

General Terms and Conditions for Cash Management Services

These Terms and Conditions shall be applicable to Cash Management Services (CMS) offered by The Federal Bank Limited ("Federal Bank" or "Bank") or which may be offered by Federal Bank anytime in future to its customers ("Clients") and are to be read in conjunction with specific terms and conditions for each Cash Management Facility and Offer Letter issued by the Bank.

"Account(s)" shall mean any bank account of the Client with Federal Bank Limited, which is designated as eligible account by Federal Bank Limited for the Facility and includes a Pooling Account, wherever the context may require.

"Agent" means the Person identified and engaged by Federal Bank for provision of Facility.

"Banking Day" means a day on which branch of Federal Bank offering the Facility is open for the transaction of ordinary banking business in India.

"Beneficiary" shall mean such person whose name shall appear on the face of the Instrument/ payment request as the payee.

"Cash" shall mean currency notes in circulation in India (INR).

"Cash Management Services" means _____ services which are provided to the Clients by the Bank in accordance with the terms contained in the Offer Letter, the specific terms and conditions as well as terms contained in these presents. The Bank may, at its sole discretion, add, remove, amend or modify any of the services mentioned herein. Any such changes would be communicated to the Clients in accordance with Clause 15 herein below.

"Client" shall mean any Person who has been issued and has accepted the Offer Letter in relation to the Facility.

"Correspondent Bank" means any other bank with whom Federal Bank has entered into an arrangement for provision of Facility.

"Disbursements" shall mean the payments to be made by Federal Bank for and on behalf of the Client to the Beneficiaries in accordance with these Terms and Conditions and shall include bulk disbursements and dividend / interest payouts.

"Facility" shall mean any of the individual facilities under Cash Management Services offered by Federal Bank to the Client and as mentioned in the Offer Letter.

"Instruction" refers to the requests made by the Client for availing the Facility from Federal Bank, in the manner as prescribed by the Bank which may be in written or electronic form

including but not limited to web to web, host to host, email, facsimile, or such other mode as stipulated by the Bank from time to time and mentioned in the Offer Letter and/or agreed with the Client from time to time.

“Instrument” shall mean cheques, demand drafts, pay orders, warrants and any other instruments of similar nature including instruments in electronic form viz., Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing System (ECS), Immediate Payment Service (IMPS), National Electronic Clearing Service (NECS), Regional Electronic Clearing Service (RECS), National Automated Clearing House (NACH) and such other instruments as stipulated by the Bank from time to time and mentioned in the Offer Letter in respect of which the Bank shall provide the Facility and/or agreed with the Client from time to time.

“Locations” shall mean such locations where the Bank may provide the Facility as agreed in the Offer Letter and/or such locations as may be mutually agreed between the Client and the Bank from time to time.

“Offer Letter” shall mean a letter issued by the Bank to the Client for granting the Facility and duly accepted by the Client, as amended, modified and supplemented from time to time.

“Person” shall mean and include individuals, company or corporation, trust, sole proprietorship, partnership firm and any other association of persons whether registered or not.

“Pooling Account” shall mean the account opened at the Pooling Branch for the purpose of pooling the collections and/or to receive the payment proceeds of the Instruments collected under the Facility and/or from where the pay-outs shall be made by the Bank to the Client.

“Pooling Branch” shall mean the branch or branches mutually agreed between the Client and the Bank for the purpose of pooling the collections and to operate the Account or to receive the payment proceeds of the Instruments collected under the Facility.

“Website” refers to the website owned, established and maintained by Federal Bank at the URL www.federalbank.co.in “Federal Bank” or “the Bank” shall mean THE FEDERAL BANK LIMITED, a banking company within the meaning of Companies Act, 2013, with CIN L65191KL1931PLC000368 and having its registered office at Federal Towers, Aluva – 683 101, Kerala

1. COMMUNICATION

1.1 The Client agrees that information including data, statements and reports to the Client relating to the Facility, sent or received in electronic form to/ from an email address designated for that purpose in the Offer Letter and/or as agreed from time to time would be of a confidential nature and the information may be intercepted, read, modified or altered

by any person during such transmission. The Client agrees that Federal Bank shall not be liable for any inaccuracy, error, interruption, delay in, or omission of any data or information or the transmission or delivery of such data or information nor will the Bank be liable for any error, omission or delay in the services provided by any internet service provider or any third party service provider on whose performance the Bank is dependent for transmitting such information or data. The Bank shall not be liable for damages, whether direct or indirect, arising out of such transmission including but not limited to any breach of confidentiality, loss of privacy, loss of data, business interruption and delay in delivery or any pecuniary loss. The Bank shall not be liable for any inaccuracy, error or delay in, or omission of (a) any data, Instruction, information or message, or (b) the transmission or delivery of any such data, Instruction, information or message; or (c) any loss or damage arising from or occasioned by any such inaccuracy, error, delay or omission, non-performance or interruption in any such data, Instruction, information or message.

