

Terms and Conditions

HSBC Advance Account Terms and Conditions

The Hongkong and Shanghai Banking Corporation Limited is a licensed commercial bank under the supervision of the Central Bank of Sri Lanka.

The Hongkong and Shanghai Banking Corporation Limited (hereinafter referred to as "HSBC", "Bank", "us", "we", "our" which expression shall, where the context allows or requires, include its successors and assigns) shall provide subject to these Terms and Conditions the banking services, facilities and information, from time to time, to enable Account holder/s of HSBC (hereinafter referred to as "HSBC Advance Account holder/s", "You", "Your", "Yours" which term or expression as herein used shall where the context so requires, or admits mean and include the Account holder/s and his heirs/heirss, administrators, executors and any lawful representative") to give instructions to and communicate with HSBC for the purposes of conducting banking, investment, financial and other transactions and dealings of various nature and obtaining services, products, information, goods, benefits and privileges from HSBC and/or members of the HSBC Group (hereinafter defined).

These Terms (hereinafter defined) explain the HSBC Advance Account holder/s responsibilities and obligations relating to the banking services, facilities and information that the Account holder/s use or request from us, or we provide to the Account holder/s.

The aforesaid "HSBC" and "the HSBC Advance Account holder/s" shall sometimes hereinafter be collectively referred to as "the Parties" to this Agreement and individually as "the Party" to this Agreement.

Definitions:

Capitalised terms used in these Terms shall have the following meanings, unless the context otherwise requires:

"Agreement" shall mean the set of Terms hereinafter mentioned and as modified from time to time in accordance with the Terms of this Agreement, including any supplementary Terms for the provision of the Services published from time to time which shall form part of this Agreement.

"Account holder/s and/or Customer" (also "You", "Your", "Yours") shall mean the Account holder/s named in the account opening application form of the initial account opened and maintained with HSBC.

"Authority/ies" mean any judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any agents thereof, having jurisdiction over any part of the HSBC Group and/or HSBC.

"Banking day" / "normal banking hours" and **"working day/hours"** shall, unless otherwise specified by us, refer to a banking/working day and the normal banking/working hours.

"Compliance Obligations" means obligations of any member of the HSBC Group to comply with: (a) any applicable local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to HSBC or a member of

the HSBC Group (“Laws”), or international guidance and internal policies or procedures, (b) any [valid] demand from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under Laws, and (c) Laws requiring HSBC to verify the identity of our Customers.

“Confidential Information” means any information that is designated by the Customer as confidential at the time of disclosure or that a reasonable person would consider to be confidential, non-public or proprietary in nature.”

“Connected Person” means a person or entity whose information (including Personal Data or Tax Information) is provided by, or on behalf of, the Customer to any member of the HSBC Group or otherwise received by any member of the HSBC Group in connection with the provision of the Services. In relation to the Customer, a **Connected Person** may include, but is not limited to, any guarantor [of the Customer], a director or officer of a company, partners or members of a partnership, any “Substantial Owner”, “Controlling Person”, or beneficial owner, trustee, settlor or protector of a trust, Account holder of a designated account, payee of a designated payment, representative, agent or nominee of the Customer, or any other persons or entities having a relationship to the Customer that is relevant to its banking relationship with the HSBC Group.

“Controlling Persons” [generally] mean individuals who exercise control over an entity (for a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and any other individual who exercises ultimate effective control over the trust, and in the case of a legal entity other than a trust, such term means persons in equivalent or similar positions of control).

“Customer Information” means Personal Data, confidential information, and/or Tax Information of either the Customer or a Connected Person (including accompanying statements, waivers and consents).

“Financial Crime” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any Laws or regulations relating to these matters.

“HSBC” means **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**; a Banking Corporation duly incorporated in and under the laws of Hong Kong SAR and having its Registered Office at No. 1, Queen’s Road Central, Hong Kong and carrying on business in the Democratic Socialist Republic of Sri Lanka at its Branch Office at No. 24, Sir Baron Jayatilaka Mawatha, Colombo 1 and elsewhere in the said Republic of Sri Lanka.

“HSBC Group” means HSBC Holdings plc, and/or any of, its affiliates, subsidiaries, associated entities and any of their branches and offices, and **“any member of the HSBC Group”** has the same meaning.

“Instructions” shall mean any duly authorised request or instruction which is sent by the Account holder/s in writing or via secured digital and/or electronic channels, which are acceptable to the Bank, and duly received by HSBC.

“Institution” shall mean any third party financial institution which the Account holder/s has/have notified to HSBC and shall be treated as an Institution for the purposes of this Agreement.

“Information” shall mean any financial, market or other information and data supplied by us or an information provider and made available for use by the Account holder/s.

“Loss” means any claim, charge, cost (including, but not limited to, any legal or other professional cost), damages, debt, expense, tax, liability, obligation, allegation, suit, action, demand, cause of action, proceeding or judgment, however calculated or caused, and whether direct or indirect, consequential, punitive or incidental.

“Personal Data” means any data relating to an individual (and corporate entities, in those countries where data privacy law applies to corporates), from which the individual can be identified, including, without limitation, sensitive personal data, name(s), residential address(es), contact information, age, date of birth, place of birth, nationality, citizenship, personal and marital status.

“Password” shall mean a confidential word, phrase, number consisting of alphanumeric adopted for accessing or executing instructions or effecting transactions through Phonebanking, PIB, by the use of the automated teller machine card, debit card and including but not limited to credit cards issued by the Bank to the Account holder/s.

“Personal Internet Banking (“PIB”) shall mean a web portal available via the official website of HSBC for accessing or executing Instructions or effecting transactions by the Account holder/s.

“Statement” shall mean a periodic statement of account/s sent by HSBC to an Account holder/s setting out the transactions (including debit card transactions) carried out in the account during the given period and the balance in such account. It may also include any other information that HSBC may deem fit to include.

“Services” mean, without limitation, (a) the opening, maintaining and closing of the Customer’s bank accounts, (b) the provision of credit facilities and other banking products and services to the Customer (including, for example, securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment, and (c) the maintenance of HSBC’s overall relationship with the Customer, including marketing or promoting financial services or related products to the Customer, market research, insurance, audit and administrative purposes.

“Substantial Owners” mean any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“Tax Authorities” mean domestic or foreign tax, revenue, fiscal or monetary authorities.

“Tax Information” means any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to the tax status of a Customer (regardless of whether that Customer is an individual or a business, non-profit or other corporate entity) and any owner, “Controlling Person”, “Substantial Owner” or beneficial owner of a Customer, that HSBC considers, acting reasonably, is needed to comply (or demonstrate compliance, or avoid non-compliance) with any HSBC Group member's obligations to any Tax Authority. “Tax Information” also includes, but is not limited to, information about: tax residence and/or place of organisation (as applicable), tax domicile, tax identification number,

Tax Certification Forms, certain Personal Data (including name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship).

"Tax Certification Forms" mean any forms or other documentation as may be issued or required by a Tax Authority or by HSBC from time to time to confirm the tax status of an Account holder or the Connected Person of an entity.

Reference to the singular includes the plural (and vice versa).

"Terms" shall mean these terms and conditions governing this Agreement, any disclaimers, internet privacy statement/s, guidelines and including but not limited to any supplementary terms which we shall notify to the Account holder/s as may be amended from time to time.

"Transaction/s" shall mean any permissible Instruction given by an Account holder in writing or by using the debit card, to HSBC to effect permissible actions in relation to the accounts (examples of Transactions would be cash withdrawals, payments at points of sale, cash/cheque deposits etc.) joint Account holder/s herein shall be collectively referred to as "Account holder/s".

"Total Relationship Balance (TRB)" shall mean the average credit balance in Time Deposit accounts, calculated as the aggregated daily credit balances of the period divided by the number of days in the given period.

INTRODUCTION

The holder ("the Account holder") of an HSBC Advance Account package agrees to be bound by the following terms and conditions governing the use of the HSBC Advance Account package ("the Package") made or to be made available to the Account holder or at the Account holder's request by The Hongkong and Shanghai Banking Corporation Limited ("the Bank") which may consist;

- i. all current, savings, children savings and time deposit accounts (each a branded "HSBC Advance Account") in local and/or foreign currencies from time to time opened and/or maintained by the Account holder with the Bank; and/or
- ii. overdraft facilities, subject to such credit limits as the Bank may from time to time prescribe; and/or
- iii. one or more credit cards ("the credit card") which may be the HSBC Rewards/ Visa Platinum Cashback credit card, the HSBC Advance debit card ("the Account card") or any other card which the Bank may issue as part of the Package; and/or
- iv. automated Phone banking services and/or PIB; and/or
- v. share custody services; and/or
- vi. personal instalment loan, personal line of credit, personal secured credit approved by the Bank; and/or
- vii. HSBC Global Value/ Global Transfer and international account opening; and/or
- viii. any other facilities and services which the Bank may offer from time to time and include as part of the Package.

ix. Regulatory Accounts Only:

All online banking transactions conducted on regulated accounts introduced by the Central Bank of Sri Lanka now, hereafter and from time to time including but not limited to, Personal Foreign Currency Account (PFCA), Capital Transaction Rupee Account (CTRA), Business Foreign Currency Account (BFCA), Inward Investment Account (IIA), Diplomatic Foreign Currency Account (DFCA), Diplomatic Rupee Account (DRA), Special Deposit Account (SDA), Outward Investment Account (OIA), Non Resident Rupee account (NRRRA), Emigrants Remittable Income account (ERIA), that are subject to and governed by the directions and /or regulations of the Central Bank of Sri Lanka are restricted in HSBC PIB.

The Bank shall not assume any responsibility whatsoever for any losses due to PIB transactions in relation to the aforementioned regulated accounts being rejected.

ENTRY REQUIREMENT

An HSBC Advance Account package can be opened by;

1. Sri Lankan nationals, non -nationals who are residents in Sri Lanka on resident visa or non-resident Sri Lankan nationals who satisfy the following condition:
 - 1.1 By maintaining a monthly Total Relationship Balance (TRB) in excess of Rs.1,000,000/- or equivalent in any approved foreign currency in the form of deposits in (foreign currency/local currency) a Time deposit accounts (This excludes credit card limits, loan limits/outstanding overdrafts). In the event the Account holder maintains both sole and joint accounts and wishes to convert all such accounts under the Package, a minimum monthly Total Relationship Balance (TRB) of Rs.1,000,000/-should be maintained as a sole Account holder as well as a joint Account holder.
 - 1.2 Remit a monthly salary of Rs.150,000/- without having to maintain a Total Relationship Balance (TRB) or pre-determined salary amount agreed with the Bank at the time of account opening.
 - 1.3 In the event the Account holder does not maintain the requirements set out in either clause 1.1 or 1.2 above the Bank shall levy a fee determined by the Bank, per month ("Advance Relationship Fee" or ARF) to the account. The ARF shall be debited from such account for the particular month in which the required criteria was not met in the immediately succeeding month.
 - 1.4 In the event the Account holder does not maintain a monthly Total Relationship Balance (TRB) of Rs.1,000,000/- after the respective balance build up period, the Account holders under requirement 1.1 can continue HSBC Advance status for a further 03 consecutive months by paying the ARF.
 - 1.5 In the event the Account holder under the entry criteria 1.2 above, does not maintain the requirement as stated in clause 1.2, such Account holders can continue HSBC Advance status for a further 03 months by paying the Advance Relationship Fee (ARF).
 - 1.6 In the event the Account holder does not maintain the requirements mentioned under clause 1.1 and 1.2 for more than 03 consecutive months the Account holder's status shall be converted from an HSBC Advance Account package to a general banking account and all the privileges of an HSBC Advance Account package enjoyed by the Account holder shall be forthwith terminated. Accordingly, the existing Advance debit card will be downgraded to general category of accounts and shall be charged according to the prevailing charges applicable for the general banking category customers of the Bank. In the event the HSBC Advance status is discontinued or withdrawn by the Bank for the above or any other given reason, The Account holder/s then would be bound by the terms and conditions governing such general banking account(s) (copies of which are available at any branch of the Bank and in the official public website of the Bank at www.hsbc.lk). The credit card plastic would remain unchanged, however the credit card will be charged with the respective HSBC Rewards/ Visa Platinum Cashback

credit card annual fee from the next anniversary month onwards excluding TRB Account holders whose credit cards would be blocked and balance recovered from the collateral. If TRB customers wish to continue the HSBC Advance proposition benefits, the option to requalify is available by fulfilling the payroll entry criteria explained in clause 1.2 above.

- 1.7 Existing general banking account holders can enter the Package via entry requirement stated in clause 1.1 or 1.2. above and HSBC Premier account holders can enter the Package by maintaining the complete Total Relationship Balance (TRB) of Rs.1,000,000/-
- 1.8 Joint account holders can enter the Package via entry requirement 1.1 above.
2.
 - 2.1. Opening of a Rupee current or a Rupee savings account in addition to the criteria in Clause 1 above is mandatory for HSBC Advance Customers. The current account may be opened [on positive identification by reference to an identity document acceptable to the Bank (i.e. National Identity Card or Passport)] and on production of a letter of introduction from the employer recognized by the Bank, an existing current Account holder acceptable to the Bank or a letter of reference from a commercial bank where a current account has been maintained by the prospective customer].
 - 2.2. The Bank may at its discretion waive the requirement of an introduction if the Bank is satisfied of the Customers' identity and standing.
 - 2.3. The signature mandate should be either party to sign to enjoy all the benefits offered in the Package.
 - 2.4. The Bank has a right to change the above entry criteria from time to time and such amendments would be displayed on notice boards and in all other public areas of all branches, self service centers and the official public website of the Bank at www.hsbc.lk.
 - 2.5. In the event the HSBC Advance status is discontinued or withdrawn by the Bank for the above or any other given reason, the individual accounts under HSBC Advance would be re-classified as ordinary accounts. The Account holder/s then would be bound by the terms and conditions governing such account(s) (copies of which are available at any branch of the Bank and in the official public website of the Bank at www.hsbc.lk).

