

# DFCC BANK PLC

## GENERAL TERMS AND CONDITIONS

### 1. APPLICATION

These General Terms and Conditions (hereinafter referred to as the "Terms and Conditions" where the context admits or requires and which term or expression shall include the terms, conditions and rules for Current Accounts, Term Deposit Accounts and Savings Accounts (herein contained designated in Sri Lanka Rupees or otherwise) will apply to the Customer Accounts, dealings and transactions with DFCC Bank PLC a Banking Company duly incorporated in the Republic of Sri Lanka and having its Registered Office at No. 73/5, Galle Road, Colombo 03 bearing Registration Number PQ 233 and carrying on a business of banking in the said Republic of Sri Lanka as a Licensed Commercial Bank within the meaning of the Banking Act No. 30 of 1988 and an approved credit agency under and for the purpose of the Mortgage Act and the Trust Receipts Ordinance (hereinafter called and referred to as "DFCC" or "Bank") which term or expression as herein used where the context so requires or admits shall mean and include the said DFCC Bank PLC and its successors. These terms and conditions shall "Mutatis Mutandis" (with the necessary changes in points of details) apply to all Customers including but not being limited to Individuals, Partnerships, Proprietorship, Co-Borrowers, Incorporated and Un-incorporated bodies.

The Bank reserves the right to alter, amend or add to these Terms and Conditions, and such alteration, amendment or addition shall be deemed to be binding on all Customers. Every amendment to these Terms and Conditions shall be made available on the official website and will be communicated in an acceptable mode by the Bank.

By acceptance of these Terms and Conditions the Customer agrees to also abide by the Customer obligations towards the Bank mentioned in the Customer Charter issued by the Central Bank of Sri Lanka and amendments issued there to from time to time.

#### Interpretation:

In this General Terms and Conditions the words importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include corporations and companies. The headings are inserted for convenience only and shall not affect the construction of this document. Reference to any statutory provision, regulation, rule, order or direction shall include a reference to such provision, regulation, rule, order or direction as from time to time Re-enacted, amended, extended, supplemented or replaced.

### 2. BANK ACCOUNT

It is hereby agreed that the Bank shall be authorised to act on signed written instructions or signed written document drawn or accepted in accordance with the operating instruction given in the Account Opening Application Form (hereinafter referred to as the "Mandate") until such time as the Customer shall give the Bank written notice to the contrary:

a) for making payments of a cheque, bill of exchange, promissory note, standing order, direct debit, issue of draft, mail and telegraphic transfer, purchase and sale of securities and foreign currency and giving effect to and any other instruction by debiting such account whether in credit or otherwise; and

b) to accept any other instruction regarding such account including instruction for the closure of such account.

### 3. CHEQUE BOOK

a) The Bank may also in its absolute discretion issue a cheque book on a Current Account. Where a cheque book is issued, the Customer shall be responsible for its safe custody at all times and notify the Bank forthwith if such cheque book or any cheque leaf contained therein is lost or stolen.

b) The Bank at its absolute discretion accepts from the Customer any instruction for stop payment of a cheque (either orally or in writing) in case where the Customer has lost either a cheque book or any cheque leaf. Any oral request should be followed by a written confirmation on the same day.

c) The Bank reserves the right not to issue a cheque book if there are excessive cheque returns.

### 4. OVERDRAFT

a) A Customer shall be liable for any overdraft or other facilities arising in connection with any of his accounts with the Bank and the Customer hereby specifically authorises the Bank to debit any such account with all or any interest (including penal interest) commission and other Banking charges, cost and expenses (including any legal cost) incurred in connection therewith at such rates as may be determined by the Bank from time to time in its absolute discretion. The Customer shall also pay to the Bank such amounts of money in the manner and at such times as maybe required by the Bank in its absolute discretion.

b) Where any amount of money is so credited to such account whilst an overdraft or other banking facilities in connection therewith is in force, such amount shall firstly be applied by the Bank to set-off any interest (including penal interest) payable until the interest due is paid in full. Thereafter any such amounts so credited shall be applied to set-off the principal amount of any such overdraft or any other banking facilities.

### 5. DEPOSITS AND WITHDRAWALS

Deposit(s) and the withdrawal(s) are governed by the laws in force at present in Sri Lanka. The Bank has the discretion to allow withdrawal of monies at any branch in Sri Lanka, subject to the production of evidence of an identity, satisfactory to the Bank and on payment of any customary charges that may be levied by the Bank from time to time. If the Bank is unable to verify the identity of a Customer due to reasons such as but not limited to the wearing of caps, sunglasses, face coverings, etc the Customer agrees to remove these before processing the transaction.

