

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 (hereinafter referred to as the "Bank") and its successors and assigns (including, without limitation, towards contracts, swaps, options and any derivative transactions).

1.2. AMENDMENTS

These terms and conditions herein contained may be amended or modified by the Bank from time to time with notice to the customer at its discretion.

1.2.1. KEEPING OF ACCOUNTS

1.2.1.1 PERIODIC BALANCE STATEMENTS

1.2.1.1.1 Issue of periodic balance statements

Unless otherwise agreed upon, the Bank will issue periodic balance statements (in either paper or electronic form) for the customer's account (s), which are in operational state, at such intervals to be determined by the Bank.

1.2.1.1.2 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 from the date of the statement.

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.

1.2.1.1.3 Copies of statements

The customer is responsible for preserving copies of his/her statements. Should paper copies of statements be requested from the Bank, the Bank reserves the right to levy charges for such additional copies, in accordance with its published tariff.

1.3 REVERSING 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 reversal or correction or cancellation.

With respect to any correction relating to the calculation of interest (or other return), the Bank reserves the discretion to effect the correction in such manner as it deems fit.

1.4 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).

1.5 LIABILITY OF PARTIES ON UNAUTHORIZED TRANSACTIONS ON THE ACCOUNTS OR FRAUD INVOLVING A CREDIT INSTRUMENT

In the event of an unauthorized transaction, the Customer is advised to contact the Bank immediately. The Bank reserves the right to block transactions that appear suspicious or out of the ordinary.

In the event of suspected fraud, the Bank will conduct an investigation to determine the validity of such suspicion. This may involve reviewing transaction records, analyzing security footage, and communicating with the Customer to gather relevant information.

1.6 COLLECTION ORDERS

1.6.1 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 only done on condition of punctual payment thereof to the Bank in full, even if these items are payables 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 the interest and costs) regardless of whether or not a periodic balance statement has been issued in the meantime.

1.6.2 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 procedure.

1.7 RISK INHERENT IN FOREIGN CURRENCY ACCOUNTS AND TRANSACTIONS

The following general terms and conditions shall, subject to the regulations, directions, guidelines and other operating instructions that maybe given or made by the Central Bank of Sri Lanka from time to time, govern all foreign currency accounts opened and maintained at the Bank.

1.7.1 Foreign Currency Accounts

- a. Foreign currency accounts may be opened and maintained by persons or institutions in currencies approved by the Central Bank of Sri Lanka.
- b. The Bank may specify a minimum initial deposit in respect of any such account.
- c. The Bank does not recognize trusts for the purpose of foreign currency accounts.
- d. Issue of foreign currency notes to the debit of the account will be subject to the operating instructions issued by the Central Bank of Sri Lanka or any other relevant authority, in force from time to time. The Bank at any time is not obligated to offer foreign currency notes in lieu of foreign currency maintained in the account. However if the Bank does offer such notes to the Customer, it will do so at prevailing market rates.

1.7.2 Deposits

- a. Depositing foreign currency notes to an account of the same currency or another foreign currency account of the Customer is subject to exchange rates prevailing for each instrument and each respective currency pair.
- b. The Bank may at its sole discretion decide whether drafts and other payment orders not drawn on the Bank are to be purchased or sent on collection. The Bank will retain full recourse (including charges) in respect of all instruments

purchased in the event of subsequent dishonor by the paying bank. The account of the Customer will be debited on receipt of notice of dishonor.

- c. When drafts drawn on the Bank are paid to the credit of any account, the Bank will deduct handling charges in accordance with its published tariff. The value date on such deposits will be decided by the Bank depending on the Bank's prevailing policy. When drafts/cheques/other negotiable instruments not drawn on the Bank are purchased for the credit of an account, the Bank will deduct discount charges in addition to handling charges from the face value of the instrument when crediting the account.

