

# TERMS AND CONDITIONS

## CLC CO-BRANDED CREDIT CARD



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## 1. DEFINITIONS

In these conditions where the context so requires or admits 'this agreement' means the agreement between LOLC Finance PLC, a company incorporated in the Democratic Socialist Republic of Sri Lanka (bearing the Registration No. PB 244PQ) hereinafter called as 'LOFC' (card issuer) and the cardholder, the terms of which may vary from time to time. 'Card' means all credit cards issued by LOFC to the principal cardholder and supplementary cardholder(s). 'Principal Cardholder' means the cardholder in whose name a card account is maintained and his/her Heirs, Assigns Executors or Administrators. 'Supplementary Cardholder' means a cardholder who is a nominee of the principal cardholder permitted to carryout card transactions in view of such nomination and includes his/her Heirs, Assigns Executors or Administrators. 'LOFC' or the Card Issuer means LOLC Finance PLC, it's Assignee and Successors. 'Card Account' means an account maintained by LOFC in relation to card transactions and maintained at the card centre. 'Card Centre' means the cards division maintained at LOFC or any other place as notified and published in the website.

'Cardholder' means any person for whom a Credit Card has been issued by LOFC in terms of this agreement which includes the principal cardholder and supplementary cardholder(s) and includes his/her Heirs, Assigns Executors or Administrators. 'Card Transactions' means any payment to any merchant for the supply of goods or services or cash advances obtained by the use of the card number or in any manner authorized by the cardholder for debiting the card account or any transaction using the PIN or any other card verification number/code or via any other authorized delivery or payment channel facilitating card transactions. 'Immediate Family Member' means the spouse of the cardholder, dependent children who are over 16 years (for educational purposes) or a parent of the cardholder or the siblings of the cardholder. 'Merchant' means a person or organization who is acknowledged by LOFC to sell goods or services on the acceptance of the card. 'Card Limit' means the maximum debit amount permitted on the card account as determined and notified to the principal cardholder by LOFC from time to time. 'PIN' means the Personal Identification Number which is a secret number, confidentially issued to the cardholder. 'Payment Due Date' means the date by which the cardholder must make payment to LOFC for all or minimum amounts due from him/her for using the card and shall be a specified date of each month selected by LOFC at its discretion and notified to the principal cardholder. 'ATM' means 'Automated Teller Machines', which accepts the credit card for cash advances.

## 2. THE CARD

1. The Card is the property of LOFC and shall be returned immediately by the Cardholder when requested by LOFC.
2. LOFC may at its' absolute discretion and without prior notice and reason, cancel, suspend or withdraw the card and the cardholder's right to use the card at any time entirely or in respect of specific facilities or refuse to reissue, renew or replace any card, without in any case affecting the cardholder's obligations under

proposed card transaction notwithstanding that the current balance, if the proposed card transaction was debited thereto, would not have exceeded the credit limit.

2. Without prejudice and notwithstanding the other provisions of this agreement, LOFC may allow or approve any card transaction which will result in the current balance exceeding the credit limit.
3. Notwithstanding and without prejudice to the other provisions of this agreement, LOFC is entitled at any time in our absolute discretion without notice and without giving any reason to:
  - (a) suspend your right to use the card entirely or in respect of specified facilities; and/or
  - (b) increase or decrease the credit limit; and/or
  - (c) refuse to re-issue, renew or replace the card; and/or
  - (d) introduce, amend, vary, restrict, suspend, terminate or withdraw all or any of the benefits, services, facilities, privileges and add or remove delivery channels through which card transactions could be initiated, or you can inquire details or transactions of the card/s in respect of or in connection with your card account, whether specifically relating to you or generally to all or specific cardholders.
4. LOFC may at your request or if and when we deem it appropriate at any time without incurring any liability or giving any reason, and upon giving you notice, change your card account number and for the card number open a new card account and / or issue a replacement card; and transfer the current balance and all credits (if any) from your original card account to the new card account. After we have given you such notice, you must immediately return to us the old card cut in to two or more pieces.
5. Your obligations and liabilities under this agreement will not be affected or prejudiced by such change of your card account and this agreement and all previous direct debit authorization instructions given to us by you in respect of your former card account will continue to apply to the new card account and we will continue to make such debits unless you otherwise notify us in writing.

(RFC), a Resident Non National Foreign Currency Account (RNNFC) or an Offshore Account in an Offshore Card Issuing Unit of a Licensed Commercial Card Issuer.

3. For the purpose of this Gazette notification, unless the context otherwise requires 'Electronic Fund Transfer Card' (EFTC) means a card or device that enables the user to transfer value in credit, debit or any other form and includes credit cards, debit cards and stored value cards. And 'personal use' means for the use of the Cardholder, his/her spouse and children and parents and does not include use for any commercial purpose.

