

General Terms and Conditions



Together we thrive

TABLE OF CONTENTS

FOR ALL ACCOUNTS

Entry Criteria

Deposits

Periodic Statements

FOR EXISTING PASSBOOK SAVINGS ACCOUNTS ONLY

General

Withdrawals on Passbook Savings

FOR STATEMENT SAVINGS ONLY

Account Opening

Interest

FOR CURRENT ACCOUNTS ONLY

Account Opening

Cheque Books

Withdrawals

REGULATORY ACCOUNTS ONLY

FOR TIME DEPOSITS ONLY

Account Opening

Withdrawals

Interest

GENERAL TERMS & CONDITIONS FOR ALL ACCOUNTS

Utility Bill Payments

Call Centre Services & Call Centre Service Indemnity

Phone Banking & Indemnity

Taxes

Governing Law & Jurisdiction

Other Applicable General Clauses

Amendments and Acceptance of Terms

The following Terms and Conditions shall govern all Sri Lankan Rupee Savings Accounts/ Current Accounts/ Time Deposit Accounts maintained with The Hongkong and Shanghai Banking Corporation Limited.

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 The Hongkong and Shanghai Banking Corporation Limited and its successors and assigns) shall provide subject to these Terms and Conditions (hereinafter defined) banking services, facilities and information, from time to time, to enable Account Holder/s of HSBC (hereinafter referred to as "Account Holder/s", "Customer/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/her heirs/ heiress, 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.

These Terms and Conditions (hereinafter defined) explain the 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 Account Holder/s" shall sometimes hereinafter be collectively referred to as "the Parties" to this Agreement (hereinafter defined) and individually as "the Party" to this Agreement.

Definitions:

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

"Account Holder/s" (also "You", "Your", "Yours", "Customer/s") shall mean the Account Holder/s named in the Account Opening Application Form of the initial Account opened and maintained with HSBC.

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

"ATM/s" shall mean the automated teller machines. Reference to an ATM in these Terms and Conditions include any similar machine (whether inside or outside the country in which the Card was issued) forming part of a network which may be operated through the use of the Card.

"Authorities" means any judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authorities, securities or futures exchange, Court, Central Bank or law enforcement body, or any agents thereof, having jurisdiction over any part of HSBC Group.

“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.

“Card Holder” shall mean an Account Holder to whom a Debit Card has been issued by HSBC on an Account held with HSBC. The Card Holder should be either the sole Account Holder or in case of Joint Accounts, the signatory authorized to act alone.

“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, settler 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) means individuals who exercise control over an entity (for a trust, these are the settler, 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).

“Debit Card” or **“the Card”** shall mean, as appropriate, the locally/internationally valid Debit Card issued by HSBC to an Account Holder.

“ESPM/s” shall mean the EasyPay Machines of the Bank.

“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” (also **“Bank”**, **“us”**, **“we”**, **“our”**) 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.

"Information" shall mean any financial, market or other information and data supplied by us or an Information Provider and made available for the use by the Account Holder/s.

"Information Provider" shall mean any person, other than HSBC, who supplies the information and including but not limited to any person who supplies any information to an Information Provider.

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

"Instructions" shall mean any duly authorised written request or instruction that is sent by the Account Holder/s and received by HSBC.

"International Transactions" shall mean all Transactions effected by the Card Holder from HSBC outside of Sri Lanka.

"Joint Account Holder/s" shall mean "Account Holder/s" jointly and/or severally where there are more than one Account Holder.

"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.

"Merchant Establishments" shall mean establishments located worldwide which honour the Debit Card and shall include but not limited to stores, shops, restaurants, airline organisations advertised by HSBC or VISA Worldwide Pte Limited.

"Password" shall mean a confidential word, phrase, number consisting of alpha-numeric adopted for accessing or executing instructions or effecting transactions through Phone Banking, PIB, by the use of the ATM Card, Debit Card and including but not limited to Credit Cards issued by the Bank to the Account Holder/s.

"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.

"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.

"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.

“Services” means, 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.

“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.

“Substantial Owners” means 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” means 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” 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” means 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 and Conditions” 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.)

Use of Terms “you”, “your”, “him” or similar pronouns shall, where the context so admit, mean the Account Holder or Card Holder, as applicable. All references in the masculine gender will also include the feminine gender.

“VISA” shall mean a mark owned by VISA Worldwide Pte Limited.

“VISA ATM Network” shall mean ATMs that honour the Debit Card and that display the VISA or Electron symbols.

