

Nations Personal Investment Plan Account Terms and Conditions

The following terms and conditions will govern all Nations Personal Investment Plan accounts opened and maintained at Nations Trust Bank PLC – PQ 118 (hereinafter referred to as the “Bank”).

Account Opening

1. A Nations Personal Investment Plan account (“NPIP Account”) may be opened by any person over the age of 18 years at the time of account opening, who is approved by the Bank on positive identification through the standard identity verification process adopted by the Bank and on completion of the Bank’s account opening documentation (hereinafter referred to as the “Customer”).
2. Each NPIP Account will be given a number which must be quoted in all correspondence with the Bank and on all deposit slips. The Bank reserves the right to change such number with notice to the Customer.

Maturity Target Amount and Maturity Date

3. A NPIP Account can be opened with a minimum Maturity Target Amount of Rs.100,000/- and a maximum Maturity Target Amount of Rs.10,000,000/-.

“**Maturity Date**” means the date on which the Customer will receive the Maturity Target Amount, subject to these terms and conditions.

“**Maturity Target Amount**” means the amount which the Customer contracts with the Bank to receive on the Maturity Date of the NPIP Account, subject to these terms and conditions.

4. The Customer can choose to achieve the Maturity Target Amount in a minimum period of 02 year and a maximum period of 05 years or such other period as the Bank may specify and allow from time to time.
5. Subject to clause 4 above, at the time of opening a NPIP Account, the Customer must choose the Maturity Target Amount indicating the same in the Account opening form. Accordingly, the Bank will compute and advise the monthly instalment amount the Customer is required to deposit to the NPIP Account and the due date of the said instalment amount, in order to be eligible to receive the Maturity Target Amount on the Maturity Date chosen by the Customer, subject to these terms and conditions.

Instalments

6. (a) The monthly instalment amount will be computed by the Bank by considering the initial deposit, targeted maturity value, investment period and the contracted interest rate.
- (b) The Customer agrees to deposit to the NPIP Account, the particular monthly instalment amount on or

before its due date. Depositing the monthly instalment in full, on or before the monthly due date and until the Maturity Date is mandatory in order to be eligible to receive the Maturity Target Amount chosen by the Customer. In the event the Customer fails to deposit the monthly instalment in full on or before the due date each month as specified by the Bank, the Customer will not receive the Maturity Target Amount on the Maturity Date.

7. With effect from 15th October 2020, in order to be eligible to open a NPIP Account, the Customer must place standing instructions from a savings/current account maintained with the Bank to deposit the monthly instalment amounts to the NPIP Account.

Provided however that the Bank may accept cash and cheques drawn in the name of the Customer as deposits to the NPIP Account. In the case of cheques drawn on other banks, the instalment amount will be considered to have been deposited to the NPIP Account only if the cheques are realized and the NPIP Account has been credited with the instalment amount on the due date.

8. Except as provided in Clause 28 below, withdrawals by the Customer will not be permitted from the NPIP Account before the Maturity Date.

Interest and Payment on Maturity

9. Interest at the rates fixed by the Bank at the time of opening the NPIP Account will be calculated on the daily balance in the NPIP Account and credited to the NPIP Account monthly, until the Maturity Date. The Bank reserves the right to change or vary interest rates, if required to do so by law or regulation or as per these terms and conditions.
10. If the Customer has complied with these terms and conditions, the Bank will pay the Maturity Target Amount on the Maturity Date, subject to deduction of applicable Government taxes and other statutory levies that may be payable on the Maturity Date or during the period of the investment as required by law.
11. If the Customer makes lump sum deposits to the NPIP Account in order to reach the Maturity Target Amount before the Maturity Date, the Bank will discontinue the contracted interest rate applicable to the NPIP Account from the date the Maturity Target Amount is reached and compute interest at the Bank's standard savings account rate or such other rate as determined by the Bank until the Maturity Date.
12. If the Customer deposits more than the required monthly instalment amount or multiples of the said instalment at any given time and reaches the Maturity Target Amount before the Maturity Date, the Bank will discontinue the contracted interest rate applicable to the NPIP Account from the date the Maturity

Target Amount is reached and compute interest at the Bank's standard savings account rate or such other rate as determined by the Bank until the Maturity Date.

13. Irrespective of whether or not the Customer has achieved the Maturity Target Amount, the interest rate of the NPIP Account will be converted to the standard savings account rate or such other rate as determined by the Bank, on the Maturity Date.
14. The Customer must complete the statutory declaration of the Customer's tax status and resident status on the account opening form, as required by the Department of Inland Revenue. Withholding tax or any other tax payable on interest payments will be deducted by the Bank as stipulated by the Department of Inland Revenue or such other authority designated by law for such purpose. The Bank has the right to recover unpaid taxes from the Customer, if subsequently claimed by the relevant authority.

