



## Terms and Conditions

### Terms and Conditions governing the use of FedNet - the Internet Banking Service of The Federal Bank Limited.

#### 1. Definitions:

In this document the following words and phrases have the meaning set opposite them unless the context indicates otherwise.

BANK refers to The Federal Bank Ltd, a banking company incorporated in India under the Companies Act 1956 and having its registered office at " Federal Towers", Bank Junction, Aluva 683101, Kerala, India and having branches/ offices all over India. The term includes the successors and assigns of The Federal Bank Ltd.

FedNet is the trade name of BANK's Internet Banking Service, which provides access to account information, Utility Bill Payment, E-Commerce, products and other services as advised by the BANK from time to time to the BANK's customers through the Internet. The words FedNet and FedNet Service are used interchangeably in this document.

USER refers to a customer of the BANK authorized to use FedNet for availing any of the services of the Bank.

FedNet ACCOUNT refers to the User's Savings and/or Current Account and/or any other type of account so designated by the Bank to be eligible account (s) for operations through the use of FedNet. One of these accounts will be designated as Primary Account. All other accounts (if any) of the USER will be called Secondary Account(s). The USER should be either the account holder or sole signatory or authorized to act alone when there is more than one signatory. An account in the name of a minor or an account in which a minor or an account, in which a minor is a joint account holder, is not eligible to be a FedNet.

PERSONAL INFORMATION refers to the information about the USER obtained in connection with the FedNet service.

TERMS refer to Terms and Conditions for use of FedNet as specified in this document. In this document, all references to the USER being referred in masculine gender will also include the feminine gender.

#### 2. Applicability of TERMS

These TERMS form the contract between the USER and the BANK. By applying for FedNet and accessing the service the USER acknowledges and accepts these TERMS. These TERMS will be in addition to and not in derogation of the terms and conditions relating to any account of the customer.

#### 3. Application for FedNet

The BANK may offer FedNet to selected customers at its discretion through its identified branches. The customer would need to be a current Internet user or have legal access to

the Internet and knowledge of how the Internet works. Interest in the use of FedNet may be registered on-line through the BANK's web site. Customer can request for the facility by submitting a request in prescribed format or through online. The acceptance of the registration and the acknowledgement thereof does not automatically imply the acceptance of application for FedNet.

The BANK will advise from time to time the Internet software such as Browsers, which are required for using FedNet.

There will be no obligation on the BANK to support all the versions of this Internet software.

#### 4. FedNet Service

The BANK shall endeavour to provide to the USER through FedNet, services such as enquiry about the balance in his FedNet account(s), details about transactions, Statement of Account, Request for issue of cheque-books, Request for transfer of funds between accounts of the same USER, request for transfer of funds from User's account to the account(s) of third parties subject to the ceiling if any prescribed by the Bank from time to time, request for issue of Demand Drafts to self or to third parties subject to the ceiling if any prescribed by the Bank from time to time, standing instructions as to operations in the account, stop payment instructions, utility bill payment through Internet, payment instructions under E-Commerce and such other facilities as the BANK may decide to provide from time to time. These facilities shall be offered in a phased manner at the discretion of the BANK. The BANK may also make additions/deletions to the services offered through FedNet at its sole discretion. The availability/non-availability of a particular service shall be advised through email, web page of the BANK or written communication.

The Bank shall take all reasonable efforts to carryout the instructions given by the User as expeditiously as possible and the Bank shall not be held liable for any omission or delay in carrying out all or any of the said instructions due to circumstances beyond the reasonable control of the Bank.

The BANK shall take reasonable care to ensure the security of and prevent unauthorised access to the FedNet SERVICE using technology reasonably available to the BANK.

The USER shall not use or permit to use FedNet or any related services for any illegal or improper purposes.

#### 5. FedNet Access

The USER would be allotted a FedNet User-Id and passwords for Login & Transaction facility by the BANK. The USER will be required to change the password assigned by the BANK on accessing FedNet for the first time. As a safety measure the USER shall change the password as frequently thereafter as possible.

In addition to User-Id and Password the BANK may, at its discretion, advise the USER to adopt such other means of authentication including but not limited to digital certification and/or smart cards.

The USER shall not attempt or permit others to attempt accessing the account information stored in the computers of the BANK through any means other than the FedNet service.

## 6. Password

The USER must:

- a) keep the User-Id and password totally confidential and not reveal the password to any third party.
- b) choose a password which shall be at least 8 characters long and shall consist of a mix of alphabets, numbers and special characters which must not relate to any readily accessible personal data such as the USER's name, address, telephone number, driver license etc. or easily guessable combination of letters and numbers.
- c) keep the User-Id and password to memory and not record them in a written or electronic form, and
- d) not let any authorized person have access to this computer or leave the computer unattended whilst accessing FedNet.

