

1. INTRODUCTION

These General Conditions (these "Conditions") are to be read in conjunction with:

- HNB Internet Banking Payments and Cash Management Application Form.
- User Information - Form B.
- Corporate Account Authorized Signatures for Cheque Printing Facility – Form C.
- HNB Internet Banking – Payments and Cash Management Services Master Setup Document.
- The scope/functionalities of Payments and Cash Management Services ("Service/s") captured in summarized form in the Appendix attached hereto which forms part and parcel of this agreement.

Any combinations of the above documents and any other related document/s ("Documentation") which could be introduced by the Hatton National Bank PLC ("Bank") in future to this effect.

2. COMMUNICATION

- 2.1. The Bank is entitled to act upon communications verified in compliance with the Communications Procedures, to rely on information contained therein and to treat such communications as authorized by the Customer without conducting any further verification - whether or not the information contained in the communication is, in fact, correct or the communication is authorized. The purpose of the Communications Procedures is to verify the authenticity of the communications received by the Bank and not to detect errors in the communication.
- 2.2. If a communication contains incomplete or unclear information or cannot be verified in accordance with the Communications Procedures, or if the Bank is otherwise not satisfied with any communication from the Customer, the Bank may decline to act upon the communication.
- 2.3. Where the Customer communicates with the Bank (or instructs the Bank to communicate with a third party) via a communication channel operated by a third party communication system provider (including a communication channel operated by SWIFT), the Bank is entitled to rely on the authenticity of any information or instructions received in the Customer's name via that communication channel and is not responsible for the transmission of messages (or instructions contained in them) via that communication channel.
- 2.4. The Customer acknowledges that communication via email is less secure than other means of communication and that emails and any information contained in emails may be intercepted, lost, destroyed or delayed in transmission. Notwithstanding Clause 10, the Bank is not liable for any loss whatsoever arising in connection with the sending or receipt of information by email.

3. OPERATION OF ACCOUNTS

- 3.1. The Customer must always keep Accounts in credit unless the Bank has agreed in writing to provide an overdraft facility. The Bank is entitled, but not obliged, to effect a transaction on an Account if it would overdraw an Account or exceed an agreed overdraft limit. The Bank is entitled to select, at its discretion, which transaction, if any, it shall effect. The Customer must immediately pay sufficient funds into the Account to cover any overdrawn amount in excess of any agreed overdraft limit.
- 3.2. Pending debits and credits denominated in a different currency from the relevant Account shall be converted into the relevant currency at the Bank's then prevailing spot rate of exchange. The Bank is only required to effect a payment or a transfer of funds to or from an Account at the place where the Account is established and held.
- 3.3. The Bank shall use reasonable efforts to effect any request to vary or cancel an instruction.
- 3.4. The Customer shall promptly examine any statement, confirmation or advice made available by the Bank and promptly (but in any case within 60 days from the date on which the information was first made available to the Customer) notify the Bank of any errors in them. In the absence of notification by the Customer within that period, the statement, confirmation or advice will be deemed approved by the Customer. Subject to Clause 15.13, the Bank may, but is not obliged to, act on any notification received after that time.
- 3.5. Where funds credited to any Account in anticipation of receipt of funds are not actually received by the Bank, or have been credited in error or as a result of fraud, or if the Bank is obliged to return funds credited to any Account or does not receive funds for the Customer's credit on the date advised by or on behalf of the Customer, the Bank shall be entitled to debit any Account with the amount previously credited together with any interest credited or any expenses or charges incurred.
- 3.6. In order to provide a Service, the Bank may need to use a partner or intermediary bank and/or one or more payment, clearing, settlement or other systems provided by a third party (each a "system"). If the Bank selects a partner or intermediary bank or System, it shall exercise reasonable care in making such selection. Although the Bank shall be subject to the rules and regulations of the relevant System, the Bank shall not be responsible for the performance of any System or the acts or omissions of any partner or intermediary bank.
- 3.7. If not precluded by law, the Bank may exclusively rely on any account number and no other information quoted in an instruction as the correct Account to be credited or debited.

