

CARDHOLDER AGREEMENT

TERMS AND CONDITIONS

Important: Before you sign or use the enclosed Card from the National Development Bank PLC bearing company registration number PQ 27, please read this Cardholder Agreement (Agreement) carefully. By accepting and / or signing and / or using the Card, you accept the Terms and Conditions in this Agreement and will be bound by them.

1 DEFINITIONS

- 1.1 "ATM" means Automated Teller Machine or any card operated machine or device whether belonging to the Bank or any other participating bank or financial institutions nominated from time to time by the Bank, which accepts the Card.
- 1.2 "Applicant" means any person who has signed the card application form.
- 1.3 "Bank" means the National Development Bank PLC, its successors and assigns.
- 1.4 "Card" means a payment card issued by the Bank to the Cardholder and includes Primary, Supplementary and replacement card (s)
- 1.5 "Card Account" means an account(s) maintained by the Bank in relation to Card Transactions.
- 1.6 "Call Center" means the telephone contact center established by the Bank to handle queries and concerns of its customers/ stakeholders.
- 1.7 "Card Center" means the NDB Bank Credit Card Center.
- 1.8 "Capital Transaction" means a transaction which is not a current transaction within the meaning of the Foreign Exchange Act No 12 of 2017.
- 1.9 "Cardholder" means an individual in whose name a Card is issued by the Bank in terms of the Agreement and includes a Primary and Supplementary Cardholder and who is responsible for all transactions and liabilities on the Card Account.

- 1.10 “Card Transaction” means the purchase of goods and/or services, benefits or reservations (including without limitations any reservation made by the Cardholder for air, ship, rail, motor or other transportation or hotel or other lodging or accommodation or other transportation, rented or hired, whether or not utilized by the Cardholder) and/or receiving Cash Advances by the use of the Card or the Card number and/or the PIN and/or in any other manner including without limitation mail, telephone or facsimile orders or reservations authorized or made by the Cardholder, regardless of whether sales slip or cash advance or other voucher or form is signed by the Cardholder.
- 1.11 “Cash Advance” means an act of obtaining money from an ATM of the Bank or of any other bank or financial institution by the use of the Card, the Card number or the PIN by the Cardholder and debited to the Card Account.
- 1.12 “Charges” means amounts payable by the Cardholder arising from the use of the Card or the Card Number or the PIN or under these terms and conditions and include without limitation all Card Transaction fees, Interest, taxes, levies, additional expenses, damages, legal cost, disbursements, which will be debited to the Card Account and form part of the Current Balance.
- 1.13 “Corporate Card” means the Card(s) issued to staff, executives, directors or any such person authorized by an eligible corporate body.
- 1.14 “Credit Limit” means the maximum debit balance permitted by the Bank at its sole discretion on the Card Account for the Primary and the Supplementary Card(s) if any, and notified by the Bank to the Primary Cardholder from time to time.
- 1.15 “Combined Credit Limit” mean the limit stipulated by the Bank from time to time applicable to all the Card Accounts held by the Cardholder.
- 1.16 “Current Balance” means the total debit balance (including but not limited to all Card Transaction, interest, charges, fees, costs, levies and expenses including legal costs whether actual or contingent and whether incurred now or in the future) outstanding on the Card Account.
- 1.17 “Deposit” means the amount in cash placed with the Bank as security for the performance of the Cardholder’s obligation and/or for the purpose of issuing a Card.
- 1.18 “Group Member” means a subsidiary or an associate company of the Bank.
- 1.19 “Guarantee” means a guarantee, if any, from a bank, corporate body, firm, individual, or any other financial institution acceptable to the Bank in favor of the Bank and in the form and substance

acceptable to the Bank for an amount specified by the Bank as security for the performance of the Cardholder's obligations and/or the purpose of issuing a Card(s).

- 1.20 "Merchant" means any corporate entity, firm person or other establishment who is acknowledged by the Bank to sell goods and/ or services on the acceptance of the Card or the Card number as a mode of payment by the Cardholder.
- 1.21 "Minimum Amount Due" means a percentage of the Current Balance subject to a minimum amount, which if paid by the Payment Due Date will avoid any late payment charges. Any Overdue Amounts will be included in the Minimum Amount Due.
- 1.22 "Month" means a calendar month
- 1.23 "Overdue Amount" means the amount (if any) outstanding from the Cardholder's previous Statement of Account. Any Overdue Amount showed on the Statement of Account is included in the Minimum Amount Due and shall be payable immediately.
- 1.24 "Over-limit Amount" means the Current Balance in excess of the Credit Limit.
- 1.25 "Over-limit Charge" means a charge levied by the Bank if the Cardholder exceeds the Credit Limit.
- 1.26 "Payment Due Date" means the date specified in the Statement of Account by which date, payment of the Current Balance or any part thereof or the Minimum Amount Due is to be made to the Bank. If the Payment Due Date falls on a bank holiday or during a weekend, the Cardholder's Payment Due Date shall be the first working day following such holiday/ weekend.
- 1.27 "PIN" means the Personal Identification Number issued to the Cardholder to enable the Card to be used electronically at an ATM/POS.
- 1.28 "POS" means a Point of Sale Terminal through which Card Transactions are processed electronically.
- 1.29 "Primary Card Holder" means the Cardholder in whose name the Card Account is maintained, and his/her heirs, assigns executors or administrators.
- 1.30 "Product Symbol" means the symbol of a payment network through which the Card is issued.
- 1.31 "Security" means either the Deposit or the Guarantee held as security for the performance of the Cardholder obligations and/or for the purpose of the issue of a Card.

- 1.32 "Statement of Accounts" means the Bank's monthly or periodic statement sent to the Cardholder for each Card Account showing particulars of the Current Balance payable to the Bank.
- 1.33 "Statement Date" is the date of the last day of the billing cycle to which the Statement of Account refers and includes all entries processed by the Bank up to the close of business on such date.
- 1.34 "Supplementary Card" means a Card issued by the Bank to a third party nominated by the Primary Cardholder.
- 1.35 "Supplementary Cardholder" means a person who has been issued with a Supplementary Card.
- 1.36 "Terminal" means any Automated Teller Machine (ATM) or Point of Sale (POS) terminal through which Card Transactions can be electronically performed.
- 1.37 "Transaction Date" means the date on which the Card Transaction between the Cardholder and the Merchant takes place.
- 1.38 "Transaction Processing Date" means the date on which the Card Transaction is processed into the Card Account.
- 1.39 "Utility" means any company, authorized or entity which provides utilities, goods and services including but not limited to water, electricity and communication services.

Unless the context otherwise requires, all references in this Agreement to the singular shall include the plural when applicable, and all references to gender shall include both genders and the neuter.

2 THE CARD

- 2.1. The Card is the property of the Bank and will be returned to the Bank immediately by the Cardholder upon the Bank's request.
- 2.2. The Card is not transferable and will be used exclusively by the Cardholder. The Cardholder under no circumstances whatsoever will allow the Card and /or PIN to be used by any other individual. The Cardholder shall not pledge the Card as security for any purpose whatsoever.
- 2.3. The Bank may in its absolute discretion and without prior notice and reason withdraw at any time the Card and the Cardholder's right to use the Card and may refuse any request for authorization for any Card Transaction.

- 2.4. The Bank may in its absolute discretion reissue, renew or replace the Card or can refuse to do so.
- 2.5. The Cardholder shall at all times ensure that the Card is kept in a secure place.

