valuable consideration now given or hereafter to be given by the Bank to the depositor/s shall be irrevocable.

## **12. JOINT ACCOUNTS**

**12.1** In the event of a Customer Account being a Joint Account the Joint Account holders shall be jointly and severally liable for any overdraft loan or other credit facilities or accommodation which shall be granted to any such account together with all interest, commissions and other banking charges and expenses.

### **12.2 PROCEDURE ON DEATH OF CUSTOMER**

In the event of the death of either or any of the Customers the Bank shall pay, deliver to or to the order of the survivor or survivors of the Customers all money, security deeds, documents, and other property (including security boxes and other contents) whatsoever standing to the credit or held by the Bank for any account or accounts in the Customers' joint names.

### **12.3 NOTICES**

Notices are to be sent to the first of the names in the list of the joint account holders where necessary.

## **13. SPECIAL SCHEMES, PREFERENTIAL TREATMENT AND PRIVILEGES**

The Bank may introduce special schemes and confer preferential treatment and privileges on certain of its Customers. Such preferential treatment and/or privileges may be accorded based on the account balances of such

Customers or such other criteria as may be determined by the Bank from time to time at its sole discretion. Where preferential treatment or privileges have been accorded to a Customer on the basis of account balances (either credit or debit or a combination of credit and debit balances) such privileges and/or treatment maybe revoked upon such balances falling below the minimum amounts stipulated by the Bank from time to time. The Bank shall in any event have the right to withdraw such special schemes, preferential treatment or privileges at any time and at its sole discretion without notice to the Customer and without assigning any reason therefor.

## **14. MISCELLANEOUS**

### **14.1 PRUDENCE**

The Customer shall exercise care to ensure that all relevant information (for example its signature) and documents (for example the cheques) relating to any account and/or transaction are properly kept and guarded so that they cannot be used by any other party for any unauthorized purpose. The Customer shall inform the Bank promptly if it is aware of or suspects any unauthorized use of its accounts, information or documents, and shall do such act and sign such document as the Bank may reasonably require in connection with these General Conditions. If bills of exchange are debited to the Bank by reason of forged signatures or of alteration to other parts of the instruments, the Bank may in turn debit the Customer.

### **14.2 STATEMENT OF INDEBTEDNESS, ETC**

A statement or certificate issued by the authorized officer(s) of the Bank as to the sums and liabilities (including the currency(ies) thereof) for the time being owing by the Customer to the Bank or as to any matter relating to any transaction/relation shall, in the absence of manifest error, be conclusive against and binding on the Customer.

### **14.3 CURRENCY INDEMNITY**

If the Bank receives payment for any amount owing by the Customer and such payment is in a currency other than the currency in which such amount is owing to the Bank (the "currency of account"), the Bank shall

be entitled at any time at its discretion without notice to the customer to convert such payment into the currency of account on such term(s) and rate(s) of conversion as the Bank may determine, and the Customer shall fully indemnify the Bank in respect of all losses, costs and expenses which the Bank may suffer at any time as a result thereof. No payments to the Bank (whether under any judgment or court order or otherwise) shall discharge the amount in respect of which it was made unless the Bank shall have received payment in full in the currency of account, and to the extent any payment shall on conversion in the manner aforesaid into the currency of account fall short of such amount expressed in the currency of account, the Bank shall have a separate cause of action against the Customer to recover the shortfall.

## **15. BANKING SECRECY**

### **DISCLOSURE**

**15.1** The Customer hereby authorises the Bank to disclose any information regarding the Customer or the transactions or account(s) of the Customer at any branch of the Bank for such purpose or purposes as the Banking Act and the banking law allows which shall include the right to disclose all such information necessary for any director, manager, officer or other person employed in the business of the bank to disclose, in the performance of their duties.

**15.2** The Customer hereby authorizes the Bank to disclose all such information to all such persons to whom such disclosure shall as aforesaid be necessary including but not limited to :

any guarantor of, or third party provider of security for the Customer or his/her/its account(s) with the Bank in respect of any banking facility or service provided by the Bank to the Customer: or

any actual or potential assignee participant or contractual party in connection with any rights or obligations of the Bank in relation to the Customer

## **16. TERMINATION**

### **16.1 TERMINATION RIGHT OF THE CUSTOMER**

### **16.1.1 Right of termination**

Unless the Bank and the Customer have otherwise agree in writing to a termination provision and subject to other provisions herein contained and such Special Conditions governing a particular relationship, the Customer may at any time, with reasonable prior written notice given to the Bank, terminate the business relations as a whole or any particular business relation the Customer has with the Bank. Provided however, that any such termination shall not affect the rights which have accrued to the Bank prior to such termination.

### **16.1.2 Termination for reasonable cause**

If the Bank and the Customer have agreed on a term or a termination provision for a particular business relation between them, such relation may only be terminated in accordance with such term or provision.