04. CHEQUES

- 4.1. The Customer shall make all reasonable efforts to avoid and notify the Bank of any fraud, loss, theft, misuse or dishonor relating to cheques provided by the Bank. Upon termination of the cheque service for an Account, the Customer shall destroy or return to the Bank any unused cheques and related materials.
- 4.2. Only pre-printed cheque forms, which have been approved by the Bank, may be used for cheques transactions.
- 4.3. The Bank may debit an Account for the face value of a collected cheque for the period in which the Bank investigates concerns regarding an alteration or forgery in respect of the cheque.
- 4.4. The Bank shall be entitled to dishonor a cheque it receives for payment after the cheque has become stale pursuant to the laws applying in Democratic Socialist Republic of Sri Lanka. If there are no such legal provisions in laws applying in Democratic Socialist Republic of Sri Lanka, the Bank shall be entitled, upon the exercise of its reasonable discretion, not to honor any cheque it receives for payment.
- 4.5. Where permitted by law and subject to any additional local requirements, the Bank shall use reasonable efforts to effect the Customer's cancellation or stop payment instructions given in respect of any Cheques issued by the Customer, provided that such cancellation or stop payment instructions are given in writing and contain such information on the cheque to be cancelled or stopped as may be reasonably required by the Bank.

5. USE AND DISCLOSURE OF INFORMATION

5.1. The Customer consents to the collection (from the Customer and from third party sources) and use of information relating to the Customer, its transactions and/or Accounts ("Data"), and, subject to laws on bank secrecy, to the disclosure of the Data to:

- service providers and others acting on behalf of the Bank and/or any other Entity of HNB, for confidential use;
- credit reference, fraud prevention and other similar agencies, as well as other financial institutions for credit checking, anti-money laundering and fraud prevention purposes;
- regulatory, prosecuting and other governmental authorities, courts and litigation counterparties; and
- Affiliates of the Customer (an entity is an affiliate of the Customer if one of such two entities directly or indirectly controls the other or if they are under direct or indirect common control with each other),

where such collection, use and/or disclosure is reasonably necessary for the performance of the Bank's obligations under this Agreement, to administer the Accounts and the wider relationship between the Bank and the Customer, to manage and improve the Bank's businesses and services (including for risk-management purposes), to provide the Customer with information regarding products and services provided by the Bank, and/or for legal and compliance purposes. This may involve transfers of the Data to persons in any country, including countries without strict data protection laws.

5.2. Before disclosing information relating to its employees and other individuals to the Bank, the Customer shall:

- Ensure that those individuals are aware of the matters set out in clauses 5.1 (Use and Disclosure of Information) and that they may have legal rights of access to and correction of information held about them by the Bank and that if they wish to seek to exercise those rights they should contact the Customer's relationship manager; and
- If consent is required by law, procure the consent of any individual to the disclosure of their personal Information.

5.3 The Customer consents to provide any additional information pertaining to transactions carried out using the HNB online Banking portal in the event such information is required to be furnished in fulfillment of any regulatory requirement provided that there is a written request made to HNB by such regulatory authority.

6. SET OFF

6.1. The Bank may, at any time, where permitted by law and without notice, set off any debts owed by the Customer to any branch or office of Hatton National Bank against any debts owed by the Bank to the Customer. This right applies:

- Irrespective of the currency in which such debts are owed; and
- Whether or not the Bank's or the Customer's debts are matured and whether those debts are actual or contingent.

Where the exercise of a right of set-off involves a currency conversion, the Bank shall apply a currency conversion rate it considers reasonable. The Bank may value, for these purposes, un-liquidated or contingent items.

6.2. The Customer must give the Bank two weeks' notice before any of its Accounts may be pledged. If an Account is pledged, the Bank's rights in set-off will have priority over any pledge provided to another party.