3 DELIVERY AND USE OF THE CARD

- 3.1. The Card may be collected by the Cardholder from the Bank or sent by post or courier to the address notified to the Bank by the Cardholder or collected by / handed over to a nominated third party at the risk of the Cardholder.
- 3.2. Upon receipt of the Card, the Cardholder shall activate the Card by contacting the Call Center.
- 3.3. The activation and/or the use of the Card will be binding and conclusive evidence of the acceptance of the Terms and Conditions herein contained.
- 3.4. The Terms and Conditions herein are binding upon the Cardholder and he shall not assign his obligations herein to anyone else.
- 3.5. In the event the Cardholder does not wish to be bound by these Terms and Conditions, the Cardholder shall cut the Card in half and return to the Bank and Clause 18 (Termination) hereof shall henceforth be operative.
- 3.6. The Card is subject to all the terms of this Agreement at the time of use.
- 3.7. The Card shall only be used within the Credit Limit.
- 3.8. The Cardholder may utilize the facilities and benefits from time to time made available by the Bank in respect of the use of the Card.
- 3.9. During the validity period embossed on the Card, the Bank shall at its absolute discretion and without prior notice, at any time, withdraw the right to use the Card, or refuse any request for authorization of any particular Card Transaction and publish any such withdrawal or refusal.
- 3.10. The Cardholders shall not use this Card for Capital Transactions and import of goods for commercial purposes.
- 3.11. The use of the Card outside Sri Lanka is as stipulated from time to time by the Central Bank of Sri Lanka, Department of Foreign Exchange or any other regulatory body. The Cardholder shall also be

liable to clear all the outstanding without prejudice to any right, remedy or action against him, by the Central Bank of Sri Lanka, the Bank, court or any regulatory agency.

- 3.12. The Card may be used for Card Transactions until the expiry date embossed on the Card, on the condition, that the status of the Card Account remains current until such expiry.
- 3.13. The Cardholder shall undertake to act in good faith at all times in relation to all dealings with the Card and the Bank.

4 THE CREDIT LIMIT AND COMBINED CREDIT LIMIT

4.1.

(a) The Credit Limit will be determined at the sole discretion of the Bank and will be advised to the Cardholder in writing. The Bank also reserves the right to increase or decrease the Credit Limit from time to time by giving notice in writing. The Bank may also establish separate limits for Cash Advances and purchases within the overall Credit Limit of the Card Account.

(b) In computing whether the Credit Limit has been exceeded, the Bank shall take into account the amount of any Card Transactions not yet billed to the Card Account, and the Current Balance inclusive of any authorization given by the Bank to a third party in respect of a prospective Card Transaction or any amount that has been reserved by the Bank for a forthcoming transaction upon a request made by the Cardholder.

- 4.2. The Cardholder shall be responsible for all credit facilities granted by the Bank in respect of the Card and for all related Charges hereunder, notwithstanding the termination of this Agreement.
- 4.3. The Combined Credit Limit shall be the maximum permitted for the Current Balances of all the Card Accounts held by the Cardholder, and advised by the Bank from time to time.
- 4.4. The Current Balance shall be payable to the Bank as per the records of the Bank as at the date of issuance of the Statement of Accounts.
- 4.5. The Cardholder shall not affect any purchases or transactions which may cause the aggregate outstanding balance Credit Limit to be exceeded.
- 4.6. The Cardholder shall at all-time use the Card within the prescribed Credit Limit assigned by the Bank unless prior approval in writing to exceed such limit is obtained by the Card Holder.
- 4.7. An Over Limit fee will be charged and debited to the Card Account at a rate determined by the

Bank, if the assigned Credit Limit is exceeded at any point in the Billing Period.

- 4.8. For this purpose, all Bank charges will also be considered, when computing whether the Credit Limit has been exceeded.
- 4.9. The available credit on the Card Account will be the unutilized value of the Credit Limit at any point in time, after taking into account the balance outstanding and any Card Transaction already accepted by the Bank but not received for processing as of that date. Where separate Limits have been established for Cash Advances and purchases, the available credit will also be split accordingly. The Card Holder shall ensure that the Card Holder will incur transactions on the Card Account in a manner that the Card Holder is always within the available credit (Advances and purchases where applicable) on the Card Account.

5. BILLING AND PAYMENT

- 5.1. The Bank will credit the Card Account with any refunds in respect of a Card Transaction or any payment or other credit due to the Card Holder at such time as the Bank may determine in accordance with its usual practice after receipt of the amount of such refund, payment or credit in Sri Lanka and conversion to Sri Lankan Rupees where necessary, subject to the terms of this Agreement and shall not be remitted to the Card Holder unless the Bank otherwise determine but shall be applied towards the full or partial discharge of the Current Balance.
- 5.2. The Cardholder shall be liable for any exchange loss, which may result from the cancellation, reversal or refund of a transaction including refunds, or reversals due to disputed transactions.
- 5.3. In consideration of the Bank agreeing to accept the Card Holder's request for sending the monthly statements to the designated email address, the Card Holder agree that all statements whether through e Statement service or other means of transmission sent by the Bank to the Card Holder shall be accepted and upheld by the Card Holder as true and correct.. The Card Holder declare that the Card Holder shall not raise any objection against the Bank on its agreeing the same and fully accept the risk and responsibility of statements transmitted by the Bank via electronic mail. The Card Holder agrees and acknowledges that the Bank does not warrant against any external factors affecting the privacy and /or security of emails during internet transmission. The Card Holder also agrees to keep the Bank indemnified against all actions, proceedings, liabilities and claims, cases, damages, costs and expenses in relation to or arising out of so accepting the request of the Card Holder by the Bank and the Bank transmitting statements and information through email.
- 5.4. The Cardholder shall pay all fees and charges, which the Bank may impose from time to time in connection with the service in the manner stipulated by the Bank. The Cardholder also authorizes the Bank to add, discontinue or vary any of the services from time to time with notice to the

Card Holder. The Card Holder shall inform in writing of any change in the email address or any request for discontinuation of this facility to Cards, Card Centre, No 40, Nawam Mawatha, Colombo 02, Sri Lanka. The Card Holder further expressly agree and acknowledge that the Bank shall not be liable or responsible for data corruption, delay and /or interception of the information so given and that the Bank reserves the right to update and vary such information from time to time and at any time. The Cardholder also authorizes the Bank to send advertising and promotional materials to the said email address.

- 5.5. The Cardholder shall accept as final and conclusive, as between him and the Bank, the respective rates of exchange or re- exchange or applied, in any case of conversion of foreign currencies into Sri Lankan Rupees or the re-conversion of Sri Lankan Rupees into foreign currencies as the case may be. Regardless of the currency of payment and the currency of account, the ultimate liability of the Cardholder to the Bank will be in Sri Lankan Rupees.
- 5.6. All the conversions and re – conversions shall be without any loss in exchange to the Bank, and the Cardholder hereby undertakes to indemnify the Bank against all such losses in exchange. “Loss in exchange” shall mean any loss suffered by the Bank, or its agent or correspondents, by reason of any fluctuations in the currencies, or the devaluation of any currency involved.
- 5.7. The Cardholder hereby agrees that upon the death of the Cardholder, his heirs executors, administrators, legal representatives, shall be liable to settle and repay all monies due, payable and outstanding on the Card Account.

6. ISSUE OF PIN AND LOSS OF CARD & PIN

- 6.1. The Bank may issue a PIN to the Cardholder for use at any ATM/POS, which will accept the Card. The Cardholder agrees that the PIN may be sent by post or courier to the Cardholder at his risk.
- 6.2. The Cardholder shall be fully liable for all Card Transactions made with the use of the PIN. The Cardholder shall under no circumstances whatsoever disclose the PIN to any other person.
- 6.3. The Bank’s record of any Card Transaction effected in conjunction with a PIN shall be binding on the Cardholder. The information on the Bank’s systems shall be conclusive proof that the Cardholder has authorized the Card Transaction and shall be binding on the Cardholder.
- 6.4. The Cardholder shall use all possible care to ensure the safety of the PIN and Card to prevent the loss or theft of the Card and PIN.
- 6.5. In the event that the Card is lost or stolen, the Cardholder shall immediately notify the said loss or

theft together with the particulars thereof by telephone or fax to the Call Center and/or to the Police of the country where such loss or theft occurred. But, in any such case the telephone or fax message shall be confirmed in writing by the Card Holder.

- 6.6. The Cardholder shall be liable for all amounts debited to the Card Account as a result of an unauthorized use of the Card until its loss or theft to the Bank has been notified to the Bank and later confirmed in writing to the Bank.
- 6.7. The Cardholder shall give the Bank all the information in the Cardholder's possession as to the circumstances of the loss, theft or misuse of the Card and take all steps deemed necessary by the Bank to assist in the recovery of a lost/stolen Card.
- 6.8. The Bank may at its absolute discretion issue a replacement Card for any lost or stolen Card or issue a new PIN subject to these Terms and Conditions.
- 6.9. In the event that the Cardholder recovers the lost or stolen Card, he shall immediately return the same cut in half to the Bank without using it. The Cardholder shall not use the PIN after reporting to the Bank of the disclosure of the same to any other party.
- 6.10. With regard to lost Cards, the Bank will levy a charge to cover the administration cost in informing the Merchant network and for the issue of a new Card.