If the USER forgets the FedNet User-ID or password, he can generate it online or request for through the branch. The selection of a new password and/or the replacement of FedNet User-Id shall be construed as the commencement of a new contract and the Bank can at its discretion claim additional charges in this regard.

## 7. Joint Accounts

The FedNet SERVICE will be available in case of joint accounts only if the mode of operation is indicated as 'either or survivor' or, anyone or survivor'. For these joint accounts one FedNet User-Id will be issued to one of the joint account holders. The other joint account holder(s) shall expressly agree with this arrangement and give their consent on the application form for use of FedNet. In case of any of the joint account holder(s) gives "stop payment" instructions in respect of operations through the use of FedNet (or in writing), on any of the FedNet accounts held jointly by them, the FedNet SERVICE will be discontinued for the USER.

## 8. Minimum Balance and Charges

The USER shall maintain, at all times such minimum balance in FedNet account(s) as the BANK may stipulate from time to time. The Bank may, at its discretion, levy penal charges for non-maintenance of the minimum balance. In addition to the minimum balance stipulation the Bank may levy service charges for use of FedNet, which will be advised to the USER at the time of opening the account, and also be published on the Web site of the BANK. Any further change in the fee structure shall be notified on the BANK's Web site 15 days in advance of the changes taking effect. The USER authorizes the BANK to recover all charges related to FedNet as determined by the BANK from time to time by debiting one of the USER's FedNet accounts.

The BANK may withdraw the FedNet facility, if at any time the amount of deposit falls short of the required minimum as aforesaid and/or if the service charges remain unpaid, without giving any further notice to the USER and/or without incurring any liability or responsibility whatsoever by reason of such withdrawal.

## 9. Funds Transfer/ Issuing Demand Draft

The USER shall not use or attempt to use FedNet for funds transfer/ Issuing Demand Draft - as and when the facility is made available - without sufficient funds in the relative FedNet account or without a pre-existing arrangement with the Bank for the grant of an overdraft.

The BANK will endeavor to effect such funds transfer transactions/Issuing Demand Draft

received through FedNet provided there are sufficient funds available in the USER's account.

#### 10. Authority to the Bank

Banking transactions in the USER's FedNet account(s) are permitted through FedNet only after authentication of the User-Id and password of the USER. The USER (along with the joint account holder, if any) grants express authority to the BANK for carrying out the banking transactions performed by him through FedNet. The BANK shall have no obligation to verify the authenticity of any transaction received from the USER through FedNet or purporting to have been sent by the USER via FedNet other than by means of verification of the User-Id and the password.

The display or printed output that is produced by the USER at the time of operation of FedNet is a record of the operation of the Internet access and shall not be construed as the BANK's record of the relative transactions. The BANK's own records of transactions maintained through computer systems or otherwise shall be accepted as conclusive and binding for all purposes unless any discrepancy is pointed out within a week from the date of making the data available through FedNet.

All transactions arising from the use of FedNet, to operate a joint account, shall be binding on all the joint account holders, jointly and severally.

#### 11. Accuracy of Information

The USER is responsible for the correctness of information supplied to the BANK through the use of FedNet or through any other means such as electronic mail or written communication. The BANK accepts no liability for the consequences arising out of erroneous information supplied by the USER. If the USER suspects that there is an error in the information supplied to the BANK by him, he shall advise the BANK as soon as possible. The Bank will endeavor to correct the error wherever possible on a 'best efforts' basis.

If the USER notices an error in the account information supplied to him through FedNet or by the use of any of the FedNet services, he shall advise the BANK as soon as possible. The BANK will endeavor to correct the error promptly and adjust any interest or charges arising out the error.

#### 12. Liability of the USER and the BANK

The USER shall be liable for some or all loss from unauthorized transactions in the FedNet accounts if he has breached the TERMS or contributed or caused the loss by negligent actions such as the following:

- \* Keeping a written or electronic record of FedNet password
- \* Disclosing or failing to take all reasonable steps to prevent disclosure of the FedNet User-Id or password to anyone including BANK staff and/or failing to advise the BANK of such disclosure within reasonable time.
- \* Not advising the BANK in a reasonable time about unauthorized access to or erroneous transactions in the FedNet accounts.

The BANK shall not be liable for any unauthorized transactions occurring through the use of FedNet which can be attributed to the fraudulent or negligent conduct of the USER.