3. MANDATE

- 3.1. If the Package is in the names of more than one person, then:
 - (a) each such person shall be deemed to be the Account holder for the purposes of these terms and conditions,
 - (b) the Bank is hereby authorized by each joint Account holder to honour all cheques, instructions, directions,

other instruments and transactions signed and effected by any one or more of the joint Account holder/s without restriction, notwithstanding the instructions contained in the joint Account mandate relating to individual Accounts within the Package.

- (c) the Bank may at its discretion agree on granting an overdraft and other facilities at the request of any one or more of the joint Account holder/s, however the obligation of the joint Account holder(s) in respect of the Package hereunder shall be joint and several.
- (d) the Bank may credit an HSBC Advance Account with items collected on behalf of any one or more of the joint Account holders,
- (e) where a party to a joint account expires, the survivor/s shall immediately inform the Bank of that fact along with submitting the original or a certified copy of the death certificate to the Bank.
- (f) In the event of the death of any of the individuals constituting the Account holder, the monies lying to the credit of the said joint account will be disbursed to the surviving Account holder or Account holders and no joint Account holder shall hold the Bank responsible for paying the monies as per the operating instructions.
- (g) Each of the Account holders agrees that upon the Bank receiving notice of death of either or any of the Account holders, the Bank shall be fully discharged of its obligations to the Account holder/s upon its payment or delivery to or to the order of the surviving Account holder/s, all moneys, securities, deeds, documents and other properties whatsoever standing to the credit of or held by the Bank of any account or accounts whatsoever.
- (h) an overdraft or other obligations incurred on the account otherwise shall be the joint and several liability of each and every joint Account holder.
- (i) in the case of any change or revocation of the authority of any of the Account holders hereunder by any one or more (but not all) of the joint Account holders in relation to a particular account, the Bank may, at its absolute discretion, require the said account thereafter to be operated by all the joint Account holders jointly.

4. DEPOSIT

- 4.1 The Bank will at its discretion, decide whether foreign currency drafts and other payment orders not drawn on the Bank are to be purchased or sent on collection. The Bank will retain full recourse (including charges) in respect of all items purchased in the event of subsequent dishonor by the paying bank. The HSBC Advance Account shall be debited on notice of dishonor with notice to the Account holder/s whether in writing or otherwise, as the case may be.

- 4.2 Cheques credited to the Account holder's account are accepted for collection only and proceeds will not be available for withdrawal until cleared by the paying bank. Funds available date is shown for indication purpose only. Savings accounts are not intended for the collection and clearance of cheques and the Bank reserves the right to refuse to accept deposit, cheques, dividend warrants and other instruments drawn payable to bearer, the depositor or third parties.
- Rupee cheques drawn on other banks deposited for clearing/collection will be subject to the rules of Lanka Clear (Pvt) Limited and as amended from time to time. Any commissions charged by drawee banks will be debited to respective current accounts with or without a surcharge at the discretion of the Bank.
- 4.3 The deposit of foreign currency notes to foreign currency accounts will result in a reduction in par value of notes deposited due to the difference in exchange rate for currency notes and the telegraphic transfer rates.
- 4.4 When drafts/cheques drawn on the Bank are paid in for credit of an account the Bank will deduct handling charges in accordance with its published tariff of charges.
- 4.5 All deposits will be acknowledged by validation of the deposit slip or manually under the signature of an authorized staff of the Bank on the deposit slip. A list of authorized signatures and specimen teller terminal print may be sighted on request.
- 4.6 The Bank will not be liable to the Customer for any cheques said to have been deposited into the cheque drop boxes located at branches, and/or Automated Teller Machines (ATMs), (notwithstanding the production of a temporary advice) unless proceeds of the cheque (if any) so deposited have been credited to the account of the Customer. Notwithstanding the temporary advice issued by the drop box and/or ATMs, the Bank will not under any circumstances or for any reason whatsoever entertain any claim in respect of the cheques said to have been deposited into the cheque deposit boxes unless cheques so deposited have been credited.
- 4.7 In the event of the Bank crediting the account of the Customer by an error, the Bank shall be entitled at any stage to reverse the said entry and/or to claim the said amount from the Customer.

5. WITHDRAWALS

- 5.1. The Bank will act only on authenticated written Instructions received from the Account holder to effect payments to the debit of the account - subject however, to the stipulations contained in Clause 15.
- 5.2. All prevailing government levies and taxes on transactions as specified by law will be charged to the account of the Account holder/s. The Bank assumes no liability on claims or losses incurred by the Customer as a consequence of complying with the provisions in law.

- 5.3. In the event the regulators impose restrictions on withdrawals and interest payments, the Account holders shall be bound on such restrictions.

6. TIME DEPOSITS

- 6.1. Time Deposits may be uplifted only on maturity. Maturity proceeds of any Time Deposits will be made available only on the immediately succeeding working day from the maturity date provided Instructions have not been given to reinvest the funds.
- 6.2. However, the Bank may at its discretion release Time Deposits before maturity upon duly authorised (according to the mandate given to the Bank) written requests made by the Account holder/s. Time Deposits released before maturity at the Bank's discretion are subject to penalty charges as specified in the tariff of charges.
- 6.3. Any upliftment of the Time Deposits for any reason including premature upliftment for consolidation with further deposit and re-depositing to increase amount of the existing deposit before maturity shall also be subject to penalty charges. The penalty amount will be decided at the Bank's discretion and may be deducted from the initial deposit amount resulting in a reduction of the initial deposit amount.
- 6.4. In the absence of specific instructions to the contrary Time Deposits will on maturity be renewed for a similar period at the rate of interest prevailing on the day of maturity.
- 6.5. In the event the regulators impose restrictions on withdrawals and interest payments on Time Deposits the Account holder/s shall be bound on such restrictions.
- 6.6. The minimum deposit with which a Rupee Time Deposit account may be opened shall be **Sri Lankan Rupees One Hundred Thousand (Rs100,000/-)** and shall be for a minimum period of one (1) month. The Bank may change the initial deposit required for a Rupee Time Deposit account without any prior notice. The Bank will open Rupee Time Deposit accounts with lower initial deposits at its discretion. However, the Bank has the right to review the minimum balance from time to time.
- 6.7. The rate of interest of Rupee Time Deposits are subject to change without notice except that the Bank will not vary the rate of interest contracted on existing Time Deposits until maturity.

7. HSBC ADVANCE CHILDREN'S SAVINGS ACCOUNT

- 7.1. HSBC Children's Savings Account (Account) will be opened, in the name of the minor (Account holder) and deposits into the Account may be made, by any person.
- 7.2. The minimum initial deposit for opening the Account would be the initial deposit amount specified by the Bank at the time of opening the Account, which is subject to change from time to time.

- 7.3. The Account holder's original certificate of birth issued by the Registrar of Births should be produced at the time of opening the Account for perusal by the Bank. The Bank will retain a photocopy of the said certificate of birth on record.
- 7.4. Interest rate applicable to the Account is subject to change without prior notice.
- 7.5. A quarterly statement will be provided to the Account holder and which will contain all transactions carried out on the Account for the particular period.
- 7.6. Upon the Account holder reaching the age of 18 years, the account will be converted to a regular savings account (subject to minimum regular savings account balance requirement). However, the Account holder would be required to complete the necessary documentation. In the event the necessary documents are not submitted to the Bank within 30 days from the date the Account holder reaches 18 years of age, the Bank will close the relevant Account/s and issue a Bank draft in favour of the Account holder which will be dispatched to the last correspondence address registered with the Bank.
- 7.7. In the event of incapacity of the Account holder, the proceeds of the Account shall be disbursed to the Parent/Grand Parent/any other person who opened the HSBC Children's Savings Account for the minor (any other person) or a Curator appointed by the Court (in such instance a receipt signed by the Parent/Grand Parent/any other person or a Curator appointed by Court shall be valid and sufficient discharge for any payment made to any such Parent/Grand Parent/any other person or a Curator appointed by the Court). The Bank reserves the sole right to determine such incapacity of the Account holder for this purpose.
- 7.8. In the event of the death of the Account holder, the proceeds of the Account shall be disbursed in accordance with the laws of intestate succession of Sri Lanka.
- 7.9. The Account holder in whose name the Account is opened would be the beneficiary of the deposits made to the Account. Hence no withdrawals/closure of Account will be permitted until the Account holder reaches years of age. Withdrawals/closure of Account will however be allowed only at the sole discretion of the Bank for purposes or reasons, which benefit the Account holder such as higher education, emergency, medical or migration on the application of the Parent/Grand Parent/any other person or a Curator appointed by Court in the event the Parent/Grand Parent/any other person is not living. The Bank retains the sole right to determine the validity of request for such withdrawals/closure and may require documentary evidence to validate the same.
- 7.10. The Account holder/Parent/Grand Parent/any other person (collectively the "customer") is responsible for preserving copies of the statements of the Account. Should copies of statements be requested from the Bank, the Bank reserves the right to levy charges for providing this service in accordance with its published tariff of charges.

- a. Promptly upon receipt of each statement of Account and in any event no less than 30 (thirty) calendar days from the date on which the Account holder is deemed to have received that statement of Account, the customer agrees to examine and verify, each entry appearing on a statement of Account, reconcile it with their own records and immediately notify the Bank in writing or through a request made via PIB of any errors, omissions, irregularities, including any fraudulent or unauthorized transactions or any other objections the customer has to that statement of Account (collectively, "Account irregularities") ("30 Day Review"). If the customer fails to notify the Bank within the 30 Day Review, the balance shown on the statement of Account and all entries including Account irregularities, will be deemed correct, complete, authorized and binding upon the customer, and the Bank will be released from all liabilities for any transaction occurring up to the date of the most recent statement of Account except for transactions where notice has been given in accordance with this clause.
- b. If the customer fails to abide by its obligations under clause 7.10.a above, the customer conduct or omission causes or contributes to a loss on its Account (losses of any kind whatsoever, taxes, levies, fines, fees or penalties suffered and/or incurred by, or brought against the Bank), then the customer agrees that the Bank will not have any responsibility to the customer with respect to such loss. The customer acknowledges that the failure to review statements of Accounts in a timely manner as required pursuant to this Terms and Conditions will be deemed to cause or contribute to the loss on the Account to the extent of any loss occurring subsequent to the time that any error or omission would have been discovered if the statement of Account or transaction records being reviewed in accordance with this Terms and Conditions. The customer acknowledges that the Bank's maximum liability to the customer will be limited to actual direct loss in the principal amount wrongfully or erroneously withdrawn from the Account due to the Bank's gross negligence or willful misconduct.

7.11 In the event of the Bank crediting the Account of the customer by error, the Bank shall be entitled at any stage to reverse the said entry and/or to claim the said amount from the customer.

7.12 The Bank must be advised if the statement of Account is not received within 14 days from the end of the statement cycle. A parent/Curator/Guardian/any other person agrees to examine each statement of Account received from the Bank to ensure correctness of entries.

8. CHEQUES AND CHEQUES COUNTERMANDED

8.1 HSBC Advance Current Account holders will be supplied with an HSBC Advance cheque book/s printed with magnetic ink character recognition. Charges will be levied in accordance with the Bank's published tariff of charges inclusive of any government taxes and levies which may be amended from time to time.

- 8.2 The Bank shall upon receipt of all cheque book application requests, deliver the required cheque book to the Account holder/s by post, to the address recorded in the Bank. The Bank assumes no responsibility for any delay or loss incurred by any mode of forwarding.
- 8.3 Upon receipt of a new cheque book, the Account holder/s should verify the cheque serial numbers, Account number and name of the Account holder/s printed thereon as well as the number of cheques before use. Any irregularities should be promptly reported to the Bank.
- 8.4 Prior to drawing any cheques, the Account holder/s must read the conditions of issue printed on the inside of the front cover of the cheque books. The Account holder/s are bound by such conditions or amendments to conditions issued from time to time.
- 8.5 The Account holder should sign cheques in accordance with the specimen signature(s) given to the Bank. Any changes to the signature should be promptly advised to the Bank in writing.
- 8.6 The cheques should be written clearly in permanent ink and only on cheque leaves supplied by the Bank. Each alteration should be confirmed by placing the drawer's full signature/s. Electric/electronic typewriters and erasable ink should not be used for drawing cheques. The Account holder/s acknowledges that the Bank will not be liable for losses arising from alteration which cannot be readily detected.
- 8.7 The Account holder(s) should immediately instruct the Bank in writing if cheque leaves are lost/stolen or misplaced to stop payment giving the cheque number, account number, date, amount and the payee's name. All such Instructions will take effect only if the cheque/s concerned has/have not been paid up to the time of receipt of such Instruction. Stop payment instructions given over the phone should be confirmed in writing within 48 hours, the Bank has the right to cancel the stop payment instruction without any notice to the Account holder where such written Instructions are not received by the Bank. The Bank shall not be liable for not acting on stop payment instructions, which are not confirmed by the Account holder/s in writing within 48 hours.