1.7.3 Remittances

- a. A Remittance/draft is to be dispatched entirely at the applicant's risk.
- b. The Bank will typically convert the remitted funds into the applicable beneficiary currency as specified in the remittance or determined in good faith by the bank on the date of receipt of good value of such funds or thereafter, at the applicable buying rate for such received currency. The Bank may determine the date of such conversion at its discretion.
- c. In the case of cancellation of a remittance, a refund is to be made only on the basis of the amount actually received from the correspondent Bank, taking differences in exchange rates at the time of receipt of the remittance and at the time of refund into account. The Bank may apply the relevant buying and selling rates as published by the Bank and is entitled to be reimbursed for the expenses so incurred by itself and any charges levied by its correspondents or agents. All cancellation charges, levies and commissions collected are not refundable.
- d. The Bank shall not be responsible for the difference of exchange rates at the time of receipt of the remittance and at the time of cancellation or reversal. In the event there is a loss arising out of such cancellation or reversal, the customer shall bear same. Gains arising out of such cancellations shall not be provided to the customer.
- e. The Bank shall not be liable for any foreign currency exchange losses or other 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.

1.7.4 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.

In the event of cancellation of any foreign currency transactions, any losses

resulting from such cancellation shall be assumed by the Customer, and any gains resulting from such cancellations shall not be transferred to the Customer.

2 DUTIES OF THE CUSTOMER

2.2 CLARITY OF ORDERS/INSTRUCTIONS

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

2.3 SPECIAL REFERENCE TO URGENCY IN CONNECTION WITH THE EXECUTION OF ORDERS/INSTRUCTIONS

If a Customer requires a particularly prompt execution of an Orders/ instruction (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.

2.4 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, statement of securities and of investment income, other statements, advices of execution of orders/instructions, 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 absence of any objection in the manner set out above the aforementioned statements, advices and information shall be deemed to be correct and binding on the Customer.

2.5 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.

3 COST OF BANK SERVICES

3.2 INTEREST, CHARGES AND OUT-OF-POCKET EXPENSES

3.2.1 Interest and Charges

- a. The Customer shall pay interest on money due to the Bank at such rate(s), on such basis and at time(s) and shall be agreed in writing with the Bank from time to time.
- b. 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 costs, charges, out of pocket and other expenses incurred by the Bank, whether or not previously notified to the Customer, in connection with any transaction carried out by the Bank with the Customer, including legal expenses.
- c. Information regarding the Bank's interest rates, fees, charges and commissions, required to be paid by the Customer is contained in the Bank's tariff sheet, which is available on the corporate website for reference along with any special benefits available for Customers.

3.2.2 Computation Method

The Bank's interest calculation formula is as follows:

The calculation is consistent across all Assets and Liability products of the Bank. This formula maybe changed or amended by the Bank from time to time with notice to the Customer.

Balance Base "Interest Rate/100" Interest Basis.

The Interest Basis depends on the Currency. For example LKR is Actual/Actual. USD is Actual/360.

3.2.3 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.

3.2.4 Variable interest rate

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 with notice, unless otherwise agreed in writing.

3.2.5 Taxes and other levies

The Customer shall also be liable to reimburse the Bank in respect of all applicable Government imposed taxes, duties and other levies which may be payable on the transactions carried out by the Bank with the Customer.

4 SECURITY

4.2 RIGHT OF THE BANK TO REQUEST SECURITY

The Bank reserves the right 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.

4.3 REALIZATION 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, with notice to the Customer, 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. All charges incurred in selling, realization or disposition of Customer's assets shall be borne by the Customer. 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 omission 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.

5 LIEN AND SET OFF

5.2 AGREEMENT ON LIEN AND SET-OFF

5.2.1 Lien

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.

5.2.2 Right of Set-off

The Customer consents and authorizes the Bank, to set off and appropriate at any time and at all times hereafter all monies now lying or hereafter lying to the credit of the Customer or becomes due owing and payable by the Bank to the Customer, on fixed deposit accounts, savings accounts, current accounts, certificates of deposit or any other account, deposit or transaction of whatsoever kind or nature with the Bank, against all monies now or hereafter to become due owing or payable to the Bank on account of loans, credits, advances or other pecuniary aid, assistance and banking facilities afforded or to be afforded by the Bank to the Customer and all indebtedness and liabilities of the Customer to the Bank. The Customer undertakes to do such act or sign such documents as may be required by the Bank for the purpose herein.