FOR ALL ACCOUNTS

1. ENTRY CRITERIA

- 1.1 A Savings Account, Current Account and Time Deposit may be opened by a person/s approved by the Bank on positive identification by reference to identity document/s acceptable to the Bank including but not limited to such documents as the National Identity Card, Passport and documents to verify the given residential address.
- 1.2 Savings Account(s), Current Account(s) and Time Deposit(s) (hereinafter solely referred to as “the Account” or jointly as “the Accounts”) may be opened by;
 - 1.2.1 an individual in his or her own name;
 - 1.2.2 two or more persons jointly in their names provided the balance being payable to any one or all of them according to the mandate given to the Bank by the Account Holder/s.
- 1.3 Every Account will be given a unique number, which must be quoted in all correspondence with the Bank and on all pay-in-slips, and withdrawal forms.
- 1.4 All Accounts will have its own requirement of a minimum balance which is subject to change from time to time with notice to the Account Holder/s which will be displayed by the Bank at its branches in Sri Lankan and/or on the official website of the Bank at www.hsbc.lk. If such minimum balance is not met by the Account Holder/s, the Bank may levy transaction charges and/or service charges on such Accounts in accordance with the prevailing Tariff of charges of the Bank.
- 1.5 All Foreign Currency Accounts opened shall be in such currency/ies designated by the Central Bank of Sri Lanka and in accordance with the internal policies of the Bank.
- 1.6 The Bank shall act only on authenticated written instructions (including standing instructions) received from the Account Holder/s authorised according to the mandate given to the Bank to effect payments to the debit of the Account.
- 1.7 The Bank shall not act on instructions through facsimile or any other electronic media without an indemnity being submitted by the Account Holder/s to the Bank and which facility shall be offered at the discretion of the Bank.

2. DEPOSITS

- 2.1 Deposits may be made as often as desired. All deposits made at teller counters will be acknowledged by validation of the deposit slip or manually under the signature of an authorised staff of the Bank on the deposit slip.
- 2.2 The Bank will at its sole 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 dishonour by the paying bank. The Account shall

be debited upon the Bank receiving notice of dishonour.

- 2.3 Cheques credited to the Accounts are accepted for collection only and proceeds will not be available for withdrawal until cleared by the paying bank. The funds available date is shown for indication purpose only. Notwithstanding these Terms and Conditions, Accounts which are savings accounts are not intended for the collection and clearance of cheques and the Bank reserves the right to refuse to accept for deposit, cheques, dividend warrants and other instruments drawn payable to bearer, the depositor or third parties.
- 2.4 Rupee cheques drawn on other banks deposited for clearing/ collection will be subject to the rules of the Lanka Clear Private Limited ("LCPL") and as may be amended from time to time. Any commission or fee charged by drawee banks will be debited to the respective Account or any other Account with or without a surcharge at the absolute discretion of the Bank.
- 2.5 The deposit of foreign currency notes to foreign currency Accounts shall result in a reduction in par value of notes deposited due to the difference in exchange rate applicable for currency notes and telegraphic transfers.
- 2.6 When drafts/cheques drawn on the Bank are paid into the credit of an Account the Bank shall deduct handling charges in accordance with its published Tariff of Charges.
- 2.7 Deposits (cash or cheques drawn in favour of the Account Holder's name only) may be deposited as often as desired through the ATMs and ESPMs up to the limit given in Clause 2.10 hereto or as may be imposed by the Bank from time to time. All deposits shall be acknowledged by validation with a temporary advice through the ATMs and ESPMs.
- 2.8 The Bank shall not be liable to the Account Holder/s for any cheques said to have been deposited into the ESPMs and/or 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 Account Holder/s. Notwithstanding the temporary advice issued by the ESPMs and/or ATMs, the Bank shall not under any circumstances or for any reason whatsoever entertain any claim in respect of the cheques said to have been dropped into the ESPMs / ATMs unless cheques so deposited have been credited.
- 2.9 In the event of the Bank crediting the Account of the Account Holder/s wrongfully by an error, or act or omission, the Bank shall be entitled at any stage and/or any time to reverse the said entry and/or to claim the said amount from the Account Holder/s.
- 2.10 Cash Deposits for amounts less than Rs.200,000/- (being the maximum limit of deposits at the ESPMs / ATMs and subject to change from time to time) and cash withdrawals for amounts less than the ATM limits (or any other amount as may be determined by the Bank from time to time) made at the teller counters of the branches of the Bank are subject to charges according to the Bank's published Tariff of Charges. An updated Tariff of Charges shall be available at the branches of the Bank and on the website of the Bank at www.hsbc.lk. The charges during a month would be debited to the Account on the first working day following the

first Friday of the following month or any other day(s) as decided by the Bank from time to time.