7. NOTICES

- 7.1. Written notice shall be effective if delivered by the Bank to either the Customer's address or, in the case of a Service requiring the Customer to appoint an agent ("Customer Administrator"), the address of the Customer Administrator as specified in each case on the appropriate format provided by the Bank.
- 7.2. Written notice shall be effective if delivered by the Customer, or by the Customer Administrator on the Customer's behalf, to the Bank's address as noted on the bank's official literature.

8. CUSTOMER OBLIGATIONS

- 8.1. The Customer represents and warrants to the Bank that:
 - The Customer has, and shall maintain, all powers, consents and authorizations necessary to enter into communications with the Bank and to perform its obligations under this Agreement lawfully;
 - The performance of its obligations to the Bank does not conflict with any other contractual duties it may owe to other parties; and
 - This Agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms.
- 8.2. The Customer shall promptly notify the Bank of any changes to information previously provided to the Bank including, without limitation, any change in the name and address or the authority of any person authorized to operate an Account on behalf of the Customer. Until the Customer has notified the Bank of any such change in a manner agreed with the Bank and the Bank has had a reasonable opportunity to act on that notification, the Bank may rely on the information previously provided to it.
- 8.3. The Customer shall provide the Bank such information and documents as the Bank may reasonably request from time to time.
- 8.4. The Customer shall make its own assessment as to whether it is subject to any regulatory duties in respect of this Agreement or any Accounts or Services and shall, at all times, comply with all such regulatory duties. The Bank provides no legal, tax or accounting advice in respect of the Accounts and Services and no advice regarding the suitability or profitability of a transaction associated with any Account or Service.

9. FEES, CHARGES AND EXPENSES

The Customer shall pay fees, charges and expenses to the Bank (including, without limitation, taxes such as value added taxes, stamp duties and withholding taxes) in respect of each Account and Service at such rates and at such times as then in effect or as documented in the HNB Internet Banking – Payments and Cash Management Services Master Setup document. Any amount owed by the Customer may be debited to an Account even if this results in (or increases) a debit balance.

10. STANDARD OF SERVICE

- 10.1. The Bank shall perform its obligations with reasonable care. However, the Bank does not assume any fiduciary obligations to the Customer in the performance of its obligations under this Agreement.
- 10.2. The Bank shall be liable to the Customer only for direct loss suffered as a result of the Bank failing to perform its obligations with reasonable care and in circumstances where the loss is reasonably foreseeable.
- 10.3. The maximum liability of the Bank in respect of any payment made or received is the amount of the payment plus interest.

- 10.4. The Bank is not liable for any indirect, incidental or consequential loss or damage (including special or punitive damages) even if advised of the possibility of such loss or damage.
- 10.5. The Customer and the Bank shall be excused from the performance of an obligation under this Agreement for any period to the extent that the Customer or the Bank, respectively, is prevented or hindered from, or delayed in, performing the obligation in whole or in part by any circumstances beyond the reasonable control of the relevant party including, without limitation, delays caused by the other party, an event of force majeure, act of God, earthquake, fire, flood, war, terrorism, civil, industrial or military disturbance, sabotage, epidemic, riot, loss or malfunction of utilities or communication services (including, but not limited to, the SWIFT network), the operation of any System, the imposition of foreign currency exchange control, court order, act of civil or military authority, or governmental, judicial or regulatory action or legal or regulatory uncertainty arising from recently introduced legal or regulatory requirements.
- 10.6. The Customer agrees to indemnify the Bank on demand against any:
- Actions, claims, demands, proceedings which may be brought against the Bank; and
 - Losses, costs, damages, expenses (including, without limitation, legal fees) or liabilities incurred or sustained by the Bank arising out of or in connection with the proper performance of the Bank's regulatory duties or duties under this Agreement, the Customer's instructions or the Customer's failure to perform any of its obligations or duties under this Agreement.
- 10.7. Nothing in this clause 10 is intended to exclude or restrict the liability of the Bank towards the customer arising from fraud caused by the negligence of the Bank.

11. SECURITY

In addition to any banker's lien or pledge, if required by the Bank, the Customer shall provide and/or increase, in a form and on terms acceptable to the Bank, security for any claims arising from the banking relationship.