9. FOREIGN CURRENCY ACCOUNTS

- 9.1 Foreign currency savings accounts /time deposit accounts will be opened subject to foreign exchange regulations. Where, any sum is required to be converted into another currency, such conversion shall be effected at the Bank's then prevailing rate of exchange for such currency or at any rate prescribed by the Central Bank of Sri Lanka.
- 9.2 Foreign currency savings accounts may be opened and maintained in currencies approved by the Central Bank of Sri Lanka.
- 9.3 Deposits will be confined to;
- (a) proceeds of inward remittances in favour of the Account holder/s;
 - (b) proceeds of foreign exchange brought into the country by the Account holder/s subject to prevailing foreign exchange regulations.

10. JOINT ACCOUNTS

- 10.1 In addition to all other terms referred to herein, the Account holder/s declare that the Account holder/s are fully aware that:
- 10.1.1 In the event of the death of any of the individuals constituting the Account holder, the monies lying to the credit of the said joint Account will be disbursed to the surviving Account holder or Account holders and no joint Account holder shall hold the Bank responsible for paying the monies as per the operating instructions until such time due notice of death is given to the Bank with proper evidence acceptable to the Bank;
- 10.1.2 Each joint Account holder agrees that upon the Bank receiving notice of death of any joint Account holder, the Bank shall be fully discharged of its obligations to the joint Account holders upon its payment or delivery to or to the order of the survivor or survivors of the joint Account holders, all moneys, securities, deeds, documents and other properties whatsoever standing to the credit of or held by the Bank of any account or accounts whatsoever;
- 10.1.3 An overdraft or other obligations incurred on the account or otherwise shall be the joint and several liability of each and every joint Account holder;
- 10.1.4 In the case of any change or revocation of the authority of any of the Account holders by any one or more (but not all) of the joint Account holders in relation to the Account and/or in the event the Bank is made aware of any dispute between the joint Account holders, the Bank may, at its absolute discretion, require the said account thereafter to be operated by all the joint Account holders jointly, irrespective of the signing instructions provided to the Bank by the joint Account holders.
- 10.1.5 Each Account holder if maintains an account or utilises a service jointly with another Account holder (a 'Joint Signatory/ies') is jointly and severally liable with each other Joint Signatory for the obligations and liabilities under each account maintained by them, each service utilised by them and under these Terms and Conditions.
- 10.1.6 If a Joint Signatory is authorised to operate an account singly, the Bank may comply with any Instruction or other directions given by any Joint Signatory for or in connection with that account (unless the Bank agrees or decides otherwise).
- 10.1.7 Upon any Joint Signatory accepting these Terms and Conditions, each other Joint Signatory will be bound by these Terms and Conditions.
- 10.1.8 Each Joint Signatory is bound by these Terms and Conditions and such other terms and conditions governing the relevant account or service, even if either of the following deficiencies exist, and whether or not the Bank knows or ought to have known about them:

- (a) a Joint Signatory intended to be bound by these Terms and Conditions or such other terms and conditions is not in fact bound; or
- (b) any of these Terms and Conditions or any other terms and conditions are invalid or unenforceable against a Joint Signatory.

10.1.9 The Bank may deal separately with any Joint Signatory on any matter without limiting or reducing the Bank's rights, powers and remedies against another Joint Signatory. This may include either of the following, for example:

- (a) varying or discharging any liability to any extent; or
- (b) granting time or other indulgence or making other arrangements.

10.1.10 Any notice under these Terms and Conditions to any Joint Signatory will be treated as effective notice to all Joint Signatories.

10.1.11 The Bank shall be authorised to disclose to all Joint Signatories:

- (a) any information about an account – this may relate to a period the account is not maintained in the Joint Signatories' joint names; and
- (b) any personal data and other information relating to, or provided by, any Joint Signatory.

11. DEBIT CARD TERMS AND CONDITIONS

The terms and conditions herein contained, as amended by the Bank from time to time, shall be applicable for use of the HSBC Advance Debit Card issued on savings or current accounts held by the Account holder(s). The Account holder(s) shall be deemed to have unconditionally agreed to and accepted these term and conditions by signing the Debit Card application form, or acknowledging the receipt of the Debit Card in writing, or by signing on the reverse of the Debit Card, or by performing a transaction with the Debit Card or after ten days have lapsed since the Debit Card was dispatched to the address on record. The Account holder(s) shall also continue to remain bound by the terms and conditions of operation of their current/savings accounts with the Bank.

11.1 Definitions

(a) "ATM" refers to the automated teller machines.

Reference to an automated teller machine in these terms and conditions include any similar machine (whether inside or outside the country in which the debit card was issued) forming part of a network which may be operated through the use of the Debit Card.

(b) "Cardholder" refers to a person to whom a Debit Card has been issued by the Bank on an account held with the Bank. The Cardholder should be either the sole Account holder or in case of joint accounts, the sole signatory or authorized to act alone.

- (c) "Debit Card" means, as appropriate, the locally / internationally valid debit card issued by the Bank to a Cardholder.
- (d) "International transactions" refers to all transactions effected by the Cardholder from the Bank outside of Sri Lanka.
- (e) "Merchant establishments" shall mean establishments where ever located which honour the Debit Card and shall include amongst others: stores, shops, restaurants, airline organizations etc. advertised by the Bank or VISA International.
- (f) "Primary Account" shall mean, in case of multiple accounts linked to the Debit Card, the account that has been designated as being the main/first account of operation i.e. the account from which purchase transactions, charges and fees related to the Debit Card are debited.
- (g) "VISA" shall mean a mark owned by VISA International.
- (h) "VISA ATM network" shall mean the ATMs that honour the Debit Card and display the VISA or Electron symbols.

11.2. Issuance of Debit Card

- 11.2.1 The issue and use of the Debit Card shall be subject to the regulations of the Central Bank of Sri Lanka (CBSL) and also the Bank's Debit Card terms and conditions, in force from time to time.
- 11.2.2 The Debit Card and the related personal identification number (PIN) will be issued in the name of the Cardholder, who will be responsible to keep the said Debit Card and the PIN under his/her custody.
- 11.2.3 The Cardholder shall be responsible for all transactions effected by using the Debit Card, whether or not the transactions were/are authorized by the Cardholder, and shall indemnify the Bank for the loss or damage caused by any unauthorized use of the Debit Card or the related PIN including any penal action arising on account of violation of any CBSL guidelines or the Foreign Exchange Act and/or operating instructions and/or regulations made thereunder or any other law, rules and regulations for the time being in force. In case of joint accounts, all Account holders, jointly and severally, shall indemnify the Bank, as above, against all actions, losses, claims and consequences arising out of the usage of the Debit Card, the safety of the PIN and the transaction/s effected using the Debit Card. In case of such joint accounts, all Account holders shall be deemed to be jointly and severally responsible and liable for all duties, responsibilities and liabilities cast upon the Cardholder.
- 11.2.4 The account shall be debited with the amount of any withdrawal, transfer and/or any other transactions effected by using the Debit Card. The Cardholder shall maintain sufficient funds in the Primary Account to meet

any transactions. The Cardholder shall not be entitled to overdraw the Primary Account with the Bank or withdraw funds by use of the Debit Card in excess of the overdraft limit, if any, agreed with the Bank.

- 11.3 Cardholder obligations and Debit Card validity
 - 11.3.1 The Cardholder should sign the Debit Card immediately upon receipt. The Cardholder must not permit any other person to use it and should safeguard the Debit Card from misuse by retaining the Debit Card under his/her personal control at all times.
 - 11.3.2 The PIN issued to the Cardholder for the use with the Debit Card or any numbers chosen by the Cardholder as a PIN, are for the use of the Cardholder and non-transferable and strictly confidential. A written record of the PIN number should not be kept in any form, place or manner that may facilitate its use by another party. The PIN should not be disclosed to any third party under any circumstances or by any means whether voluntary or otherwise.
 - 11.3.3 The Debit Card is valid up to the last day of the month/year indicated. The Cardholder undertakes to destroy the Debit Card when it expires by cutting it into several pieces. The renewed Debit Card shall be sent to the Cardholder before the expiry of the Debit Card at the discretion of the Bank upon evaluation of the conduct of the Cardholder. The Bank reserves the sole right of renewing the Debit Card on expiry.
- 11.4 Use of ATMs
 - 11.4.1 The Debit Card is accepted at the HSBC Group ATMs and ATMs of other banks worldwide, which are members of the VISA ATM network.
 - 11.4.2 The Bank may, at its discretion, withdraw temporarily or terminate the ATM fund transfer facility and all fund transfer facilities for all types of transactions. The Bank also reserves the right to change the maximum per day limit for fund transfers and cash withdrawals through the ATM.
 - 11.4.3 Cash withdrawals performed by a Cardholder at the HSBC group/Visa ATM's in Sri Lanka and overseas will be subject to a cash withdrawal fee as per the tariff of charges prevailing from time to time.
 - 11.4.4 Cash and/or cheques deposited in any ATM by the use of the Debit Card will be only credited to the account after verification by the Bank, which shall be conclusive and binding for all purposes. The ATM cardholder advice issued by the ATM at the time of deposit only represents what the Cardholder purports to have deposited and will not be binding on the Bank. Cheques will be accepted for collection only and proceeds will not be available until these cheques are cleared. For all cash withdrawals, at an HSBC ATM, any Statements issued by the ATM at the time of withdrawal shall be conclusive, unless verified otherwise by the Bank. Any such verification shall likewise be final and conclusive and this verified amount will be binding on the Cardholder.

- 11.4.5 The availability of ATM service in a country other than that in which the Debit Card was issued is governed by the local regulations in force in such other country. The Bank shall not be liable if these services are withdrawn without notice thereof.
- 11.5 Merchant establishment usage
- 11.5.1 The Debit Card is for electronic use only and will be accepted only at Merchant establishments which have an electronic point of sale swipe terminal. Any usage of the Debit Card for purchases at Merchant establishments other than through an electronic point of sale swipe terminal will be deemed unauthorized and the Cardholder shall be responsible for such transactions.
- 11.5.2 As a security feature, the Debit Card issued will be initially inactive for use at Merchant establishments. In order to activate the Debit Card for transactions at Merchant establishments, the Cardholder will be required to call the HSBC customer service hotline.
- 11.5.3 Whenever the Debit Card is used to make payments at Merchant establishments, the Cardholder must sign the sales slip and retain the Cardholder's copy. Copies of the sales slip may be furnished by the Bank at an additional charge. A sales slip with the signature of the Cardholder together with the Debit Card number noted thereon shall be conclusive evidence between the Bank and the Cardholder as to the extent of liability incurred by the Cardholder. The Bank shall not be required to ensure that the Cardholder has received/ availed the goods/service to his/her satisfaction. Any sales slip not personally signed by the Cardholder but which can be proven as being authorized by the Cardholder will also be deemed to be the Cardholder's liability.
- 11.5.4 The Debit Card is accepted at all electronic Merchant establishments in Sri Lanka and overseas which display the VISA Electron logo. The Bank does not accept any responsibility for any dealings the Merchant establishment may have with the Cardholder, including but not limited to the supply of goods and services. The Bank makes no representations about the quality of the goods and services offered by third parties providing benefits such as discounts to Cardholder.
- The Bank shall not be responsible if the service is in any way deficient or otherwise unsatisfactory. Should the Cardholder have any complaint relating to any Merchant establishment, the matter should be resolved with the Merchant establishment and failure to do so will not relieve the Cardholder from any obligations to the Bank. The Bank may however try and assist the Cardholder wherever possible. For this, the Cardholder should inform the Bank of the complaint immediately along with any supporting documents.
- 11.5.5 The Cardholder shall be liable for all costs associated with the collection of dues, legal expenses (should it become necessary to refer the matter to any agent), or where legal resources have been utilized in resolution of a dispute.

- 11.5.6 The Bank accepts no responsibility for refusal of any Merchant establishment to honour the Debit Card.
- 11.5.7 The Bank accepts no responsibility for any surcharge levied by any Merchant establishment and debited to the Primary Account with the transaction amount.
- 11.5.8 A purchase and a subsequent credit for cancellation of goods/services are two separate transactions. The refund will only be credited to the Primary Account (less cancellation charges) as and when it is received from the Merchant establishment. If the credit is not posted to the Primary Account within 30 days from the day of refund, the Cardholder should notify the Bank, along with a copy of the credit note from the Merchant establishment.
- 11.5.9 In case of Debit Cards linked to multiple accounts, transactions at Merchant establishments will be effected by debit to the Primary Account. In case this account has insufficient funds to honour such transactions, the Bank will not honour the transactions even if the necessary funds are available cumulatively or severally in the other accounts linked to the Debit Card.
- 11.6 International usage of Debit Card
- 11.6.1 Use of the Debit Card must be at all times in strict accordance with the provisions of the Foreign Exchange Act and the regulations made thereunder. In the event of any failure to comply with the same, the Account holder(s) shall be liable jointly and severally for action under the Foreign Exchange Act and the regulations made thereunder and may be debarred from holding the Debit Card issued by the Bank either /or at the instance of the Bank or Central Bank of Sri Lanka (CBSL). The Account holder(s) shall jointly and severally indemnify and hold harmless HSBC from and against any/all consequences arising from the Account holder not complying with the provisions of the Foreign Exchange Act and regulations made thereunder.
- 11.6.2 Cash withdrawals performed in countries other than that in which the Debit Card was issued will be subject to a cash withdrawal fee as may be announced from time to time by the Bank. The availability of the ATM services requested in a country other than in which the Debit Card was issued is governed by the local regulations of the country in force. The Bank shall not be liable if these services are withdrawn without notice thereof.
- 11.6.3 In particular the Cardholder shall only use the Debit Card overseas and/or for transactions which are billed in foreign currency for personal expenses such as travel expenses, hotel charges, incidental expenses, medical expenses, educational expenses, insurance expenses relating to travel and health and purchase of goods for personal use. The Debit Card shall not be used for payment in respect of capital transactions and the purchase of import or goods in commercial quantities.
- 11.6.4 The Cardholder shall not permit any other party to use the Cardholder's Debit Card to perform any transactions as aforesaid from Sri Lanka or overseas that involves the

conversion of Sri Lankan Rupees to a foreign currency.