1.2 The Client agrees that the Bank may (but shall not be obliged to) require that any Instruction should contain or be accompanied by such identifying code or test as the Bank may from time to time specify and the Client shall be responsible for any improper use of such code or test.

1.3 The Client is responsible for the accuracy and authenticity of the Instructions provided to Federal Bank and the same shall, subject to terms herein contained, be considered to be sufficient to provide the Facility. The Bank shall not be required to independently verify the veracity, authenticity, or validity of the Instructions or advise the Client of prudence of the Instructions. The Bank shall have no liability arising from execution of the Instruction given by the Client or for delay in carrying out the Instructions or where it does not or is unable to stop or prevent the carrying out of or the execution/implementation of an Instruction that is subsequently countermanded by the Client on account of fraud or otherwise.

1.4 The Bank may refuse to comply with the Instructions without providing reasons/ notice for the same. The Bank shall have the right to suspend the operations of the Facility or reject to carry out the Instructions if it has reason to believe that the Instructions will lead or expose the Bank to direct or indirect loss. Bank may require an indemnity and/or other documents/security/comfort from the Client before continuing to restore/perform the Facility and/or Instructions.

1.5 The Client agrees and confirms that all transactions effected by or through the Instructions given to the Bank in connection with the Facility shall be legally binding and enforceable on the Client. The Bank shall be entitled to rely and act on any Instructions, which originate or appear to originate from the Client and such actions shall be fully binding on the Client.

1.6 The Client acknowledges that:

- a) Sending Instruction by facsimile and/or electronic means is not a secure means of sending Instruction;
- b) The Client is aware of the risks involved in sending facsimile and/or electronic Instructions, including the risk that facsimile and/or electronic Instructions may:

- be fraudulently or mistakenly written, altered or sent; and
- not be received in whole or in part by the intended recipient;

c) The request to the Bank to accept and act on facsimile and/or electronic Instructions is for the

Client's convenience and benefit only and without any risks, liabilities or obligations on the part of the Bank.

2. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

2.1 The Client represents to Federal Bank that:

2.1.1 The Client has full power to issue the Instructions and to perform its obligations in accordance with these Terms and Conditions and has taken all necessary action, including all internal and corporate approvals, for execution and acceptance of the Offer Letter, these Terms and Conditions and availing of the Facility.

2.1.2 Availing of the Facility from the Bank does not or shall not violate or conflict with any law applicable and/or any regulatory requirements, any provision of the Client's constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or terms of any contract binding on or affecting it or any of its assets. Provided that the Client shall intimate the Bank of any change in any regulatory requirements, the effect of which may be to restrict or prohibit the provision of the Facility.

2.1.3 The Client shall be responsible for complying with all applicable laws and regulations (Including guidelines issued by Reserve Bank of India ("RBI") from time to time) in connection with the Facility.

2.1.4 The Client shall be solely responsible for any acts, errors, omission or fraud on the part of its employees or agents and shall be solely liable for any loss or damage arising on account of the forged or fraudulently altered Instruments or forged/counterfeit Cash/currency.

2.1.5 At locations where Bank does not have its branches, it shall be open for the Bank to utilize the services of any Correspondent Bank for the provision of the Facility.

2.1.6 The Client hereby irrevocably agrees to and consents that the Bank may disclose at any time and share with or in any manner make available to any agencies, bureaus, Affiliates, firms, associations, corporate bodies, banks, financial institutions and other persons any information about the Client where such disclosure is necessary under law or where there is a duty to the public to disclose such information or where the interest of the Bank requires such disclosure. Additionally, the Bank may disclose such personal and financial information about the Client that is in the public domain. The Client further accords consent to the Bank to disclose or share any information relating to the Client to the Correspondent Bank, in cases where the Facility is provided through the Correspondent Bank.

2.1.7 The Client further agrees that in case the Client commits default in the payment of any dues to the Bank that may arise as a result of the Facility provided by the Bank or interest there on or any of the amounts that may be due to the Bank or any costs, charges and expenses incurred by the Bank on the Client's account, Bank and/or RBI and/or Credit Information Bureau (India) Ltd will have an unqualified right to disclose or publish the Client's name (including the name of the directors) as defaulter in such manner and through such medium as the Bank and/or the RBI and/or Credit Information Bureau (India) Ltd in their absolute discretion may think fit.