*unquoted*

## **26. AUTHORISATION AND INDEMNITY FOR TELEPHONE, TELEX, FACSIMILE AND E-MAIL INSTRUCTIONS.**

1. The cardholder authorises the card issuer to rely upon and act in accordance with any notice, instruction, demand or other communication (the "Instructions") which may from time to time be, or purported to be given by telephone, telex, facsimile or e-mail by the cardholder or on his/her behalf, without any enquiry on the card issuer's part including, without prejudice to the generality of the foregoing, as to the authority or identity of the person giving or purporting to give the Instructions and regardless of the circumstances prevailing at the time of receipt of the Instructions. The cardholder will accept the card issuer's ruling on time/date of receipt of instruction as final.
2. The card issuer shall be entitled to treat the Instructions as fully authorised by and binding upon the cardholder and the card issuer shall be entitled to take such steps in connection with or in reliance upon the instructions as the card issuer may consider appropriate, whether the instruction is to pay money or otherwise to debit or credit any account, or relate to the disposition of any money or documents, or purports to bind the cardholder to any agreement or other arrangement with the card issuer or with any other person or to commit the cardholder to any other type of transaction or arrangement whatsoever, regardless of the nature of the transaction or arrangement or the amount of money involved and notwithstanding any error, ambiguity, misunderstanding or lack of clarity in the terms of the Instructions.
3. In consideration of the card issuer acting in accordance with the terms of this authorization and instructions the cardholder hereby irrevocably indemnify the card issuer and to keep the card issuer indemnified against all losses, claims, actions, proceedings, demands, damages, costs and expenses incurred or sustained by the card issuer of whatever nature and however arising out of or in connection with the instructions.

## **27. DISCRETION**

1. LOFC shall without prejudice to any of the rights and remedies available and is entitled to, at any time in its absolute discretion and without giving any reason or notice, refuse to approve any

this agreement, which shall continue to be in force. In case of a cardholder returning the card voluntarily, obligations under the agreement will continue to be in force until all such obligations of cardholder hereunder have been satisfied by the Cardholder, to the contentment of LOFC.

## **3. DELIVERY AND USE OF THE CARD AND PERSONAL IDENTIFICATION NUMBER**

1. The cardholder should sign on the back of the card immediately upon receipt and may be used by the cardholder subject to the terms of this agreement within the credit limit (any excess over the credit limit being immediately repayable to LOFC) and should not permit any other person to use it. The Cardholder should at all times safeguard the card while keeping it under the cardholder's custody.
2. In the event where the cards are couriered to the cardholder and supplementary cardholder(s), the cardholder and the supplementary cardholder(s), should acknowledge receipt immediately and produce proof of his/her identity. The cardholder/supplementary cardholder at his/her discretion may authorize a third party in writing to accept or collect the card(s) on his/her behalf and will be liable for all charges incurred on the card/s from the time the card/s is/are accepted by the cardholder/supplementary cardholder(s) or the person authorized on his/her behalf. LOFC may at its' discretion handover the Card to a third party determined by LOFC or its' representative to be delivered to the representative of the cardholder. The cardholder/supplementary cardholder(s) shall be liable for all charges on the card/s from the time the card(s) is/are delivered.
3. The Personal Identification Number (PIN) may be issued to the cardholder / supplementary cardholder(s) at LOFC or may be delivered, posted in a registered cover or delivered through courier at the discretion of LOFC. The cardholder/supplementary cardholder(s) will be deemed to have received and accepted the PIN if LOFC receives no notification from the Postal Department or courier, as the case may be, within a reasonable time the same has not been delivered. Once received, the PIN is the property of the cardholder / supplementary cardholders and the cardholder / supplementary cardholder(s) should take every precaution to ensure that the number is secured and not compromised in any manner.
4. LOFC reserves the right to recover the value of any disputed transaction(s) along with any associated charges from the cardholder, where LOFC has grounds to believe that the cardholder / supplementary cardholder(s) has/have performed the transaction(s).
5. The card shall not be used for any illegal or unlawful purpose.
6. The card shall be used only during the validity period embossed on the card.

7. The cardholder shall not use the credit card for the purchase of any land or property, the payment of monthly installments or any capital account transactions as specified in the Exchange Control Regulations Act, directions or guidance.

#### 4. CREDIT LIMIT

1. LOFC will assign a credit limit to the card account which must be strictly observed by the cardholder who may apply for a review of his/her credit limit at any time. In computing whether the credit Limit has been exceeded, the LOFC Issuer shall take into account the amount of any card transactions not yet debited to the card account and the account balance of any authorization given by the LOFC to a third party in respect of a prospective card Transaction or any amount that has been reserved by LOFC for a forthcoming transaction as a request made by you.
2. The cardholder will be responsible for all credit facilities granted by LOFC in respect of the card and for all related charges hereunder, notwithstanding the termination of this agreement.