3. PERIODIC STATEMENTS

- 3.1 The records of all Transactions in the Accounts (including Transactions effected by the Account Holder/s by the use of the Debit Card) shall be available on the Statement sent by the Bank. Such Statements shall be mailed to the Account Holder/s on a periodic basis as instructed by the Account Holder/s to the Bank to the mailing address in Bank's recorded in accordance with these Terms and Conditions.
- 3.2 Account Holder/s shall not receive a Statement for inactive Accounts until such inactive Account is duly activated by the Account Holder/s in writing.
- 3.3.1 Promptly upon receipt of each Statement and in any event no less than 20 (twenty) calendar days from the date on which the Account Holder/s is deemed to have received that Statement ("the Review"), the Account Holder/s agree(s) to examine and verify, each entry appearing on a Statement, 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/s has to that Statement (collectively, "Account Irregularities"). If the Account Holder/s fails to notify the Bank within the period of the Review, the balance shown on the Statement and all entries including Account Irregularities, will be deemed correct, complete, authorised and binding upon the Account Holder/s and the Bank shall be released from all liability for any transaction occurring up to the date of the most recent Statement except for transactions the Account Holder/s gave notice of in accordance with this Clause.
- 3.3.2 In addition to the consequences set out elsewhere, if the Account Holder/s fails to abide by its obligations under Clause 3.3.1 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/s agree(s) that the Bank shall not have any responsibility to the Account Holder/s with respect to such loss. The Account Holder/s acknowledge(s) that the failure to review Statements in a timely manner as required pursuant to this Agreement shall 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 has been reviewed in accordance with these Terms and Conditions. The Account Holder/s acknowledge(s) that the Bank's maximum liability to the Account Holder/s will be limited to actual direct loss in the principal amount wrongfully or erroneously withdrawn from the Account Holder/s' Account due to the Banks' gross negligence or wilful misconduct.
- 3.4 The Bank 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.

FOR EXISTING PASSBOOK SAVINGS ACCOUNTS ONLY

4. GENERAL

- 4.1 The Passbook provided by the Bank to the Account Holder/s should be carefully preserved by the Account Holder/s.
- 4.2 The Account Holder/s should immediately notify the Bank in the event the Passbook is lost or destroyed. The Bank assumes no responsibility for any loss or destruction of the Passbook by the Account Holder/s and in such event the Account Holder/s shall be requested to present a Letter of Indemnity in favour of the Bank.
- 4.3 No entries should be made by the Account Holder/s on the Passbook which should be presented to the Bank when required. It is not transferable or assignable and cannot be pledged as security. It should be examined after each transaction to ensure correctness of the entry. Any errors should be notified to the Bank immediately.
- 4.4 The Passbook does not necessarily indicate the correct balance of the Account as deposits may have been made or items charged/debited without entry/ies in the Passbook.
- 4.5 The Passbook issued should be updated regularly and when the number of transactions not recorded on the same exceeds 15 numbers or any other number as determined by the Bank from time to time, the Bank shall at its discretion mail an advice of such transactions to the last known address of the Account Holder/s.
- 4.6 Should copies of advices be subsequently requested from the Bank, the Bank reserves the right to levy charges for providing this service. A net consolidated entry shall be recorded on Passbooks subsequently updated.
- 4.7 Interest shall be calculated on the daily available balances and credited monthly at the prevailing rate before the end of the month to the particular Account or any other Account nominated by the Account Holder/s.

5. WITHDRAWALS ON PASSBOOK SAVINGS

- 5.1 Cash withdrawals will be permitted upon positive identification and most importantly on production of the Passbook. Where applicable, Stamp Duty, Debit Tax or any other statutory charges/taxes/levies imposed by the Government of Sri Lanka is payable by the Account Holder/s.

FOR STATEMENT SAVINGS ONLY

6. ACCOUNT OPENING

- 6.1 The minimum initial deposit to open Accounts shall be Rs.50,000/- (Sri Lankan Rupees Fifty Thousand only). The Bank may open Accounts with lower initial deposits at its sole discretion. However, the Bank has the right to review the minimum balance from time to time and may change such initial deposit without any prior notice.
- 6.2 The current minimum balance requirement for all Accounts which are savings accounts (including Smart Savings Accounts, E saver and Triple Saver Accounts of the Bank and any other savings accounts existing and/or introduced by the Bank in future excluding Fixed Deposits and accounts which comes under the category of

HSBC Premier and Advance) shall be **Sri Lankan Rupees Thirty Five Thousand (Rs.35,000/-)** and for Accounts which are Foreign Currency Savings United States Dollars Five Hundred (USD 500/-) or its equivalent in any other designated foreign currency which is subject to change with notice to the Account Holder/s which will be displayed by the Bank at its branches in Sri Lankan and/ or on the official website of the Bank at www.hsbc.lk. If such minimum balance is not met by the Account Holder/s, the Bank shall levy a fee determined by the Bank, per month ("Below Balance Fee" or BBF) to the Account. The BBF shall be debited from such Account for the particular month in which the required criteria were not met in the immediately succeeding month.