5.2.3 Exercise of Rights

The Customer authorizes the Bank to exercise the right of set off or lien or appropriation created hereby with notice to the Customer for payment of any money due to the Bank.

6 CURRENT ACCOUNTS

No interest is allowed on Current Account balances.

Cheque books are supplied at a nominal charge and the Bank reserves the right to refuse to pay drawings sought to be made on any other form.

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 handing the Cheque Books issued to the Customer or otherwise.
- b) Signatures on cheques should be in the identical style as the specimen signature appearing on the Specimen Signature Card in the possession of 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 prior 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.

The Bank does not undertake to honor 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.

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.

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

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.

When payment of a Cheque is countermanded it is agreed that the account holder will:

- a) indemnify the Bank against any loss resulting from non-payment of the Cheque on presentment;
- b) notify the Bank promptly in writing if the Cheque/s is/are recovered or destroyed or if the stop payment order is to be cancelled;
- c) 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;
- d) 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 direction of the Bank) will be made by the Bank for each request made by a Customer for stop payment of a Cheque.

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.

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.

Customers are required to maintain the minimum balance specified by the Bank from time to time.

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. However, if the Bank immediately credits 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 dishonored, 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.

Notice of dishonor of cheques or other items deposited for collection shall be given by the Bank as soon as possible after receipt thereof by the Bank.

The Customer shall indemnify the Bank, as Collecting Banker for any loss which the Bank may incur or suffer by reason of it 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.

Accounts may not be overdrawn, even temporally, 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.

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.

Upon the closing of an account either by the Customer or by the Bank, all cheque forms previously issued to the Customer and remaining unused shall be the property of the Bank and the Customer shall forthwith return same to the Bank.

Loss of blank cheque forms must be immediately reported to the Bank by the Customer.

Subjects 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.

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 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.

The terms and conditions in this Clause 7 are in addition to the rules set out on the covers of the cheque books and on paying-in-slips and cash receipts and other conditions and rules of the Bank.

The Laws and Regulations of the Government of Sri Lanka and the usual practices 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.

7 RULES FOR SAVING ACCOUNTS

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.

The Bank may in its absolute discretion refuse to pay interest where the average balance falls below the average minimum balance stipulated by the Bank.

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.

8 TERM DEPOSIT ACCOUNTS

There is no obligation on the part of the Bank to release to the depositor, the deposit or any part thereof during the currency of the term of the deposit whether original or subsequent.

The Term Deposit Receipt issued by the Bank to the depositor/s at the time of the deposit is not transferable. No interest will accrue after expiry of the date of maturity of the deposit. 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.

The Bank may specify a minimum deposit amount required to open a deposit account.

The Bank may specify the minimum period for which a deposit may be placed. In the event Customer withdraws the deposit with the consent of the Bank prior to the expiration of such minimum period, Customer agrees that the Bank may withhold payment of interest on such deposit.

Notwithstanding the above, the Bank may at its discretion reduce the agreed interest rate for any deposit in the event of any premature withdrawal.

Where the Customer has obtained credit facilities against a term deposit, the Customer authorises the Bank to uplift the Deposit prior to the expiration of its original tenor and set off the monies in such fixed deposit against all monies due owing and payable to the Bank on account of such credit facilities.

9 JOINT ACCOUNTS

In the event of an 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 granted to any such account, together with all interest, commissions and other banking charges and expenses.

Where any account is in joint names, in the event of the death of any joint account holder, the remaining account holder/s of such account shall be treated by the Bank as the holder/s of such account and as the only person/s having any title or interest to the monies in such account. Accordingly, notwithstanding anything to the contrary in the operating instructions, the monies in such account shall be paid by the Bank to the surviving account holder/s.

Any notice required to be given to joint account holders shall be addressed to the primary account holder.