2.1.8 The Client acknowledges and confirms that the Facility provided herein are for the Clients convenience and a mere extension of the banking services offered at the branch of the Bank and liability of the Bank herein shall be limited to the same extent as if the Facility provided herein are provided at the branch of the Bank.

2.1.9 The Client agrees to comply with such security procedure as may be prescribed by the Bank from time to time for purpose of sending Instructions. The Client undertakes not to disclose the security procedure to any person. If the Client is of the opinion or has reason to believe that the authentication procedure may be known by an unauthorized person, the Client must notify the Bank immediately. Further the Client shall keep the Bank harmless and indemnified for any loss, damage, cost or expense which the Bank incurs or suffers as a result of the Bank providing such Facility to the Client except in cases of proven willful default and/or gross negligence of the Bank.

2.1.10 The Client shall keep the Bank informed of any change in the list of authorized signatory forthwith, failing which the Bank shall not be liable for any loss or damage that may occasion to the Client as a consequence thereof.

2.1.11 The Client shall ensure that the Client has valid and legal title to Instruments/ Cash/ monies dealt with under the Facility. In the event the Client's title to the transaction under the Facility is found to be defective or the Client is found to have no title to the same, then the Client undertakes to refund the amounts (together with interest, if any) forthwith to the Bank and in any case not later than the time prescribed by the Bank in the demand along with interest at the rate as stipulated by the Bank from the date of demand till the date of payment. The Client in such cases shall defend at its own cost any legal action initiated by any third party against the Bank for alleged conversion / misappropriation of Instruments / Cash / monies.

3. TERMINATION OF THE FACILITY

3.1 The Facility offered by the Bank shall be available to the Client for a continuous period, in accordance with the terms hereof and as mutually agreed from time to time, unless terminated in accordance with the terms herein contained.

3.2 The Client may discontinue or terminate use of the Facility hereunder by giving minimum 30 days prior written notice to the Bank. Provided that such termination shall not affect the Client's liability to fulfil and complete its existing obligations in connection with the Facility, including without limitation, liquidation of Instruments, payment of interest and services, fees or charges, refunds to the Bank, etc. The termination of the Facility shall not affect any accrued rights and liabilities of the Client and the Bank.

3.3 Bank reserves the right to terminate or suspend the Facility, in whole or in part, forthwith, at any time without assigning any reason by notifying the Client either through its Website, email, fax or letter or other communication as it may deem fit. In case of a temporary withdrawal or suspension of the Facility, the same may be reinstated by the Bank at its sole discretion.

4. INDEMNITY

4.1 The Client agrees to indemnify, without delay or demur, the Bank and its agents and keep the Bank and its agent indemnified harmless at all times from and against any and all claims, damages, losses, costs, and expenses (including attorney's fees) which the Bank may suffer or incur, directly or indirectly, arising from or in connection with:

- Bank providing the Facility to the Client;
- Any loss, mishandling or misuse of Instruments;
- Defect in or absence of title of the Client or the Beneficiary under the Instruments or forgery or alteration of the Instruments;
- Any Instruments which are returned unpaid or any Instruments which are dishonoured;
- Non-compliance with applicable laws or court or statutory order or any action by any statutory, administrative or regulatory body;
- Any error, default, fraud, acts, omission, negligence, misfeasance, malfeasance or misconduct of the Client's employees or any agents;
- Any claim by any Beneficiary or third party in relation to any Instrument or otherwise;
- Breach of any obligations, representations, warranties or undertakings by the Client;
- Any inaccuracy, error or omission of any data, information or message as provided by the Client, or the transmission or delivery of any such data, information or message as provided by the Client; or any payment/s against counterfeit or forged Instruments/ Cash;
- Any unauthorized modification to the network connection/s used in relation to the Facility;
- Any Instructions including but not limited to stop payment Instructions issued by the Client;
- Payments of any Instruments fraudulently encashed, including chemically altered/fake Instruments

- Any frauds committed due to the Client/its employees/ representatives not adhering to good practices as suggested by the Bank, from time to time

4.2 The written demand by the Bank as to the loss / damages shall be final, conclusive and binding on the Client and the Client shall be liable to pay on demand, without any contestation/demur the amount of such loss /damage to the Bank.