7. INTEREST

- 7.1 The rate of any interest payable on any savings/ deposit Account/s will be displayed by the Bank at its branches in Sri Lankan and/ or on the official website of the Bank at www.hsbc.lk and shall constitute due notice to the Account Holder/s
- 7.2 Interest on Account/s which are savings accounts shall be calculated on the daily available balances and credited monthly at the prevailing rate before the end of the month to the particular Account or any other Account nominated by the Account Holder/s. No interest shall be paid by the Bank on credit balances in Rupee Current Accounts.
- 7.3 All Account Holder/s 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 of Sri Lanka. Withholding Tax on interest payments as may be applicable from time to time will be deducted by the Bank from the interest payable for the period in accordance with the declaration submitted by the Account Holder/s.

FOR CURRENT ACCOUNTS ONLY

8. ACCOUNT OPENING

- 8.1 A Rupee Current Account may be opened by a person/s on production of a Letter of Introduction from an employer recognised by the Bank, another current Account Holder acceptable to the Bank or by a Letter of Reference from another commercial bank where a current account has been maintained by the prospective Customer/Account Holder/s at such commercial bank.
- 8.2 A Personal Current Account may be opened with a minimum deposit of Rs.50,000/- or for Foreign Currency Current Accounts USD 500/- or its equivalent in any other designated Foreign Currency Current Account. The Bank may change the initial deposit required for a Rupee Current Account without any prior notice. The Bank will open Accounts with lower initial deposits at its sole discretion. However, the Bank has the right to review the minimum balance from time to time. The current minimum balance requirement for Current Accounts shall be **Sri Lankan Rupees Thirty Five Thousand (Rs.35,000/-)** and for Foreign Currency Current Accounts United States Dollars Five Hundred (USD 500/-) or its equivalent in any other designated foreign currency which is subject to change from time to time at the sole discretion of the Bank. If such minimum balance is not met by the Account Holder/s, the Bank shall levy a fee determined by the Bank, per month ("Below Balance Fee" or BBF) to the

Account. The BBF shall be debited from such Account for the particular month in which the required criteria were not met in the immediately succeeding month.

9. CHEQUE BOOKS

- 9.1 On request, Rupee Current Account Holder/s shall be supplied with a cheque book/s printed with Magnetic Ink Character Recognition. Charges will be levied for the supply of these books to include prevailing Government Stamp Duty if any and to cover the cost of printing. These charges shall be provided in the Bank's Tariff of Charges.
- 9.2 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.
- 9.3 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.
- 9.4 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 condition issued from time to time.
- 9.5 Account Holder/s should sign cheques in accordance with the mandate and specimen signature(s) given to the Bank. Any changes to the signature or signatories should be promptly advised to the Bank in writing.
- 9.6 The cheques should be written clearly in permanent ink and only on cheque leaves supplied by the Bank. Each alteration should be confirmed by the drawer's full signature/s. Electric/electronic typewriters and erasable ink should not be used for drawing cheques. The Account Holder/s acknowledge(s) that the Bank shall not be liable for losses arising from alteration which cannot be readily detected.
- 9.7 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, 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. If such written instructions are not received within 48 hours, the Bank has the right to cancel the stop payment instruction without any notice to the Account Holder/s. The Bank shall not be liable for not acting on stop payment instructions which are not confirmed in writing within 48 hours. An Indemnity Form should be duly completed for this purpose.
- 9.8 The Account Holder/s should ensure that the cheque books are kept in a safe place when not in use.
- 9.9 The Bank shall not issue Cheque Books to Account Holder/s where the type of the account to be opened does not permit the operation of the account by the use of a cheque book
- 9.10 The Bank has the right to block and /or return any cheques in order to comply with the regulations issued by the Department of Foreign Exchange the Central Bank of Sri Lanka, from time to time.

10. WITHDRAWALS

- 10.1 Account Holder/s should not overdraw their Accounts except by special prior arrangement made with the Bank. The Bank has the right to dishonour cheques if the Account does not have sufficient funds. The Bank also reserves the right to charge for each cheque returned. The Bank may, at its sole discretion honour a cheque/s overdrawing the Account. In such instances the Account Holder/s is obliged to re-pay the overdrawn amount together with interest and charges of the Bank, on demand, unconditionally. The Bank has the right to recover interest and bank charges from the Account Holder/s. This is not to be construed as an agreement either expressed or implied that the Bank is bound to grant an overdraft facility whatsoever.
- 10.2 All prevailing Government levies and taxes including on transactions as specified by law from time to time shall be charged to the Account Holder/s. The Bank assumes no liability on claims or losses or otherwise incurred by the Account Holder/s as a consequence of complying with the provisions in law.

11. REGULATORY ACCOUNT 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 (NRRR), 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.