10 SPECIAL SCHEMES, PREFERENTIAL TREATMENT AND PRIVILEGES

The Bank may introduce special schemes and confer preferential treatment and privileges on certain 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. Whether preferential treatment or privileges have been accorded to a Customer on the basis of account balances (either credit or debit or a combination of the credit and debit balances) such privileges and/or treatment may be revoked upon such balances failing 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 with notice to the Customer and without assigning any reason therefore.

11 MISCELLANEOUS

The Bank may at its discretion specify at any time, the eligibility criteria for opening and operation of accounts.

The Customer shall exercise care to ensure that all relevant information (for example the Customer's signature) and documents (for example the cheques) relating to any account and/or transaction are properly kept and guarded, in order to ensure that it 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.

A statement or certificates issued by the authorized officer(s) of the Bank as to the sums and liabilities (including the currency(ies) 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.

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 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.

12 COMPLAINT PROCEDURE

Customers may forward any complaint to the Bank verbally or in writing.

All verbal or written complaints maybe addressed to the Manager, Customer Experience, or to any other person named or identified in any official publication or notice of the Bank, as the person authorized to receive such complaints.

If the customer wishes to know further information, the Bank has to be contacted in the following manner www.nationstrust.com or 24-hour Call Centre: +94114711411

In case, the Customer has any complaint relating to any of the benefits pertaining to any product of the Bank, a brief written statement containing the notice of the complaint should be forwarded to Manager – Customer Experience, Nations Trust Bank PLC, 242, Union Place, Colombo 2 or contact the Bank by telephone: +9743 565 656 or email customerservice@nationstrust.com

On receipt of a complaint, the recipient thereof shall forward such complaint to the Customer Experience Team of the Bank by lodging a complaint via the Customer Service centre/Complaints Management System.

All complaints shall be monitored and duly followed up by the Bank's Customer Experience Team for resolutions to be provided within the agreed SLA's.

The Bank shall respond to the Customer on the complaint within Twenty One (21) calendar days of the date of the complaint being made. In the event the Bank is unable to conclude the inquiry into the complaint within this time period, then the Bank will within such period of Twenty One (21) calendar days, provide the Customer with an interim response and inform the Customer the date by which the Bank will revert to the Customer with a final response, subject to a maximum time frame of 3 months.

In the event the Bank concludes the complaint to be legitimate, the Bank shall in such response inform the Customer of the steps taken to resolve the complaint.

Any complaint received from a Customer verbally maybe responded to verbally or in writing by the Bank. Any complaint received from a Customer in writing shall be respond to by the Bank in writing. All complaints will be responded to in the same language as the language of the complaint.

While the Bank would prefer to always resolve any concern raised with the Bank to the satisfaction of the Customer, the Customer also can write to the Office of the Financial Ombudsman or Central Bank of Sri Lanka and request redress.

The Office of the Financial Ombudsman – Sri Lanka

The Financial Ombudsman is an independent, impartial, and free service established as part of the Financial Sector Reform package initiated in April 2002. For contact details and further information, please refer to the official website:

www.financialombudsman.lk

Central Bank of Sri Lanka (CBSL)

For complaints and queries related to financial services, the Customer may contact the Central Bank of Sri Lanka. For contact details, further information and submission details, please visit their official website: www.cbsl.gov.lk.

13 RECOVERY ACTIONS AND FORECLOSURE PROCEDURE

13.2 The course of recovery action a Bank may follow in the event of any default by the Customer on his/her obligations is as follows:

- a. The Bank will first attempt to contact the Customer and recover the due amount from the Customer.
- b. In the event the Bank fails to recover the due amount in this manner, the Bank may seek assistance from an external service provider to recover the due amount from the Customer.
- c. In the event the Bank fails to recover the due amount from the Customer, the Bank will initiate legal action against the Customer.

13.3 The Bank's expenses which will be reimbursed from the Customer.

In the event the Bank has to proceed with legal action against the Customer, all costs incurred by the Bank in connection with the same and any other costs incurred in respect of investigations, publications and recovery maybe claimed by the Bank from the Customer.