#### 5. THE CARD ACCOUNT

1. LOFC may debit the card account with the amounts of all card transactions, related charges, any other liabilities of the cardholder inclusive of any legal fee and all other administrative costs incurred by LOFC and any loss incurred by LOFC, arising from the use of the card.
2. The cardholder will be liable to pay LOFC all amounts debited, whether or not a sale or cash advance voucher is signed by the cardholder.
3. LOFC will send a monthly statement of accounts to the principal cardholder, to the address given in the application or to any other address duly notified in writing to the card centre at least seven (07) days before the payment due date.
4. The cardholder shall pay at least the minimum payment on or before the payment due date. The minimum payment due will be 5% of the total outstanding or LKR 100 whichever is greater or, if the total outstanding exceeds the cardholder's credit limit, 05% of the credit limit together with the amount by which the total outstanding exceeds the credit limit. If there is any unpaid minimum payment due, from previous billing period(s) and equated monthly instalments charged during the billing period will be also added to the minimum payment.
5. All amounts due under this agreement will be immediately payable in full on the commission of an act of bankruptcy by or upon the death of, the principal cardholder or at LOFC's discretion if there is any breach of this agreement by the cardholder.
6. Any payment made to LOFC will only take effect when received and credited to the card account. A minimum of one working day is required for processing payments made by cash while payments by cheques will be credited to the card account subject to realization.

#### 25. EXCHANGE CONTROL REGULATIONS

1. The cardholder shall ensure that he/she uses the card(s) at all times in accordance with the provisions of the Exchange Control Act and operating instructions made thereunder.
2. The cardholder shall not use the card(s) to purchase/import goods in commercial quantities and/or for capital transactions.
3. The cardholder shall surrender the card(s) to the card issuer in the event where the cardholder migrates, leaves Sri Lanka for employment overseas or is deemed 'non-resident' as per definitions of Exchange Control Regulations in force at that time.
4. The card issuer will comply with reporting requirements of the Controller of Exchange or any other regulatory authorities as stipulated from time to time.
5. The card issuer may on its own accord cancel the card(s) without notice to the cardholder(s) in the event where the Card Issuer has any reason whatsoever to believe that there has been a violation of the Exchange Control Regulations in force. The Gazette of Democratic Socialist Republic of Sri Lanka, Extraordinary No 1950/40 of 20.01.2016 subject to which the card may be used for transactions in foreign exchange.

#### *Quoted*

1. Permission is herein granted for the purpose of Section 7 and 8 of the Exchange Control Act (Chapter 423 of the CLE) for a person in or resident in Sri Lanka to make payments in foreign exchange to a person resident outside Sri Lanka on his/her Electronic Fund Transfer Card (EFTC) subject to following terms and conditions.
2. (a) A payment on an EFTC to a person or an entity resident outside Sri Lanka may be made only for the following purpose.
  - (i) Payment to be made abroad by a cardholder for service of a personal nature including travel, accommodation, medical, living and educational expenses.
  - (ii) Payment for purchase of goods abroad for personal use.
  - (iii) Payment for import of goods into Sri Lanka for personal use subject to a limit of US\$3,000 (c. i. f.) or its equivalent in any other foreign currency per consignment.
  - (iv) Payment of registration fees, examination fees and annual subscription fees of a personal nature payable to a foreign professional body or academic institution.
  - (v) Payment to be made in respect of insurance premium only for travel and health insurance of personal nature.
- (b) Any payment in foreign currency on an EFTC for any transaction which falls outside the purview of paragraph 2(a) shall require the prior written permission of the Controller of Exchange, unless such payment is in respect of a permitted transaction made out of the funds lying to the credit of a Non Resident Foreign Currency Account (NRFC) , a Resident Foreign Currency Account

cardholder or his/her estate will be responsible for settling any outstanding on the card account and shall keep LOFC indemnified against all costs, charges, (including legal fees) and expenses incurred in recovering such outstanding. Pending such repayment, LOFC will be entitled to continue to charge finance charges and other fees and charges at its prevailing rate(s).

5. Notwithstanding the termination of this agreement by either party, the cardholder shall continue to be liable for all further charges incurred by the use of the card.

## 22. GOVERNING LAW

This agreement is governed by and shall be construed in accordance with the law of the Democratic Socialist Republic of Sri Lanka. These terms and conditions will automatically stand amended if such amendments are necessitated by law, government regulations or instructions issued by the Central Bank of Sri Lanka. Your card and card account may be used only for valid and lawful purposes. If you use, or allow someone else to use, the card for any other purpose, you will be responsible for such use and may be required to reimburse, the card issuer, Mastercard International, or any Institution that the card issuer may enter into an agreement with regard to and operations of a card for all amounts or expenses that the card issuer or Mastercard International or any other such Institution pays as a result of such use.

## 23. OFFENCES

Where any cardholder uses the card in any manner or for any purpose that would contravene the Laws of Sri Lanka or is deemed an offence under the Laws of Sri Lanka, LOFC may at its absolute discretion terminate this agreement unilaterally with immediate effect and cancel all cards issued to the cardholder. LOFC shall also report all details of such unlawful activity/ transaction to the Central Bank of Sri Lanka.