- 11.6.5 The Cardholder shall surrender the Debit 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 of related laws and regulations in force from time to time.
- 11.6.6 The Bank will comply with the reporting requirements of the Director-Department of Foreign Exchange or any other regulatory authorities as stipulated from time to time.
- 11.6.7 The Bank may on its own accord cancel the Debit Card(s) without notice to the Cardholder(s) in the event the Bank being satisfied that there has been a violation of the Foreign Exchange Act and the regulations made thereunder in force from time to time.
- 11.6.8 The Bank shall be under no liability whatsoever in respect of any loss or damage arising directly or indirectly out of the decline of authorization for any transaction, on account of the Cardholder having exceeded the foreign exchange entitlements as prescribed by the CBSL, if any, from time to time, on the Bank becoming aware of such excess.
- 11.6.9 The Cardholder undertakes not to use the Debit Card to effect payment(s) for any illegal purchases i.e. purchases of items/services not permitted as per the existing laws, rules and regulations. The Bank reserves the right to report to CBSL any contravention of such requirements.
- 11.6.10 In accordance to the prevailing law and regulations pertaining to foreign exchange a debit card valid internationally cannot be issued to non-residents to access Rupee Accounts.
- 11.6.11 These 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.
- 11.7 Fees
- 11.7.1 Annual fees, in accordance with the tariff of charges prevailing from time to time, for the Debit Card will be debited to the Primary Account on issuance/ renewal. These fees are non-refundable.
- 11.7.2 Other Debit Card related charges will be debited to the Primary Account, from time to time, as per the prevailing tariff of charges.
- 11.7.3 The Bank, at its sole discretion and without any notice to the Cardholder, reserves the right to revise the applicable tariff from time to time, which will be displayed in the official public website of the Bank at www.hsbc.lk. Upon request, the Cardholder will be provided with the Bank's tariff of charges. .
- 11.7.4 All charges in foreign currency will be billed to the Primary Account in Sri Lankan Rupees. The Cardholder hereby authorizes the Bank and VISA to convert the charges

incurred in the foreign currency into the Sri Lankan Rupee equivalent thereof at such rate as HSBC or VISA may from time to time designate.

- 11.8 Disclosure of information
- 11.8.1 When requested by HSBC, the Cardholder shall provide any information, records or certificates relating to any matters that the Bank deems necessary for issuance of the Debit Card, maintenance thereof, execution of transactions using the Debit Card, renewal of the Debit Card or any other purpose related to the Debit Card. The Cardholder authorizes HSBC to verify the information furnished by whatever means or from whichever source deemed necessary. If such information/data is not provided or if incorrect information/data is provided, HSBC may at its discretion refuse renewal of the Debit Card or terminate the Debit Card forthwith.
- 11.8.2 HSBC reserves the right to disclose Cardholder information to any court of competent jurisdiction, quasi-judicial authorities, law enforcement agencies and any other wing of the Government.
- 11.8.3 HSBC reserves the right to disclose, in strict confidence, to other institutions, such information concerning the account as may be necessary or appropriate in connection to its participation in any electronic fund transfer network, or as the Bank may deem necessary for the performance of any obligations arising out of or in connection with the use or operation of the Debit Card.
- 11.8.4 HSBC may assign any activities to any third party at its sole discretion and provide details of the account to such third party agencies, for the purpose of back office processing and other activities outsourced. In this connection, the Account holder(s) understands that the Bank needs to and so authorizes the Bank to, process, share, store or transmit information about the Account holder, the account and/or the transaction(s), within the HSBC Group or with any institution or agent or third party used by the Bank.
- 11.8.5 The Bank undertakes that any such processing, sharing, storage or transmission of information will be done on a confidential basis and the Bank will endeavor to maintain the strict confidentiality of such information within the HSBC Group unless,
- (i) Otherwise required or permitted by any applicable law, regulation or request of any public or regulatory authority; or
 - (ii) disclosure is required for the purposes of preventing fraud; or
 - (iii) the Bank deems disclosure necessary to provide the Debit Card facility.

The Account holder(s) and the Bank shall comply with all applicable data protection laws. The Account holder(s) confirm(s) that all persons whose personal or other data is transmitted, processed or otherwise

handled, have consented to such transmission, processing or other handling under these terms and conditions, in accordance with these laws, or will do so prior to any such transmission processing or other handling. The Account holder further agrees to indemnify and hold the Bank harmless from all costs, penalties, damages and other losses incurred as the result of any breach of this provision.

- 11.8.6 HSBC reserves the right to report to the CBSL, any foreign currency withdrawal(s)/payments effected using the Debit Card.
- 11.9 Lost or stolen Debit Card
- 11.9.1 The loss or theft of the Debit Card should be reported immediately upon discovery of such loss/theft by telephone to the Bank's card centre and in writing to the Police (or, if overseas, to any member of Visa or MasterCard). But in any such case the telephone message shall be confirmed in writing forthwith signed under the hand of the Cardholder or his duly authorized Attorney. The Cardholder shall be liable for all amounts debited to the Debit Card account and pending card transactions yet to be debited to the Primary Account as a result of the unauthorized use of the Debit Card until confirmation of its loss or theft has been notified and later confirmed in writing to the Bank as aforesaid or a member of Visa or MasterCard. In the event the Cardholder recovers the lost or stolen Debit Card(s) the Cardholder shall return the recovered Debit Card(s) to the Bank immediately.
- 11.9.2 Liability of transactions at Merchant establishments, effected on a lost Debit Card, after the loss is reported in writing in accordance with the above clause 11.9.1, will be zero provided it can be proven that reasonable care and diligence was undertaken in safekeeping the lost Debit Card, the loss/theft promptly reported and that the Cardholder acted in good faith (this feature hereinafter referred to as 'zero lost card liability'). However, no such zero lost card liability will be applicable on cash withdrawals done through ATMs, as such transactions require the use of a PIN. Which transaction would be considered as confidential to the Cardholder.
- 11.9.3 The Cardholder hereby indemnifies HSBC fully against any liability (civil or criminal), loss, cost, expenses or damages that may arise due to loss or misuse of the Debit Card in the event that it is lost and not reported to HSBC in accordance with above clause 11.9.1, or lost and misused before HSBC is informed in accordance with the said clause.
- 11.9.4 Provided that the Cardholder complies in all respects with the applicable terms and conditions, a replacement Debit Card may be issued at the sole discretion of HSBC at the applicable fee. The Bank will debit the Primary Account with any cost incurred in issuing the replacement Debit Card.
- 11.9.5 Should the Cardholder subsequently recover the Debit Card, it must not be used. The Debit Card should be

destroyed by cutting it into several pieces through the magnetic strip.

11.10 Statements and records

11.10.1 The records of Debit Card transactions will be available on the statement sent by HSBC. Such statements shall be mailed to the Account holder on a periodic basis to the mailing address on record as per the terms and conditions applicable to the account. HSBC's record of transactions processed by the use of the Debit Card shall be conclusive and binding for all purposes.

11.10.2 If the Cardholder fails to abide by his/her obligations mentioned herein, and if the Cardholder's conduct or omission causes or contributes to a loss on its account (losses of any kind whatsoever, taxes, levies, fines, fees or penalties suffered and/or incurred by, or brought against the Bank), then the Cardholder agrees that the Bank shall not have any responsibility to the Cardholder with respect to such loss. The Cardholder acknowledges that the failure to review Statements of accounts in a timely manner as required pursuant to this Agreement will be deemed to cause or contribute to the loss on the account to the extent of any loss occurring subsequent to the time that any error or omission would have been discovered if the Statement of account or transaction records been reviewed in accordance with this Agreement. The Cardholder acknowledges that the Bank's maximum liability to the Cardholder will be limited to actual direct loss in the principal amount wrongfully or erroneously withdrawn from the Cardholder's account due to the Bank's gross negligence or willful misconduct.

11.10.3 HSBC shall make bona fide and reasonable efforts to resolve an aggrieved Account holder's disagreement with a transaction indicated in the Statement or as otherwise determined by the Account holder(s), within two months of receipt of notice of disagreement. If after such effort, HSBC determines that the transaction is a valid one, the same shall be communicated to the Account holder(s).

11.11 Termination

11.11.1 The Bank reserves the right to cancel/withdraw or not to renew the Debit Card at any time with reasonable prior notice at its discretion, without assigning any reason.

11.11.2 In the event that the Account holder decides to close the account with HSBC, the Debit Card issued on such account would automatically stand cancelled. The Cardholder must immediately cease to use the Debit Card and destroy and return the Debit Card linked to such account. In case of any outstanding transactions that have not yet been debited to the account, the same will be netted off from the balance prior to HSBC returning the funds to the Account holder.

11.11.3 The Debit Card shall be the property of the Bank and must be returned to the Bank immediately and unconditionally upon the Bank's request. The Cardholder should ensure that the identity of the Bank officer is established before handing over the Debit Card to the Bank.

- 11.11.4 HSBC shall be entitled to terminate the Debit Card facility with immediate effect and the Debit Card shall be returned upon the occurrence of any of the following events:
- (i) Failure to comply with the terms and conditions herein set forth.
 - (ii) An event of default under any agreement or commitment (contingent or otherwise) entered into with HSBC
 - (iii) The Account holder(s) becoming the subject of any bankruptcy, insolvency proceedings or proceedings of a similar nature.
 - (iv) Demise of the Cardholder.
 - (v) Closure of the account or failure to maintain the minimum average balance in the account.
- 11.12 General
- 11.12.1 The Account holder(s) shall promptly notify HSBC in writing of any change of address and telephone numbers.
- 11.12.2 If more than one person signs or agrees, to be bound by these terms and conditions, the obligation of such persons hereunder will be joint and several and, as the context may require, words herein denoting the singular only will be deemed to include the plural. Any notice hereunder to any one such person will be deemed effective notification to all such persons.
- 11.12.3 The Bank may contract a courier company as its representative to deliver Debit Card(s) to the Cardholder and additional Cardholder(s). When the Cardholder and the additional cardholder(s) receive the debit card(s) he/she should acknowledge receipt immediately and produce proof of his/her identity. The Bank or its` representative may at its discretion hand over the Debit Card to a third party determined by the Bank or its representative to be the representative of the Cardholder at the address specified by the Cardholder specifically for the purpose of delivering of the Debit Card. The Cardholder shall be liable for all withdrawals made with the Debit Card from the time the Debit Card is so delivered. The Cardholder at his/ her discretion may authorize a third party in writing to collect the Debit Card(s) at a branch and accept receipt on his/her behalf. The Cardholder will be liable for all withdrawals made using the Debit Card from the time the Debit Card is accepted by the Cardholder or the person authorized on his/her behalf.
- 11.12.4 The Debit Card is issued solely to the Cardholder(s) and it cannot be transferred, or pledged as security in any manner whatsoever.
- 11.12.5 The Debit Card entitles the Cardholder to perform all ATM transactions and transactions with Merchant establishments under existing or future services which the Bank may from time to time make available subject to any applicable terms and conditions as advised.
- 11.12.6 The Statement advice issued by the ATM at the time of

deposit only represents what the Cardholder(s) purport to have deposited and shall not be binding on the Bank. The Cardholder should not draw funds against any cheques, cash said to have been deposited through the ATM using the Debit Card until such proceeds of cheque(s)/cash have been credited to the Cardholder(s) account and are available for withdrawal.