The BANK shall in no circumstances be held liable to the USER if FedNet access is not

available in the desired manner for reasons including but not limited to natural calamity, floods, fire and other natural disasters, legal restraints, faults in the telecommunication network or Internet or network failure, software or hardware error or any other reason beyond the control of the BANK. Under no circumstances shall the BANK be liable for any damages whatsoever whether such damages are direct, indirect, incidental consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss of any character or nature whatsoever and whether sustained by the USER or any other person.

### 13. Indemnity

The USER shall indemnify and hold the BANK harmless against any loss suffered by the BANK, its customers or a third party or any claim or action brought by a third party which is any way the result of the improper use of the FedNet by the USER and due to other factors beyond the control of the Bank.

### 14. Disclosure of the PERSONAL INFORMATION

The USER agrees that the BANK or its contractors may hold and process his PERSONAL INFORMATION on computer or otherwise in connection with FedNet services as well as for statistical analysis and credit scoring. The USER also agrees that the BANK may disclose, in strict confidence, to other institutions, such "PERSONAL INFORMATION" as may be reasonably necessary for reasons inclusive of, but not limited to, the following:

- \* for participation in any telecommunication or electronic clearing network
- \* in compliance with a legal directive
- \* for credit rating by recognized credit scoring agencies
- \* for fraud prevention purposes

### 15. Bank's Lien

The BANK shall have the right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits held in the USER's Primary Account and/or Secondary Account(s) or in any other account, whether in single name or joint name(s), to the extent of all outstanding dues, whatsoever, arising as a result of the FedNet SERVICE extended to and/or used by the USER.

### 16. Proprietary Rights

The USER acknowledges that the software underlying the FedNet SERVICE as well as other Internet related software which are required for accessing FedNet are the legal property of the respective vendors. The permission given by the Bank to access FedNet will not convey any proprietary or ownership rights in the above software.

The USER shall not attempt to modify, translate, disassemble, de-compile or reverse engineer the software underlying FedNet or create any derivative product based on the software.

### 17. Change of Terms and Conditions

The Bank has the absolute discretion to amend or supplement any of the TERMS at any time and will endeavour to give prior notice of fifteen days for such changes wherever feasible except for changes to interest rates and/or other variations that are subject to market changes. The Bank may introduce new services within FedNet from time to time. The existence and availability of the new functions will be notified to USER as and when

they become available. The changed terms and conditions applicable to the new FedNet services shall be continued to the USER. By using these new services, the USER agrees to be bound by the Terms and Conditions applicable.

#### 18. Non Transferability

The grant of facility of FedNet to a USER is not transferable under any circumstances and shall be used only by the USER.

#### 19. Termination of FedNet Service

The User may request for termination of the FedNet facility any time by giving a written notice of at least 15 days to the Bank. The User shall remain responsible for any transactions made on his FedNet account(s) through FedNet prior to the time of such cancellation of the FedNet Service.

The BANK may withdraw the FedNet facility anytime provided the USER is given reasonable notice under the circumstances. If the FedNet service is withdrawn by the BANK for a reason other than the breach of the terms and conditions by the USER, the Bank's liability shall be restricted to the return of the annual charges, if any, recovered from the USER for the period in question.

The closure of all FedNet accounts of the USER will automatically terminate the FedNet service.

The Bank may suspend or terminate FedNet facilities without prior notice if the USER has breached these terms and conditions or the Bank learns of the death, bankruptcy or lack of legal capacity of the USER.

#### 20. Notices

Notices under these Terms and Conditions may be given by the BANK and the USER, electronically to the mail box of either party. Such notices will be regarded as being in writing.

In writing by delivering them by hand or by sending them by post to the last address given by the USER and in the case of the BANK to the address mentioned below:

The Federal Bank Limited, FedNet Services, Registered Office: Aluva, Kerala, India 683 101.

In addition, the BANK may also publish notices of general nature, which are applicable to all USERS of FedNet on its web site. Such notices will have the same effect as a notice served individually to each USER.

#### 21. Governing Law

These terms and conditions and/or the operations in the accounts of the USER maintained by the BANK and/or the use of the services provided through FedNet shall be governed by the laws of the Republic of India and no other nation.

The BANK accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India. The mere fact that the FedNet Service can be accessed through Internet by a USER in a country other than India shall not be interpreted to imply that the laws of the said country govern these terms and conditions and/or the operations in the FedNet accounts of the USER and/or the use of

FedNet.

## 22. General

The clause headings in this agreement are only for convenience and do not affect the meaning of the relative clause.

The USER shall not assign this agreement to anybody else. The BANK may sub-contract and employ agents to carry out any of its obligations under this contract. The BANK may transfer or assign its rights and obligations under this contract to any company.