## 24. EXCLUSION OF PRESCRIPTION

The cardholder/s agree/s that so long as any monies or part thereof outstanding and due to the card issuer in the card account the monies which has not already been paid to the card issuer by cardholder/s or any of the liability of cardholder/s and each of them to pay the same shall subsist and the monies or any part thereof due to the card issuer as aforesaid shall be recoverable from and be the liability of cardholder/s and each of the cardholders jointly and severally or separately notwithstanding anything to the contrary herein or in any rule of law or equity or the Prescription Ordinance or any other statute contained and cardholder(s) hereby further agree that cardholder(s) or any of the cardholders shall not plead the Prescription Ordinance or any of its provisions or any rule or statute or other law as a bar to the card issuer suing cardholder(s) or any of the cardholder(s) for the recovery of the monies herein mentioned or any part thereof.

## 6. BILLING AND PAYMENT

1. LOFC will send a statement of accounts monthly at the end of the billing period to the principal cardholder (on a specified date of each month selected by LOFC at its discretion) for the purpose of calculating interest and establishing the date on which the payment is due. The monthly statement of accounts shall contain details of card transactions made by the principal cardholder and/or the supplementary cardholder(s) during the billing period, brought forward outstanding amount from the previous statement, any payment received by the card centre during the billing period, the total amount outstanding on the card account (the Total Outstanding) at the end of the billing period, the Minimum Payment Due from the Cardholder out of Total Outstanding and the payment due date.
2. In the event where the principal cardholder fails to receive the monthly statement; it shall be the duty of him/her to inform LOFC card centre within 10 days of the end of the billing period that he/she has not received the monthly statement of account.
3. Non receipt of monthly statement of accounts does not absolve the cardholder from his/her liability to make payment due to LOFC on the due date.
4. Payment made by the cardholder to LOFC in respect of the card account will be applied by LOFC when it is received by the card centre in or towards payment of the cardholder's liabilities to LOFC, under these terms and conditions in such order as LOFC may decide.
5. The cardholder shall examine each statement of account issued in respect of the card account and shall notify the LOFC card centre of any alleged error therein within 14 days from the statement date. If the cardholder fails or neglects to notify such alleged error within the period of 14 days, the statement of account and all entries therein shall be binding on the cardholder and shall be deemed conclusive proof of the contents thereof and the cardholder shall not dispute the contents of the said statement of account, thereafter. All statements of account will be sent by post to the latest address provided to LOFC by the principal cardholder in writing and shall be deemed to have been received within 48 hours of posting. Any complaint pertaining to the card account may be communicated to the card centre through LOFC hotline or in writing.
6. The cardholder shall accept as final and conclusive as between him/her and LOFC, the respective rates of exchange or re-exchange, fees and charges determined or applied in any case of conversion of foreign currencies into Sri Lankan Rupees or re-conversion of Sri Lanka Rupees to foreign currencies or vice versa as the case may be depending on the currency of payment and the currency of account, and on the basis that the ultimate liability of the cardholder to LOFC will be in Sri Lankan Rupees.

7. All the conversions and re-conversions shall be without any loss in exchange to LOFC, and the cardholder hereby undertakes to indemnify LOFC against all such losses in exchange. Loss in exchange shall mean the loss suffered by LOFC or its agent or correspondents by reason of any fluctuation in the parities of the currencies or devaluation of any currency/ies involved.
8. Cardholder may issue direct debit standing instructions to the cardholder's savings account with LOFC to make payment of the full or a percentage of the cardholder's outstanding credit card bill amount to the card account on the payment due date. The cardholder agrees to provide sufficient funds in the designated settlement account in order to meet the standing instruction. In the event where sufficient funds are not maintained in the designated settlement account, LOFC may charge a fee which fee may vary from time to time at the discretion of LOFC. Any amendments to any such instructions should reach LOFC at least two weeks before the next payment due date.
9. Without prejudice to the other provisions of the agreement if the cardholder should be absent from Sri Lanka for more than one month, the cardholder shall leave clear and specific instructions to settle the card account and shall advise such instructions to the card centre prior to his/her departure. LOFC reserves the right to cancel the card at its' own discretion if not duly informed by the cardholder.
10. The cardholder hereby agrees that upon the death of the cardholder, the executors, administrators, legal representatives or the next of kin who have received the inheritance of the cardholder, shall be liable to settle and repay all monies due, payable and outstanding on the card account.
11. In the event where LOFC agreeing to accept cardholder's request for sending monthly statements to the cardholders' email address, the cardholder agrees that all statements whether through e-statement service or other means of transmission shall be accepted as correct and authentic. The cardholder shall indemnify LOFC against all actions, liabilities claims and damages in relation to or arising out of so accepting such request.

## **7. FEES & CHARGES**

1. The cardholder agrees to pay a joining and annual fee for the card. Fees will be debited to the card account when due, and will not be refunded unless the cardholder has given one month prior written notice before the expiry date given on the credit card.
2. A handling fee for copies of card statements would be debited to the card account at a rate which will be determined by LOFC.
3. If the cardholder does not settle the total outstanding on or before the payment due date, interest will be charged at a rate determined by LOFC as indicated in the card statement, calculated on daily basis on the outstanding balance commencing from the respective transaction dates.