7. THE CARD ACCOUNT

- 7.1. The Bank may debit the Card Account with the amounts of Card Transactions, any fees due to the Bank and any other liabilities of the Cardholder inclusive of any legal fee and all other administrative costs incurred by the Bank, and any loss incurred by the Bank arising from the use of the Card. The Primary Cardholder and the Supplementary Cardholder will be jointly and severally liable to pay the Bank all amounts so debited.
- 7.2. The Bank will send a Statement of Account to the Cardholder who shall pay to the Bank at least the amount shown as the Minimum Amount Due on or before the Payment Due Date stated. However, he may pay the full amount due or any amount above the Minimum Amount Due at his discretion.
- 7.3. In the event of any breach of this Agreement, or on the commission of an act of bankruptcy by the Cardholder or on the death of the Primary Cardholder or at the Bank's absolute discretion, all amounts due under this Agreement shall be immediately payable in full subject however to any limitation imposed by any Statute.

- 7.4. Any payment to the Bank will only take effect when received by the Bank and credited to the Card Account. The Primary Cardholder shall ensure that funds are available to meet any cheque given to the Bank in respect of the Cardholder's obligations under this Agreement.

8. CASH ADVANCE

- 8.1. The Cardholder may obtain Cash Advances up to a maximum percentage (as may be stipulated by the Bank) of the Credit Limit and subject to availability of adequate credit and subject to Foreign Exchange Act and Regulations.
- 8.2. Cash Advances may be obtained by the use of the Card and PIN at any ATM of the Bank or of any other bank or institution with whom the Bank has an agreement for the use of the ATM of the said bank or institution. In the case of ATMs of other Banks/institution the amount of each Cash Advance will be further to the applicable daily withdrawal limit of the relevant ATM.
- 8.3. In respect of Cash Advances, ATM, bank, merchant, agent, local or country limits and restrictions, Foreign Exchange Regulations and / or other regulatory authority restrictions issued from time to time shall apply.
- 8.4. The use of the Card by the Cardholder to obtain a Cash Advance shall be deemed to constitute the Agreement of the Cardholder to pay a finance charge, interest and fees on the amount of the Cash Advance as prescribed by the Bank from time to time. A finance charge shall be levied on each Cash Advance from the date of the advance until repayment in full. The Bank may from time to time, vary the amount of finance charge payable by the Cardholder.
- 8.5. In respect of withdrawals obtaining a cash advance in foreign currency, the Cardholder shall keep evidence that such currencies have been utilized for the transactions permitted by the Foreign Exchange Department or any other regulatory authority.

9. SUPPLEMENTARY CARD

- 9.1. The Bank may in its absolute discretion approve and issue Supplementary Card(s) to a person(s) nominated by the Primary Cardholder and requested jointly by the Primary Cardholder and Supplementary Cardholder(s). The Supplementary Cardholder(s) must be of 18 years of age or over and an immediate family member(s) (spouse, child, parent, brother or sister) Students who are direct dependents of the Primary Cardholder shall be entitled to a Supplementary Card for educational purposes only and the Terms and Conditions of this Agreement shall bind such person(s).

- 9.2. The Credit Limit assigned to the Primary Cardholder is inclusive of the Credit Limit of the Supplementary Cardholder and the Primary Cardholder and the Supplementary Cardholder shall not permit the total of the Charges incurred through their respective Cards to exceed the said Credit Limit.
- 9.3. The validity of the Supplementary Card is dependent on the validity of the Primary Card; the termination of the Supplementary Card shall not terminate the Primary Card.
- 9.4. The undertakings, liabilities and obligations of the Primary Cardholder and the Supplementary Cardholder to the Bank and the Bank's rights herein shall not be affected in any way by any dispute or counter claim which the Primary Cardholder and the Supplementary Cardholder may have against each other.
- 9.5. Both the Cardholder and the Supplementary Cardholder(s) shall be jointly and severally liable for all Card Transactions processed by the use of the Card(s) whether their Card Accounts are combined or separate.
- 9.6. The Primary Cardholder may withdraw the authority of the Supplementary Cardholder(s) by sending a written intimation to the Bank accompanied by the Supplementary Card cut in half.
- 9.7. All Card Transactions authorized by the Supplementary Cardholder prior to the date of withdrawal as referred to in 9.6 above are valid and binding upon the Cardholder and is the liability of the Cardholder.
- 9.8. The Primary Cardholder shall indemnify the Bank against any loss, damage, liability, costs and expenses whether legal or otherwise incurred by the Bank by reason of any legal disability or incapacity of the Supplementary Cardholder or any breach of these Terms and Conditions by the Supplementary Cardholder.

10. ACCEPTANCE OF CARD

- 10.1. The Card will be honored at merchant establishments and financial Institutions which display the acceptance of cards through the Product Symbol. The Bank is not responsible or liable for the refusal by any Merchant /Financial institution to accept the Card for any reason whatsoever. Card promotional material or Product Symbols displayed on any premises is not a warranty that all goods and services available at those premises may be purchased with the Card.
- 10.2. The purchase of products such as petrol, diesel, and gas etc. from petrol sheds or stations is subject to applicable handling and service charges.

10.3. However, the Cardholder may report to the Bank of any refusal by any Merchant / bank to accept the Card, detailing the name of location, date and time of the transaction and other details that will assist the Bank in its investigations.

11. STATEMENT OF ACCOUNTS

11.1. The Statement of Account will detail all Card Transactions received and processed on the Card Account since the date of the previous statement and up to the close of business on the day of the current Statement Date.

11.2. The amount outstanding on the Statement of Account will be made up of the following;

11.2.1 The price of all goods and services purchased by the use of the Card including all mail, internet transaction and telephone orders authorized by the Cardholder or by any Supplementary Cardholder(s) to be charged to the Card Account.

11.2.2 Cash Advances on the Card Account including those incurred through Automated Teller Machines (ATM's) where applicable.

11.2.3 The Charges set out under the Clause 12 hereof (Payment & Charges) (e.g. Fees, Service Charges, etc.) together with the prevailing Government Taxes and all other Bank charges with interest incurred by the use of a Credit Card.

11.3. The Bank will electronically mail to the Cardholder a statement containing the card transactions in the Card Account every month on a predetermined date. If there is no balance outstanding and there are no Card Transactions received by the Bank since the last Statement, no Statement of Account will be issued.

11.4. Non-receipt of Statement of Account for any reasons whatsoever is not a valid reason for non-payment of dues on time. Should the Cardholder not receive the statement within 10 days from the date of the usual Statement date, the Cardholder shall call the call Centre to verify the amount payable. The Bank cannot be held liable for non-receipt of Statement of Account due to unforeseen circumstances and circumstances outside the Bank's control.

11.5. The Cardholder shall examine each Statement of Accounts, issued in respect of the Card Account, and shall notify the Bank's Call Centre of any alleged error therein within 14 days of the Statement Date. In the event the Cardholder fails or neglects to notify the Bank of such an alleged error within the said period of 14 days, the Statement of Accounts and all entries therein shall be

binding on the Cardholder and shall be deemed conclusive proof of the contents thereof, and the Cardholder shall not dispute the contents of the Statement of Accounts thereafter. All Statement of Accounts will be sent electronically to the latest address provided to the Bank by the Primary Cardholder in writing. . Any complaint pertaining to the Card Account may be communicated to the Call Centre by the Cardholder by telephone on 011 244 88 88 or on any other number designated by the Bank from time to time and published in its official website.

- 11.6. The payment by the Cardholder of any sum to the Bank in respect of any Statement of Account shall constitute binding and conclusive evidence of the acceptance by the Cardholder of the entries shown on that Statement of Account.