- 11.12.7 All replacements and renewals of the Debit Card shall be subject to the terms and conditions which are in force at any relevant time.
- 11.12.8 The use of the mail deposit facility for giving any communication to the Bank, and the records of the Bank shall be conclusive evidence as regards to the nature of such communications and the time at which they were received by the Bank. Any ambiguities in the communications so deposited shall be the responsibility of the Cardholder(s).
- 11.12.9 The Cardholder(s) should only keep one Debit Card in the Cardholder's possession and authorize the Bank to cancel the existing Debit Cards(s) when replacement Debit Card(s) are issued.
- 11.12.10 The Cardholder(s) shall note that the validity of the Debit Card expires if not used for a period of over one year. Only withdrawals, transfers, and transactions at Merchant establishments are considered as transactions.
- 11.12.11 When using ATMs installed by other banks forming a part of a network which may be operated through the use of the Debit Card, where all transactions charged for by other banks will be considered as transactions.
- 11.12.12 All rules and regulations governing the operation of current account and savings accounts will be applicable to the transactions performed on such accounts using the Debit Card.
- 11.12.13 The Bank reserves the right to add, to delete and/ or vary any of these terms and conditions and such changed terms and conditions will be displayed on the HSBC official public website at www.hsbc.lk and a copy of the same available on request. Use of the Debit Card after the date upon which any change to these terms and conditions is to have effect (as specified in the Bank's notice), will constitute acceptance without reservation by the Cardholder of such change. If the Cardholder does not accept any such change, the Debit Card must be returned to the Bank prior to the date upon which such change comes into effect.
- 11.12.14 Any notice hereunder sent by post / e-mail or Personal Internet Banking services (PIB) will be deemed to have been received by the cardholder(s) within 7 days from the posting of the notification to the address last given to the Bank in writing. Notice of changes to fees and charges and/or terms and conditions given by letter and/or notice on the local press and/or by displaying on the Bank's notice boards and/or on the official public website (www.hsbc.lk) and/or through Statement messages should be construed as giving notice to the Cardholder(s).

- 11.12.15 If a Cardholder, by using the Debit Card, draws an amount in excess of the balance available or overdraft limit permitted by the Bank, the Cardholder shall pay HSBC promptly and unconditionally, the entire amount overdrawn with interest and penalties, if any, at a rate to be decided by HSBC. However, this should not be construed as an agreement, either expressed or implied that HSBC is bound to grant any overdraft facility whatsoever.
- 11.12.16 The Bank will not be liable for any failure to provide any service or to perform any obligation thereunder where such failure is attributable (whether directly or indirectly) to any malfunction of the ATM or the Debit Card, temporary insufficiency of funds, any dispute or other circumstances beyond its control.
- 11.12.17 Where the Bank knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the accounts or in connection with the use of the Debit Card, the Bank may, in its absolute discretion and without any liability, decline authorization for any transaction and in that event, the Bank will, to the extent possible, inform the Cardholder as soon as possible.
- 11.12.18 In addition to these terms and conditions, the usage of the Debit Card shall also be subject to Visa guidelines.
- 11.12.19 Cardholder/s cannot set up standing instructions at Merchant establishments via Debit Cards.
- 11.12.20 The Cardholder authorizes the Bank to rely upon and act in accordance with any notice, instruction, demand or other communication which may from time to time be, or purport to be given, by telephone, short message services ("SMS"), personal internet banking services ("PIB") or e-mail by the Cardholder or on his/her behalf (the "Instructions"), without any enquiry on the Bank's part, 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 Bank may use telephone, SMS, PIB or e-mail to communicate with the cardholder. The Cardholder shall accept the Bank's ruling on the time/date of receipt of instruction as final.
- 11.12.21 Without prejudice to any rights which the Bank may have, the Account holder/s agrees that any banking services provided by the Bank to the Account holder/s whether under these terms and conditions or otherwise shall be subject to fees, costs, charges, interest or any other relevant expenses incurred by the Bank.
- 11.12.22 The Account holder/s further agrees that the Bank may at any time and without prior notice, debit such fees, costs, charges, interest or any other relevant expenses incurred by the Bank and/or payable by the Account holder/s to the Bank due to any reason whatsoever, including but not limited to cancellation of banking transactions, cancellation and/or amendment and/or duplication of products and services related to foreign exchange, interest rates, commodities or any other permitted asset classes, irrespective of the nature of the products and

services and irrespective of the mode of transacting, from any Account/s of the Account Holder/s held with the Bank.

- 11.12.23 The Bank shall be entitled to treat the Instructions as fully authorized by 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 instructions are to pay money or otherwise to debit or credit any account or relate to the disposition of any money or documents or purport 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 terms of the Instructions.
- 11.12.24 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 and expenses incurred or sustained by the Bank of whatsoever nature and howsoever arising out of or in connection with the Instructions.
- 11.12.25 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 shall not release the Cardholder from any liability incurred under the authorization given by him as aforesaid and indemnity in respect of any act performed in accordance with the terms of this Agreement.
- 11.12.26 The issue and use of the Debit Card shall be subject to existing laws, rules and regulations, Visa guidelines and HSBC's terms and conditions, as may be in force from time to time. All authorizations and powers conferred on the Bank are irrevocable.
- 12. HSBC Rewards/ Visa Platinum Cashback Credit Card offered under HSBC Advance Package**
- 12.1 Where an HSBC Rewards/Visa Platinum Cashback credit card is issued, the Account holder shall be bound by the HSBC Rewards/Visa Platinum Cashback credit cardholder agreement / terms and conditions and amendments thereon, HSBC general credit card terms and conditions and all such other (such as upgrades, promotions, facilities, etc.,) terms and conditions relating to credit cards as the Bank shall introduce from time to time.
- 12.2 The HSBC Rewards/ Visa Platinum Cashback credit card will be issued subject to internal credit verification, which will be determined according to the prevailing HSBC Advance eligibility criteria and Bank's credit risk policies, which may be changed from time to time at the sole discretion of the Bank.

- 12.3 Where an ATM facility has been incorporated in the HSBC Rewards/ Visa Platinum Cashback credit card, the use of such facility will be subject to the terms and conditions of the use of HSBC Rewards/ Visa Platinum Cashback Credit card/HSBC general credit card terms and conditions.
- 13. Automated Phonebanking Service (ATB)**
- 13.1 The ATB service provided by the Bank may cover:
- (i) Transfer of funds between any of the Account holder's accounts.
 - (ii) Transfer of funds from any account of the Account holder, within pre-defined and agreed transfer limits, to any account designated in writing by the Account holder for the purpose of receiving funds under the ATB(A "Dedicated Transferee Account")
 - (iii) Enquiry on account balances, previous transactions made (in relation to the account holder's Accounts), exchange rates and deposit rates.
 - (iv) Request for statements (only for selected account types), cheque book and stop cheque requests in relation to the Account holder's account; and
 - (v) Such other types of banking or investment services as the Bank may from time to time introduce.
- 13.2 The Bank is authorized but not bound to act on the instructions of the Account holder given by the Account holder by telephone/ATB. The Account holder agrees that the Bank is authorized to not to act on any such telephone instructions which the Bank in its sole discretion believes emanate from unauthorized individuals.
- 13.3 The Account holder undertakes to keep the ATB Personal Identification Number (PIN) provided to the Account holder by the Bank, in a strictly confidential manner at all times and shall report to the Bank immediately upon the loss of the PIN or becoming aware that the PIN has been disclosed to an unauthorized party.
- 13.4 The Bank shall not be liable to the Account holder for any failure to carry out any telephone/ATB instructions which are attributable, wholly or in part, to any cause beyond the Bank's control including any equipment malfunction or failure and under no circumstances shall the Bank be responsible to the Account holder for any direct, indirect or consequential losses arising out of or in connection with the carrying out or otherwise and be indemnified at all times against, and save the Bank harmless from, all actions, proceedings, claims, losses, damages, costs and expenses which shall have arisen either directly or indirectly out of or in connection with the Bank accepting telephone/ATB instructions and acting or failing to act thereon. This indemnity shall continue notwithstanding the termination of the ATB service.
- 13.5 The Account holder's right to give telephone/ATB instructions pursuant to the terms and conditions herein shall at all times be subject to the discretion of the Bank and the Bank may at any time revoke such right without prior notice.

- 13.6 The Account holder shall ensure that there are sufficient funds (or pre-arranged credit facilities) in the Account holder's account and/or credit card account for the purpose of telephone/ATB or other instructions and the Bank shall not be liable for any consequences arising out of the Bank's failure to carry out any such instructions due to insufficient funds provided always that if the Bank shall at its sole discretion decide to carry out the instructions notwithstanding such inadequacy. The Bank may do so without seeking prior approval from or notice to the Account holder and the Account holder shall be responsible for the resulting overdraft, advance or credit thereby created and for all related charges. The overdraft advance or credit shall be subject to such rates of interest as the Bank may in its absolute discretion determine and shall be governed by the Bank's usual terms and conditions applicable to such accounts.
- 13.7 The Account holder shall notify the holder(s) of the Dedicated Transferee Account(s) and/or any joint account holder of the details of the transaction performed by the Bank upon telephone/ATB instructions given by the Account holder. The Bank shall not be responsible to the Account holder for giving any such notice.
- 13.8 The Bank reserves the right to impose service fees and/or other charges from time to time as the Bank in its discretion thinks fit.
- 13.9 The Bank reserves the right to add, delete or vary the scope of the ATB service and any of the terms and conditions herein from time to time as the Bank in its discretion thinks fit.
- 13.10 Usage of the ATB PIN and Personal Banking Number (PBN) provided by the Bank for accessing the ATB service or the use of your credit card number issued by the Bank to access this service shall be constructed as acceptance of these terms and conditions by the Account holder.
- 13.11 Account holder/s shall be governed by all the laws pertaining to foreign exchange and regulations issued thereunder by the Central Bank of Sri Lanka prevailing from time to time when performing cross currency transactions through the ATB service of the Bank.
- 14. HSBC Advance SMS Alerts (the "Service")**
- 14.1 The Customer shall abide and be bound by the instructions and/or procedures of the Bank during the use of the Service. The Customer shall have no claim, resource or remedy against the Bank for any loss, damage and expense incurred by the Customer arising from any non-compliance by the Customer with such instructions and/or procedures.
- 14.2 The Customer shall not hold the Bank responsible or liable for any loss or damage which the Customer may incur or suffer directly or indirectly, arising out of or in connection with the Service, due to any reason whatsoever including but not limited to the viewing of the messages or use of the Service by any person other than the Customer, breakdown or malfunction of the computer, its terminal

connection lines, data processing system or transmission line whether or not belonging to the Bank or any circumstances beyond the control of the Bank.

- 14.3 The Bank is entitled to effect any changes to the Service, suspend and/or terminate the Service, and to vary the Service at any time at its discretion without prior notice and assigning any reason and without prejudice to any of its rights of action for any antecedent breach of these Terms and Conditions by the Customer.
- 14.4 The Customer may request to terminate the use of the Service by giving the Bank seven (7) days written prior notice (subject to verification) or via the Customer Service Hotline (requires PIN verification). If the Customer requires effecting any changes to the Service, the Customer is required to complete a new application form to that effect.
- 14.5 The Customer hereby irrevocably agrees and undertakes to indemnify the Bank and keep the Bank indemnified and saved harmless from time to time and at all times against any loss, costs, damages and expenses which the Bank may incur or sustain and against all actions, proceedings, claims and demands in connection with or in relation to or arising out of the use of the Service.
- 14.6 The Bank shall be entitled to vary any of the Terms and Conditions contained herein at any time without notice to the Customer which variation shall bind the Customer absolutely from the date on which it is expressed to take effect. The variation may be communicated to the Customer, including but limited to, by letter and/or notice in the local press and/or by displaying on the Bank's notice-boards and/or through statement messages and/or official public website at www.hsbc.lk.
- 14.7 This Service may not be available in certain countries due to relevant country regulatory requirements and constraints.
- 15. PERSONAL IDENTIFICATION NUMBER (PIN) / SECURITY TOKEN**
- 15.1 The Personal Identification Number (PIN) issued by the Bank to the Account holder/s is for the purpose of using the HSBC Advance Debit Card, credit card, automated telephone banking facilities(ATB), internet banking services and any other facility that may require a PIN. Any number(s) substituted for this purpose are strictly confidential.
- 15.2 The PIN should not be disclosed to any third party under any circumstances or by any means whether voluntarily or otherwise. The Account holder should not maintain any written record of the PIN in any place or manner, which may enable a third party to use the account, Debit Card, credit card, ATB service or any other similar facility made available by the Bank.
- 15.3 The Account holder shall at all times remain liable for any request or any transactions made with the use of the PIN and shall indemnify the Bank for all loss/damage however caused by an unauthorized use of the PIN.

16. UTILITY BILL PAYMENTS

16.1 The Bank shall not be responsible for any delay on the part of the utility company in crediting your account where utility payments have been made through ATB, PIB, ATMs and through other payment collection channels introduced by the Bank provided that the Bank has effected payment to the utility company on time.

17. INTEREST

17.1 Interest rates on savings and time deposit accounts (foreign currency /local currency) are subject to change without prior notice. However, the Bank will not vary the rate of interest contracted on existing time deposits until maturity.

17.2 All Account holders must complete the statutory declaration of their tax status and resident status on the account opening form as required by the Department of Inland Revenue and the onus is on the Account holder to ensure that he/she completes all his/her statutory declarations and their tax status in a timely manner. The Bank shall hold no responsibility whatsoever on any tax implications the Account holder will encounter in any manner, including by his/her failure to declare his/her taxes in a timely manner.

17.3 Withholding tax will be deducted for the given period by the Bank from the interest payable as stipulated by the Department of Inland Revenue.

17.4 Interest on savings accounts is calculated on the daily available balance and will be credited monthly (usually on the 26th day of the month) to the account.

18. HSBC Advance GLOBAL SERVICES

18.1 (a) Where HSBC Advance global services are provided to the Account holder, the Account holder agrees to be bound by the terms and conditions upon which the services provided by Visa International under HSBC Advance global services are offered and provided.