FOR TIME DEPOSITS ONLY

12. ACCOUNT OPENING

- 12.1 The minimum deposit with which a Rupee Time Deposit Account may be opened shall be Sri Lankan Rupees One Hundred Thousand (Rs100,000/-) and for Time Deposits which are Foreign Currency Time Deposits the equivalent of Sri Lankan Rupees One Hundred Thousand (Rs100,000/-) in the relevant Foreign Currency and shall be for a minimum period of one (01) month. The Bank may change the initial deposit required for a Rupee Time Deposit Account without any prior notice. The Bank will open Accounts with lower initial deposits at its sole discretion. However, the Bank has the right to review the minimum balance from time to time with notice to the Account Holder/s which will be displayed by the Bank at its branches in Sri Lanka and/or on the official website of the Bank at www.hsbc.lk.

13. WITHDRAWALS

- 13.1 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 re-invest the funds.
- 13.2 However, the Bank may at its sole 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 sole discretion are subject to penalty charges as specified in the Bank's Tariff of Charges.
- 13.3 Any upliftment of the Time Deposits for consolidation with further deposit and re-depositing to increase amount of the existing Time Deposit prior to the date of maturity and/or any upliftment

of the Time Deposits prior to the maturity date due to any reason whatsoever shall be subject to penalty charges as specified in the Bank's Tariff of Charges.

- 13.4 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.
- 13.5 In the event the regulators impose restrictions on withdrawals and interest payments on Time Deposits the Account Holder/s shall be bound by such restrictions.

14. INTEREST

- 14.1 The rate of interest of Time Deposits is subject to change without notice except that the Bank will not vary the rate of interest contracted on existing Time Deposits until maturity. The rate of any interest payable on any Savings/ Deposit Account/s will be displayed by the Bank at its branches in Sri Lanka and/or on the official website of the Bank at www.hsbc.lk and shall constitute due notice to the Account Holder/s

15. UTILITY BILL PAYMENTS

- 15.1 The Bank shall not be responsible for any delay on the part of any utility company in crediting the Account Holder's account maintained with the respective utility company where utility payments have been made through ATMs or PIB as the case may be, provided that the Bank has effected payment to the relevant utility company on time.

16. CALL CENTRE SERVICES AND CALL CENTRE SERVICE INDEMNITY

- 16.1 The Call Centre Services provided by the Bank may include (at the sole discretion of the Bank), telephone instructions in respect of the following;

16.1.1 Transfer of funds between any of the Account Holder's Accounts:

In the event of joint Accounts, transfers shall be permitted only if the signing instructions are either party to sign. In such instances, the transfer should be between sole or joint Accounts of the same Account Holder/s.

16.1.2 Enquiry on Account balances, last transactions (in relation to the Account Holder's Accounts) exchange rates and deposit rates.

16.1.3 Request for statements (for selective Accounts), cheque-books (from the second cheque book and thereafter) and stop cheque in relation to the Account Holder's Account; and

16.1.4 Such other types of banking or investment services as the Bank may from time to time introduce.

- 16.2 The Bank shall not be liable to the Account Holder/s 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 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 instructions and acting or failing to act thereon. This indemnity shall continue notwithstanding the termination of the Phone Banking Service.

- 16.3 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.
- 16.4 The Account Holder/s shall ensure that there are sufficient funds (or prearranged 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 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/s and the Account Holder/s 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 applicable and in force at such time and shall be governed by these Terms and Conditions and other terms and conditions as may be applicable to such Accounts.
- 16.5 The Bank reserves the right to impose service fees and other charges for the services provided through the Call Centre in accordance with the Bank's Tariff of Charges.
- 16.6 Account Holder/s shall be governed by the Foreign Exchange Regulations issued by the Central Bank of Sri Lanka when performing cross currency transactions through the Call Centre of the Bank.
- 16.7 The Bank reserves the right to add, delete or vary the scope of the service mentioned in this Clause, the service fees and other charges and any of the Terms and Conditions herein from time to time notice of which shall be given to the Account Holder by a narrative or enclosure with the Statement and/or on the Bank official website www.hsbc.lk and/or by displaying on the notice boards of the branches of the Bank and such notice should be construed as giving notice to the Account Holder/s of such modification to the Account Holder/s and shall be binding on the Account Holder.

16.8 Indemnity

- 16.8.1 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/s 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.
- 16.8.2 The Account Holder/s agree(s) and undertake(s) 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 the Bank accepting telephone instructions and acting or failing to act thereon.
- 16.8.3 The Account Holder/s agree(s) that the Account Holder/s shall have no claims whatsoever against the Bank in respect of any transfer made or any information given to the Account Holder/s

and/or to the caller 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.

16.8.4 This indemnity shall continue notwithstanding the termination of the Call Centre Service.

17. PHONE BANKING

17.1 The Phone Banking service provided by the Bank includes:

17.1.1 Transfer of funds between any of the Account Holder's Accounts.

17.1.2 Transfer of funds from any Account of the Account Holder/s, within pre-defined and agreed transfer limits, to any Account designated in writing by the Account Holder/s for the purpose of receiving funds under the Phone Banking service (A "Dedicated Transferee Account").