12. INTELLECTUAL PROPERTY

- 12.1. The Bank grants the Customer a non-exclusive, non-transferable right to use any internet-based application, software, hardware or documentation provided by the Bank to the Customer from time to time for the purposes of accessing the Services in accordance with this Agreement. The Customer shall use any application, software or hardware only within the scope of the technical functionalities described in the technical user guides/manuals shared by the bank and shall treat the same and any documentation provided as confidential.
- 12.2. Upon termination of a Service for which any application or software is used, the right to use shall expire immediately and the Customer shall:
- immediately, at the direction of the Bank, either return or destroy all Service-related computer or software media, any related security devices and all documents and materials provided by the Bank; and
 - Expunge all applications, software and any intellectual property relating to such Service from any device into which they were programmed (directly or indirectly).
- 12.3. The Customer shall not acquire any title, ownership interest or intellectual property right in the application, Software, hardware or documentation.

13. SERVICES UPGRADES AND AMENDMENTS

- 13.1. The Bank may implement changes to the systems used to provide the Services ("Upgrades") by notifying the Customer in writing or by e-mail of the upgrade and any related changes to the Documentation. Upgrades will be deemed to have been approved if the customer does not object in writing or by e-mail within six weeks of the notification. Additionally, if the Bank considers it is necessary for legal, regulatory or banking system reasons, the Bank will make other changes to this Agreement in which case, the Bank will promptly notify the Customer of such changes.
- 13.2. Subject to the specific provisions of the HNB Internet Banking – Payments and Cash Management Services Master Setup document, other amendments to this Agreement may only be made with the written consent of the Bank and the Customer.

14. TERMINATION AND SUSPENSION

- 14.1. Subject to applicable laws and regulations, either the Customer or the Bank may terminate an Account or a Service by providing the other party with 30 days' written notice.
- 14.2. Either party may terminate an Account or a Service in writing with immediate effect in the event of the other party entering into insolvency proceedings, committing fraud or material breach of this Agreement, or material deterioration of the other party's financial standing or any other reasonable cause which makes it unacceptable to the terminating party to continue the Account or Service. In which case any obligation due to the other party will become immediately due and payable.
- 14.3. The Bank may suspend an Account or a Service in whole or in part on the occurrence of any of the events listed in 14.2 above, for the purposes of (routine or emergency) maintenance, for security or technical reasons, or to avoid a material disadvantage and/or damage to either the Bank or the Customer.
- 14.4. Termination of an Account or a Service shall be without prejudice to any outstanding instruction or legal rights or obligations which may have arisen between the Bank and the Customer or the Bank and any third party prior to such termination or which are expressed in these Conditions to survive the termination of these Conditions.
- 14.5. The Customer may suspend a Service in whole or in part with immediate effect by giving the Bank written notice.

15. GENERAL

- 15.1. In so far as this Agreement addresses matters connected with the operation of an Account, all matters arising from or connected with such matters are governed by the laws of the Democratic Socialist Republic of Sri Lanka. In so far as this Agreement addresses matters concerning the Bank's services for electronic communications channels, all matters arising from or connected with such matters are governed by the laws of the Democratic Socialist Republic of Sri Lanka.
- 15.2. The place of jurisdiction for any legal action relating to the operation of any Account or any Service shall in each case exclusively be the jurisdiction of the courts of the Democratic Socialist Republic of Sri Lanka.
- 15.3. This Agreement comprises the entire agreement between the Bank and the Customer in respect of Accounts and Services. No other communication between the Bank or its representatives and the Customer forms a part of this Agreement. In relation to any Account or Service, this Agreement shall prevail over any other general terms of business the Customer has received or may receive from the Bank.
- 15.4. The Bank may sub-contract or delegate the performance of its obligations under this Agreement to third parties, however the Bank shall remain responsible for the performance of such duties. This clause shall not apply in circumstances where, in order to provide a Service, the Bank uses a System or a partner or intermediary bank as described in clause 3.6.