13.4 The procedure to be employed by the Bank to foreclose on the property held as collateral for a loan, overdraft or any other credit facility.

In the event of any default by a Customer of a loan, overdraft or any other credit facility, the Bank shall follow one of the following procedures to acquire the property held as collateral for the loan or overdraft or such other credit facility (collectively "credit facility/ies"):

13.4.1 Parate Execution

- a. If the credit facility amount is above Rs. 5 Million (or such other amount as may be stipulated by applicable laws and regulations), the Bank may pass a Board Resolution and make paper publications and take steps to sell the property by way of a public auction (Parate procedure). The Bank may in the alternative without following the Parate procedure file action against the Customer in Court to enforce the Mortgage bond under the Mortgage Bond Action procedure hereinafter detailed.
- b. If the Bank takes steps under the Parate procedure and if a third party purchases the property at the auction, the Bank will recover from the sale proceeds, the amount outstanding to the Bank on the credit facility and all connected expenses and charges and hand over any excess money (if any) to the Customer.

- c. In the event there are no purchasers for the property at the auction, the Bank will acquire the property under its name for a nominal payment as empowered under the Recovery of Loans by Banks (Special Provisions) Act No. 4 of 1990 (as amended).
- d. After acquiring the property the Bank will take steps to resell the property at its discretion. After the resale, the Bank will recover from the sale proceeds the amount outstanding to the Bank on the relevant credit facility and all connected charges and hand over any excess money (if any) to the Customer.

13.4.2 Mortgage Bond Action

- a. If the credit facility amount is below Rs.5 Million (or such other amount as may be stipulated by applicable laws and regulations), the Bank will file legal action in Court to enforce the mortgage bond and to seek an order from court to auction the property by way of public auction.
- b. After the auction, the Bank will recover from the sale proceeds, the amount outstanding to the Bank on the credit facility and handover any excess money (if any) to the Customer.

13.5 The consequences thereof to the Customer and options available to him/her

At any stage mentioned above, the Bank will allow the Customer to settle the credit facility outstanding and costs incurred to enforce the Mortgage. After the settlement of all such outstanding amounts to the Bank, the Bank will release the property held as collateral to the Customer.

14 POLICIES AND PROCEDURES ON ABANDONED PROPERTY AND DORMANT ACCOUNTS

14.1 Abandoned Property

Abandoned property includes the balance in any bank account (Current, Savings, Term Deposits or otherwise) and any other property held at the Bank by or on behalf of a Customer other than as security for any banking facility (such as contents in Safety Deposit Lockers) and in respect of which no transaction has been effected for a period of more than ten (10) years.

On an annual basis, within six (06) months of each year end, the Bank is required to submit a report to the Central Bank of Sri Lanka (CBSL) on such abandoned property in such form as the Monetary Board may determine.

Within thirty (30) days from the report submitted to CBSL, the Bank shall publish a full list of such abandoned property in the newspaper in Sinhala, English and Tamil languages stating the name of the owner and particulars concerning the property.

Simultaneously, notices shall be dispatched by the Bank *via* registered mail to the respective owners of the abandoned property to their last known address informing them of the abandoned property and giving them a reasonable period of time to claim the property.

Unless a valid claim is made by the Customer, the Bank shall within such time as determined reasonable by the Bank:

- a) Transfer funds maintained in Sri Lanka currency in the dormant accounts to CBSL and continue to retain at the Bank such funds maintained in foreign currency.
- b) Break open the safety deposit lockers and take out the contents.

Customers shall be entitled to claim such funds transferred to CBSL at any time, upon proof of identity.

Contents in the safety deposit lockers shall be retained in the safe custody of the Bank without destruction until such time a valid claim is made.

Heirs and successors of the Customers claiming abandoned property are required to submit to the Bank, documents in support of their claims as required by law.

Costs incurred by the Bank in connection with the above procedure shall be charged by the Bank to the owners of the abandoned property.