12. (A) PAYMENT AND CHARGES

- 12.1. Details of all current fees and charges referred to in this section are stated in the Service and Price guide published by the Bank as per the General Tariff booklet as appearing on the official website (www.ndbbank.com), copies of which are available on request. These charges may be amended from time to time with prior notice.

- 12.2. The Cardholder shall pay to the Bank (upon the request of the Bank) a joining fee and an annual fee as prescribed by the Bank for the Card and the Supplementary Card when issued. No refund of annual fee will be made if the Card is terminated or not accepted.

- 12.3. The Cardholder shall pay in full the total amount of all charges described as the Current Balance specified in the Statement of Account which is due in full and payable not later than the date specified in the Statement of Account and the Cardholder shall incur no financial charge (excluding Cash Advance) if the payment of the Current Balance is received by the Bank on or before the Payment Due Date.

- 12.4. If the Cardholder does not settle the total statement outstanding by the given Payment Due Date, interest shall be charged at a rate determined by the Bank from time to time as specified in the tariff available on the official web site of the Bank at www.ndbbank.com or informed in writing by the Bank. Interest is calculated on a daily basis from the transaction posting date and any brought forward balances will be charged with interest commencing the first day of current statement month until the next Statement Date. For a sample illustration of the interest calculation method the Cardholder may refer the Credit Card Statement.

- 12.5. The first statement received by the Cardholder following opening of the Card Account will carry details of the transactions done from the date the Account was opened up to the date the

statement is generated and the charges due. No interest charges will be indicated in this statement unless a Cash Advance has been obtained in which case there will be an interest charge. If payment is made in full on or before the Payment Due Date, no interest will be charged.

- 12.6. Thus the Cardholder who makes full payment of the amount shown in the Statement of Account is relieved from paying interest for his Transactions (other than for Cash Advances).
- 12.7. Interest on Cash Advances will be charged from the date of withdrawal until the date of settlement in full.
- 12.8. If the Minimum Amount Due is not met on or before the Payment Due Date, the Cardholder is liable to pay a late payment fee prevailing from time to time in addition to the interest.
- 12.9. The Cardholder agrees to pay the Bank when applicable, the Charges and fees at rates determined by the Bank from time to time.
- 12.10. If the Cardholder does not settle the Current Balance by the Payment Due Date, a finance charge calculated on a daily basis will be applied to the Current Balance until payments are credited to the Card Account and thereafter on the reduced balance.
- 12.11. All payments received by the Bank from the Cardholder may be applied in the following order of payment or such other order of priority as the Bank thinks fit:
 - 12.11.1. All unpaid finance charges, service charges, fees, Cash Advances and other cost shown on any previous Statement of Account.
 - 12.11.2. All unpaid finance charges, service charges, fees, Cash Advances and other costs shown on the current Statement of Account.
 - 12.11.3. All unpaid Card Transactions and purchase transactions as shown on any previous Statement of Account.
 - 12.11.4. All unpaid Card Transactions and Purchase Transactions shown on the current Statement of Account.
 - 12.11.5. All finance charges, service charges, fees, Cash Advances other costs and Card Transactions not yet shown on the current Statement of Account.
- 12.12. The Bank shall be entitled at its sole discretion to vary the rate method or calculation of the annual

fees, handling charges, additional charges, finance charges, the specified Minimum Amount Due and/or late payment charges or any other charges.

- 12.13. A replacement charge as prescribed by the Bank is payable by the Cardholder to the Bank immediately upon a request to the Bank to issue a replacement Card.
- 12.14. Without prejudice to the Bank's rights at any time to take the appropriate legal action, the Bank may charge fees for any return cheques drawn by the Cardholder in full or partial payment of the outstanding amount.
- 12.15. The Cardholder hereby expressly agrees that if any sums shall be due from the Cardholder to the Bank at any time under the Card Account, or the Cardholder shall be liable to the Bank on any banking account, or any other account, current or otherwise, in any manner or if default is made by the Cardholder in the provisions of such accounts or in any other banking facilities granted by the Bank to the Cardholder, then and in such event, the whole outstanding balance on the Card Account(s) shall become immediately due and payable and the provisions of Clause 18 (Termination) hereof shall be applicable.
- 12.16. A certificate signed by an officer of the Bank, stating the balance of the Card Account, will be prima facie evidence of the Cardholders liability to the Bank at the date of the certificate.
- 12.17. Any cash deposits may only be regarded as having been received by the Bank upon crediting the same to the Card Account.
- 12.18. A cheque deposit shall be acceptable for collection and the proceeds shall not be available until the cheque has been cleared and the proceeds paid to the Bank. Cheque deposit at the Bank's cheque deposit boxes will be collected on the following working day.
- 12.19. The Cardholder may issue a direct debit standing instruction to the Cardholder's current or savings account with the Bank to make payments of a percentage of the Cardholder's outstanding Credit Card statement amount to the Card Account on the Payment Due Date. The Cardholder agrees that any amendments and cancellation to any such standing instruction should reach the Bank at least two weeks before the next Payment Due Date.
- 12.20. For a direct debit standing instruction given to the designated settlement Account with the Bank, the following additional terms and conditions shall apply.
 - I. The Cardholder agrees that the Bank reserves the right to determine the priority of any such standing instruction against cheques presented or any other arrangements made with the

Bank.

- II. The Cardholder agrees to provide sufficient funds in the designated settlement account in order to meet the standing instructions, on the day prior to the Payment Due Date. In case of insufficient balance in the settlement Account, the Bank at its discretion may grant overdrafts from time to time to recover the payment amount as per the standing instructions. The Cardholder is bound to repay on demand all outstanding amounts together with all related charges, fees, and levies including finance charges accrued thereon, at a rate to be determined by the Bank from time to time.
- III. The Cardholder agrees that all the interim payments made between the Statement Date and the Payment Due Date will not be taken into consideration when calculating the direct standing instructions given to a designated Settlement Account with the Bank.
- IV. If there were no sufficient funds in the designated settlement account to carry out the standing order instructions, the Bank may charge an auto pay reject fee of Rs 250 – although a part payment has been made or recovered. The said fee may be varied from time to time at the discretion of the Bank. If sufficient funds were not available in the designated settlement account continuously to meet the standing instruction placed by the Cardholder such standing instructions will be deactivated.

12.21. Payments will be treated as made from the date on which the payments are actually received by the Bank in the ordinary course of business.

12.22. All payments made by the Cardholder shall be in the billing currency of the Card Account. If payment is made in any other currency, the Cardholder shall pay the Bank all exchange, commission and other charges or losses charged or incurred by the Bank in converting such payment to the billing currency. Such conversion shall be effected at such rate of exchange as may be conclusively determined by the Bank at the date of entry into the Card Account. Any payment made by the Cardholder in the billing currency of the Card Account will be credited to the Card Account only on the date of the Bank's posting of the funds into the Card Account and where payment is received in any other currency other than the billing currency, such payment shall be credited after the date when such payment is converted to the billing currency or when relevant funds have been received for value by the Bank and posted to the Card Account.

12.23. The Cardholder must pay the Bank all sums due under this Agreement in full without any deduction or withholding (whether in respect of set off, counterclaims, taxes, charges or otherwise) unless the deduction or withholding is required by law. If a deduction or withholding is required by law, the Cardholder must immediately pay the Bank an additional amount so that the Bank receives an

amount equal to the full amount which the Bank would have received had no such deduction or withholding been made; and the card Holder must furnish the Bank an official receipt of the relevant authority involved for all amounts so deducted or withheld.

- 12.24. Without prejudice to the other provisions of the Agreement if the Cardholder should be absent from Sri Lanka for more than one month, the Cardholder shall leave clear and specific instructions to settle the Card Account and shall advise such instructions to the Bank's Call Centre prior to his/her departure. The Bank reserves the right to cancel the Card at its own discretion if not duly informed by the Cardholder.
- 12.25. If the Cardholder is traveling or out of town, it would be the responsibility of the Cardholder to make arrangements to ensure that at least the Minimum Amount Due is paid to the Bank on or before the Payment Due Date.
- 12.26. The Bank will credit the Card Account with the amount of any refund only upon receipt of a properly issued credit voucher from the member establishment.