### 6. MAINTAINING ACCOUNTS

a) Periodic Balance Statements

Unless otherwise agreed upon, the Bank will issue periodic balance statement on the Customer's account at such intervals to be determined by the Bank.

b) Time Allowed for Objection

Any objection a Customer may have concerning the correctness or incompleteness of a periodic balance statement received by the Customer must be raised promptly, but in any event must be received by the Bank in writing on immediate receipt of such statement. In the absence of any objection within the period specified above, the periodic statement shall be deemed to be correct and binding.

### 7. JOINT ACCOUNTS AND PARTNERSHIP ACCOUNTS

a) In the event of a Customer Account being a Joint Account, the Joint Account Holders shall be jointly and severally liable for any overdraft, loan or other credit facilities or accommodation which may be granted on such account together with all interest, commission and such other banking charges and expenses.

b) In the event of the death of one or more of the joint account holders, the Bank shall pay, deliver to or to the order of the surviving account holder or account holders all the money, security, deeds, documents, and other property (including safe deposit lockers and other contents) whatsoever or held by the Bank for, or standing to the credit of any account in the joint account holders' name, without referring to the legal heirs or representatives of the deceased joint account holder(s).

c) The Bank shall be fully discharged of its obligations towards the joint account holders upon receiving the notice of death of one or more of the joint account holders and on payment of or delivery to or to the order of the surviving joint account holder(s) all monies, security deeds, documents and other properties whatsoever standing to the credit of or held by the Bank for any account whatsoever.

### 8. TERMS AND CONDITIONS FOR SAVINGS ACCOUNTS

a) Deposits may be made at any branch of the Bank.

b) Withdrawals may also be made at any such branch of the Bank subject to the provisions of these Terms and Conditions.

c) An account with a balance below the required minimum balance and further has been inoperative for a period of more than 12 months may be closed by the bank.

d) Cheque(s)/ Drafts and money orders may be accepted to the credit of Savings Accounts only at the sole discretion of the Bank.

e) Interest will be calculated on the daily balance and credited monthly provided that the account has the required minimum balance on each such day of calculation.

f) By default, savings account holders will be registered for e-statements as the means of account record. However, upon request of the customer, the bank may issue a passbook for same. The safety of the passbook shall be the responsibility of the customer. In the event where the passbook has been lost, stolen or misplaced the bank must be notified in writing without delay.

g) Any money deposited or withdrawn will be recorded in the Passbook by the Bank where applicable if the Passbook is presented at the counter. An account holder shall examine the entries of his passbook carefully before leaving the Bank and satisfy himself that the entries made therein are correct. Any discrepancy must be notified to the Bank forthwith.

h) The Passbook should be presented at least once in every six (6) months to have all transactions recorded therein. Transactions carried out prior to three (3) years from the date of presentation of the Passbook will not be available for recording in the passbook. The Bank will not retain records of transactions exceeding the period of statutory requirement.

i) The Bank reserves the right to mail by ordinary post, at its discretion the statement of transactions not recorded in the passbook.

j) Withdrawals in cash can be made by the account holder from an Automated Teller Machine (hereinafter referred to as the "ATM") or at the Bank counter upon the production of the passbook and a correctly completed withdrawal form. When making over – the – counter withdrawal a Savings Account Holder shall produce his passbook and the NIC/EIC together with the correctly completed withdrawal form.

k) Any transaction through and ATM is subject to the Terms and Conditions of the use of such machine.

l) Interest on savings accounts shall be accrued subject to applicable product features. In the event the subjective balances are not maintained, the account may not accrue any interest until the balances are being upgraded to the applicable balance.

### 9. TERMS AND CONDITIONS FOR CURRENT ACCOUNTS

a) Hours of business of the Bank will be declared by the respective branches of the DFCC.

b) Interest will not be paid on any balance remaining in the Current Account.

c) A cheque book will be provided on payment of a nominal charge for Current Account.

d) However taxes and other charges levied by the Government of Sri Lanka and the Clearing House will be debited to the Current Account.

e) In using cheque(s) careful attention is required in respect of the following:

I. An unauthorised person should not be allowed to access a cheque book.

II. The Bank shall not be held responsible in the event of a cheque being honoured on a forged signature due to the negligence of the Customer in securing the cheque book issued to the Customer.