Insurance

15. The Bank will arrange a life insurance cover for the Customer within 2 months of opening the NPIP Account, provided the Customer has not reached the age of sixty (60) years at the time of Account opening and subject to acceptance of the Customer's application for insurance by the insurance company.
16. The insurance cover will be limited to a maximum of Rs.2,000,000/- irrespective

of the Maturity Target Amount. That is to say that the amount of insurance receivable in the event of the demise of the Customer before the Maturity Date, would be an amount that would enable the achievement of the Maturity Target Amount chosen by the Customer (if the same has not been achieved by the time of the demise of the Customer), but not exceeding Rs.2,000,000/- (eg:- In the event of the demise of a Customer whose Maturity Target Amount is an amount over Rs.2,000,000/- and if at the time of the demise of the Customer the capital and the interest accrued in the NPIP Account is Rs.2,500,000, no insurance will be payable).

Eg:- (a) In the case of a Customer whose NPIP Account balance (the capital and the interest accrued in the NPIP Account) at the time of demise is Rs.350,000/- and whose Maturity Target Amount is Rs.1,000,000/-, the insurance benefit will be Rs.650,000.00 (*i.e* Rs.1,000,000.00 – Rs.350,000.00)

Eg:- (b) In the case of a Customer whose NPIP Account balance at the time of demise is Rs.350,000.00 and whose Maturity Target Amount is Rs.3,000,000.00, the insurance benefit will be Rs.1,650,000.00 (*i.e* Rs.2,000,000.00 – Rs.350,000.00)

Eg:- (c) In the case of a Customer whose NPIP Account balance at the time of demise is Rs.350,000.00 and whose Maturity Target Amount is Rs.2,500,000.00 no insurance benefit will be payable.

17. The benefit under the insurance cover will be available only where the Customer has fully complied with these terms and conditions up to the time of the demise of the Customer.
 18. In the event the Customer is in arrears of 2 consecutive monthly instalments, the insurance cover will terminate. In such an event, the Bank will be entitled to recover from the Customer, including by debiting the NPIP Account of the Customer, the amount of the insurance premium(s) paid by the Bank on behalf of the Customer during the year of such default.
 19. It is the Customer's responsibility to ensure that monthly instalments are deposited on time, in compliance with these terms and conditions. The Bank is not responsible or obliged to notify the Customer if or when instalments become overdue or delayed as a result of which benefits under the insurance cover may lapse or may have lapsed. However, the Bank may at its sole discretion send notice of such lapse before or after the event.
 20. The insurance cover will be subject to the terms and conditions of the insurance company and the Customer must comply with all such terms and conditions, including medical evaluations where/ if required. The Bank will not be liable or responsible to the Customer for any failure or refusal by the insurance company to insure the Customer. A copy of the terms and conditions of the insurance company will be provided to the Customer by the Bank on request.
 21. Cost of any medical evaluation/examinations which the Customer is required to undergo by the insurance company must be borne by the Customer.
 22. The insurance cover will cease on the Maturity Date or upon the Customer reaching the age of 60 years (whichever occurs earlier) and no insurance benefit will be payable thereafter.
- Demise of the Customer before the Maturity Date**
23. In the event of the demise of the Customer prior to the Maturity Date, the NPIP Account will be closed by the Bank and subject to the provisions of clause 24 below, the balance in the NPIP Account will be paid to the legal heirs of the Customer in accordance with applicable law.
 24. The Customer may nominate a beneficiary or beneficiaries to whom the final settlement value may be paid in the event of the demise of the Customer prior to the Maturity Date, by completing a nomination form at the time of opening the NPIP Account or at any time thereafter in accordance with applicable law and terms and conditions of the Bank.
 25. Death of the Customer must be notified to the Bank by the Customer's heirs, executor or administrator within 2 months from the date of death in order to process the insurance claim. Lapse of this

timeline will result in non-payment of the insurance claim.

Closure/Termination of Account

26. **Default:** If the Customer defaults in making payment of any 2 consecutive instalments on the due date, the Bank reserves the right to:

a. Close the NPIP Account and pay to the Customer the principal sum invested with accrued interest.

OR

b. Continue to maintain the NPIP Account until the Maturity Date.

27. In both scenarios referred to in clause 26 above, interest for the period commencing from the last date of default until closure of the NPIP Account or the Maturity Date (as applicable) will be calculated at the Bank's standard savings account rate or such other rate as determined by the Bank. This will be the case even if the Customer subsequently deposits the instalments in arrears to the NPIP Account where such Account is continued by the Bank.