11.3 (B) INSTALLMENT PAYMENTS

- 12.28 In the event the Cardholder decides to purchase goods or services by installment, the available credit on the Card will be blocked for the aggregate value of the goods or services so purchased.
- 12.29 If the Cardholder uses the Card to purchase goods or services by installments or to make payments on a recurring basis, the Card Holder here by authorize the Bank to pay such installments for the Card Holder as they become due provided that the available balance permits same and the Card Holder agrees to make payment for each of installments to the Card Account when they become due.
- 12.30 If the Card Holder's right to use the Card is suspended or the Card Account is terminated, the Bank may at its option and without prejudice to any of its rights and remedies, bill the aggregate sum of the remaining installments to the Card Holder forthwith.
- 12.31 The Cardholder also agrees to be bound by any other specific terms and conditions governing such installment payment scheme. In the event of conflict between the provisions of this Agreement and such specific terms and conditions to the extent necessary, the Card Holder may give full effect to those terms and conditions.

13. STATUTORY REGULATIONS

- 13.1. The Cardholder agrees to comply with all regulations issued from time to time by the Central Bank of Sri Lanka or similar Regulatory Authority, and shall indemnify the Bank of any loss, claim or expense incurred by the Bank as a result of non-Compliance or breach of any such regulation in force.
- 13.2. The Cardholder shall not use the Card for capital transactions and for the purchase/import of consumer goods in commercial quantities.
- 13.3. In the event the use of the Card necessitates Electronic Funds Transfers (EFT) or withdrawal from ATM's in foreign currency, the same will be subject to regulations issued by the Foreign Exchange Department from time to time and shall be for authorized purposes only.
- 13.4. The Cardholder shall surrender the Card(s) to the Bank in the event the Cardholder migrates, leaves Sri Lanka for employment overseas or is deemed 'non -resident' as per the definitions given in the Foreign Exchange Act or any Regulations made thereunder in force from time to time.
- 13.5. The Bank will comply with the requirements of the Director of Foreign Exchange or any other regulatory authority as stipulated from time to time and will disclose such transactions to relevant authorities under prevailing rules and regulations of the Democratic Socialist Republic of Sri Lanka.
- 13.6. The Bank may on its own accord cancel the Card without notice to the Cardholder in the event the Bank has any reason whatsoever to believe that there has been a violation of the Foreign Exchange Act/ any other law or Regulations or any other statutory regulations in force at the time of such cancellation.

14. RECOVERY

The Bank may at any time and without notice or liability, set-off or transfer any monies standing to the credit of any of the Cardholder's account/s with the Bank towards the discharge of the sum due to the Bank on the Card Account.

15. CARD VALIDITY, EXPIRATION AND RENEWAL

- 15.1. All Cards will usually be issued for a validity period of five years. The validity of the Card will expire on the expiration date appearing on the Card, unless the card Holder is in breach of the Terms and Conditions, the Bank will automatically renew the validity of the Card (and that of the Supplementary Card) and dispatch the new Card(s) usually 15 days before the expiration of the

current Card(s). In case of non-receipt of the renewed Card(s) before the stipulated time, the Cardholder is required to contact the Call Center.

- 15.2. All Cards, which do not have any payments pending for over a month or more, will be renewed automatically. In case the Cardholder does not want his Card to be renewed or any Supplementary Card to be renewed, a written intimation should be sent to Call Center. The renewal fee (as applicable at the time of renewal) will be charged and will not be refunded.
- 15.3. The Cardholder must not attempt to use his Card outside its validity period. The Bank will not be liable in any manner whatsoever, for any consequences arising due to the attempt to use the Card outside its validity period.

16. CARDHOLDER DISPUTES WITH MERCHANTS

- 16.1. Any dispute or complaint against any merchant establishment / financial institution must be directly resolved by the Cardholder with such merchant/ financial Institution. The Bank is not in any manner responsible for the quality or value of any goods or services received by Cardholder or the Supplementary Cardholder(s) from any merchant / financial institution.

17. DISPUTES AND RESOLUTIONS

- 17.1. If the Cardholder believes that an error has occurred in the Statement of Account he should contact the Bank promptly.
- 17.2. If the Cardholder informs the Bank orally, then the Cardholder is also required to send his complaint in writing within 5 business days. Wherever necessary the Bank will contact the Cardholder should it need any further information.
- 17.3. Pending the Bank's investigation and correction (if any), the Bank may, at its sole discretion, credit the account with the disputed amount till the dispute is resolved. Where, after completion of investigations, the Bank concludes that no error has occurred; the Bank will promptly advise the Cardholder accordingly. The Cardholder account will be debited for the disputed amount with the value date and service charges will accrue accordingly. If in the process of investigating the Cardholder's query, the Bank has had to retrieve voucher copies etc. either from its archives or through another bank, the Cardholder's account will be debited for retrieval fees as appropriate.
- 17.4. The Cardholder shall assist with the investigation by providing the necessary details/information.
- 17.5. If the Cardholder disputes any transaction/s the Bank will investigate such disputes. However if the

Cardholder does not wish to pursue legal action or does not visit the Bank to assist in investigations or does not wish to observe CCTV and other evidence or does not wish to visit merchant outlets or ATMs in the course of the investigation the Cardholder may be held liable for all disputed transactions.

18. TERMINATION

- 18.1. Notwithstanding the payment provisions outlined under Clause 12 (Payment and Charges) above, all amounts outstanding on a Card Account (including that of all Supplementary Cards) together with the amount incurred by the use of the Card but not yet charged to the Cardholder's Account shall become due and payable immediately in full upon the termination of this Agreement. Termination of this Agreement will be either by the Cardholder providing written notice to the Bank along with the Card(s) cut in half or by the Bank or upon the death, bankruptcy or insolvency of the Cardholder or when the whereabouts of the Cardholder become unknown to the Bank due to any cause not attributable to the Bank. The Cardholder and/or his estate will be responsible for repaying in full any outstanding balances on the Card Account and shall keep the Bank indemnified for all costs (including legal fees and charges) and expenses incurred in recovering such outstanding balances. Pending such repayment, the Bank will be entitled to continue to charge Interest and other Charges at its prevailing rates.
- 18.2. In the event the Primary Cardholder terminates his Card, such Primary Cardholder and the Supplementary Cardholder(s)(if any) shall continue to be jointly and severally liable to the Bank for all charges and other liabilities in accordance with these Terms and Conditions until such time as all outstanding have been settled and all the Cards are returned to the Bank duly cut in half.
- 18.3. The Bank may terminate this Agreement at any time by cancelling or refusing to renew the Card with or without giving prior notice and with or without cause. Unless and until such termination takes place the Bank may provide a new Card (renewal) to the Cardholder(s).
- 18.4. The Bank shall not be liable to refund the annual fee or any part thereof in case of the termination of the Card Account.
- 18.5. In the event of cancellation of a Card by the Bank where any Security is held by the Bank as collateral for the issuance of the Card, the Bank shall release such security upon the full settlement of the outstanding of the Card. .
- 18.6. Notwithstanding the termination of this Agreement by either party, the Cardholder shall continue to be liable for all further charges incurred by the use of the Card.

19. EXCLUSION OF LIABILITY

- 19.1 The Bank shall be under no liability whatsoever to the Cardholder in respect of any loss or damage arising directly or indirectly out of:
- 19.1.1 any loss or damage howsoever incurred or suffered by the Cardholder by reason of the Bank or a Merchant or other bank or financial institution or any ATM or other party refusing to allow a Card Transaction or refusing to extend or provide Cash Advances up to the Credit Limit or at all;
 - 19.1.2 Refusal of any Merchant or member institution of any payment organization to honor or accept the Card for any defect or deficiency in the goods or services supplied to the Cardholder by any Merchant or where applicable, for any breach or non – performance by a Merchant of a Card Transaction.
 - 19.1.3 the malfunction of any ATM/POS or disruption and / or failure of communication systems;
 - 19.1.4 the exercise of its right to demand and procure surrender of the Card prior to the expiry date embossed on its face, whether such demand and surrender are made and/or procured by the Bank or by any other person or ATM/POS;
 - 19.1.5 the exercise by the Bank of its right to terminate any Card or the Card Account pursuant to Clause 18 (Termination);
 - 19.1.6 any injury to the credit character and reputation of the Cardholder in and about the repossession of the Card, any request for its return or the refusal of any person to honor or accept the Card;
 - 19.1.7 any misstatement, misrepresentation, error or omission in any details disclosed by the Bank pursuant to Clause 21 (Bank's Books, Records and Customer Information);
 - 19.1.8 any dispute between the Cardholder and any Merchant or bank or financial institution or any other person, and the Cardholder's liability to the Bank shall not in any way be affected by such dispute or counter claim or right of set-off which the Cardholder may have against such Merchant or bank or financial institution or person.
 - 19.1.9 consequences arising out of the interruption of its business by acts of God, riots, civil commotion, insurrections, wars, pandemic or any other causes beyond its control, or by any strikes or lockouts.