(b) The Account holder agrees (without prejudice to the Bank's rights under Clauses 18.2, 18.3, 18.4 and 18.5) to the transfer and disclosure of any information which the Bank may have from time to time relating to the Account holder, HSBC Advance and the master account to Visa International (as the case may be), their respective agents and third party service providers for the purposes of providing HSBC Advance global services (as the case may be) to the Account holder.

(c) The services provided under HSBC Advance global services are supplied by Visa International, its agents and third party service providers appointed by Visa International. Accordingly, the Bank shall not be liable in any way for any actions, claims, loss, damage or liability of whatever nature arising out of any act or omission of Visa International or any of its agents or of such third party service providers or generally in relation to HSBC Advance global services.

- 18.2 To enable the Bank to consider whether to provide the Account holder with any service, the Account holder is required to supply personal data to the Bank from time to time and failure to do so may result in the Bank's inability to provide such service.
- 18.3 The personal data will be used for considering the Account holder's request and subject to the Bank's agreeing to provide such service, the personal data and all other details and information relating to the Account holder's transactions or dealings with the Bank will be used in connection with the provision of such service to the Account holder. The Bank will use, store, disclose, and transfer (whether within or outside Sri Lanka), obtain and/or exchange such personal data and such other details and information to, and from or with all such persons as the Bank may consider necessary (including without limitation any member of the HSBC Group or any service provider) for any and all of its purposes:
- (a) in connection with the provision of services (including without limitation the provision of consolidated statements);
 - (b) in connection with matching for whatever purpose (whether or not with a view to taking any adverse action against the Account holder) any such personal data with other personal data in the Bank's possession;
 - (c) in connection with the provision of banker's reference about the Account holder to other financial institutions or other parties;
 - (d) of promoting, improving and furthering the provision of other services by the Bank and any other member of the HSBC Group to the Account holder generally; and/or for any other purposes and to, from or with such other persons as may be in accordance with the Bank's general policy on disclosure of personal data as set out in statements, circulars, notices or terms and conditions made available by the Bank from time to time.
- 18.4 The Account holder has the right to request access to and amend any of the personal data or to request to refrain from using the personal data for direct marketing purposes. Any request may be made in writing and addressed to the Personal Banking Manager such address and number as may be specified by the Bank from time to time. The Bank will comply with such request unless the Bank may or is required to refuse to do so under any applicable laws and regulations.
- 18.5 Personal data protection
- (a) From time to time, it is necessary for the Account holder to supply the Bank with data in connection with the opening or continuation of accounts and the establishment or continuation of banking facilities or provision of banking services. Failure to supply such data may result in the Bank being unable to open or continue accounts or establish or continue banking

facilities or provide banking services. It is also the case that data are collected from Customers in the ordinary course of the continuation of the banking relationship when Customers write cheques or deposit money.

- (b) The purpose for which data relating to a Customer may be used are as follows;
- (i) the daily operation of the services and credit facilities provided to Customers;
 - (ii) conducting credit checks;
 - (iii) assisting other financial institutions to conduct credit checks and collect debts;
 - (iv) ensuring ongoing creditworthiness of Account holders;
 - (v) designing financial services or related products for Account holders' use;
 - (vi) marketing financial services or related products;
 - (vii) determining the amount of indebtedness owed to or by the Account holders;
 - (viii) collection of amounts outstanding from Account holders and those providing security for Account holders' obligations;
 - (ix) meeting the requirements to make disclosure under the requirements of any law binding on the Bank or any of its branches;
 - (x) enabling an actual or proposed assignee of the Bank, or participant or sub participant of the Bank's rights in respect of the Customer to evaluate the transaction intended to be the subject of the assignment, participation or sub participation, and purposes relating thereto.
- (c) Data held by the Bank relating to an Account holder will be kept confidential by the Bank and the Bank may provide such information to the following parties for the purposes set out in paragraph (b).
- (i) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or securities clearing or other services to the Bank in connection with the operation of its business;
 - (ii) any other person under a duty of confidentiality to the Bank including any of HSBC Group offices which have undertaken to keep such information confidential;
 - (iii) the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
 - (iv) credit reference agencies and in the event of default, to debt collection agencies;
 - (v) any person to whom the Bank is under an

obligation to make disclosure under the requirements of any law binding on the Bank or any of its branches; and

- (vi) any actual or proposed assignee of the Bank or participant or sub-participant or transferee of the Bank's rights in respect of the Customer.
- (vii) by court order.

19. COMPOSITE STATEMENT

- 19.1 The Account holder is responsible for preserving copies of his/her statements, should copies of statements be requested from the Bank, the Bank reserves the right to levy charges for providing this service in accordance with its published tariff of charges.
- 19.2 The Bank will send to the Account holder each month (or as specified by the Account holder) statements of account showing the transactions and balances in relation to all HSBC Advance accounts and other banking services as specified by the Bank from time to time.
- 19.3 Promptly upon receipt of each statement of account and in any event no less than 30 (thirty) calendar days from the date on which the Account holder is deemed to have received that statement of account ("30 day review"), the Account holder agrees to examine and verify, each entry appearing on a statement of account, reconcile it with the Account holder's own records and immediately notify the Bank in writing of any errors, omissions, irregularities, including any fraudulent or unauthorized transactions or any other objections the Account holder has to that statement of account (collectively, "Account Irregularities"). If the Account holder fails to notify the Bank within the 30 (thirty) day review, the balance shown on the statement of account(s) and all entries including Account Irregularities, shall be deemed correct, complete, authorized and binding upon the Account holder and the Bank will be released from all liability for any transaction occurring up to the date of the most recent statement of account except for transactions the Account holder gave notice of in accordance with this clause.
- 19.4 If the Account holder fails to abide by its obligations under Clause 19.3 above and if the Account holder's conduct or omission causes or contributes to a loss on its account (losses of any kind whatsoever, taxes, levies, fines, fees or penalties suffered and/or incurred by, or brought against the Bank), then the Account holder agrees that the Bank will not have any responsibility to the Account holder with respect to such loss. The Account holder acknowledges that the failure to review statements of accounts in a timely manner as required pursuant to this Agreement will be deemed to cause or contribute to the loss on the account to the extent of any loss occurring subsequent to the time that any error or omission would have been discovered if the statement of account or transaction records been reviewed in accordance with this Agreement. The Account holder acknowledges that the Bank's maximum liability to the Account holder will

be limited to actual direct loss in the principal amount wrongfully or erroneously withdrawn from the Account holder's account due to the Bank's gross negligence or willful misconduct.

20. HSBC ADVANCE CALL CENTRE SERVICES AND INDEMNITY

20.1 The Call Centre services provided by the Bank may cover, telephone instructions in respect of the following;

- (i) Transfer of funds between any of the Account holder's Accounts. In the event of joint Accounts, transfers will be permitted only if the signing instructions are for one Account holder to sign (either party to sign). In such instance, the transfer should be between the Account holder's joint account and/or between the same Account holder's individual accounts.
- (ii) Enquiry on account balances, last transactions (in relation to the Account holder's accounts) exchange rates and deposit rates.
- (iii) Request for statements (for selective accounts), cheque books and to stop payment of cheques in relation to the Account holder's account; and
- (iv) Global service provided by the HSBC Group or Visa International.
- (v) Such other types of banking or investment services as the Bank may from time to time introduce.

20.2 The Bank shall not be liable to the Account holder for any failure to carry out any telephone instructions which are attributable, wholly or in part, to any cause beyond the Bank's control including any equipment malfunction or failure and under no circumstances shall the Bank be responsible to the Account holder for any direct, indirect or consequential losses arising out of, or in connection with, the carrying out or otherwise of the indemnified at all times against, and save the Bank harmless from, all actions, proceedings, claims, losses, damages, costs and expenses which shall have arisen either directly or indirectly out of or in connection with, the Bank accepting telephone instructions and acting or failing to act thereon.

20.3 The Account holder's right to give telephone instructions pursuant to the terms and conditions herein shall at all times be subject to the discretion of the Bank and the Bank may at any time revoke such right without prior notice.

- 20.4 The Account holder shall ensure that there are sufficient funds (or pre-arranged credit facilities) in the account holder's Account and/or credit card account for the purpose of telephone or other Instructions and the Bank shall not be liable for any consequences arising out of the Bank's failure provided always that the Bank shall at its sole discretion decide to carry out the Instructions notwithstanding such inadequacy, the Bank may do so without seeking prior approval from or notice to the Account holder and the Account holder shall be responsible for the resulting overdraft, advance or credit thereby created and for all related charges. The overdraft, advance or credit shall be subject to such rates of interest as the Bank may in its discretion determine and shall be governed by the Bank's usual terms and conditions applicable to such accounts.
- 20.5 The Bank shall charge the normal tariff for services registered through the Call Centre.
- 20.6 The Bank reserves the right to impose service fees and/or other charges from time to time as the Bank in its discretion thinks fit.
- 20.7 The Bank reserves the right to add, delete or vary the scope of the service, the service tariff and any of the terms and conditions herein from time to time as the Bank in its discretion thinks fit. The Bank shall give notice of such modification to the Account holder by, including but not limited to, displaying the revised terms and conditions or related tariff on notice boards in public areas in the branches and at ATMs.
- 20.8 In consideration of the Bank agreeing to provide information or transfer funds from time to time based on requests received by telephone by the Account holder relating to the Account holder's accounts ("the information") the Account holder being fully aware that it will not be possible for the Bank to verify the identity of the person seeking such information or giving such transfer instruction ("the caller"), the Account holder unconditionally declares and agrees that;
- (a) the Bank is hereby authorized to give such information or make transfers from the Account holder's account to another of the account holder's Account/s only, at its sole discretion on the assumption and belief that such instructions have been given by the Account holder and the Bank shall not be liable in any manner whatsoever to the Account holder for any loss or damage caused directly or indirectly in consequence thereof, provided that the Bank acts in good faith without gross negligence.
 - (b) the Bank shall take reasonable steps to verify the authenticity of the caller but shall not be liable in any manner whatsoever to the Account holder or any other party for any act done by the Bank in pursuance of such requests received by telephone provided the Bank acts in good faith and is not guilty of gross negligence.

- (c) the Account holder agrees and undertakes to keep the Bank indemnified and saved harmless at all times from all actions, proceedings, claims, losses, damages, costs and expenses in any action which may be brought against the Bank by any party or suffered by the Bank directly or indirectly from any act, matter or thing done by the Bank in pursuance of providing such information or transferring funds by the Bank.
- (d) the Account holder agrees that the Account holder shall have no claims whatsoever against the Bank in respect of any transfers made or any information given to the Account holder by the Bank or any loss or damage arising directly or indirectly in consequence thereof howsoever arising provided the Bank acts in good faith and is not guilty of gross negligence.

21. BANK'S RIGHT OF LIEN AND SET-OFF

21.1 Without prejudice and in addition to any general lien, right of set-off or other right by way of security which the Bank may have on any account whatsoever, the Account holder agrees that the Bank may at any time and without prior notice;

- (a) apply (even if such application requires breaking of any deposit before its maturity date) any monies held in any currency to the credit of any account or any other account in the name of the Account holder solely or jointly with any other person ("the said monies") against any indebtedness of any type whether actual, contingent, present or future and whether owed by the Account holder solely or jointly with any other person ("the said indebtedness") and/or;
- (b) refuse to repay when demanded or when the same rules due to any of the said monies to the Account holder or and to the extent that the said indebtedness at the relevant time is equal to or exceeds the said monies at that time.

21.2 The Bank's rights under Clause 21.1 above shall not be affected by the Customer's death or legal incapacity.

22. STATUTORY DECLARATION/FOREIGN EXCHANGE REGULATIONS

22.1 All Account holders must complete the statutory declaration of their tax status and residential status on the account opening form as required by the Department of Inland Revenue and the onus is on the Account holder to ensure that he/she completes all his/her statutory declarations and their tax status in a timely manner as required by the Department of Inland Revenue. The Bank shall hold no responsibility whatsoever on any tax implications the Account holder will encounter in any manner, including by his/her failure to declare his/her taxes in a timely manner. The statutory declaration made by the Account holder/s will apply to all existing and new

accounts opened and governed by the same mandate. Withholding tax or any other tax payable on interests payments will be deducted by the Bank from the interest payable for the period (at such rate or rates) as stipulated by the Department of Inland Revenue from time to time. The Bank has the right to recover uncollected withholding taxes from the Account holder/s without any notice to the Account holder/s

if subsequently claimed from the Bank, by the Department of Inland Revenue.

22.2 All terms and conditions contained herein are subject to the provisions of the prevailing laws relating to foreign exchange and regulations made there under from time to time.

23. TERMINATION OF THE PACKAGE

23.1 Either the Bank or the Account holder may terminate the use of the Package and the relationship with the Bank by written notice to the other party to that effect. Further the Bank reserves the right to refuse to open any Account or close any Account and/or terminate any Services with or without assigning any reasons, after giving twenty (20) working days written notice to the last recorded address of the Account Holder/s. The Bank also may resort to other modes of communication/giving notice in unforeseen circumstances.

In either case, the Account holder shall without delay or further demand.

(a) return to the Bank all cards and cheque books issued to the Account holder.