## **18. INDEMNITY**

1. The cardholder hereby agrees to indemnify LOFC for instructions acted upon in good faith in accordance with any notice, demand or other communication purported to be given by telephone, telex or facsimile by the cardholder or on his behalf regardless of the circumstances prevailing at the time of receipt of the instruction.
2. The cardholder undertakes to hold harmless and to indemnify LOFC for any liabilities, loss, damage, cost and expenses (legal or otherwise), which LOFC may incur by reason of the provisions hereof or its enforcement of or its right hereunder including any loss and /or misdirection of data in transit electronically.

## **19. VARIATION OF THIS AGREEMENT**

1. LOFC reserves the right to vary/revise/amend the terms and conditions of this agreement from time to time. If the cardholder does not agree with such variation/revision, he/she has the liberty to return the card(s) along with any supplementary Card(s) and terminate the agreement as given below.

## **20. NOTIFICATION**

1. All notifications to the cardholder will be sent by post to the latest address of the principal cardholder provided to LOFC by the principal cardholder in writing and shall be deemed to have been received by the cardholder(s) within 48 hours of posting.

## **21. TERMINATION**

1. The cardholder may terminate this agreement at any time by providing a written notice to LOFC accompanied by the return of the card and of any supplementary card(s). Where this agreement relates to the use of supplementary card(s), the cardholder or the supplementary cardholder(s) may terminate this agreement insofar as it relates to the use of the supplementary card(s) by written notice to LOFC accompanied by the return of the supplementary card(s) which shall be cut in half.
2. LOFC may terminate this agreement at any time by cancelling or refusing to renew the card with or without prior notice and with or without cause. Unless and until such termination takes place, LOFC may provide a new card (Renewal Card) to the cardholder from time to time.
3. The card (inclusive of any supplementary card) shall be surrendered to LOFC in the event of the cardholder leaving the country for migration or employment.
4. The whole of the outstanding balance on the card account together with the amount of any outstanding card transactions affected but not yet charged to the card account will become immediately due and payable in full to LOFC on termination of this agreement or on the cardholder's bankruptcy or death. The

visit LOFC to assist in investigations or does not wish to observe Closed Circuit Television (CCTV) and other evidence or does not wish to visit merchant outlets or ATMs in the course of the investigation, the cardholder may be held liable for all disputed transactions.

8. LOFC's records (including computer and microfilm stored records) of all matters relating to the cardholder, any card transaction, card and/or card account are conclusive evidence of such matters and is binding against the cardholder for all purposes.
9. The cardholder hereby agrees not to, at any time dispute the authenticity or accuracy of any computer output relied upon by for any purpose whatsoever. LOFC may, in LOFC's absolute discretion, microfilm or otherwise record in such manner as LOFC may deem fit as well as destroy such microfilmed records at any time.
10. The cardholder understands that certain geographical regions are considered as high card risk regions depending on the prevalent trends/events by card issuers. Therefore, in case if travel abroad is expected, the cardholder undertakes to notify LOFC the countries intended to be visited, and the dates of such visits LOFC in order for LOFC to take risk mitigation actions appropriate at that time.
11. Where applicable, a notification of a card transaction through Short Message Service (SMS), Internet Banking or any other channel is in doubt; the Cardholder/s undertake/s to notify LOFC immediately.
12. The cardholder understands that LOFC may, at its own discretion, randomly, request a confirmation of a specific transaction over the phone during its routine risk management monitoring, and agree to promptly respond to such request to the best of the cardholder's knowledge.
13. The cardholder agrees to be bound by all terms and conditions ("Other Terms and Conditions") governing the use of such facilities, benefits or services, which may from time to time be made available to the cardholder by LOFC in connection with the card account, which may be amended or varied from time to time.

## 17. DISCLOSURE OF INFORMATION

1. The cardholder authorizes LOFC to disclose information to other credit card companies or banks and if required by law to do so to the Department of Inland Revenue, Court of Law or any government department or authority concerning the cardholder or the supplementary cardholder(s) his/her/their card account(s) as LOFC deems appropriate. This consent shall be effective even when the cardholder no longer holds the credit card(s) with LOFC.
2. The cardholder hereby consents and acknowledges that LOFC at its own discretion is entitled to report the records of the cardholders' card conduct to the Credit Information Bureau of Sri Lanka and/or any other Credit Information Bureau, locally or internationally.