4.3 All indemnities given by the Client to the Bank shall survive the termination of the Facility.

5. AGENTS

5.1 The Client acknowledges that the Bank may appoint agents or sub-contractors including but not limited to courier agents for providing the Facility to the Clients from time to time and the Bank shall not be required to obtain consent from the Client separately for the said purpose.

6. SEVERABILITY

6.1 Any provision of these Terms and Conditions that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but shall not invalidate the remaining provisions of these Terms and Conditions or affect such provision in any other jurisdiction.

7. CHARGES/FEES

7.1 The Client shall be liable to pay fees and charges for the Facility as specified in the Offer Letter. Notwithstanding anything contained herein, the fee structure may be varied by the Bank, from time to time, at its absolute discretion by providing notice to the Client vide an email or letter or by displaying/stating the amended fee structure on the website. The Client shall be solely responsible for the payment of all past, present and future central, state and local levies, direct/indirect taxes, duties fines, penalties and charges (including without limitation service tax, sales taxes, value added taxes, excise duties and customs duties, if any), by whatever name called, as may become due and payable in relation to the Facility.

Bank is entitled to recover the charges/fees by adjusting the same against the collection proceeds or other funds belonging to the Client or by debit to the account(s) of Client maintained with the Bank.

7.2 Failure to pay the charges/fees (including applicable taxes) on or before the specified date will render the Client liable for payment of interest at such rate as may be stipulated by the Bank.

8. SIGNATORIES

8.1 The Client shall, from time to time, furnish to the Bank, the specimen signatures of its authorised representatives who are authorised to give Instructions to the Bank on behalf of the Client. It shall be the Client's responsibility to intimate change in such signatories to the Bank. Further, the client shall, as and when requested by the Bank, provide the Bank the IP addresses of the transaction initiator who are authorized to send / receive the Instructions on behalf of the Client.

9. NO OVERDRAFT FACILITY

9.1 It is expressly agreed and understood that nothing contained in these Terms and Conditions shall be deemed to constitute an undertaking by the Bank for grant of overdraft or any other form of credit facility by the Bank to the Client. In the event of any incidental or temporary overdraft which may be occasioned or which may result due to any reason, the Client will be responsible to liquidate the overdraft on the next working day and pay the interest as stipulated by the Bank till the overdraft is liquidated. In case of any delay in liquidating such overdraft, the Bank will have absolute right, in addition to the right of banker's lien, to set-off and appropriate without notice to the Client, the amount of such overdraft against or out of any other accounts/funds belonging to the Client including the amount any further monies which may be deposited under the Facility.

10. STOP PAYMENT AND CANCELLATION OF INSTRUCTIONS

10.1 Stop payment Instructions can be given only for cheques and not for pay orders or demand drafts. Any stop payment and/or cancellation Instructions for any Instrument by the Client are required to be given in writing under the signatures of the authorized signatory of the Client, and cannot be given through email or any other means, and the Bank shall on receipt, if practically possible / feasible, give effect to such stop payment and / or cancellation Instructions at the sole risk and consequences of the Client. It is hereby clarified that such stop-payment Instructions shall be honoured by the Bank on a best effort basis and the Bank shall not be liable for any payment made notwithstanding the receipt of such stop- payment Instructions and the Client agrees to not contest or dispute or claim any such payment.

10.2 In consideration of the Bank agreeing to cancel the Instruments and credit the proceeds into the Account, the Client shall keep(s) safe, harmless and indemnified the Bank and its successors from and against any claim or demand of whatsoever nature and howsoever made against the Bank, in respect of and/or arising out of the cancelled Instruments, or any misuse whatsoever thereof as also against all suits, proceedings or actions which any governmental/ semi-governmental / statutory or other body or authority or any person or persons may take against the Bank in respect of and/or arising out of the aforesaid Instruments cancelled by the Bank and also from and against all costs, charges and expenses which the Bank may incur or be put to as a result of such suits, proceedings or actions as also from and against all losses and damages which the Bank may suffer or be put to in respect of and/or arising out of the said Instruments cancelled by the Bank.

11. NON-TRANSFERABILITY AND ASSIGNMENT

11.1 The Facility is not transferable under any circumstance and shall be used only by the Client. The Client shall not assign its rights or obligations under the Facility to any person. Bank may assign its rights and/or obligations hereunder, at any time, to any person without prior notice to the Client and any such assignment shall be intimated to the Client appropriately.

12. WAIVER

12.1 No failure or delay by the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege. The rights and remedies of the Bank hereunder are cumulative and not exclusive of any rights or remedies available in law.