(b) pay off the full amount outstanding to the Bank including but not limited to the overdraft facilities, credit card(s) and other loan facilities together with all related charges thereunder (including the amount of any items not then presented to the Bank for payment), for which the Account holder shall remain fully responsible notwithstanding such termination. Without limiting the generality of the foregoing, all of such sums shall become immediately due and payable (without further demand) in the event of the death or bankruptcy of the Account holder.

23.2 In the event that the Bank or the Account holder terminates the use of the Package and becomes an ordinary Account holder who continues to maintain the account without the benefits offered under the Package, the Account holder agrees to be bound by the general terms and conditions, a copy of which has already been given to the Account holder/s or can be obtained from any of the branches of the Bank or from the official public website of the Bank at www.hsbc.lk, for each such account maintained with the Bank and charges thereon as amended from time to time.

24. CHARGES

24.1 All administration, handling, service, finance or other charges are to be paid by the Account holder to the Bank for any service provided or action taken in relation to the Package and shall be levied at such rates as the Bank may from time to time prescribe for the purpose, and any such charges may be debited to the Account holder. All interest rates administration, service, finance and other charges are subject to change with prior notice.

The Bank reserves the right to impose service fees and charges in relation to the accounts and the services which are detailed and provided for in the Bank's Tariff of Charges. The Bank's Tariff of Charges is available on the official website of the Bank at www.hsbc.lk and/or shall be made available to the Account holder/s upon request from any branch office of the Bank. Any changes and/or additions to the Bank's Tariff of Charges shall be communicated to the Account holder/s by notices displayed by the Bank at its branches in Sri Lanka and/or on the official public website of the Bank at www.hsbc.lk and shall be binding on the Account holder/s.

25. OVERSEAS HSBC SERVICES OFFERED FOR ADVANCE PROPOSITION

25.1 The features that the Account holder can enjoy under the Package may include International Account Opening services Global View/Global Transfer services, rewards, benefits, privileges and the likes offered not only by the Bank but also by other members of the HSBC Group in and outside Sri Lanka, which may or may not be banking related and which may be provided directly by the Bank and such other members of the HSBC Group or third parties designated by them, as the Bank and/or such members shall determine from time to time ("features")

25.2 To facilitate the Bank and other members of the HSBC Group in considering whether or not the Account holder is entitled to enjoy certain features offered by them under the Package and to enable the Bank and these members of the HSBC Group in providing such features to the

25.3 Account holder where the Account holder is eligible to enjoy these features, the Account holder fully authorizes the Bank and the HSBC Group members to share all information relating to the Account holder and his Accounts, including, without limitation, personal data and other credit information maintained with or obtained by the Bank (including those obtained from credit reference agencies) and other members of the HSBC Group.

- 25.4 The Account holder further authorizes the Bank and all members of the HSBC Group to use, store, process, disclose and transfer (whether within or outside the jurisdiction concerned and whether within or outside the HSBC Group) all information relating to the Account holder as they shall consider necessary in connection with the provision of these features, including, without limitation, information relating to the Bank Debts and Master Debts (below defined).
- 25.5 The features offered to the Account holder by other members of the HSBC Group are at all times subject to the Account holder being allocated with and maintaining the Package with the Bank (or another member of the HSBC Group, if applicable) unless the Bank or another member of the HSBC Group shall determine otherwise. Each of these features may also be subject to certain terms and conditions stipulated by the Bank and/or the relevant member(s) of the HSBC Group and the Account holder agrees to be bound by the same.
- 25.6 Where the Package offered by the Bank includes the offering of any banking or credit facility to the Account holder the Account holder agrees to and authorizes the following in the event that the Account holder defaults in its obligations to repay such banking or credit facilities upon their becoming due and payable ("Bank Debts"):
- (a) the HSBC member may collect the Bank Debts for and on behalf of the Bank;
 - (b) the right of the HSBC member to employ collection agent(s) and third parties to collect any outstanding or overdue amount owed by the Account holder and any indemnity given by the Account holder in favour of the Bank shall for all purposes include the Bank Debts.
 - (c) The Bank may at any time and from time to time assign the whole or any part(s) of the Bank Debts in favour of the HSBC member;
 - (d) The HSBC member may accept an assignment of the Bank debts in its favour and may exercise its right of set-off in respect of such Bank Debts assigned to it;
 - (e) To the extent permitted by all relevant laws and regulations, the Account holder waives all rights he may have in relation to any assignment of the Bank Debts and the HSBC member's rights to exercise its right of set-off against such assigned debts; and
 - (f) This clause 26.4 shall apply also to such fees, charges, loss and expenses that the Bank and the HSBC member shall have directly and indirectly incurred or suffered as a result of or arising from the bank debts, including, without limitation, reasonable legal fees and other fees, charges and expenses incurred in recovering the Bank debts.

- 25.7 Where the Package is offered by a member of the HSBC Group other than the Bank (i.e. HSBC Colombo also hereinafter known as "HSBC member") includes the offering of any banking or credit facilities to the Account holder, the Account holder agrees to and authorizes the following in the event that the Account holder defaults in its obligations to repay such banking or credit facilities upon their becoming due and payable ("Member Debts"):
- (a) the Bank may collect the Member Debts for and on behalf of the HSBC member;
 - (b) the right of the Bank to employ collection agent(s) and third parties to collect any outstanding or overdue amount owed by the Account holder and the indemnity given by the Account holder in favour of the Bank shall for all purposes include the Member Debts.
 - (c) The HSBC member may at any time and from time to time assign the whole or any part(s) of the Member Debts in favour of the Bank;
 - (d) The Bank may accept an assignment of the Member Debts in its favour and may exercise its right of set-off in respect of such Member Debts assigned to it;
 - (e) To the extent permitted by all relevant laws and regulations, the Account holder waives all rights he may have in relation to any assignment of the Member Debts and the Bank's rights to exercise its right of set-off against such assigned debts; and
 - (f) This clause 26.5 shall apply also to such fees, charges, loss and expenses that the Bank and the HSBC member shall have directly and indirectly incurred or suffered as a result of or arising from the Member Debts, including, without limitation, reasonable legal fees and other fees, charges and expenses incurred in recovering the Member Debts.

- 25.8 Where a feature offered by a member of the HSBC Group and the Bank includes an offer of any banking or credit facility, the Account holder understands and agrees that any default by him in respect of one or more of such facilities may result in any or all of these members withdrawing, suspending, cancelling, terminating or varying any or all features offered by them. This may also result in the Account holder having to, among other things, pay higher interest rates, fees, charges and costs and no member of the HSBC Group can under any circumstances be held liable or responsible for such increases in interests, fees, charges, costs and expenses incurred by the Account holder or any other obligations and liabilities (whether new or added) that the Account holder is therefore subject to.

25.9 If the Account holder is required by any applicable laws or regulations (including the laws and regulations in the jurisdiction in which it enjoys a feature provided by a member of the HSBC Group) to make any deduction or withholding from any sum payable by the Account holder, whether to the Bank or any member of the HSBC Group, then the liability in respect of that deduction or withholding shall be the liability of the Account holder such that after the making of such deduction or withholding, the net payment shall be equal to the amount which the Bank or such other member of the HSBC Group would have received had no such deduction or withholding been made.

It shall be the sole responsibility of the Account holder to effect payment of such deduction or withholding to the relevant authority within the applicable time limit and the Account holder shall indemnify the Bank and other members of the HSBC Group for all consequences of the Account holder's failure to do so.

25.10 All terms and conditions contained herein are subject to the provisions of the foreign exchange regulations made there under and all amendments introduced thereon from time to time.

26. GENERAL

26.1 Any person opening or continuing an account shall be deemed to have read and understood and be bound by the Bank's terms and conditions governing the conduct of the accounts initially opened under the Package or relevant terms and conditions of any other account subsequently opened as the case may be. A declaration to this effect should be completed on the application form to open such account/s.

26.2 The Account holder agrees that, in the absence of agreement to the contrary, any current, savings, time deposit, share custody or other account (whether in local or foreign currency) from time to time opened and/or maintained by the Account holder with the Bank, and any banking transaction or facility effected and entered into from time to time by the Account holder with the Bank, shall form part of the Package (and each such account shall be an HSBC Advance Account for the purpose hereof) and shall be subject to and governed by these Terms and Conditions in addition to the general terms and conditions signed for under each product.

26.3 The Account holder/s warrant/s that all information given to the Bank (whether in an account opening form or otherwise) is true and accurate to the best of knowledge of the Account holder/s. The Account holder/s undertake/s to promptly notify the Bank of any change to this information.

- 26.4 The Bank should be advised promptly in writing of any change of address of the Account holder/s.
- 26.5 Any notice hereunder sent by post will be deemed to have been received by the Account holder/s within 7 working days of posting to the address last notified in writing to the Bank.
- 26.6 The Account holder/s may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank.
- 26.7 The Bank may at any time assign or transfer any or all of its rights and obligations hereunder.
- 26.8 The Bank's tariff is available upon request from any branch office and the tariff is subject to change with prior notice. Notice of changes to fees and charges given by letter and/or notice in the local press and/or by displaying on the Banks notice boards and/or through statement messages and/or through the official public website of the Bank at www.hsbc.lk should be construed as giving such notice to the Account holder/s.
- 26.9 These Terms and Conditions shall be governed by and construed in accordance with the laws for the time being in force in the Republic of Sri Lanka and any of these 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 or any other statutory body.
- 26.10 The Bank also reserves the right to add, revise, amend or cancel, in whole or in part, any of the products and services provided under the Package and the Terms and Conditions hereunder or terms and conditions pertaining to any product or service.
- 26.11 These Terms and Conditions may, at the Bank's discretion, be changed from time to time upon giving the customer prior notice by way of display in the Bank's premises or by such other method as the Bank may decide. If the customer does not close the master account and cancel HSBC Advance prior to the expiry of the notice period, the customer shall be deemed to have agreed to such change/s.
- 26.12 The Bank will retain copies of statements, vouchers, withdrawal/deposit slips, cheques or any other transaction records in all accounts for a period as stipulated by statute. All such records will be destroyed after such period and the Bank will not assume any liability or responsibility for providing copies of statements or transaction records after such period.

- 26.13 In the course of providing the services, the Bank (or its agent) may need to (but shall not be obliged to) record verbal instructions received from the Account holder and or any verbal communication between the Account holder and the Bank (or its agent) in relation to such services.
- 26.14 If a Home Mortgage loan, Personal Installment Loan, Personal line of credit and Personal secured credit has been applied for by the Account holder prior to obtaining the Package and/or under the Package and approved by the Bank, the Account holder agrees that such facilities shall be subject to, in addition to the Terms and Conditions hereunder, such other terms and conditions, the provision of such security and the execution of such legal documentation as the Bank may specify in one or more separate facility letters to be given to the Account holder in respect of such facilities.
- 26.15 In the event a Customer holds a credit card with the Bank, the Customer shall notify the Bank promptly in writing of any changes in employment and/or his/her office or residence address and telephone numbers ("Contact Details") and the Bank shall treat the Contact Details as the most recently updated Contact Details and the existing contact details of the Customer shall be replaced with the Contact Details.
- 26.16 Miscellaneous General Provisions
- (i) Collecting Agent - The Bank may employ third parties to collect any outstanding or overdue amounts owed by the Account holder. The Account holder shall keep the Bank indemnified for costs (including legal fees) and expenses incurred in recovering such outstanding or overdue amount.
 - (ii) Tape Recording - In the course of providing the services, the Bank (or its agent) may need to (but shall not be obliged to) record verbal instructions received from the Account holder and/or any verbal communication between the Account holder and the Bank (or its agent) in relation to such services.
 - (iii) Waivers and Remedies - No failure or delay by the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Any remedies provided to the Bank herein are not intended to be exclusive of any other remedy and each and every remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, by statute or otherwise.
 - (iv) Partial Invalidity - If any provision hereof shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not affect any of the other provisions hereof, which shall remain in full force, validity and effect.
 - (v) Failure beyond Bank's Control - The Bank shall not be

liable for any failure or delay to provide any service or to meet any obligation hereunder due (directly or indirectly) to any causes beyond its control.

- (vi) Appointment of Agent - The Bank may appoint any agent, service provider or subcontractor to perform any of its obligations hereunder.
- (vii) Assignment of Bank - The Bank may at any time assign or transfer any or all of its rights and obligations hereunder to any person without the Account holder's agreement.
- (viii) Loss of Seal etc.

In the event of loss of the identity document, seal or chop used for granting instructions to the Bank in respect of or the use of the services, the Account holder must immediately notify the Bank in writing. The Bank will not be responsible for any payment made prior to receiving such written notice.

26.17 The Bank may without notice, combine or consolidate Customers account/s with any liabilities to the Bank and set-off or transfer any sum/s standing to the credit of any such accounts or any other sum/s owing to the Customer from the Bank on any other account or in any other respect whether such liabilities be actual or contingent primary or collateral and several or joint.

26.18 The Customer agrees and acknowledges that all data including account information relating to the Customer may be transmitted and/ or stored or held in any location and accessed by,

- (i) authorized personnel of the Bank, its Head office, branch offices of HSBC and other members/associate members of the HSBC Group,
- (ii) any data processing service provider,
- (iii) any person engaged by the Bank for printing and mailing statement of accounts,
- (iv) any person to whom the Bank may consider necessary,
- (v) any person to whom the Bank in its ordinary course of business outsource such services, as the Bank may consider necessary including stuffing, printing and mailing statement of accounts or provision of any similar services where in their opinion such transmission storage and/or access is necessary for any purpose including administration and internal monitoring requirements.