4. Interest will not be levied (except on cash advances) if the full settlement is made monthly on or before the due date. Cardholder will enjoy up to maximum of 45 days (minimum 15 days) interest free grace period, provided the previous month's total outstanding is fully settled by the respective due date. Cash advances will accrue interest from the date of transaction until it is paid in full.
5. If the cardholder fails to pay the minimum amount due by the payment due date, a late payment fee will be charged and debited to the card account. These charges are subject to changes determined by LOFC from time to time.
6. LOFC shall charge the cardholder a fee and debit the card account if any cheque or other payment order issued or presented by the cardholder or any other party to LOFC is not honored for any reason whatsoever. This charge will be in addition to any postage charges that may be charged by LOFC. These charges are subject to the changes determined by LOFC from time to time.
7. A cash advance fee and / or a handling fee will be charged on all cash advances and debited to the card account at a rate determined by LOFC and communicated from time to time. All payments made by the card for traveler's cheques, drafts and telegraphic transfers shall also be treated as Cash Advances and are subject to the above charges.
8.
  - i) An excess limit fee will be charged and debited to the card account, if the assigned card limit is exceeded at any point in the billing period. The excess limit fee shall be determined by LOFC from time to time, at its discretion.
  - ii) For this purpose, any amount debited to the card account as charges will also be considered, when computing whether the credit limit has been exceeded.
9. All purchases of fuel and other supplies available at fuel stations in Sri Lanka are subject to surcharge which will be debited to the card account at a rate of 2.0% of the commodity value and subject to the changes of the rate determined by LOFC.
10. A fee for the retrieval of a photocopy of a sales draft will be debited to the card account at a rate to be determined by LOFC.
11. Stamp duty as currently applicable or any other statutory charge or levy will be charged to the card account for each and every transaction with the card including cards issued to supplementary cardholder(s) or any other method as stipulated by such statute or regulations or rules.
12. A replacement card fee will be debited to the card account at a rate determined by LOFC and notified to the principal cardholder, in the event of such replacement becoming necessary for any reason whatsoever.
13. All statutory levies will be charged to the cardholder's card account for each and every transaction undertaken with the card.

These statutory charges may be amended from time to time by the government without prior notification to the cardholder.

14. From and out of the sums deposited by the cardholder to the credit of the card account, the statutory charges, the charges and fees due to LOFC, equated monthly instalment and cash advances obtained by the cardholder respectively shall first be deducted in respect of each unsettled card Statement and only the balance amount shall be applied in reduction of balances outstanding appearing in the card statement, on account of respective transactions performed by using the card.
15. An annual fee will be charged from the Cardholder at a rate determined by LOFC.

## 8. STATEMENT OF ACCOUNT

1. The cardholder hereby agrees that LOFC shall be entitled to treat any sales, draft and/or other charge, bearing the imprint or reproduction of the embossed information contained on the Card, that is duly completed, and any invoice/printout, made from electronic point of sale machines as conclusive proof against the cardholder of the fact that the amounts set out therein are due from the cardholder to LOFC.
2. The cardholder hereby agrees that any statements of account (other than the monthly statement) presented in writing or in the form of documentation by LOFC, which have been signed and certified by the manager of the card centre of LOFC or by any other person specifically appointed for that purpose by LOFC, shall be deemed sufficient in law as conclusive proof against the cardholder of the contents thereof without any other documents or vouchers to support the same. The cardholder also agrees that these statements of accounts may be in the form of documents showing card transactions, charges, statutory payments or cash withdrawals effected by means of a teller machine or Statements made out of the books, computer records, documents and memory storage devices of LOFC. The cardholder further agrees that any such documentation provided by LOFC shall be deemed to be conclusive proof that the amounts set out therein are due and owing from the cardholder to LOFC and shall be admissible as evidence in a court of law.
3. The cardholder hereby agrees that the cardholder would accept that any information contained in any statements of accounts, extracts, writing or other documents referred to above showing the card transactions effected by point of sale machines and online transactions as well as any cash withdrawals effected by means of a teller machine or through any other form of electronic medium as defined by the Provisions of the Electronic Transactions Act, No.19 of 2006 would be valid.

## 9. SUPPLEMENTARY CARD

1. LOFC may at the request of the principal cardholder issue a supplementary card to the principal cardholder's immediate

7. In the event, the Cardholder continues to default the payment of monies outstanding on the Card Account, the Cardholder acknowledges that LOFC is entitled to institute LOFC legal action against the Principal Cardholder (in case where there is a Supplementary Cardholder, jointly or severally with the Supplementary Cardholder), to recover the total monies outstanding on the Card Account.
8. The Cardholder acknowledges that he/she shall be liable to pay all costs of collection of dues, legal expenses and outstanding amounts with interest to LOFC on a full indemnity basis, should it become necessary to refer the matter to a collection agency or to legal recourse to enforce payment.