III. In issuing a cheque, the amount for which it is drawn must be clearly written both in words and figures, and no space shall be left facilitating the addition of any figure as the case may be or words thereafter.

IV. Should it become necessary to make any alteration on a cheque, such alteration must be authenticated with the full signature of the drawer.

V. The Bank may decline to pay on any cheque bearing a date that is six (6) months or more prior to the date of presentation for payment.

VI. The Bank does not accept any responsibility in the event of a post dated cheque being inadvertently paid and debited to the account of the Customer. A post dated cheque is one which bears a date subsequent to the date on which it is presented for payment.

VII. The Bank is not bound to pay a cheque against unrealised proceeds.

VIII. The Bank must be notified forthwith in writing, in the event of a loss of a cheque leaf or the cheque book issued to a Customer.

f) A Customer is required to obtain the signature of an officer and Bank Stamp for cash deposit into an account, on the relative counterfoil or receipt, unless overprinted by the Bank's Cash Teller machine provided for this purpose.

g) A Customer making a withdrawal from an account must not draw in excess of the available balance, unless a prior arrangement has been made with the Bank. In any event the Customer is liable to pay interest at the applicable rate in respect of such sum paid in excess of the available cleared balance as at that date in his account.

h) A Customer should take into account all the cheques that have been issued but have not been presented to the Bank for payment, in determining the balance available for the issuance of a further cheque(s).

I) The Bank will furnish to each Current Account Holder a statement of account at such intervals as may be requested by the Customer, or in the absence of an instruction by the Customer the statements shall be sent in such intervals as maybe determined by the Bank. The statement of account should be carefully checked on being received and any discrepancy therein should be brought in to the notice of the Bank immediately.

j) The Bank will charge commissions where applicable, for services provided. Further the Bank will impose a charge on every cheque dishonoured or payment on which is stopped by the account holder.

k) The Bank will also record instructions received from a drawer to stop payment on a cheque. However, the Bank shall not be held responsible in case it fails to follow such instructions.

l) The Bank will close the account if cheque returns exceeds a specific number, which number will be advised by the Bank from time to time.

### 10. TERMS AND CONDITIONS FOR DEPOSIT ACCOUNTS

a) The Bank shall be under no obligation to release to a Depositor the deposit or any part hereof during the tenure of the term of the deposit whether it is the original deposit or the renewed deposit.

b) Any Term Deposit Certificate/ Receipt issued by the Bank to a Depositor at the time of making the deposit is not transferable.

c) The expiry of the term or period of the deposit whether it is the original deposit or the renewed deposit and the delivery to the bank of the certificate duly discharged are conditions precedent to the release of any money lying in a term deposit. It is not necessary to present the deposit receipt to the bank to release any money lying in a term deposit.

d) Unless instructions to the contrary has been given to the bank by the customer, on the date of maturity of the deposit, principle along with accrued interest shall be rolled over for a similar tenor as the original deposit.

e) Unless instructions to the contrary are given in writing by the depositor to the Bank at least seven (7) working days before the end of the current term of a deposit, the Bank has the right and authority, although it shall not be obligatory for the Bank to do so, to renew the term deposit together with the accrued interest, if any, for a further term at the discretion of the Bank, subject to the terms and conditions herein contained or such other and further conditions the Bank may deem necessary.

### 11. COST OF BANKING SERVICES

a) Interest and Charges

The Customer shall pay interest on monies due to the Bank and charges on services provided by the Bank at such rate(s) and on such basis and at such times as shall be agreed in writing with the Bank from time to time or in the absence of such written agreement, as determined by the Bank.

b) Interest on Overdue Amounts

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

c) Changes in Interest and Charges

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

d) Costs and Expenses

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



incurred by the Bank under these General Conditions, any special Conditions or any other agreement between the Bank and the Customer, including legal expenses.