### Additional Terms and Conditions for the Utility Bill Payment Service

1. The user authorizes the bank to make payment of Utility Bills raised upon him by any company offering Utility Services (hereinafter referred to as "billing company") where the Bank is entered into a collection arrangement, through FedNet Service provided by the Bank, under debit to his accounts, on receiving payment instructions from him.
2. The User shall furnish the required information as specified by the billing company and other essential data pertaining to the Bills so as to identify the same. In the case of any change in the identification details the user shall be responsible to communicate such changes as registered with the billing company to the Bank within the time specified by the Bank.
3. The user has no objection whatsoever to the billing company providing the billing details to the Bank.
4. All billing and payment details will be prepared by electronic means and the information contained will be extracted from the system maintained by the Billing Company and the Bank respectively. While the Bank will take all reasonable steps to ensure the accuracy of the statements, the Bank is not liable for any error. The user shall hold the Bank not liable against any loss, damages etc. that may be incurred / suffered by the user if the information turns out to be inaccurate/ incorrect.
5. Any disputes on bill details will be settled directly with the billing company and the Bank's responsibility is restricted to providing of information only.
6. The User shall not hold the Bank liable for :
  - \* such transactions that are carried out on their instructions done in good faith.
  - \* not carrying out such instructions where the Bank has reason to believe that the instructions are not genuine or are otherwise improper, unclear, vague.
  - \* for any loss or damage incurred or suffered by the user due to any error, defect, delay failure or interruption in providing the bill payment services arising from or caused by any reason whatsoever.
  - \* withdrawing /suspending the facility wholly/partially without prior notice to the user.
7. The record of the instructions given and transactions with the Bank kept either in electronic form or otherwise shall be binding on him and the same shall be conclusive proof for all purposes and can be used as evidence in any proceedings.
8. The user agree that all transactions those necessitate processing by the Bank /

Billing company will be carried out only during business hours and the value dates, if any will be within the operating hours/ days decided by the Billing Company/ Bank.

9. The user shall be liable to pay service charges to the Bank, as fixed by the Bank from time to time for the Bill payment services availed by the User and the Bank can debit such charges to the account of the customer at its discretion.
10. The User shall ensure that there would be sufficient funds/ clear balance or pre-arranged credit in his account from time to time for effecting the transactions. The Bank shall not be liable for any consequences arising out of non-compliance of instructions due to inadequacy of funds and that the Bank can, at its sole discretion decide to carry out the instructions notwithstanding such inadequacy. The Bank may do the aforesaid without prior approval from the User and User shall be responsible to repay with interest at maximum lending rate the resulting overdraft, advance thereby created inclusive of all related charges arising thereby.
11. In the event of an account being overdrawn the Bank reserves the right to set off this amount against credit lying in any of the accounts of the User without giving prior notice to the User.
12. The User shall indemnify and keep the Bank indemnified from and against all actions, claims, demands, proceedings, cost, charges and expenses whatsoever which the Bank may at any time incur, sustain, suffer or put to as a consequence or by reason of or arising out of providing the user the Bill payment facility or by reason the Bank in good faith refuse to take or omit to take action on the instructions of the User.
13. The Bank can terminate the Bill payment services granted without prior notice on occurrence of any of the following events:
  - \* Non compliance of the terms and conditions set for
  - \* Non compliance of any other agreement entered into with the Bank
  - \* Death, insolvency and Bankruptcy of the User
  - \* Any other cause arising out of operation of law
14. The Bank is at liberty to withdraw at any time the Bill Payment Facility or any service rendered to the User, in respect of any or all the accounts without assigning any reason whatsoever, without giving the User any prior notice.

The User shall give the Bank 15 days notice in writing and obtain an acknowledgment thereof in order to terminate Bill Payment Services availed by him.

#### Additional Terms and Conditions for E Commerce Facility.

1. The User authorizes the Bank for making payment/ transfer funds from any of his accounts towards the purchase price of products/ services ordered by the User through Internet, favouring various merchants/ shoppers / service providers, as approved by the Bank
2. The Bank would from time to time be identifying Web site where User could use this additional feature of making acquisitions / purchase of products and services and making payment for the same through accounts maintained with the bank by giving instructions for such payment through the Internet. The Web Sites on which



USER may place any order and in respect of which he can request the Bank to make payments would be solely and exclusively from the list of designated web sites identified by the Bank from time to time. The list of Web sites in respect of which he can utilize this facility shall be displayed on the web site of the Bank from time to time. The User shall update himself as to the web sites available prior to making any purchase / acquisition on the web site.