## 16. GENERAL

1. The cardholder will notify LOFC card centre promptly in writing of any changes in employment and/or in his/her office or residential address and telephone numbers, with documentary proof therefore. LOFC shall have the right at its' absolute discretion to transfer, assign in any manner, in whole or in part the outstanding amount on the card account.
2. Upon the principal cardholder's written request, LOFC may at its discretion upgrade his/her credit card, and/or enhance his/her credit limit.
3. The cardholder hereby authorizes LOFC to appoint third party collection agents for recovery of outstanding amounts. The cardholder shall pay all costs of collection of the outstanding amount with interest, legal expenses and collection agency charges, should it become necessary to refer the matter to a collection agency or to take legal action to enforce payment.
4. The cardholder shall furnish data concerning his/her financial position whenever required by LOFC. The cardholder further authorizes LOFC to verify information furnished. If the data is not furnished when called for, LOFC at its discretion, may refuse renewal of the card or cancel the card forthwith, if deemed appropriate, upon such cancellation, the total outstanding becomes immediately payable by the cardholder to LOFC.
5. LOFC reserves the right to redirect the cardholders statements and/or correspondence to another address designated on the application form in the event where LOFC's correspondences are returned and the Cardholder cannot be contacted.
6. LOFC reserves the right to reduce the credit limit granted initially and/or to stop the renewal on the unsatisfactory conduct of the card account with or without prior notice to the cardholder.
7. The rights and remedies provided in this agreement are cumulative and not exclusive of any other rights or remedies (whether provided by law or otherwise). If the cardholder disputes any transaction/s LOFC will investigate such disputes. However, if the cardholder does not wish to pursue legal action or does not

## 15. RECOVERY

1. The cardholder specifically agrees that when the cardholder fails to settle his/her liabilities to LOFC under these terms and conditions on the payment due Date, LOFC has the right to, at any time and without notice to the Cardholder, debit any Savings Account or any other type of Account maintained by the Cardholder at any branch of LOFC with a sum up to the full amount due and owing from the Cardholder.
2. LOFC may require a Cardholder to place funds in a LOFC Account as security when providing a Card. LOFC retains the right to set off the Card outstanding against these credit balances with or without any notices to the Cardholder. If the Cardholder wishes to access these funds at any time he/she must notify the LOFC in advance and LOFC will make a decision based on the Cardholders' credit conduct.
3. The Cardholder hereby authorizes LOFC, to set-off any monies standing to the credit of the Cardholder in any such Account maintained at any branch of LOFC towards discharging any sum of monies due and owing from the Cardholder to LOFC on the Card Account, to recover a sum up to the full amount due and owing from the Cardholder from any sum deposited or credited to any Account maintained at any branch of LOFC and to uplift any deposit held by the Cardholder in LOFC or to keep such deposits under lien till the outstanding sum in the Card Account is paid in full.
4. The Cardholder acknowledges and agrees that LOFC shall be entitled to retain and recover from any assets of the Cardholder placed as security with LOFC towards discharging any sum of monies due and owing from the Cardholder to LOFC on the Card Account and that the Cardholder will indemnify LOFC against any such steps taken.
5. Where the Cardholder fails to settle the liabilities to LOFC under these Terms and Conditions or fails to comply with the Terms and Conditions of this Agreement, LOFC may terminate this Agreement unilaterally at its absolute discretion and cancel all Cards (inclusive of Supplementary Cards) issued to the Cardholder under this Agreement. Where LOFC terminates this Agreement due to the default of Cardholder, such Cardholder/s shall not be eligible to enter into any new Card Agreement with LOFC and shall be reported to the Credit Information Bureau of Sri Lanka.
6. Where the Cardholder fails to settle his/her liabilities to under these Terms and Conditions, the Cardholder authorizes LOFC to obtain services of a third party, independent contractors as Collection Agents to visit the Cardholder and to persuade the Cardholder to settle the outstanding monies due and owing by the Cardholder on the Card Account to and for such purpose, to disclose to the third party, independent contractor, necessary credit information relating to the transactions and outstanding sums.

family members provided that the supplementary cardholder and the use of the supplementary card shall be bound and governed by the same terms and conditions contained in this agreement where applicable. The principal cardholder may assign the same credit limit or a lower limit to the supplementary cardholder(s) at his/her discretion. Card transactions and cash withdrawals made by the supplementary cardholder(s) will be debited to the card account and shall be shown in the monthly statement of accounts sent to the principal cardholder and no separate statement of accounts will be given to the supplementary cardholder(s).

2. The principal cardholder and the supplementary cardholder(s) shall be jointly and/or severally liable to LOFC for any charges incurred by the use of the supplementary card. The principal cardholder shall be liable for the full outstanding sum shown in the card account as the principal debtor, even though full sum or part of which may have been incurred by the supplementary cardholder and the liability of the principal cardholder shall continue as long as the sum payable to LOFC remains outstanding notwithstanding cessation of relationship between the principal cardholder and the supplementary cardholder(s).
3. Once the supplementary card is issued, it will be in force until same is cancelled by written notice to the card centre by the principal cardholder or the supplementary cardholder.
4. Upon termination of this agreement and use of the principal card, the use of all supplementary card(s) shall also be terminated and the supplementary card(s) shall be returned immediately to LOFC.
5. The combined credit Limit is applicable to the principal cardholder and all supplementary cardholder(s) collectively; the principal cardholder and all supplementary cardholder(s) must not carry out card transactions in such a manner that the current balance respectively incurred by them exceeds the combined credit limit.
6. All undertakings, liabilities and obligations owing to us under this Agreement by the Basic Cardholder and the Supplementary Cardholder will not be prejudiced or affected in any way by any dispute or counterclaim or right of set-off which the Basic Cardholder and the Supplementary Cardholder may have against each other.