17.1.3 Enquiry on Account balances, last transactions (in relation to the Account Holder's Accounts) exchange rates and deposit rates.

17.1.4 Request for Statements (only for selected Account types), cheque book and stop cheque in relation to the Account Holder's Account; and

17.1.5 Such other types of banking or investment services as the Bank may from time to time introduce.

17.2 The Bank is authorized but not bound to act on the instructions of the Account Holder/s given by the Account Holder/s by telephone and the Account Holder/s agree(s) that the Bank is authorized to act on any such telephone instructions which the Bank in its sole discretion believes emanate from unauthorized individuals or be under any duty to verify the identity of the person(s) giving the telephone instructions.

17.3 The Account Holder/s undertake(s) to keep the Phone Banking Personal Identification Number ("PIN") provided to the Account Holder/s 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.

17.4 The Bank shall not be liable to the Account Holder/s 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/s for any direct, indirect or consequential losses arising out of or in connection with the carrying out or otherwise and the Account Holder/s shall keep the Bank 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. This indemnity shall continue notwithstanding the termination of the Phone Banking service.

17.5 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.

- 17.6 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 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 applicable and in force at such time and shall be governed by these Terms and Conditions and other terms and conditions as may be applicable to such Accounts.
- 17.7 Account Holder/s 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 instructions given by the Account Holder/s. The Bank shall not be responsible to the Account Holder/s for giving any such notice.
- 17.8 The Bank reserves the right to impose service fees and other charges for the services provided through the Call Centre in accordance with the Bank's Tariff of Charges.
- 17.9 The Bank reserves the right to add, delete or vary the scope of the service and any of the Terms herein from time to time notice of which shall be given to the Account Holder/s by a narrative or enclosure with the Statement and/or on the official website of the Bank at www.hsbclk and/or by displaying on the notice boards of the branches of the Bank and such notice should be construed as giving notice to the Account Holder/s of such modification to the Account Holder/s and will specify the business day, not being less than 5 business days subsequent to the date of such notice, on which such modification shall take effect. If the Account Holder/s do(es) not terminate the service prior to the expiration of such period, the Account Holder/s shall be deemed to have agreed to such modification.
- 17.10 Usage of the Phone Banking Personal Identification Number (PIN) and Personal Banking Number (PBN) provided by the Bank for accessing the Phone Banking service or the use of the Account Holder's credit card number issued by the Bank to access this service shall be construed as acceptance of these Terms and Conditions by the Account Holder/s.
- 17.11 Account Holder/s shall be governed by the Foreign Exchange Regulations issued by the Central Bank of Sri Lanka when performing cross currency transactions through the Phone Banking service of the Bank.

18. TAXES

- 18.1 All Account Holders must complete the relevant declaration of their tax status and residential status on the Account Opening Form and the onus is on the Account Holder/s to ensure that the Account Holder/s complete(s) all his/her relevant declarations and tax status in a timely manner. The Bank shall hold no responsibility whatsoever on any tax implications the Account Holder/s will encounter in any manner, including by the Account Holder's

failure to declare the Account Holder's 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 interest 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 or any other relevant authority from time to time. The Bank has the right to recover uncollected withholding taxes or any other tax as may be applicable 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 or any other relevant authority.

19. 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 website of the Bank at www.hsbc.lk and shall be binding on the Account Holder/s.

20. CLOSURE OF ACCOUNTS

20.1 The Bank reserves the right to refuse to open any Account or close any Account 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 reserves the right to close Account where the balance in the account is zero (0) for a continuous period of one (01) month. The Account Holder/s will be notified by the Bank where the balance in the account is zero (0).

20.2 The Bank may on its own accord close the Account without notice to the Account Holder/s in the event of the Bank being satisfied that there has been any violation of the Foreign Exchange Regulations in force at the time.

21. DISCLOSURE OF INFORMATION

21.1 The Account Holder/s authorise(s) the Bank to disclose and transfer information relating to the Account Holder/s, the Account(s) and/or the transaction(s) executed by the Bank on behalf of the Account Holder/s 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 behalf of the Account Holder/s or any exchange, government or regulatory authority in such jurisdiction.

21.2 The Bank is bound by the Financial Transactions Reporting Act, 6 of 2006 as amended to report all deposits above the threshold imposed by a gazette notification of the Financial Intelligence Unit of the Central Bank of Sri Lanka from time to time.

21.3 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 Account Holder/s 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 shall 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:

21.3.1 any delay or failure by the Bank or any member of the HSBC Group in performing any of its duties under these Terms and Conditions 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; or

21.3.2 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 Account Holder/s of the existence of such circumstances as soon as it may reasonably be practicable.