20. LIABILITY OF CORPORATE CARDS

All Corporate Cards issued to eligible corporate bodies in respect of any of its staff, executives, directors or any other person authorized by the corporate body shall operate under joint and several liabilities of such corporate body as well as the Cardholder.

21. BANK'S BOOKS, RECORDS AND CUSTOMER INFORMATION

- 21.1. The Bank's books, records and accounts shall be conclusive and binding on the Cardholder. Any certificate, printout or Statement of Account issued by the Bank shall be final and conclusive evidence against Cardholder of the correctness thereof in any legal proceedings or otherwise.
- 21.2. The Cardholder acknowledges and accepts that telephone calls by or to the Bank may be recorded for the protection of the interests of the Customer and the Bank.
- 21.3. The Cardholder hereby acknowledges and agrees that the Bank may maintain, process and store its data, information and records in electronic form, or microfilm or other methods (including in processing centers and databases) and further agrees that the messages, cables facsimiles, microfilms, tapes, computer printouts and photo copies, which may be exhibited by the Bank as an extract from its files, books, records or accounts shall constitute conclusive evidence of the genuineness of the contents thereof.
- 21.4. The Cardholder acknowledges and agrees that the Bank may utilize the services of third party contractors and that such third party contractors may have access to the Bank's books and records including information regarding the Cardholder and the Card Account.
- 21.5. The Cardholder consents to the disclosure and reporting by the Bank of details of the Cardholder's relationship with the Bank (including outstanding balances, account history and other Cardholder related information) to any other branch or office of the Bank, any affiliate of the Bank or any member of the Bank; to comply with a court order to any regulatory authority, whether in Sri Lanka or elsewhere; to any potential assignee of the Bank; to any guarantor, third party or security provider; in response to any request from a third party for a reference; and, to the Bank's professional advisors, agents and independent contractors. The Customer shall not assert any claim, and hereby waive any right to assert any claim, against the Bank for any loss, damage or injury suffered or alleged as a result of any such disclosure or reporting. This consent shall be effective even when the Cardholder(s) no longer holds a Card from the Bank.
- 21.6. The Bank shall have the right to check the credit standing of the Applicant for the Card and/or check the credit standing of the Cardholder at any time as and when the Bank deems fit without

reference to him.

21.7. The Bank and/or any of its officers/employees reserve the right to disclose (for any purpose) any information concerning the Card Accounts including (without limitation) information relating to a customer/customers business, account held with the Bank or other Group Member or the customer/customer's relationship with the Bank or another Group Member to any of the following.

(i) Any branch of the Bank or another Group Member

(ii) Any regulatory, supervisory, governmental authority with jurisdiction over the Bank or another Group Member;

(iii) Any person to whom the Bank is required or authorized by law or court order to make such disclosure;

(iv) Any person who is under a duty of confidentiality to the Bank.

22. AUTHORISATION & INDEMNITY FOR TELEPHONE, FACSIMILE AND E-MAIL INSTRUCTIONS

22.1. The Cardholder authorizes the Bank to rely upon and act in accordance with any notice, instruction, demand or other communication (the "Instructions") which may from time to time be, or purported to be given by telephone, facsimile or e-mail by the Cardholder(s) on his behalf, without any enquiry on the Bank's part including, without prejudice to the generality of the foregoing, as to the authority or identity of the person giving or purporting to give the Instructions and regardless of the circumstances prevailing at the time of receipt of the Instructions. The Cardholder shall accept the Bank's ruling on time and date of receipt and dispatch dates of Instructions as final.

22.2. The Bank shall be entitled to treat the Instructions as fully authorized and binding upon the Cardholder and the Bank shall be entitled to take such steps in connection with or in reliance upon the instructions as the Bank may consider appropriate, whether the Instruction is to pay money or otherwise to debit or credit any account, or relate to, the disposition of any money or documents, or purports to bind the Cardholder to any agreement or other arrangement with the Bank or with any other person or to commit the Cardholder to any other type of transaction or arrangement whatsoever, regardless of the nature of the transaction or arrangement or the amount of money involved and notwithstanding any error, ambiguity, misunderstanding or lack of clarity in the terms of the Instructions.

22.3. In consideration of the Bank acting in accordance with the terms of this authorization and indemnity the Cardholder hereby irrevocably undertakes to indemnify the Bank and to keep the Bank indemnified against all losses, claims, actions, proceedings, demands, damages, costs,

liability and expenses, whether legal or otherwise incurred or sustained by the Bank of whatever nature and howsoever arising out of or in connection with the Instructions or any breach thereof or the enforcement of the Bank's rights as herein provided. All costs and expenses in such regard may be debited to the Card Account and shall be payable by the Cardholder.

- 22.4. The terms of this authorization and indemnity shall remain in full force and effect unless and until the Bank receives, and has a reasonable time to act upon, notice of termination from the Cardholder, save that such termination will not release the Cardholder from any liability under this authorization and indemnity in respect of any act performed in accordance with the terms of this authorization and indemnity prior to the receipt of such notice.
- 22.5. The Cardholder admits and acknowledges that the giving of any Instruction by telephone, facsimile or e-mail as aforesaid is not a secure means of giving an instruction to the Bank and that the Cardholder is aware of the risks involved in that regard and confirms that arrangements herein, which is made for the convenience of the Cardholder and is solely at the risk of the Cardholder.

23. RIGHT TO SET-OFF AND FUNDS HELD AS SECURITY

- 23.1. In addition to any general right of set-off or other rights conferred by law or under any other agreement, the Cardholder agrees that the Bank may at its absolute discretion at any time and without notice combine or consolidate all or any account(s) held by the Cardholder with the Bank of whatever description and where so ever located and whether in Sri Lankan Rupees or in any other currency or set-off or transfer any sum standing to the credit of any such account(s) in or towards discharge of all sums due to the Bank under any account(s) of the Cardholder with the Bank of whatever description or where so ever located and whether in Sri Lankan Rupees or any other currency and may do so notwithstanding the balances on such account(s). The Cardholder hereby authorizes the Bank to offset any such combination, consolidation, set- off or transfer with the necessary conversion at the Bank's prevailing exchange rates which shall be determined by the Bank at its absolute discretion.
- 23.2. For the purpose of enabling the Bank to preserve intact the liability of any party including the Cardholder once a writ or summons has been issued or to prove the bankruptcy or insolvency of the Cardholder or for such other reasons as the Bank thinks fit, the Bank may at any time place and keep for such time as the Bank may think prudent any monies received, recovered or realized hereunder or under any other security or guarantee to the credit of the Cardholder as the Bank shall think fit without any intermediate obligation on the part of the Bank to apply the same or any part thereof in or towards the discharge of the sums due and owing to the Bank.

23.3. The Bank may require a Cardholder to place funds in a deposit account as security when providing a Credit Card. The Bank retains the right to set off the Card outstanding against these securities. If the Cardholder wishes to access these funds at any time, must notify the Bank in advance and the Bank will at its absolute discretion release of such funds held as security upon recovering the entire unpaid card outstanding from such security.

24. LEGAL ACTION

If, for any reason, the Cardholder fails to comply with the Terms and Conditions of this Agreement, the Bank may terminate this Cardholder Agreement and proceed to recover all amounts outstanding thereunder. The Cardholder shall be responsible for all costs, charges and expenses incurred by the Bank including legal fees on a full indemnity basis.