## 10. USE OF ATM MACHINES AND PIN

1. Where an Automate Teller Machine (ATM) facility has been incorporated in the card so that it may be used to withdraw cash by electronic means, the use of such facility shall be subject to LOFC's and Mastercard's agreement governing the use of the card in electronic machines and provisions of the Exchange Control Act.
2. Any disputes arising due to transactions performed at ATMs by credit cardholders will be investigated by LOFC and will be the liability of the cardholders unless proven otherwise to the satisfaction of LOFC.

3. In the case of ATM transactions, the information on LOFC's computer system is conclusive proof that the cardholder has authorized the transaction(s).
4. The cardholder shall be responsible and liable for all transactions effected through the ATM by using the card with or without the knowledge of authority of the cardholder. The report of the lost card will not result in suspension or cancellation of this liability as the PIN has to be present for ATM transactions. Cardholders have been specifically instructed to protect, secure and separate the PIN from the card and failure to do so is deemed as an acceptance of liability. Where the cardholder withdraws money through the ATM from the card account LOFC shall debit the card account accordingly.
5. Where supplementary cards are issued at the request of the principal cardholder, the cardholder along with the supplementary cardholder(s) shall be jointly and severally liable to LOFC for any charges for the use of the card through the ATM. The cardholder may use the card to withdraw money from his/her card account and to obtain all facilities offered through the ATM from the cardholders credit card account.
6. The cardholder agrees that LOFC's records of all transactions of the cardholder's card account shall be conclusive and binding on the cardholder for all purposes.
7. The cardholder shall exercise all possible care to ensure the safety of the card; card data encoded on magnetic stripe and/or card data in the chip and will prevent the PIN or any other card data becoming known to any other person.

## 11. CASH ADVANCE

1. Cash advances obtained by cardholders from ATMS or card issuer branches or cash disbursing merchants or agents will be subject to ATM, card issuer, merchant, agent, local or country limits and restrictions. Central Bank of Sri Lanka and Exchange Control Department Regulations will also apply. You may obtain cash advances up to such limit as we may determine, whether or not such limit is notified to you. This facility may be changed or withdrawn by the card issuer without prior notice to the cardholder.

## 12. SAFEGUARDING THE CARD AND PIN

1. The cardholder shall exercise all possible care to ensure the safety of the card and shall prevent the PIN becoming known to any other person and shall also ensure that the PIN is not kept written in any manner.

## 13. LIABILITY / LOSS OF CARD

1. If the card is lost/stolen/destroyed or for any other reason liable to be misused or if the PIN is disclosed to any other person, the cardholder must as soon as possible notify the Police of the said

loss, theft or disclosure and also notify the card centre if such notification is given to the card centre orally, it shall not take effect unless confirmed in writing to the card centre.

2. The cardholder shall be liable in respect of any use of the card, for all card transactions and cash withdrawals until such time, such written notice is received by the card centre and all such amounts shall be recovered from the cardholder in the manner set out in this agreement.
3. The cardholder shall provide LOFC all the information in the cardholder's possession as to the circumstances of the loss or misuse of the card or the disclosure of the PIN and shall take all steps deemed necessary by LOFC to assist in the recovery of any missing card and shall forward a certified copy of the statement made to the Police.
4. LOFC may at its absolute discretion issue a replacement card for any card lost or stolen on the same terms and conditions as the original card subject to a charge.
5. In the event where the cardholder recovers the lost or stolen card, the cardholder shall return the recovered card to the card centre, immediately.

## 14. EXEMPTION AND EXCLUSION

1. The Cardholder agrees that LOFC shall not be liable for any loss, damage or inconvenience, however incurred or suffered in the event that a merchant, any other bank or any other party refuses to honour or accept the card or to extend credit facilities including cash advances to the full and authorized card limit.
2. LOFC shall not be liable for any defect in the goods purchased or services rendered and paid through the card. The claim or dispute with the establishment, merchant or any other bank shall be settled between the cardholder and such establishment, merchant and/or Bank, without any payment being withheld from the LOFC.
3. The cardholder shall not hold LOFC liable if LOFC fails to perform its obligation under this agreement due to the failure of any machine, data processing system, electronic transmission system or link or due to any industrial dispute with the claim or due to anything or cause beyond the control of LOFC and its employees.
4. LOFC shall not be liable in the event of being unable to perform its obligations under this agreement due directly or indirectly to the failure of any machine or communication system Act of God, industrial dispute or anything outside its control including the inability to send the statement of account for any reason whatsoever and the cardholder's obligations will not be prejudiced and will continue to accrue.