### **16.1.3 Termination rights of the Bank**

#### **(a) Termination upon notice**

Upon giving notice to the Customer which in the Bank's opinion is reasonable, the Bank may at any time terminate its business relations as a whole or any particular business relation with a Customer for which neither a term nor a termination provision has been agreed in writing between the Bank and the Customer. Provided however that any such termination shall not affect the rights which have accrued to the Bank prior to such termination.

#### **(b) Termination of loans and facilities with no fixed term**

Loans, or credit or banking facilities/commitments for which neither a fixed term nor a termination provision has been agreed in writing may be terminated at anytime by the Bank in its discretion without prior notice, Provided however, that any such termination shall not effect the rights which have accrued to the Bank prior to such termination.

#### **(c) Termination for reasonable cause without notice**

The Bank may terminate its business relations with a Customer in whole or with respect to any particular relation without notice if there is reasonable cause, which makes it unacceptable to the Bank to continue such business relations,. Provided however, that any such termination shall not affect the rights which have accrued to the Bank prior to such termination.

(d) Settlement following termination.

upon termination of the Bank's business relations or facilities with the Customer as aforesaid, all amounts and obligations owing by the Customer to the Bank shall become due and payable immediately on demand by the Bank and all foreign exchange and other derivative transactions between the Bank and the Customer shall be terminated early at the Bank's discretion and become due and payable at the then market value as determined by the Bank. With regard to any outstanding future or contingent liability of the Customer to the Bank, the Customer shall immediately provide sufficient cash cover for the same on such terms as the Bank shall require.

## **17. LIMITATION OF LIABILITY**

### **17.1 LIMITS OF LIABILITY**

In the performance of its obligations, the Bank shall only be liable for the willful default or gross negligence on the part of its staff.

### **17.2 ORDERS PASSED ON TO THIRD PARTIES**

If the contents of an order or transaction are such that the Bank typically entrusts or considers it expedient to entrust a third party with its further execution, the Bank performs the order or transaction by passing it on to the third party in its own name.

### **17.3 LOSS OF INTEREST**

If delays or misdirections in connection with the execution of orders or with any advices in respect thereof occasion any loss, the Bank is liable only for loss of interest. No liability is assumed for any loss based merely on a change of value of the currency or the medium of payment.

## **18. INDEMNITY**

The Customer shall indemnify the Bank against any and all claims, demands, actions, damages, liabilities, costs, losses, expenses and other sums which the Bank may incur or suffer however in connection with or arising from giving credit or other banking facilities to the Customer or performing any banking service for the Customer, and shall reimburse the Bank upon demand for any such payment which may be made or incurred by the Bank by reason thereof.

## **19. PRESCRIPTION**

Any monies due from the Customer to the Bank in respect of any loan and interest thereon shall be recoverable from the Customer notwithstanding the Prescription Ordinance (Cap. 68) and the Customer agrees that he shall not plead the Prescription Ordinance (Cap. 68) as a bar to the Bank suing the Customer for the recovery of the said monies.

## **20. FORCE MAJEURE**

The Bank shall not be liable for any losses caused by its inability to perform any act by reason of force majeure including but not limited to riot, war, natural disaster, any circumstance beyond the Bank's control or other occurrences for which the Bank is not responsible [e.g. strikes, lock-outs, traffic hold-ups, civil commotion, acts of domestic or foreign government or other authorities (whether de jure or de facto), requirements of any law or regulation, market disruption, or any act of a clearing, settlement agency or central depository].

## **21 INFORMATION AND NOTICES**

**21.1** The Customer shall notify the Bank without delay in writing of any changes in the Customer's name, address and other particulars,.

**21.2** All information regarding the trade, business or occupation and financial condition or any material change in respect thereto of the Customer shall be furnished by the Customer to the Bank.

**21.3** Particulars of any litigation or threatened litigation which may tend to affect the Customer's financial capacity shall be disclosed by the Customer to the Bank.

**21.4** The Bank is entitled at its discretion and without liability to send any notice, correspondence, instruments or document to the Customer by ordinary post, hand, telex or facsimile or e-mail (to the address, telex number or facsimile number or e-mail address of the Customer last known to the Bank), and any such communication shall be deemed to have been received by the Customer two days after posting (if local), five days after posting (if overseas), at the time of transmission (if by telex or facsimile or e-mail), or upon delivery (if by hand).

## **22. GOVERNING LAW**

### **22.1 PLACE OF JURISDICTION**

Without prejudice to the Bank's right to proceed against the Customer in any other country or in any other Court, the Customer irrevocably submits to the non-exclusive jurisdiction of the Courts of Sri Lanka. (The Bank itself may be sued only before the Courts of Sri Lanka).

### **22.2 SUBSTANTIVE LAW**

This Agreement shall be governed by the Laws of Sri Lanka.

NATIONS TRUST BANK PLC  
PQ 118  
242, Union Place, Colombo 2