14.2 Policies and Procedures on Dormant Accounts

An account is deemed to be dormant when:

- There has been no Customer originated activity in the account for the following periods:
 - Current Accounts – 12 months
 - Savings Accounts – 24 months
- If for any other reason the Bank considers dormant classification appropriate including in the case of no contact with the Customer.

Provided however that the aforementioned periods may be revised by the Bank from time to time, depending on its internal policies and/or applicable laws and regulations.

The Bank may prior to reactivating a dormant account interview the Customer and obtain clarification regarding the dormant status. The Customer shall if so requested, provide to the Bank such clarification in writing.

The Bank may at its discretion require the Customer to submit to the Bank documents specified by the Bank prior to re activating a dormant account e.g. Copy of Customer's NIC, company registration certificate.

In the event an account is classified as dormant, the Bank shall have the right to refuse transactions on such account, including payment of cheques drawn on such account, until it is satisfied that such dormant status should be removed.

15 THE RULES REGARDING SUSPICIOUS TRANSACTIONS TO THE FINANCIAL INTELLIGENCE UNIT ("FIU") IN ACCORDANCE WITH THE FINANCIAL TRANSACTIONS REPORTING ACT NO.06 OF 2006

If there are reasonable grounds for the Bank to suspect that any transaction or attempted transaction may be related to the commission of any unlawful activity or any other criminal offence or the Bank has information that may be relevant to any proposed unlawful activity or criminal offence including money laundering, terrorist financing by any person, group of persons or entity or relevant to any investigation or prosecution, the Bank shall report the same forthwith to the FIU.

Such report shall be made in such form and contain such details as required by the FIU.

In the event the FIU directs the Bank not to carry out any transaction, the Bank shall suspend the transaction to allow the FIU to make the necessary inquiries and to obtain the assistance of law enforcement agencies.

The Customer shall not be entitled to be informed of any action taken by the Bank under these rules and the Bank shall in no way be liable or responsible to the Customer in respect of any such action taken by the Bank.

16 THE RULES REGARDING REPORTING OF ABOVE THE THRESHOLD TRANSACTIONS TO THE FINANCIAL INTELLIGENCE UNIT ("FIU") IN ACCORDANCE WITH THE FINANCIAL TRANSACTIONS REPORTING ACT NO 06 OF 2006

The Bank is required to report to the FIU in such format and within such period as may be prescribed by the FIU, every cash transaction and electronic fund transfer exceeding the sum specified by regulation.

Electronic fund transfers that require reporting shall include electronic fund transfers made in any manner whatsoever including but not limited to Inward & Outward Remittances, SLIP Transfers, RTGS Transactions, Credit Card Transactions, Debit Card Transactions (if applicable) and transaction relating to NRFC Accounts and RFC Accounts.

Bank shall in no way be liable or responsible to the Customer in respect of any action taken by the Bank under these rules.

17 BANKING SECRECY

17.1 Disclosure

The Customer hereby consents and authorizes to the Bank disclosing information regarding the Customer and/or transactions or account(s) of the Customer with the Bank and/or any branch of the Bank for such purpose or purposes..

18 TERMINATION & SUSPENSION

18.1 Termination right of the Customer

Unless the Bank and the Customer have otherwise agreed in writing to termination provisions 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 relationship as a whole or any particular business relationship 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.

18.2 Termination for reasonable cause

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

18.3 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 relationship as a whole or any particular business relationship 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. Provided however that any such termination shall not affect 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 relationship with a Customer in whole or with respect to any particular relationship without notice, if there is reasonable cause, which makes it unacceptable to the Bank to continue such business relationship. 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 relationship 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. Bank shall be entitled to terminate all foreign exchange and other derivative transactions between the Bank and the Customer with notice and dues under such transactions shall 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 term as the Bank shall require.