25. NOTICES

25.1. It is mandatory that the Cardholder must promptly notify the Bank in writing of any change in name, employment or business or address (office and/or residence) and respective telephone numbers.

25.2. All Cards, PIN, Statement of Account, demands or any other communication under these Terms and Conditions may be delivered personally or sent by courier or by ordinary post to the last known billing or any other address of the Cardholder and such communication shall be deemed to have been served on the Cardholder on the day of delivery if delivered by hand and three (3) working days after dispatch, if sent by courier or post.

25.3. All communications under these Terms and Conditions sent to the Primary Cardholder shall be deemed to be a communication sent to both the primary Cardholder as well as the Supplementary Cardholder.

25.4. The Cardholder authorizes the Bank to receive all marketing information of the Bank or its products services via e – mail, sms, fax, mail, telephone etc.

26. GENERAL

26.1. The Bank shall not be liable for acting in good faith upon the Cardholder's instructions.

26.2. The Cardholder authorizes the Bank at its discretion to record any such instruction and to use such records as evidence in a court of law or in legal proceedings.

- 26.3. The Bank shall be entitled to appoint an agent to collect all sums due to the Bank from the Cardholder under this Agreement.
- 26.4. The Bank shall be entitled at any time without the consent of the Cardholder to assign the whole or any part of its rights or obligations under this Agreement with or without notice to the Cardholder.
- 26.5. The Cardholder undertakes to sign such further document(s) as may be requested by the Bank from time to time.
- 26.6. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by the law.
- 26.7. The Bank may at any time waive, either unconditionally or otherwise, any of these Terms and Conditions or any default or breach of the Cardholder, provided that such waiver is given in writing by the Bank and save as aforesaid no conditioning or excusing of and no neglect or forbearance on the part of the Bank of any default or breach of any of these Terms and Conditions shall operate as a waiver of the Bank's rights and powers and no waiver shall be inferred from or implied by anything done or not done by the Bank unless expressed in writing to the Bank. Any waiver shall operate only as waiver of the particular matter to which it relates and shall not operate as a waiver or release of any of the other Terms and Conditions.
- 26.8. In connection with the special discounts / offers made by the respective Merchants, the Bank shall not be held responsible and does not hold out any warranty or make any representation of the delivery, quality, design, specifications or otherwise set out in respect of these offers.
- 26.9. In the event the Bank's mailings are returned and the Cardholder cannot be contacted, the Bank reserves the right to redirect the Account Statements and / or correspondence to another address designated on the Bank's card application form.

27. VARIATION OF TERMS

- 27.1. The Bank may from time to time change the Terms and Conditions of this Agreement. Subject to the requirements of Statutes and/or regulatory requirements, notification of any such change shall be given to the Cardholder by the Bank either in writing or by publication thereof. Such changes shall apply to all unpaid finance charges, fees, Cash Advances, costs and Card Transactions.
- 27.2. Retention or use of the Card after the effective date of any such change of Terms and Conditions of this Agreement shall be deemed to constitute acceptance of such changes without reservation by

the Cardholder. If the Cardholder does not accept the proposed changes, the Cardholder must terminate the use of the Card by giving written notice prior to the effective date and Clause 18(Termination) shall henceforth be operative.

28. EFFECTS OF THE AGREEMENT

- 28.1. Notwithstanding the termination of this Agreement, all provisions contained herein shall continue to have full force and effect against the Cardholder and any Supplementary Cardholder(s) with respect to any Card Transactions entered into and liabilities of the Cardholder and any Supplementary Cardholder(s) incurred hereunder.
- 28.2. Each of these Terms and Conditions shall be severable and distinct from one another and if at any time anyone or more of such Terms and Conditions is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

29. CARDHOLDER PROCEEDING ABROAD

- 29.1 A Cardholder migrating and/ or proceeding abroad on permanent employment, or who is deemed “non-resident” as per definitions of Foreign Exchange Regulations in force at that time must inform the Bank in writing, and must settle all billed and unbilled charges and must also surrender the Card and any Supplementary Cards thirty (30) days prior to the Cardholders departure. The use of the Card and Supplementary Card(s) shall be deemed to be terminated and Clause 18 (Termination) shall apply.
- 29.2 If the Cardholder leaves Sri Lanka either for good or for employment or permanent residence abroad, the card issued to him should be surrendered to the bank unless such Card was issued for making settlement for foreign exchange drawings on the Card out of funds lying to the credit of a NRFC, RFC, RNNFC account and an off shore account.

30 CARDS TO FOREIGN NATIONALS

- 30.1 A Card may be issued to a foreign national subject to the prevailing regulations issued by the Central Bank of Sri Lanka.

Cardholder should inform the Bank in writing, one month prior if he is leaving the country permanently, and/or one month prior to the expiration of his resident visa. He should settle the billed and unbilled charges in full and surrender the Card(s) to the Bank before either of the

aforesaid events occurs.

31 GOVERNING LAW

31.1 The Terms and Conditions are governed by and shall be construed in accordance with the laws of Sri Lanka and the Cardholder hereby submits irrevocably to the exclusive jurisdiction of the courts of Sri Lanka. Such submission shall however not prejudice the right of the Bank to bring proceedings against the Cardholder in any other jurisdiction.

31.2 The Terms and Conditions will automatically stand amended if such amendments are necessitated by law, government regulations or instructions issued by the Central Bank of Sri Lanka. The Card Account may be used only for lawful and valid purposes. In the event the Cardholder uses, or allows a third party to use, the Card or Card Account for any other purpose, the Cardholder shall be responsible for such use and may be required to reimburse the Bank or the relevant payment card organization for all amounts and/or expenses that all or either of the parties pay as a result of such use. In such a situation the Bank reserves the right to immediately suspend such payments and bring the matter to the notice of the Director Foreign Exchange Department.

31.3 If reasonable grounds exist for the Bank to suspect that unauthorized foreign exchange transactions are being carried out on the Card, the Bank retains the right to immediately suspend availability of foreign exchange on the Card and to report the matter to the Director of Foreign Exchange Department. The Bank also retains the right to obtain information on transactions carried out by a Cardholder in foreign exchange on a Card.

31.4 As required by the Foreign Exchange Direction, No 03 of 2021 the Card Holder shall submit a declaration to the Director-Department of Foreign Exchange of the Central Bank of Sri Lanka at the time of submitting the application form.

31.5 In submitting same, the Card Holder confirms that the has read and understood the terms and conditions set out in Direction No 03 of 2021 as may be amended from time to time.

31.6 Direction No 03 of 2023 issued under the Foreign Exchange Act, No. 12 of 2017 (the FEA) is attached hereto and forms an integral part of these Terms and Conditions and should be read, understood and applied in carrying out foreign exchange transactions on the Card.

Directions issued to Authorized Dealers on Electronic Fund Transfer Cards (EFTCs)

1. In terms of Section 9 of the Foreign Exchange Act, No. 12 of 2017 (the FEA) read with Sections 5, 6 and 7 of the FEA, Authorized Dealers (ADs) are permitted to issue EFTCs to persons in, or resident in Sri Lanka for making payments in foreign exchange to persons resident outside Sri Lanka, subject to the following.
2. ADs shall ensure that EFTCs issued to persons in, or resident in Sri Lanka (hereinafter referred to as “card holders”) may be used for making payments to persons resident outside Sri Lanka only in respect of current transactions of personal nature other than for the use of payments for purposes specified in Paragraph 10.1 of these Directions.
3. In addition, ADs are also permitted to issue Debit Cards to the following persons against funds held in the respective accounts of such cardholders.
 - (a) A person resident in Sri Lanka who has proceeded outside Sri Lanka temporarily for business, education or medical purposes
 - (b) A holder of a Business Foreign Currency Account (BFCA)
 - (c) A holder of a Personal Foreign Currency Account (PFCA)
 - (d) A holder of a Diplomatic Foreign Currency Account (DFCA) or a Diplomatic Rupee Account (DRA)
 - (e) A holder of an Inward Investment Account (IIA)
 - (f) A holder of a Capital Transaction Rupee Account (CTRA)
 - (g) A holder of an Emigrant’s Remittable Income Account (ERIA)
 - (h) A holder of a Non-Resident Rupee Account (NRRRA)
 - (i) A holder of a Resident Guest Rupee Current Account (RGRCA)
 - (j) A holder of a Senior Foreign Nationals’ Rupee Account (SFNRA)
4. ADs may issue Credit Cards to the following persons, upon implementing necessary internal controls and mechanisms to mitigate the credit risk.
 - (a) To foreign citizens who hold diplomatic passports and/or diplomatic identity cards issued by the Ministry of Foreign Affairs in Sri Lanka.
 - (b) To persons resident outside Sri Lanka only up to a limit of 90% of funds available in the foreign currency accounts in Sri Lanka of such person held as collateral/ security; where settlement of expenditure incurred on such credit cards shall be settled through inward remittances from abroad, with funds held in the foreign currency accounts or from ERIA, if available.
 - (c) To Sri Lankans who have obtained dual citizenship in Sri Lanka and in any other country while being a resident in Sri Lanka subject to the expenditure incurred on such credit cards shall be settled through inward remittances from abroad, with funds held in the foreign currency accounts or in ERIA (if available) or from Sri Lanka Rupee earnings of the card holder.