- 15.5. Each of the Bank and the Customer waive any right it may have to immunity from legal proceedings or enforcement of judgment.
- 15.6. The following clauses shall survive the termination of these Conditions: 6 (Set-off), 9 (Fees, Charges and Expenses), 10.6 (Indemnity), 12 (Intellectual Property), 14.4 (Termination) and 15 (General), as any of the foregoing clauses or that concern banker's liens or pledges.
- 15.7. If any provision in this Agreement becomes illegal, invalid or unenforceable, the remaining provisions in this Agreement shall remain in full force. A fair provision reflecting the intention of the illegal, invalid or unenforceable provision and the spirit and purpose of this Agreement shall apply in lieu of an illegal, invalid or unenforceable provision.
- 15.8. Should the Bank or the Customer fail or delay in exercising any right or remedy under this Agreement, such failure or delay shall not constitute a waiver of that right or remedy. A waiver is only effective if made in writing, agreed by the Bank and the Customer and in respect of the particular circumstance for which it is given.
- 15.9. The Bank and the Customer may monitor and/or record telephone conversations, emails and other communications between them for quality control, security and legal and regulatory compliance purposes and may produce records of these communications as evidence in proceedings brought in connection with this Agreement
- 15.10. Subject to clauses 6 (Set-off) and 10.6 (Indemnity) as well as any of the foregoing clauses or that concern banker's liens or pledges, that confer benefits on the Bank, no other person shall have any right under this Agreement or legislation to enforce any term of this Agreement.
- 15.11. The Customer may not transfer or assign any of its rights and obligations under this Agreement without the prior written consent of the Bank.
- 15.12. A reference to a "Business Day" in these Conditions is a reference to a day on which an Account may be operated in the jurisdiction of the courts of the Democratic Socialist Republic of Sri Lanka.
- 15.13. Should the Bank agree to hold documents and/or printed cheques at the Bank's premises for an agreed period for collection by the Customer and should the Customer not collect such documents and/or printed cheques within 30 days of the expiry of such period, the Bank may send such documents and/or printed cheques to the Customer without prior notice. Should any mail sent by the Bank to the Customer (whether under this clause 15.13 or otherwise) be returned to the Bank unclaimed, the Bank shall not be obliged to resend such mail and may, instead, hold such returned mail for such time as the Bank considers reasonable - after which it may destroy such documents and/or printed cheques.



PAYMENTS AND CASH MANAGEMENT AGREEMENT

General Terms and Conditions

APPENDIX

The relevant solutions/functionalities which are covered under the term "Service/s" in summarized form areas follow.

- Viewing account balances and downloading statements and reports.
- Instrument Printing: In-house printing at customer's end or outsourced to HNB Payments and Cash Management Division (e.g. Cheques, Pay Orders, Dividend Warrants, etc.).
- Electronic Payments/Transfers Solutions (e.g. SLIPS, CEFTS, RTGS, Within HNB Transfers, SLPA Payments, ASYCUDA Payments, EPF/ETF Payments, etc.).
- Collection Solutions (e.g. Payee Partnership arrangements, Electronic Data Interchange solutions, outlet collections, etc.).
- Trade Finance Services (e.g. Letters of Credit, Bills, Guarantees, Financing, etc.).
- Mobile payment services (bulk payonID)
 - ATM Payout option – Validate reference with OTP for values less than Rs. 200,000
 - Branch Counter Payout option – Validate reference with OTP for any value (Preferably values above Rs. 200,000) upon personal identification

Pay on ID is a "Proxy Payment" option. The Bank will only verify the principle / Customer provided info to support the Proxy – Pay on ID transaction. Apart from the customer provided information to support the Proxy – Pay on ID payment, Bank will not verify any other information pertaining to the withdrawal or the withdrawing party / person. Therefore, the Principle / Customer holds the responsibility of authenticity of the withdrawing party / person and their related information.

Any combinations of the above "Services" and any other related "Service/s" which could be introduced by the Hatton National Bank PLC ("Bank") from time to time in the future.