#### e) Taxes and Other Levies

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

#### 12. FOREIGN CURRENCY ACCOUNTS/ TRANSACTIONS

a) The opening of Foreign Currency Accounts(s) will require specific documentation as required by the Department of Foreign Exchange and/or like authority, from time to time. The specified documentation so required shall be provided by the Customer prior to the opening of the Accounts at the Bank

b) The issue of travellers cheques, foreign currency notes, outward remittances and inward remittances, to and from Sri Lanka Rupee Account(s), Foreign currency transactions including forward booking transactions and Foreign Currency Account(s) are generally governed by the Circulars issued by the Department of Foreign Exchange and/or such like authority, which may change from time to time without prior notice, for which the Bank will not be held liable or responsible.

c) The risk associated with any account(s) denominated in foreign currency and/or foreign currency transactions including forward booking transactions accordingly, accept that the Customer is solely responsible for all such risks and any costs and expenses howsoever arising including without limitation, those arising from any international or domestic legal or regulatory restriction in respect of any such account(s) and/or foreign currency transactions and indemnify the Bank against any loss or damage arising out of such banking transaction. Withdrawals or dealings on any such account(s) are also subject to the relevant currency being available at the Bank's relevant branch. Conversion from one currency to another shall be at the rate of exchange as determined by the Bank (in its absolute discretion) from time to time.

#### 13. COMPLAINT HANDLING

The Customer shall have the right to make any complaint to the Bank verbally or in writing to the nearest branch or Bank's Call Centre or to the Head Office as published via the Bank's official website or any official publication or notice of the Bank. On receipt of a complaint, the recipient thereof shall forward such complaint to the relevant department or division of the Bank for inquiry and further action. All complaints will be monitored and duly followed up by the Bank's Customer Experience Unit. The Bank will respond to the Customer on the complaint made within a reasonable period of time from the date of receipt of such complaint. In the event the Bank is unable to conclude the inquiry into the complaint within this time period, then the Bank will within such period, provide the Customer with an interim response until such time the complaint will be finally responded. In the event the Bank is satisfied that the complaint is legitimate, then the Bank shall, in such final response inform the Customer of the steps taken to resolve the complaint. Customers are advised that they may seek recourse through the Financial Ombudsman or Courts, in the event a complaint is not resolved to their satisfaction.

#### 14. DEATH, INCAPACITY OR BANKRUPTCY

On the death, incapacity or bankruptcy of the Customer, the Bank is entitled to require the production of documentary evidence thereof (such as death certificates, letters of administration, probate, relevant court orders or any other relevant document equivalent thereof) in form and substance acceptable to the Bank before the Bank permits the withdrawal/ disposal/ release to or by any person who is designated as executor, administrator or other personal representative of the Customer or deceased, and trustee or receiver of assets or any purported beneficiary of the assets. The original of any documentary evidence must, if the Bank so requests, be submitted together with an English translation (where applicable) acceptable to the Bank. The death, incapacity or bankruptcy of any account holder shall not bind the Bank until it receives written notice of such fact from a source which it considers to be reliable. Upon receipt of the relevant notice, the Bank shall be entitled to freeze the account(s) until it receives to its satisfaction, the evidence as mentioned above.

#### 15. FOREIGN CURRENCY RISK DISCLOSURE

The Customer hereby declares that he is fully aware of the risks of losses involved in foreign currency investments and the Customer is willing and able to assume the financial and other risks involved and that the Customer will in no way hold the Bank responsible for any loss which the Customer may incur in connection therewith.

#### 16. SET – OFF AND LIEN

##### a) Agreement on Lien/ Set – off

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

##### b) Secured Claims

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

##### c) Interest on Dividend Coupons

Where the securities are subject to the Bank's lien/right, the Customer is not entitled to demand delivery of the interest and dividend coupons pertaining to such securities.

#### 17. BANKING SECRECY

The Bank has a duty to maintain secrecy about any Customer – related facts under the Common Law and a similar obligation is imposed upon its officers under section 77 of the Banking Act No. 30 of 1988. However, the Bank may disclose information concerning a Customer or its transactions or accounts when it is required to do so by a Court of law or when it has been authorised by the Customer or in the performance of its duties or in order to comply with any provision of law whether locally or internationally.

#### 18. DISCLOSURE

The Customer hereby authorises the Bank to disclose any information relating to him or his transactions or accounts to:

a) Any guarantor of, or third party provider of security for, the Customer or its account(s) with the Bank in respect of any banking facility or service provided by the Bank to the Customer; or

b) Any actual or potential assignee, participant or contractual party in connection with any rights or obligations of the Bank in relation to the Customer.

c) Local and International regulators, Credit Information Bureaus and service providers of the Bank.

#### 19. PRINCIPLES OF LIABILITY

In the performance of its obligations, the Bank shall only be liable for the wilful default or gross negligence on the part of its staff. In the event that the Customer has contributed to the occurrence of the loss by the Customer's own fault (e.g. by violating the duties as mentioned in these Conditions), the principles of contributory negligence shall determine the extent to which the Bank and the Customer shall have to bear the loss.