22. COLLECTION, PROCESSING AND SHARING OF CUSTOMER INFORMATION

COLLECTION

22.1 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

22.2 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

22.3 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):

any member of the HSBC Group;

any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);

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);

any party acquiring an interest in or assuming risk in or in connection with the Services;

other financial institutions, credit reference agencies or credit information bureaus, for obtaining or providing credit references, Auditors/Tax Consultants;

any third party fund manager who provides asset management services to the Customer;

any introducing broker to whom HSBC provides introductions or referrals;

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

22.4 The Customer agrees to inform HSBC promptly, and in any event, within thirty (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.

22.5 The Customer confirms that every Connected Person/Persons 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 and

Conditions. The Customer shall advise Connected Persons/such persons that they may have rights of access to, and correction of, their Personal Data.

- 22.6 Where:
- a Customer fails to provide Customer Information that HSBC reasonably requests;
 - or
 - a Customer withholds or withdraws any consents which HSBC may need to process, transfer or disclose Customer Information for the Purposes; or
 - 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:
- 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;
 - take actions necessary for HSBC or a member of the HSBC Group to meet the Compliance Obligations; and/or
 - block, transfer or close Customer Account(s) .
- 22.7 The Customer represents and confirms that;
- 22.7.1 neither (i) the Customer nor (ii) any of the Customer's employees, agents ("Person") 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.
- 22.7.2 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.
- 22.7.3 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 persons 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.

22.7.4 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 (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.

22.8 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.

The Account Holder/s shall not use personal account/s to receive monies/ donations for charity purposes, including but not limited to, from Non Profit Organizations, Non-Governmental Organizations and other Charities. 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.

23. DATA PROTECTION

23.1 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.

24. FINANCIAL CRIME RISK MANAGEMENT ACTIVITY

24.1 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 action 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.

24.2 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.

25. TAX COMPLIANCE

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.

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

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/s agree(s) that the Bank may at any time and from time to time combine or consolidate all or any Account/s and liabilities with the Bank, whether singly or jointly with any other person, and set-off all or any monies standing to the credit of any Account/s towards satisfaction of any of the Account Holder/s' liabilities to the Bank whether as principal or surety actual or contingent primary or collateral, singly or jointly with any other person and the Bank may effect any necessary currency conversions at the Bank's own rate of exchange then prevailing.

The Bank's rights under this Clause shall not be affected by the Account Holder/s' death, bankruptcy or legal incapacity.

27. JOINT ACCOUNTS

27.1 In addition to all other terms referred to herein, the Account Holder/s declare that the Account Holder/s are fully aware that:

27.1.1 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 will 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;

27.1.2 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;

- 27.1.3 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;
- 27.1.4 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.
- 27.1.5 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.
- 27.1.6 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).
- 27.1.7 Upon any Joint Signatory accepting these Terms and Conditions, each other Joint Signatory will be bound by these Terms and Conditions.
- 27.1.8 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.
- 27.1.9 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.
- 27.1.10 Any notice under these Terms and Conditions to any Joint Signatory will be treated as effective notice to all Joint Signatories.
- 27.1.11 The Bank is 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.

GENERAL PROVISIONS

28. The Bank does not recognise trusts.
29. The Bank may at its discretion destroy any documents relating to the Account after micro filming the same.
In the event the Authorities impose restrictions on withdrawals and interest payments the Account Holder/s shall be bound by such restrictions.
30. The Account Holder/s warrants that all information given to the Bank (whether in an Account opening application or otherwise) are true and accurate to the best of knowledge of the Account Holder/s.
31. The Account Holder authorizes the Bank to communicate with the Account Holder via SMS, PIB or a designated e-mail address in order to notify the Account Holder of any marketing information and special promotional offers.
32. The Bank will 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 will be destroyed after 7 years and the Bank will not assume any liability or responsibility for providing copies of statements or transaction records after 7 years.
33. The Bank shall act only on authenticated written instructions from the Account Holder/s to effect payments debiting the Accounts (including standing instructions) which instructions may be received by post or delivered to any of the Bank's branches. The Bank shall not be liable or be held responsible for any claims, losses or costs arising from its failure to act on such instructions within a specific time frame.
34. The Bank shall not send separate advices to Account Holders by post for cash deposits, cash or cheque withdrawals, cheque deposits and other debit/credit transactions unless so done at the sole discretion of the Bank.
35. In the event of any conflict or inconsistency between any of these Terms and Conditions and those in any other service, product, business relationship, account or agreement between the Account Holder/s and the Bank, these Terms and Conditions shall prevail. Any consents, authorisations, requested by the Bank waivers and permissions that already exist from the Account Holder/s in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.
- 35.1 If all or any part of the provisions of these Terms and Conditions 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 and Conditions in that jurisdiction.
- 35.2 Any notice hereunder sent by post shall 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.
- 35.3 Any No forbearance, neglect, failure, delay or waiver 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.