3. The User shall ensure that upon placing the order with the merchant on the designated web sites he notes all the details of his orders placed accurately, including the customer order number and price payable.
4. All orders placed by the USER on web site are orders between the User and the Merchant supplying the products and services. The Bank shall not at any time be deemed to be a supplier of the products or party to such contract at any times whatsoever.
5. The Bank is merely providing a facility for making payments for the orders placed by the USER on such Web sites and are not in any manner associated with or part of the actual transaction of sale of the products and services. The User shall make all such independent enquiries, as he may deem fit in respect of the products and services offered by the Companies and Merchants on the websites.
6. The User confirms that he is not placing the order with the Companies/ Merchants on the web sites based on any representation or statement of the Bank and the User shall place any order on the designated web site, he shall do it out of his own volition and shall not in any manner hold the Bank responsible for any deficiency, defect, delay in delivery, quality and merchantability of the products and services.
7. A User shall ensure that he does not in any manner release any confidential data including the Pass-word to the merchants and suppliers during his access to the various web sites of the merchants and the User shall indemnify the Bank from any loss that may be caused to the Bank by any breach of this covenant.
8. While communicating payment instructions to the Bank the User shall provide such details as the Bank may require in respect of the payments to be made including details in respect of the site on which the purchase order was placed and the relevant customer order number. The User shall indemnify the Bank from any loss caused from any inaccuracies in this regard.
9. The Bank may for any reason whatsoever refuse to honour his instructions to make payment to the merchants/ companies, in such circumstances as the Bank may deem fit and the User shall not hold the Bank responsible for any failure to process payment instructions by reason of the services being temporarily unavailable or there being an overload on the server or for any other technical or any other reason whatsoever.
10. The Bank shall not be responsible for in the event of the Merchant / Company failing to refund any monies at the request of the User and the User's sole and exclusive recourse shall be against the Merchant/ Company only.
11. In the event of any dispute with the Merchant/ Company the Bank shall not be made as a party to dispute or any proceedings.
12. The Bank may at any time alter the mode and the manner of making payments and

User shall be bound by the same.

13. The Bank may from time to time and for any reason discontinue the services offered in respect of particular sites and in such event Bank may refuse to make payments for products purchased from such sites. The User shall update himself on a regular basis as to the details of the websites on which the services offered by the Bank could be utilized and shall not require the Bank to make any payments for products purchased from websites other than the websites identified by the Bank
14. The Bank may specify limits from time to time on:
  - \* the number of transactions the user may enter into a particular period.
  - \* the aggregate payments that the User may make on transactions in a particular period.
15. The User shall abide by and with all such limits that may be placed by the Bank from time to time and the User shall not hold the Bank responsible for refusing to honour instruction in violation of the said limits placed by the Bank.
16. In the event of any misuse of the password or any other identification details or in the event of any fraudulent use of the account through the Internet, the User shall be solely and exclusively responsible for all loss caused thereby and the Bank shall not be made liable for any such losses or claims.
17. The USER shall not hold the Bank liable for:
  - \* such transactions that are carried out on their instructions done in good faith.
  - \* not carrying out such instructions where the Bank has reason to believe that the instructions are not genuine or are otherwise improper, unclear, vague.
  - \* for any loss or damage incurred or suffered by the user due to any error, defect failure or interruption in providing the services arising from or caused by any reason whatsoever.
  - \* withdrawing /suspending the facility wholly/partially without prior notice to the user.
18. The record of the instructions given and transactions with the Bank kept either in electronic form or otherwise shall be binding on him and the same shall be conclusive proof for all purposes and can be used as evidence in any proceedings.
19. The user shall be liable to pay service charges to the Bank, as fixed by the Bank from time to time for the services availed by the User and the Bank can debit such charges to the account of the User at its discretion.
20. The User shall ensure that there would be sufficient funds/ cleared balance or pre-arranged credit in his account from time to time for effecting the transactions. The Bank shall not be liable for any consequences arising out of non-compliance of instructions due to inadequacy of funds and that the Bank can, at its sole discretion decide to carry out the instructions notwithstanding such inadequacy. The Bank may do the aforesaid without prior approval from the User and User shall be responsible to repay with interest at maximum lending rate the resulting overdraft, advance thereby created inclusive of all related charged arising thereby.
21. In the event of an account being overdrawn the Bank reserves the right to set off this amount against credit lying in any of the accounts of the User without giving prior notice to the User.

22. The User shall keep the Bank indemnified from and against all actions, claims, demands, proceedings, cost, charges and expenses whatsoever which the Bank may at any time incur, sustain, suffer or put to as a consequence or by reason of or arising out of providing the user the facility or by reason the Bank in good faith refuse to take or omit to take action on the instructions of the User.

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