#### 20. INDEMNITY

The Customer shall indemnify the Bank against any or all claims, demands, actions, damages, liabilities, costs, losses, expenses and other sums which the Bank may incur or suffer in connection with or arising from giving credit or other banking facilities to the Customer or performing any banking service for the Customer, and shall reimburse the Bank upon demand for any such payment which may be made or incurred by the Bank by reason thereof. The Customer will indemnify the Bank for any loss incurred by the Bank resulting from the fact that the Bank without any wilful default on its part does not obtain knowledge of any restrictions of the Customer's or his representative's legal capacity.

#### 21. PRESCRIPTION

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

#### 22. FORCE MAJEURE

The Bank shall not be liable for any loss nor inability to perform, caused by or in

connection with any event of force majeure including but not limited to riot, war, natural disaster, any circumstance beyond the Bank's control or other occurrences for which the Bank is not responsible (e.g. strikes, lock-outs, traffic hold – ups, civil commotion, acts of domestic or foreign governmental or other authorities (whether de lure or de facto), requirements of any law or regulation, market disruption, or any act of learning settlement agency or central depository.

#### 23. INFORMATION AND NOTICES

a) The Customer shall notify the Bank without delay in writing of any changes in the Customer's name, address and other particulars, as well as the termination of, or amendment to any powers of representation towards the Bank conferred on any person (in particular, a power of attorney) or the authority of any person, this notification duly also applies to any change to the particulars of the Customer in any public register and also exists where the power of representation are recorded in such public register and any termination thereof of any amendments thereto are entered in that register.

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

c) Particulars of any litigation or potential litigation which may tend to affect the Customer's financial capacity shall be disclosed by the Customer to the Bank.

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

#### 24. TERMINATION

##### I. Termination right of the Customer

Unless the Bank and the Customer have otherwise agreed in writing to a termination provision, the Customer may at any time, with reasonable prior written notice, terminate the contract as a whole or any particular contract arising out of the duly signed and accepted Mandate. Provided however, that any such termination shall not affect the rights which have accrued to the Bank prior to such termination.

##### II. Termination rights of the Bank

###### a) Termination upon Notice

Upon giving notice, which in the Bank's opinion is reasonable, the Bank may at any time terminate any contract as whole or any particular contract arising out of the duly signed and accepted Mandate. For which neither a term nor a termination provision has been agreed in writing. In determining the notice period, the Bank will whenever practical take into account the known legitimate concerns of the Customer.

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

Loans, or credit or banking facilities/commitments for which neither a fixed term nor a termination provision has been agreed in writing may be terminated at any time by the Bank in its discretion without prior notice.

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

Termination of the business relationship as a whole or of a particular relation arising out of the duly signed and accepted Mandate, without notice, is permitted if there is reasonable cause, which makes it unacceptable to the Bank to continue the business relationship after having given due consideration to the known legitimate concerns of the Customer.

###### d) Settlement following termination

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

#### e) Saving Rights

Termination by the Bank of any contract as a whole or of a particular relation under any of the provisions above stated shall not affect the rights which have accrued to the Bank prior to such termination.

#### 25. ASSIGNMENT

The Bank shall have the right to assign any or all of its rights hereunder to another party without obtaining the prior approval from the Customer.

#### 26. INVALIDITY OF PROVISIONS

If at any time, any provision hereof becomes illegal, invalid or unenforceable in any respect such illegality, invalidity or unenforceability shall not impair or affect the remaining provisions hereof.

#### 27. WAIVER

No forbearance, neglect or waiver by the Bank of any of these Terms and Conditions in respect of a particular instance or occurrence shall prejudice the Bank's rights thereafter to strictly enforce the same. No waiver by the Bank shall be effective unless it is in writing.

#### 28. JURISDICTION AND GOVERNING LAW

##### a) Place of Jurisdiction

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

##### b) Substantive Law

The business relationship, customer accounts, dealings and transactions envisaged herein and Mandate shall be governed by the Laws of Sri Lanka.

#### 29. VALUE ADDED SERVICES

All terms and conditions with applicable charges and related features are pertaining to value added services offered by the bank are available on the bank's website for perusal and may change from time to time at the bank's discretion by duly updating the website. Further, terms and conditions pertaining to any new services that the bank may introduce in the future will also be made available on the website.