- 36 All payments or amounts payable to the Bank or receivable by the Bank in connection with the Services or in respect of an Account (including fees, costs, charges, interest and expenses) are exclusive of taxes as may be applicable from time to time. All payments or amounts payable to the Bank or receivable by the Bank will be clear and free of any deduction or withholding or payment for or on account of tax or a similar charge for any present or future taxes or charges. If a deduction or withholding or payment for or on account of tax or a similar charge is required by applicable laws or regulations, the Account Holder/s must increase the payment to the Bank or pay the Bank an additional amount to ensure receipt by the Bank of the full amount which the Bank would have received had no deduction or withholding or payment for or on account of tax or a similar charge been required. The Customer will upon the Bank's request, deliver promptly evidence satisfactory to the Bank that the Customer has complied with applicable deduction or withholding or payment obligations. The Customer holds the Bank harmless and agrees to fully indemnify the Bank on demand for all consequences of any failure to comply with such obligations including any claim which may be made against the Bank by any authorities.
- 37 The Customer shall indemnify the Bank against, and pay to the Bank an amount equal to, any loss, liability or cost which the Bank determines will be or has been (directly or indirectly) suffered for or on account of tax in connection with the Services or in respect of an Account, together with any interest, penalty, cost or expense incurred in connection therewith.
- 38 The Account Holder/s agree to fully indemnify the Bank against all costs and expenses (including legal fees) arising in any way in connection with providing the Services or in enforcing these Terms and Conditions and in recovering any amounts due to the Bank or incurred by the Bank in any legal proceedings of whatever nature.
- 39 The Bank may at any time assign or transfer any or all of its rights or obligations to any person without the Account Holder/s agreement. The Account Holder/s is not allowed to assign or transfer any of its rights or obligations to any person, except with the Bank's prior written agreement
- 40 Force Majeure - neither party will be liable for delay in performing or failure to perform any of its obligations under these Terms and Conditions which is caused by circumstances beyond its reasonable control, including, but not limited to, the failure, malfunction or unavailability of telecommunications, data communications and computer systems and services, war, civil unrest, government action, strikes, lock-outs or other industrial action or trade disputes (whether involving either party's employees or those of a third party). Any delay or failure of this kind will not be deemed to be a breach of these Conditions and the time for performance of the affected obligation will be extended by a period which is reasonable in the circumstances.
41. **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.
42. **VERSION OF THE TERMS**
These Terms and Conditions shall be available in Sinhala and Tamil languages. In the event of any inconsistency between the English, Sinhala and the Tamil texts, the English version shall prevail.
43. **COMPLAINT HANDLING**
The Account Holder/s shall have the right to make any complaint to the Bank verbally or in writing to the nearest Branch or Bank's Call Centre as follows:

Contact the Customer Solutions hotline on
+ 94 114 511 566

E-mailing concerns to customersolutions@hsbc.com.lk

Mailing your concerns to

The Manager Customer Experience and Relations

Retail Banking and Wealth Management

No 163, Union Place, Colombo 2

The Account Holder/s may visit any of the HSBC branches and speak to the Manager in charge or provide the Bank the Account Holder's feedback on the Bank's "Listening to your comments" forms available.

The Account Holder/s may also directly speak to the Account Holder's Relationship Manager or any of the branch staff of the Bank.

On receipt of a complaint, the recipient thereof shall forward such complaint to the relevant department or division of the Bank for inquiry and further action. All complaints will be monitored and duly followed up by the Bank's Customer Experience and Relations Unit.

The Bank will respond to the Account Holder on the complaint made within a reasonable period of time from the date of receipt of such complaint. In the event the Bank is unable to conclude the inquiry into the complaint within this time period, then the Bank will within such period, provide the Account Holder with an interim response until such time the complaint will be finally responded.

In the event the Bank is satisfied that the complaint is legitimate, then the Bank shall, in such final response inform the Account Holder of the steps taken to resolve the complaint.

While the Bank would prefer to always resolve any concern raised with the Bank to the complete satisfaction of the Account Holder, the Account Holder/s may also write to the Office of the Financial Ombudsman and request redress. The Office of the Financial Services Ombudsman is an independent, impartial and free service established as part of the Financial Sector Reform package initiated in April 2002. The Office of the Financial Ombudsman

Sri Lanka 143A Vajira Road Colombo 5.

Telephone: +94 11 2 595 624 Fax: +94 11 2 595 625

E-mail: fosril@sltnet.lk | Web: www.financialombudsman.lk

The Sinhala and Tamil translations of these Terms and Conditions are available on the website of the Bank www.hsbc.lk and also in printed form at all offices and/or branch offices of the Bank.

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

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