18.4 Right of the Bank to suspend an account

18.4.1 Bank reserves the right to, suspend or freeze any account/s and/or delay, block, freeze or refuse a transaction of the Customer:

- a. in order for the Bank to comply with a court order or an order from a Government/regulatory body in accordance with the law;
- b. when the Customer has been declared bankrupt;
- c. when there is insufficient money in the Customer's account;
- d. when the Bank has been notified of a dispute over either who owns the money in the account or who has use of the account;
- e. to protect either one or all parties to the account, the Bank or a third party with a reasonable claim to an interest in the account;
- f. in order for the Bank to exercise its right of set off and collect any amounts due from the Customer;
- g. for internal operational requirements of the Bank (including, without limitation, credit and risk management, system or product development and planning, insurance, audit and administrative purposes);
- h. where the Bank has suspicions regarding the possible commission of financial crime or a Customer presents a potential financial crime risk to the Bank;
- i. for the Bank to take actions necessary for the Bank to meet its regulatory and compliance obligations (including those relating to anti-money laundering and counter-terrorism financing) or to manage associated risk;

- j. for enforcing or defending Bank's rights; or
- k. in any other situation where the Bank in its sole discretion considers such suspension, block/freeze or delay to be warranted.

18.4.2 The Customer acknowledges that the Bank may not be in a position to provide prior notice of an account suspension based on circumstances prevailing at the time. Bank shall however provide notice within a reasonable time of such suspension being imposed.

Bank shall not be liable in any manner whatsoever for any loss/damage suffered or incurred by the Customer due to the Bank exercising its rights in the aforementioned manner.

18.4.3 The rights under this section shall be exercisable by the Bank even to the extent of dishonouring or refusing payment of cheques, demands, or withdrawals, or other like documents drawn by the Customer on any office of the Bank on or before the date of the exercise of such right or authority, and the Customer hereby undertakes to indemnify the Bank against all claims or demands that may be made on the Bank consequent on such action of the Bank.

19 RISKS INVOLVED WITH BANK'S PRODUCTS AND SERVICES

The Customer acknowledges and understands that market risk can substantially impact their financial position. It is imperative for the Customer to comprehend these risks to make well-informed decisions on Bank's products and services. The Customer is advised to employ strategies such as diversification, conducting regular portfolio reviews, and remaining informed about market conditions to help mitigate the risks enlisted below. These are representative examples and not an exhaustive list of all potential risks involved.

a. Interest Rate Risk:

The Customer acknowledges that fluctuations in interest rates can adversely affect the value of financial assets and liabilities. Typically, an increase in interest rates may lead to a decrease in the value of existing financial assets, such as bonds, and may also result in higher costs for lending facilities. On the contrary, a decrease in interest rates may have the opposite effect. These market conditions can significantly impact the overall portfolio of the Customer, including during periods of economic instability.

b. Currency Risk:

The Customer acknowledges that investments in foreign assets or assets denominated in foreign currencies are subject to exchange rate fluctuations, which can affect returns. Currency risk may result in losses if the value of the foreign currency depreciates relative to the investor's home currency. Additionally, changes in currency exchange rates can adversely affect banking facilities such as settlement of Letters of Credit and other similar transactions.

c. Equity Risk:

The Customer acknowledges the risk of loss due to a decline in stock prices. Market downturns or the poor performance of individual companies can lead to a reduction in portfolio value for consumers invested in equities.

d. Liquidity Risk:

The Customer acknowledges that certain investments may be difficult to liquidate promptly without significantly affecting their price. During periods of market stress, this risk can be aggravated; impacting consumers who may need to access their funds quickly.

e. Reinvestment Risk:

The Customer acknowledges that reinvestment risk occurs when an investor is required to reinvest income or principal payments from investments at lower interest rates than those of the original investment, potentially resulting in reduced returns.

f. Volatility Risk:

The Customer acknowledges that market prices can experience significant fluctuations over short periods. This volatility can impact investments such as stocks, bonds, and mutual funds, potentially leading to substantial losses or gains.

g. Systemic Risk:

The Customer acknowledges the risk of a widespread financial system failure or market collapse, which can result in significant losses not only on individual investments but also in relation to the Customer's borrowings. Systemic risk can arise from financial crises, economic downturns, or geopolitical events potentially impacting both the value of investments and the Customer's ability to meet borrowing obligations.

h. Political and Economic Risk:

The Customer acknowledges that changes in government policies, regulations, or economic conditions can affect market performance, potentially impacting both the Customer's investments and borrowings. Factors such as trade policies, tax laws, and economic sanctions can impact investments and create uncertainty and may influence the value of investments as well as the Customer's obligations under borrowing agreements.

i. Credit Risk:

The Customer acknowledges and agrees that using bank products and services involves inherent credit risk. Timely settlement of credit facility commitments is crucial. Failure to settle credit facilities on time will result in penal interest and charges. The bank reserves the right to take legal recovery action and liquidate any securities provided by the Customer in the event of non-settlement. Non-adherence to the terms and conditions of the credit facility offer will be deemed a breach of contract. Unsatisfactory servicing of credit facilities will be reported to CRIB, negatively impacting the Customer's credit profile. Furthermore, poor credit conduct may lead to restrictions on existing facilities or ineligibility for future facilities.

j. Operational Risk:

The Customer acknowledges and accepts that operational risk is inherent in the use of bank products and services. This risk includes potential errors, fraud, or system failures that may disrupt services and result in financial losses. Specifically, the Customer recognizes Cyber security Risk as a significant concern, where personal information and financial data are vulnerable to cyber attacks, potentially leading to identity theft or financial losses. The Customer is advised to exercise caution and adhere to safe online banking practices to safeguard their information. The bank shall not be held liable for losses resulting from such risks, and it is the Customer's responsibility to take appropriate measures to protect their personal and financial data.

20 LIMITATION OF LIABILITY**20.1 Limits of Liability**

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

20.2 Orders Passed onto 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.

20.3 Loss of Interest

If delays or misdirection 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.

21 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.

22 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).

23 INFORMATION AND NOTICES

The Customer shall notify the Bank without delay in writing of any changes in the Customer's name, contact details (including mobile phone number and e-mail address), address and other particulars registered with the Bank.

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.

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.

Information regarding the Bank's interest rates, fees, charges and commissions, required to be paid by the Customer shall be contained in the Bank's tariff sheet, which is available on the corporate website for reference along with any special benefits available for Customers.

Unless otherwise agreed, notices relating to revision of interest rates, fees, charges, commissions, special benefits, product related changes (including terms and conditions), amendments to these terms and conditions and any other notice required to be given to Customers, shall be provided in writing (paper and/or electronic communication channels, including on the Bank's corporate website) and/or in any other manner deemed suitable by the Bank.

Notices provided in the aforementioned manner shall be effective as follows: If sent by post, two (02) days after posting;

If sent by e-mail, short message service ("SMS") and/or other electronic form, on transmission, unless the Bank receives a delivery failure notice, in which case it will be communicated in a different manner; and

Notices may be made as public announcements in daily newspapers, posted at Bank branches, automatic teller machines or on the Bank's corporate website. In such cases, they are effective at the time of publication or posting, or such other time that the Bank states in the communication;

Notice sent in the aforementioned manner shall be deemed sufficient and proper notice and shall be binding on the Customer.

If a Customer does not provide the Bank with updated contact information, the Customer will bear any loss that may arise from not receiving notices. The Bank may suspend or stop sending if the Bank reasonably believes that the Customer is no longer reachable at the address/contact information last notified to the Bank. In such event, the Customer waives all requirements of notice.

24 ELECTRONIC BANKING SERVICES

24.1 Electronic Banking Services such as Online Banking, Mobile Banking and account statements sent/provided *via* electronic methods shall be subject to the specific terms and conditions relating to services/facilities.

25. GOVERNING LAW

25.1 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 Court of Sri Lanka. (The Bank itself may be sued only before the Courts of Sri Lanka).

Substantive Law

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

NATIONS TRUST BANK

PLC PQ 118

46/58, Nawam Mawatha, Colombo 2

Last review: April 2025