13. BANKER'S LIEN AND SET-OFF

13.1 Bank shall have the banker's lien and right of set-off, on the deposits, funds or other property of the Client with the Bank, whether held in single name(s) or jointly with any person(s), to the extent of all outstanding dues, whatsoever, arising as a result of or in connection with the Facility.

14. FURTHER ASSURANCES

14.1 In connection with the Facility, the Client agrees to execute and deliver such additional documents and perform actions as may be necessary or reasonably requested by the Bank to carry out or evidence the transactions/services carried out or contemplated under the Facility.

15. AMENDMENT TO THE TERMS

15.1 Bank has the absolute discretion to amend or supplement any of the Terms and Conditions at any time and that the Bank will endeavour to give notice of the same by email or by displaying the amended Terms and Conditions on the Website or in any manner, it may deem fit. Continuance by the Client to avail the Facility after amendment of the terms and conditions shall be deemed to be acceptance by the Client of the amended terms and conditions.

16. GOVERNING LAW AND JURISDICTION

16.1 These Terms and Conditions is governed by and construed in accordance with the Indian law. Any legal action or proceedings arising out of these Terms and Conditions shall be brought in the courts or tribunals at Ernakulam, Kerala in India and the Client irrevocably submits to the nonexclusive jurisdiction of such courts and tribunals. Bank may, however, in

its absolute discretion commence any legal action or proceedings arising out of these Terms and Conditions in any other court, tribunal or other appropriate forum, and the Client hereby consents to that jurisdiction.

17. DISCLAIMER

17.1 Bank shall use best efforts in providing Facility to the Clients. All arrangements are exclusive of intervening Bank Holidays and Sundays for clearing purposes i.e. on a working day basis only and the Client unconditionally agrees and understands that the credit to the Client or payout on behalf of the Client would be made after considering the intervening bank holidays after deposit of Instrument. The entries in the Bank's books as well as in the Correspondent Bank's books kept in the ordinary course of business of the Bank with regard to transactions covered under these Terms and Conditions and matters therein appearing shall be binding on the Client unless in the event of there being any patent mistake or error therein.

17.2 The Bank shall not be liable for any non-compliance of any applicable rules and regulations by the Client in connection with the Facility. The Bank makes no express or implied warranty with respect to the Facility. The Bank makes no warranty that (i) the Facility will meet all the requirements of the Client; or (ii) the Facility will be uninterrupted or timely. The Client shall not hold the Bank responsible for any breakdown/interruption/delay/failure or any technical flaw in the Website, internet or the related services provided by internet service providers or other telecommunication service providers and / or any consequent delay or failure in completion of any request / instruction submitted by the Client.

17.3 The Client shall be solely responsible for safekeeping and security of the Instruments when not in the custody of the Bank.

17.4 Under no circumstances shall the Bank, its employees, directors, and its third party agents involved in processing, delivering or managing the Facility, be liable for any direct, indirect, incidental, special or consequential damages, or any damages whatsoever, including punitive or exemplary (including, but not limited to, damages caused by any virus, personal injury, negligence, loss of profits, loss of data or other intangible information, business interruption, loss of privacy, or any pecuniary loss), arising out of or in any way connected with the provision of or any inadequacy or deficiency in the provision of the Facility or resulting from unauthorized access or alteration of transmissions or data or arising from suspension or termination of the Facility or any inability of the Bank to receive instructions, directions, orders or other communications from the Client or to transmit any related message for any reason whatsoever, whether based on contract, tort, strict liability or otherwise.

17.5 The Facility to be provided by the Bank shall be subject to any occurrence resulting in prevention from or delay or interruption in performing its obligations if such prevention, delay or interruption is due to Force Majeure event, [which would include any event beyond



the reasonable control of the Bank, including, without limitation, unavailability of any communication system, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind (including concerning the pick-up agency or the Correspondent Banks), riots, insurrection, war or acts of government, loss of Instruments by the pickup agency / Correspondent Banks, changes in legislation and other allied acts of regulatory / statutory nature] then the Bank shall not be deemed to be in default so long as any such cause or the effect thereof persists (provided that this shall not prevent the accrual of interest on any outstanding amount which would have been payable but for this provision) and during a reasonable period thereafter within any such obligations capable of being fulfilled. The Bank shall not be liable for any action or claim, from any party, arising out of its inability to perform the obligations for the reasons stated herein.

18. SUPREMACY OF DOCUMENTS

18.1 In case of inconsistency between these terms and conditions and specific terms and conditions pertaining to the specific Facility offered by the Bank to the Client, then specific terms and conditions pertaining to the specific Facility offered by the Bank to the Client shall prevail.