5. ADs shall ensure that EFTCs issued to card holders specified in Paragraphs 3. and 4. Of these Directions shall be used subject to the following.
- (a) Any payment in Sri Lanka Rupees, in Sri Lanka is permitted other than for the use of payments for investments in Sri Lanka;
 - (b) Any payment to a person resident outside Sri Lanka for any purpose is freely permitted, where an EFTC is issued to a;
 - (i). A holder of a PFCA being a person resident outside Sri Lanka
 - (ii). A holder of a DFCA
 - (iii). A holder of an IIA
 - (iv). A holder of an ERIA
 - (c) Any payment to a person resident outside Sri Lanka for a current transaction of personal nature is permitted (other than for the use of payments for purposes specified in Paragraph 10.1 of these Directions), where an EFTC is issued to a;
 - (i). A holder of a BFCA
 - (ii). A holder of a PFCA being a person resident in Sri Lanka
 - (iii). A person resident in Sri Lanka who has proceeded outside Sri Lanka temporarily for business, education or medical purposes (iv). A holder of a NRRRA being a firm or a company established/ incorporated outside Sri Lanka
 - (v). A holder of a DRA
 - (vi). A holder of a RGRCA
 - (vii). A holder of a SFNRA
 - (d) Any payment to a person resident outside Sri Lanka for a capital transaction of the holder of the EFTC is permitted, where such card is issued to a;
 - (i). A holder of a BFCA
 - (ii). A holder of a PFCA being a person resident in Sri Lanka
6. ADs may issue EFTCs to companies/ institutions incorporated or registered in Sri Lanka (i.e., corporates), in the names of designated employees or directors of such corporates who are persons resident in Sri Lanka, as per an approved internal procedure for making any payment in foreign exchange related to current transactions of such corporate other than for the use of payments for purposes specified in Paragraph 10.1 below.
7. ADs shall issue EFTCs to persons in, or residents in Sri Lanka subject to the condition that, if the cardholder migrates or leaves Sri Lanka for permanent residence or employment abroad, the card issued to such person in Sri Lanka shall be surrendered to the card issuing bank, except in the event that an EFTC is issued for making settlements in foreign exchange against funds held in the BFCAs, PFCAs, DFCA, DRAs, IIAs, ERIAs or on the basis that outstanding amounts are settled through inward remittances.

8. ADs shall make aware cardholders to keep evidence up to the statutory record keeping requirement in respect of withdrawal of foreign currencies using a debit card or obtaining cash advance through a credit card, that such currencies have been utilized for the transactions permitted under these Directions.

9. ADs shall direct cardholders to seek prior written permission of the Director-Department of Foreign Exchange, for any payment to a person resident outside Sri Lanka through an EFTC for any purpose which falls outside the purview of these Directions.

10. Other Conditions

10.1 ADs shall ensure that EFTCs issued to cardholders shall not be used for the following:

- a. Dealings in foreign exchange (Forex Trading);
- b. Payments related to virtual currency transactions;
- c. Payments related to betting, gaming and gambling activities outside Sri Lanka;
- d. Payments for import of goods to Sri Lanka for commercial purpose subject to the Regulations and Operating Instructions issued under the Import and Export (Control) Act, No. 01 of 1969 and any amendments thereto.

10.2 ADs shall apprise and communicate prevailing regulations on EFTCs in these Directions to the card holder in writing (electronically or in document form) in a preferred language of communication and obtain a declaration from such card holder as per the Annex I at the time of issuance of EFTCs.

10.3 ADs shall ensure that only permitted transactions as specified in these Directions are carried out by cardholders using EFTCs.

10.4 ADs shall exercise due diligence and take immediate actions to suspend payments/cash withdrawals in foreign exchange from EFTCs and bring the matter to the attention of Director - Department of Foreign Exchange, if reasonable grounds exist to suspect that any cardholder makes payments/cash withdrawals in foreign exchange for purposes not permitted by these Directions.

10.5 ADs shall identify each cardholder's transactions in foreign exchange and in Sri Lanka Rupees, separately.

10.6 ADs shall not issue EFTCs as supplementary cards to persons resident outside Sri Lanka unless where the primary card holders are also persons resident outside Sri Lanka. Issuance and usage of supplementary cards shall be subject to the terms and conditions set out in these Directions.

10.7 ADs shall at all times verify and take appropriate measures in accordance with these Directions in respect of change in the residential status of the card holders who have proceeded outside Sri Lanka for working abroad or for educational purposes.

10.8 The EFTCs already issued under the provisions of the repealed Exchange Control Act, shall be subject to the terms and conditions set out in these Directions.

11. Monthly Reporting - ADs shall submit details of all transactions irrespective of value in respect of cardholders who have made payments in foreign exchange, inclusive of cash withdrawals in foreign currency, to the Director-Department of Foreign Exchange only electronically through the Foreign Exchange Transactions Monitoring System – FOREX Net on monthly basis.
12. ADs shall retain any information or documentation relating to issuance and renewal of EFTCs including Annex I and Annex II hereof, for a period of six years or up to the statutory record keeping period whichever is longer, for verification by the Central Bank of Sri Lanka.
13. For the purposes of these Directions
 - (i). “Electronic Fund Transfer Card (EFTC)” shall mean, a card or a device that enables the user to transfer value in credit, debit or any other form and includes credit cards, debit cards and stored value cards where transaction details could be identified by the ADs for the purposes of being compliant with the provisions of the FEA;
 - (ii). “Debit Card” shall mean, a payment card that may be used to withdraw cash and/or execute payments for purchase of goods and services, by directly debiting from the credit balance of the cardholder’s account;
 - (iii). “Credit Card” shall mean, a payment card which involves a line of credit granted by the issuer to the card holder, where the credit utilized can be settled in full or in part on or before a specified date. The issuer may charge interest or other charges on any amount not settled on the specified date;
 - (iv). “Personal nature” shall mean, only for the use of the holder of the card, spouse, children and parents;
 - (v). “Current transactions” shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017;
 - (vi). “Capital transactions” shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017;
 - (vii) “Virtual currency” is a digital representation of value that can be digitally traded and functions as a medium of exchange; and/or a unit of account; and/or a store of value, but does not have legal tender status in any jurisdiction and is not issued nor guaranteed by any jurisdiction;
 - (viii) “Persons residents in Sri Lanka” shall be determined in terms of the Order issued under Section 31 of the Foreign Exchange Act, No. 12 of 2017.
14. Directions No. 02 of 2017 dated 20 November 2017 issued to ADs specifying requirements related to issuance of EFTCs to persons in or resident in Sri Lanka, are hereby rescinded.
15. The revocation of previous Directions referred to in Paragraph 14. Above shall not affect any rights accrued on or penalties or liabilities incurred, under them prior to the revocation.

16. Nothing permitted by these Directions shall be construed as exempting, absolving or preventing ADs or any person dealing in foreign exchange under these Directions, from the requirement to comply with the provisions of any other law.

17. These Directions shall come into operation with effect from 22 March 2021.

Director-Department of Foreign Exchange

18 March 2021