26.19 The Customer authorizes the Bank to disclose and transfer information relating to the Customer, the Customer's Account(s) and/or the transaction(s) executed by the Bank on the Customer's behalf to such person(s) as the Bank may be requested to do so by any law, rules or regulations of any competent jurisdiction in which the Bank executes transaction(s) on the Customer's behalf or any exchange, government or regulatory authority in such jurisdiction.

26.20 The Bank and other members of the HSBC Group are required to act in accordance with the laws which apply to the HSBC Group or the Bank and any group regulations in relation to prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions. The Bank therefore is entitled to any action which it, in its sole and absolute discretion, consider appropriate to act in accordance with such laws and HSBC Group regulations.

Such action may include but it is not limited to the interception and investigation of any payment messages and other information or communications sent to or by the Customer or on its behalf via the Bank's systems or any other member of the HSBC Group's systems; and making further enquiries as to whether a name might refer to a sanctioned person or entity actually refers to that person or entity.

Neither the Bank nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of:

- (i) any delay or failure by the Bank or any member of the HSBC Group in performing any of its duties under the account terms or other obligations caused in whole or in part by any steps which the Bank, in its sole and absolute discretion, considers appropriate to act in accordance with all such laws and regulations;
- (ii) the exercise of any of the Bank's rights under this clause. In certain circumstances, the action which the Bank may take may prevent or cause a delay in the processing of certain information. Therefore, neither the Bank nor any member of the HSBC Group warrants that any information on the Bank's systems relating to any payment messages and communications which are the subject of any action taken pursuant to this clause is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken. Subject to the overriding requirements of any applicable laws and HSBC Group regulations, the Bank will endeavour to notify the Customer or the existence of such circumstances as soon as it may reasonably practicable.

26.21 I/we confirm, that I/we am/are aware of the provisions of the Prevention of Money Laundering Act No. 5 of 2006 (PMLA), the Financial Transactions Reporting Act No 6 of 2006 (FTRA) and related guidelines and directions pertaining thereto and the Banking Act of Sri Lanka No 30 of 1988, as amended, together with the provisions of the Directions issued by the Monetary Board of the Central Bank of Sri Lanka under the aforesaid Banking Act, No. 30 of 1988, as amended, including the guidelines and directions in respect of Abandoned Property in terms of such Act.

I /we confirm understand and agree that the Bank will at all times comply with such provisions as may be required

with regard to the above and with all Laws ,Directions and Guidelines pertaining to the Operations of a Licensed Commercial Bank in Sri Lanka.

- 26.22 The Bank reserves the right to add, revise, amend or cancel in whole or in part, any of the products and services provided and the Terms and Conditions hereunder. Any such addition, revision, amendment, cancellation or changes will take effect and become binding on the Customer from such time as brought to the attention, including but not limited to, by display on notice boards at branches or by newspaper or advertisements or by updating the same in the Bank`s official public website at www.hsbc.lk.
- 26.23 The Bank shall retain copies of statements, vouchers, withdrawal/deposit slips, cheques or any other transaction records appearing in accounts for a period of 7 years only. All such records shall be destroyed after 7 years and the Bank shall not assume any liability or responsibility for providing copies of statements or transaction records after 7 years.
- 26.24 The Account holder/s shall not, including but not limited to, purchase, sell and use virtual currencies, crypto currencies, bitcoins or/and conduct forex trading, capital transactions and overseas money transfers using the debit cards, issued by the Bank, in line with the laws, regulations and Bank`s policies prevailing from time to time.
- 26.25 The Account holder/s shall not use personal account/s to receive monies/ donations for charity purposes. The personal account/s should be used for the transactions of the personal nature only and no business transactions can be performed through the personal account/s in accordance with the laws, regulations and policies of the Bank prevailing from time to time.

27. COLLECTION, PROCESSING AND SHARING OF CUSTOMER INFORMATION

COLLECTION

- 27.1 HSBC and other members of the HSBC Group may collect, use and share **Customer Information** (including relevant information about the Customer, the Customer`s transactions, the Customer`s use of HSBC`s products and services, and the Customer`s relationships with the HSBC Group). **Customer Information** may be requested from the Customer (or a person acting on the Customer`s behalf), or may also be collected by or on behalf of HSBC, or members of the HSBC Group, from other sources (including from publically available information), generated or combined with other information available to HSBC or any member of the HSBC Group.

PROCESSING

- 27.2 HSBC and/or members of the HSBC Group will process, transfer and disclose Customer Information in connection with the following **Purposes**: (a) providing Services and for any transactions requested or authorised by

the Customer, (b) meeting Compliance Obligations, (c) conducting Financial Crime Risk Management Activity, (d) collecting any amounts due from the Customer, (e) conducting credit checks and obtaining or providing credit references, (f) enforcing or defending HSBC's, or a member of the HSBC Group's, rights, (g) for internal operational requirements of HSBC or the HSBC Group (including, without limitation, credit and risk management, system or product development and planning, insurance, audit and administrative purposes), (h) maintaining HSBC's overall relationship with the Customer (including marketing or promoting financial services or related products to the Customer and market research),(the "Purposes").

SHARING

27.3. By using the Services, the Customer agrees that HSBC may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the following recipients (who may also process, transfer and disclose such Customer Information for the Purposes):

- (a) any member of the HSBC Group;
- (b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- (c) anyone acting on behalf of the Customer, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which the Customer has an interest in securities (where such securities are held by HSBC for the Customer);
- (d) any party acquiring an interest in or assuming risk in or in connection with the Services;
- (e) other financial institutions, credit reference agencies or credit information bureaus, for obtaining or providing credit references, Auditors/Tax Consultants;
- (f) any third party fund manager who provides asset management services to the Customer;
- (g) any introducing broker to whom HSBC provides introductions or referrals;
- (h) in connection with any HSBC business transfer, disposal, merger or acquisition;

wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

CUSTOMER OBLIGATIONS

27.4 The Customer agrees to inform HSBC promptly, and in any event, within 30 days in writing if there are any changes to Customer Information supplied to HSBC or

a member of the HSBC Group from time to time, and to respond to any request from, HSBC, or a member of the HSBC Group.

27.5 The Customer confirms that every Connected Person/person whose information (including Personal Data or Tax Information) they have provided to HSBC or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms. The Customer shall advise Connected Persons/such persons that they may have rights of access to, and correction of, their Personal Data.

27.6 Where:

- (a) a Customer fails to provide Customer Information that HSBC reasonably requests, or
- (b) a Customer withholds or withdraws any consents which HSBC may need to process, transfer or disclose Customer Information for the Purposes, or
- (c) HSBC or a member of the HSBC Group has suspicions regarding the possible commission of Financial Crime or a Customer presents a potential Financial Crime risk to a member of the HSBC Group,

HSBC may:

- (a) be unable to provide new, or continue to provide all or part of the, Services to the Customer and reserves the right to terminate its business relationship with the Customer;
- (b) take actions necessary for HSBC or a member of the HSBC Group to meet the Compliance Obligations; and/or
- (c) block, transfer or close Customer account(s).

27.7 The Customer represents and confirms that;

27.7.1 neither (i) the Customer, nor (ii) any of the Customer's employees or agents is a person ("**Person**") who is:

- (a) the subject of any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority, the Government of Sri Lanka or any other relevant sanctions authorities (collectively, "**Sanctions**"); or
- (b) located, or resident in a country or territory that is, or whose government is, the subject of Sanctions, including the Crimea region, Cuba, Iran, North Korea, Sudan and Syria.

27.7.2 the Customer agrees that the Customer will not, directly or indirectly, use the funds in any account or any financing provided by the Bank, or lend, contribute or otherwise make available such funds to any subsidiary, joint venture partner or other Person:

- (a) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions; or
- (b) in any other manner that would result in a violation of Sanctions by any Person.

27.7.3 neither the Customer or other person acting on behalf of the Customer is aware of or has taken any action, directly or indirectly, that would result in a violation by such person of any applicable anti-bribery law, including but not limited to, the United Kingdom Bribery Act 2010 (the "**UK Bribery Act**") and the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**"). Furthermore, the Customer has conducted his/her businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations and has instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. The Customer undertakes that none of the accounts or services will be used, directly or indirectly, for any payments that could constitute a violation of any applicable anti-bribery law.

27.7.4 the Customer will at all times ensure compliance with applicable financial record keeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Customer or any of its subsidiaries (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Customer, agents or employees, in each case, with respect to the Money Laundering Laws is pending or, to the best of its knowledge, threatened.

28. DATA PROTECTION

28.1 Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

29. FINANCIAL CRIME RISK MANAGEMENT ACTIVITY

29.1 HSBC, and members of the HSBC Group, are required to, and may take any action considered appropriate [in their sole and absolute discretion], to comply with laws, regulations, sanctions regimes, international guidance, HSBC Group internal policies and procedures, and/or demands from any Authorities, relating to or in connection with the detection, investigation and prevention of Financial Crime ("**Financial Crime Risk Management Activity**").

Such actions may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by the Customer, or

on its behalf, (b) investigating the source of or intended recipient of funds (c) combining Customer Information with other related information in the possession of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming a Customer's identity and status.

29.2 Exceptionally, HSBC's undertaking of Financial Crime

Risk Management Activity may lead to HSBC delaying, blocking or refusing the making or clearing of any payment, the processing of Customer instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither HSBC nor any other member of HSBC Group shall be liable to the Customer or any third party in respect of any [Loss/loss] howsoever arising, suffered or incurred by the Customer or third party caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

30. TAX COMPLIANCE

30.1 You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) or Services provided by us or members of the HSBC Group. Each Connected Person acting in his capacity as a Connected Person (and not in his personal capacity) also makes the same acknowledgement in his own regard. Certain countries may have tax legislation with extra-territorial effect regardless of a Connected Person's or your place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations in any jurisdiction which may arise including any that may relate specifically to the opening and use of account(s) and Services provided by us or members of the HSBC Group.

31. MISCELLANEOUS

31.1 In the event of any conflict or inconsistency between any of these Terms and those in any other service, product, business relationship, account or agreement between the Customer and HSBC, these Terms shall prevail. Any consents, authorisations, HSBC requested waivers and permissions that already exist from the Customer in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.

31.2 If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any

other jurisdictions or the remainder of these Terms in that jurisdiction.

32. SURVIVAL UPON TERMINATION

These Terms shall continue to apply notwithstanding their termination, any termination by HSBC or a member of the HSBC Group of the provision of any Services to the Customer or the closure of any Customer account.

I/We hereby confirm and agree that in the event of any discrepancy in the English, Sinhala and Tamil versions of these Terms and Conditions, the English version shall prevail.

33. GOVERNING LAW AND JURISDICTION

These Terms and Conditions shall be construed and take effect in accordance with the Laws of Sri Lanka and proceedings shall be brought in the Courts of Sri Lanka, provided always that the Bank may if it so desires take proceedings in the Courts of any other country or jurisdiction if it think fit, in which event the laws applicable to such Courts shall apply, and the Account Holder/s shall agree to submit to such Courts and such other laws and any legal costs, Court fees and lawyer fees incurred shall be added to the Account Holder/s indebtedness.

In the event you are not entirely satisfied in the manner in which you have been served, or if our products do not meet your expectations, please contact us at your earliest using one of the following options;

Contact the Customer Solutions hotline on + 94 114 511 566

- E-mail your concerns to customersolutions@hsbc.com.lk
- Write to us :

The Manager Customer Experience and Relations,
Wealth and Personal Banking,
163, Union Place, Colombo 02, Sri Lanka.

While we prefer to always resolve any concerns raised with us to your complete satisfaction, you can also write to the Office of the Financial Ombudsman and request redress. Contact details of the Ombudsman are;

- The office of the Financial Ombudsman - Sri Lanka 143A, Vajira Road, Colombo 5
- Tel : + 94 112 595 624
- Fax : + 94 112 595 625
- E-mail : info@financialombudsman.lk, fosril@sltnet.lk
- Web : www.financialombudsman.lk

Personal ambitions are never achieved alone. If you have got big plans for the future. HSBC Advance can help you achieve them. So if you have any questions or would like to find out more, please visit our website, give us a call or drop into your closest HSBC branch.

Call : +94 114 4722 43

Visit : www.hsbcadvance.lk

Please visit our website www.hsbcadvance.lk for further information.

Should you require a translated copy of this document in Sinhala or Tamil languages, please visit www.hsbc.lk or request it from any one of our branches.

මෙම ලේඛනයේ සිංහල භාෂා පරිවර්තනයෙහි පිටපතක් ඔබට අවශ්‍ය වේ නම්, කරුණාකර අපගේ වෙබ්අඩවිය වන www.hsbc.lk වෙත පිවිසෙන, හැතිනම් අපගේ ඕනෑම ශාඛාවකින් ඉල්ලා සිටින්න.

இந்த ஆவணத்தின் தமிழ் மொழிபெயர்ப்பு உங்களுக்குத் தேவைப்படின, தயவுசெய்து www.hsbc.lk என்ற எமது இணையத்தளத்தை நாடவும். அல்லது எமது கிளை ஒன்றில் கேட்டுப் பெறவும்.

ADVTC (E) 08/22

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