28. **Premature Closure:** Customer will not be permitted to close the NPIP Account and/or withdraw the balance therein before the Maturity Date, except in exceptional circumstances and at the absolute discretion of the Bank. In the event the Bank permits the Customer to close the NPIP Account before the Maturity Date, the Bank will apply its standard savings account rate or such other rate determined by the Bank from

the date of Account opening until the date of closure and recover the excess interest already paid by the Bank on the amount invested by the Customer.

29. **Closure by the Bank:** The Bank reserves the right to close the NPIP Account at any time, in its absolute discretion and without assigning any reason, by providing 14 days notice in writing to the last known postal address of the Customer or the electronic mail (e-mail) address of the Customer provided to the Bank.

30. If the NPIP Account is closed, whether by the Bank or by the Customer, under any of the situations enumerated under clauses 26 or 28 above, the Bank may at its discretion, recover the cost of insurance and/or any other specific costs the Bank may have incurred in providing the benefits and services applicable to the NPIP Account.

31. On closure of the Account under these terms and conditions, the Bank will deduct applicable Government taxes and statutory levies and Account closing charges prior to releasing the monies to the Customer.

32. Closure of the NPIP Account will not prejudice the rights reserved to the Bank in terms of clause 41 and accordingly, the Bank will not be under any obligation to release the monies in the NPIP Account, until its rights have been exercised to in terms of clause 41.

GENERAL CONDITIONS

33. A notification of investment setting out the details of the NPIP Account chosen by the Customer will be issued to the Customer at the time of opening the NPIP Account. No passbook will be issued to the Customer.
34. The Bank will provide the Customer with bi-annual statements of accounts, either in paper form or electronically, as opted by the Customer. However, the Bank reserves the right to vary the frequency of statements provided to the Customer at its discretion.
35. The Bank will retain copies of statements for a period of only 6 years (or such other period as determined by the Bank). All such records will be destroyed after 6 years and the Bank will not assume any liability of responsibility for providing copies of statements after 6 years.
36. The Bank must be advised if the statement of account is not received by the Customer or if it is not made available by the Bank through its electronic channels, within 15 days from the due date of receipt of the statement (i.e. 20th June and 31st December of each year). The Customer agrees to examine each statement of account received from the Bank to ensure correctness of entry. Any errors should be notified to the Bank within 21 days from receipt of statement.
37. The Customer is responsible for preserving copies of his/her statement. Should copies of statements be requested from the Bank, the Bank reserves the right to levy charges for providing this service in accordance with its published tariff.
38. The Bank will not send separate advices by mail for cash or cheques deposited to the NPIP Account, unless done at the Bank's discretion.
39. The Customer must advise the Bank promptly in writing of any change of postal or e-mail address of the Customer.
40. The Customer must not assign or transfer, any of the Customer's rights or liabilities under the NPIP Account, except as specified under these terms and conditions and the Bank will not be bound by or be responsible for any loss resulting directly or indirectly from such transaction.
41. Notwithstanding anything to the contrary stated herein the Bank reserves the right, without notice to the Customer, to combine or consolidate the NPIP Account with any other account of the Customer or with any liabilities of the Customer to the Bank and to set-off or transfer any sum/s standing to the credit of the NPIP Account against any amount/s owing from the Customer to the Bank on any other account or in any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.
42. The Bank reserves the right to alter, amend or add to these terms and

conditions at any time, at its sole and absolute discretion.

- 43. Unless otherwise agreed, notices will be provided to Customers in writing, wither by post and/or through electronic communication channels of the Bank and/or in any other appropriate manner deemed suitable by the Bank.

Notices will be effective:

If send by post, 2 days after posting:

If sent by e-mail or other electronic form, 24 hours after it is sent, unless the Bank receives a delivery failure notice, in which case it will be communicated in a different manner.

Notice may be made as public announcements in daily newspapers, posted at Bank branches, automatic teller machines or on the Bank’s 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 will be deemed sufficient and proper notice and will be binding on the Customer.

If a Customer does not provide the Bank with updated contact information, the Customer must bear any loss that may arise from not receiving notices. The Bank may suspend or stop sending notices, if the Bank reasonably believes that the Customer is no longer

reachable at the address/contact information last notified to the Bank. In such an event, the Customer waives all requirements of notice applicable to the NPIP Account.

- 44. In addition to these terms and conditions, the NPIP Account will be subject to and bound by the terms and conditions incorporated in the General Business Conditions of the Bank.

- 45. These terms and conditions will be governed by the laws of Sri Lanka.

I have read and understood and agree to be bound by the terms and conditions herein contained.

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Customer Signature

Date: