

Introduction

Welcome to the world of Laxmi Bank Credit Cards. Before you start using your card it is important that you read and understand the following terms and conditions governing the use of Laxmi Bank Credit Cards. This document broadly states your rights and obligations as a Member of Laxmi Bank's Visa Credit Card scheme thus reading and understanding it will ensure you are protected against any unauthorized transactions made on your account and also to gain the maximum benefit from your Card.

Your acknowledgement of the Facility Letter or your first use of the Laxmi Bank Credit Card will construe as your acceptance of the above stated terms and conditions.

Please visit www.laxmibank.com for updated terms and conditions.

Definitions

- i) **The Bank** means Laxmi Bank Limited and its successors and assigns who is licensed to issue Credit Cards.
- ii) An **ATM** means an automated teller machine or any Card operated machine or device whether the same belongs to the Bank or other participating banks, financial institutions, or other ATM network service providers.
- iii) **Card** means a Visa Card issued by the Bank to the Cardholder and includes Primary, Supplementary and Replacement Cards. Cards may be of two types:
 - a) Domestic Card – valid only in Nepal and India wherein the Cardholder will be billed in Nepali rupees.
 - b) International Card – valid in all countries wherein the Cardholder will be billed in United States Dollars.
- iv) **Cardholder** (also referred to as a **Member**) means an individual to whom a Card bearing that individual's name is issued by the Bank and includes Primary and Supplementary Cardholders.
- v) **Card Transaction** means the purchase of goods and / or services, benefits or reservation (including without limitation reservation made for air, sea, rail or motor transport or for hotel or other lodging and accommodation or other rental or hire whether or not utilized by the Cardholder) and / or receiving Cash Advance by use of the Card or Pin or in any other manner including without limitation mail, telephone or facsimile orders, regardless of whether a sales slip or Cash Advance or other Voucher or form is signed by the Cardholder.
- vi) **Cash Advance** means any amount obtained by use of the Card, the Card number or PIN or any other manner authorized by the Cardholder from the Bank or any other bank or financial institutions or ATMs for debit to the Card Account.
- vii) **Card Account** means the Credit Card account maintained by the Bank for the purpose of accounting all credit and debit transactions incurred by the Card holder.
- viii) **Charges** mean money payable by the Cardholder arising from the use of the Card that includes but is not limited to fees, finance charges, additional expenses, damages, legal costs which will be debited to the Card Account and form part of the Outstanding Balance.
- ix) **Credit Limit** means the credit limit sanctioned by the Bank and advised to the Member from time to time that represents the maximum advance or debit balance or usage permitted by the Bank through the use of the Card.
- x) **Outstanding Balance** also referred to as **Current Balance** or **Total Outstanding** means the total debited balance for the Card Account payable to the Bank as per the Bank's record on the date of the Statement of Account.
- xi) **Deposits** mean the amount in a savings / current / fixed deposit account pledged to the Bank as security for the performance of the Member's obligation as required by the Bank and over which the Bank has placed a lien.
- xii) **Guarantee** means a guarantee from an entity acceptable to the Bank in favor of the Bank and in form and substance acceptable to the Bank for an amount required by the Bank as security for the performance of the Member's obligation.
- xiii) **Merchant** means any corporate entity, person or other types of establishment that provides goods or services who accepts Cards as a mode of payment.
- xiv) **Minimum Amount Due** is the minimum amount that must be repaid within the Payment Due Date. The minimum amount will be as mutually agreed by the Bank and the Cardholder.
- xv) **Payment Due Date** means the date stated in the Statement of Account by which date, payment of the Minimum Amount Due is to be made to the Bank.
- xvi) **PIN** is the acronym for 'personal identification number' that is issued to the Cardholder to enable the Card to be used at ATMs.
- xvii) **Primary Cardholder** means the person who has successfully applied for a Card and for whom the Card Account is opened by the Bank. The Primary Cardholder will be issued the Primary Card. **Supplementary Cardholder(s)** means the person to whom a Supplementary Card has been issued at the request, risk and responsibility of the Primary Cardholder.
- xviii) **Statement of Account** means the credit card statement issued to the Cardholder that records the particulars of the Outstanding Balance payable to the Bank.
- xix) **Spending Limit** means a sub-limit assigned to a Supplementary Cardholder at the instructions of the Primary Cardholder within the Credit Limit sanctioned by the Bank to the Cardholder.

Use of the Card

- i) The Card will remain at all times the property of the Bank and must be surrendered to the Bank immediately upon notification by the Bank or its duly authorized agent.
- ii) The Card is not transferable and is for the exclusive use of the Cardholder. The Cardholder may not allow the Card to be used by another entity.
- iii) The Cardholder will be responsible to keep the Card safe and secure at all times.
- iv) Upon receipt of a new / renewed Card, the Cardholder shall sign on the space provided for in the reverse of the Card immediately and such signature or acceptance of the Credit Card Offer Letter or the first use of the Card (whichever is earlier) will constitute binding and conclusive evidence of the confirmation of the Cardholder to be bound by these Membership Terms and Conditions.
- v) The Card will not be honored unless it is signed by the Cardholder.
- vi) The Card may be used:
 - a) Within the Credit Limit sanctioned by the Bank, and
 - b) Within the validity period embossed on the Card
- vii) Requests for replacement of lost, expired, damaged or additional Cards will be accepted by the Bank at its' sole discretion.
- viii) The Bank retains the right to reduce the Credit Limit or withdraw and restrict the use of the Card and refuse authorization of any transaction made through the Card at any time, with or without giving and without assigning any reason or liability to the Cardholder.
- ix) Once a sales slip / voucher is signed by the Cardholder, a Stop Payment instruction cannot be registered for that transaction.
- x) **Regulatory requirements**
Notwithstanding anything mentioned in this document all Card transactions are subject to Nepal Rastra Bank regulations that may be updated and amended from time to time. Please note:
 - a) use of a Domestic Card is confined to Nepal and India and should not be used in any other countries. Use of such cards in unauthorized countries makes the Card liable for immediate cancellation any appropriate legal and or financial action as stipulated by Nepal Rastra

Bank or other regulatory bodies. The Member will be liable and responsible to repay and clear all outstanding balances without prejudice to any right, remedy or action against the Cardholder by Nepal Rastra Bank, the Bank or any other regulatory agency.

- b) a maximum amount of INR 25,000.00 (Indian Rupees twenty five thousand) or as stipulated by Nepal Rastra Bank, may be withdrawn as Cash Advance while visiting India.
- xi) Cash Advances may be obtained from a VISA International member financial institution or an ATM, subject to availability of Credit Limit and within a ceiling set by the Bank from time to time. The maximum amount that can be withdrawn in this manner is subject to the rules of a member financial institution or the cash dispensing capacity of an ATM. The Bank will provide a PIN to be used to validate ATM transactions.
- xii) The use of the Card to obtain Cash Advance shall be deemed to constitute the agreement of the Member to pay finance charge and cash advance fee on each Cash Advance as prescribed by the Bank from time to time.
- xiii) The Member undertakes to ensure that total outstanding remains within the advised Credit Limit unless the Bank agrees in writing to allow an excess. If the Credit Limit is breached then the Member agrees to repay the excess to regularize the limit immediately and bear Over Limit Charges as applicable.
- xiv) It is the responsibility of the Cardholder to protect the confidentiality/ secrecy of the PIN. It is strongly advised that the Card and the PIN are kept separately. The Cardholder will be liable for any unauthorized use of the Card and any loss involved if prudent security measures as described hereinabove are not followed.
- xv) The Bank's record of any transaction effected in conjunction with a PIN shall be binding on the Cardholder as to its consequences.
- xvi) All Cards which do not have any overdue payments of over 30 days will be automatically renewed upon expiry and standard renewal charges will apply.
- xvii) In the event that the Cardholder does not intend to renew the Card, the same must be notified to the Bank, in writing, 60 days in advance of the expiry period. Any notice to this effect that is not received by the Bank before 30 days of the expiry period will not be acted upon and the Card will be automatically renewed as per clause *xvi* above.
- xviii) A Card not collected within 60 days of the beginning validity will be destroyed and the related Card Account closed. If the Cardholder desires to reactivate the Card Account, the same must be done before 6 months of the expiry of the destroyed Card and will be charged a processing fee as determined by the Bank. Annual Fee will be charged without any pro rata considerations.
- xix) An expired Card must be destroyed by cutting it in half diagonally from left top – right bottom.

Payments

- i) Payments will be treated as made from the date on which the payments are posted to the Cardholder's Account Statement. Please note that proceeds of cheques drawn on other financial institutions will only be applied / posted to your card account after the cheque has been cleared.
- ii) All payments made by the Cardholder will be applied in the billing currency of the Card Account. In case of cross-currency payments, the Bank will use its' prevailing exchange rate to effect the payment.
- iii) All fees and charges, including finance charges will be posted to the Card Account and hence will form part of the total payable to the Bank.
- iv) All payments made will first be applied in the following order:

1 – Over Limit amount	2 – Overdue amount	3 – Service Charges
4 – Fees	5 – Cash Advances	6 – Purchases

The Bank retains the right to alter the order at its sole discretion and judgment.
- v) The Cardholder shall incur no financial charges (except on Cash Advances) if the full payment of the Outstanding Balance is received by the Bank on or before the Payment Due Date.
- vi) The Cardholder may choose not to settle the Outstanding Balance in full and opt for the partial payment scheme, in which case the Cardholder must pay minimum 5% of the Outstanding Balance or NPR 1,000.00 whichever is higher, on or before the Payment Due Date. If the Outstanding Balance is less than NPR 1,000.00 then the entire balance becomes fully due. If the minimum amount due is not paid by the Payment Due Date or only partly paid, then the balance amount will be included to the next statement's minimum amount due.
- vii) Failure to pay the Minimum Payment Amount within the date specified in the Statement of Account will attract a Late Payment Fee.
- viii) If the Cardholder pays to the Bank an amount less than the Current Balance by the Payment Due Date or pays after the Payment Due Date or fails to make any payment at all, then finance charge calculated on daily balance basis at the rate advised will be applied to the Current Balance effective from the Statement Date until any payments are credited to the Card Account and thereafter on the reduced balance.
- ix) The Cardholder agrees that if any sums shall be due from the Cardholder to the Bank under the Card Account, or the Cardholder is liable to the Bank on any banking account or facilities, or if the Cardholder defaults in the provisions of such accounts or facilities; then the total outstanding balance on the Card Account becomes immediately due and payable provisions of Termination Clause hereof shall be applicable.
- x) Non receipt of your Statement of Account due to unforeseen circumstances and circumstances beyond the control of the Bank cannot be justified to delay or defer payment of the Monthly Minimum Due. The Cardholder must update changes in the Mailing Address either postal or electronic immediately to the Bank. Whilst the Bank will take all care to ensure Statements are delivered on time, the Cardholder is requested to follow up with the Bank in case such Statements are not received within expected or reasonable to check the closing balance payable.
- xi) The Cardholder may choose the Auto Debit option to use an existing Laxmi Bank account to arrange for payments under the following terms:
 - a) Auto Debits can be instructed for any amount between 5% and 100% of the Outstanding Balance.
 - b) Auto Debit instruction will be processed on the Statement Date and credited to the Card Account without consideration of the Payment Due Date.
 - c) The Cardholder must ensure that the nominated savings or current account has sufficient credit or available balance to process the Auto Debit instructions. Please note that partial processing under Auto Debit will not be entertained. Any reversal of Auto Debit as a result of insufficient balance in the nominated account will attract a Reversal Fee as applicable and the Bank reserves the right to cancel Auto Debit instructions for all subsequent months and advise the Cardholder to pay directly by cash or cheque.

Loss of Card and PIN

- i) The Cardholder shall use all reasonable precautions to prevent loss or theft of the Card and maintain confidentiality of the PIN.
- ii) In the event of loss of Card or suspicion that the PIN has been disclosed to a third party, the Cardholder must immediately notify the Bank and the concerned authorities of the country where the event has taken place of immediately along with the particulars.
- iii) The Cardholder shall be and remain fully liable to pay for all transactions made by use of the Card with or without the knowledge or authority of the Cardholder.
- iv) Once the Bank acknowledges and records notification of such losses, the Cardholder's liability is restricted to NPR 5,000.00 for all fraudulent transactions affected after such date.

- v) It is understood that all Cards issued on the Card Account (Primary or Supplementary) will be rendered invalid once any of the Card is reported lost or stolen. The Bank at the request of the Primary Cardholder will re-issue the entire set of Cards at its discretion.
- vi) If a Card reported as lost or stolen is recovered by the Cardholder at a later date, then the Cardholder is obliged to destroy the Card immediately without using the same. Similarly a PIN reported as having been disclosed must not be used by the Cardholder under any circumstances.

Disputes and Resolutions

- i) Notification of any erroneous transaction posted on the Statement of Account must be made to the Bank within 30 days of the Statement Date, after which the Bank will be unable to adjust or rectify the transaction. To assist with the investigation, the Bank must be provided with the following basic information:
 - The Cardholder name and card number;
 - Details of the transaction in question;
 - The amount of the suspected error.
- ii) The Bank will act on verbal complaints but the Cardholder will be required to submit the same in writing within 10 working days for official records
- iii) The Bank will advise the approximate time it would take to investigate to the Cardholder and will complete the investigations within reasonable time upon which the Bank will advise the outcome to the Cardholder and make suitable adjustments to the Card Account.
- iv) If the investigations conclude that no error has occurred the applicable financial charges will be payable from the Statement Date where the transaction has been posted to the Card Account. If during the course of the investigation, copies of vouchers etc. need to be retrieved from the archives of the Bank or another institution, the Card Account will be debited for retrieval costs as appropriate.

Termination

- i) Notwithstanding the payment provisions outlined under "Payments" above, all amounts outstanding on a Card Account (including that of all Supplementary Cards) together with the amount incurred by the use of the Card but not yet charged to the Cardholder's Account shall be payable immediately in full upon the termination of this Agreement.
- ii) The Cardholder may at any time notify the Bank of his intention to close the Card Account and terminate the use of all Cards by giving a notice in writing and returning all Cards cut into half to the Bank. The Card Account shall be closed only after the receipt by the Bank of all Cards cut in half and full payment of all charges and liabilities under the Card Account.
- iii) In the event of the Supplementary Cardholder terminating the Card, all Cardholders including the Supplementary Cardholder whose use of the Card has been terminated shall be and shall continue to be jointly and severally liable to the Bank for all charges and other liabilities in accordance with these Terms and Conditions. The Supplementary Cardholder whose use of the Card has been terminated shall not be liable for charges and other liabilities incurred by the Primary Cardholder and other Supplementary Cardholders (if any) after the Bank's receipt of the cut Supplementary Card.
- iv) The Bank may at any time recall all or any Card(s) and terminate its/their use with or without giving prior notice to the Cardholder. The Cardholder shall immediately after such recall, return such Card(s) cut in half to the Bank and make full payment of all Charges and liabilities to the Bank.
- v) The Bank will terminate use of the Card immediately upon death, bankruptcy or insolvency of the Cardholder or if the Cardholder is categorized as "whereabouts unknown" as per the Bank's records.
- vi) The Cardholder and/or the Cardholder's estate will be responsible for settling all outstanding balances on the Card Account and shall keep the Bank indemnified for all costs (including legal fees and charges) and expenses incurred in recovering such outstanding balances.
- vii) The Bank shall not be liable to refund any part of the annual membership fee irrespective of the time period, in the event of Termination of the Card.
- viii) The Bank reserves the right to retain any collateral or security held by the Bank as support for issuance of the Card for a period of at least 45 days from the date of Termination.

Exclusion of Liability

The Cardholder indemnifies the Bank from any loss or damage arising directly or indirectly out of the following:

- i) Any financial institution or a merchant or an ATM or any other party refusing to allow a Card Transaction or refusing to accept the Card or the Card numbers or the PIN or refusing to extend or provide Cash Advances up to the Credit Limit or at all.
- ii) Refusal of any merchant or member institution of VISA International to honor or accept the Card or for any defect or deficiency in the goods or services supplied to the Cardholder by any merchant or, where applicable, for any breach of non-performance by a merchant.
- iii) The malfunction of any ATM or disruption of communication systems.
- iv) The exercise by the Bank of its rights to demand and procure surrender of the Card prior to the expiry date embossed on its face, whether such demand and surrender are made and/or procured by the Bank or by any other person or ATM.
- v) The exercise by the Bank of its right to terminate any Card or the Card Account pursuant to the Termination clause stated hereinabove.
- vi) Any injury to the credit character and reputation of the Cardholder arising out of repossession of the Card, any request for its return or the refusal of any person to honor or accept the Card.
- vii) Any misstatement, misrepresentation, error or omission in any details disclosed by the Bank pursuant to this clause.
- viii) Any dispute between the Cardholder and any merchant or financial institution or any other entity. Note: The Cardholder's liability to the Bank shall not be affected or deferred by such dispute or counterclaim or right to set-off which the Cardholder may have against such merchant or financial institution or any other entity.

Disclosure and Credit Information

- i) The Cardholder authorizes and permits the Bank to disclose and furnish such information that it deems fit concerning the Cardholder and its affairs including but not limited to this Agreement to the regulators, government authorities, Bank's associates, branches, assignees, agents or other parties.
- ii) The Bank has the right to check the credit standing of the Cardholder from appropriate sources (including Credit Information Bureau or another financial institution) at any time as and when the Bank deems fit without notice to the Cardholder.

Indemnity

- i) The Cardholder undertakes and agrees to indemnify the Bank against any loss, damage, liability, costs and expenses whether legal or otherwise which the Bank may incur by reason of these Terms and Conditions or any breach thereof or the enforcement of the Bank's rights as herein provided. All costs and expenses in such regard may be debited to the Card Account and shall be payable by the Cardholder.

Right to Set-Off

- i) In addition to any general right to set-off or other rights granted by the law, the Cardholder agrees that the Bank may in its absolute discretion at any time and without notice, combine and

consolidate all or any account(s) held either individually or jointly, of the Cardholder with the Bank in any currency or set-off or transfer any sum standing to the credit of any such account(s) towards discharge of all sums due to the Bank under any account(s). In case of cross currency conversions, the Bank will apply the prevailing exchange rates determined by the Bank. The bank also reserves the right to recover any amount due from any other sources.

- ii) For the purpose of enabling the Bank to preserve intact the liability of any party including the Cardholder once a writ or summons has been issued or to prove the bankruptcy or insolvency of the Cardholder or for such other reasons as the Bank thinks fit, the Bank may at any time place and keep for such time as the Bank may think prudent any monies received, recovered or realized hereunder or under any other Security or Guarantee to the credit of the Cardholder as the Bank shall think fit without any intermediate obligation on the part of the Bank to apply the same or any part thereof in or towards the discharge of the sums due and owing to the Bank.

Notices

- i) The Cardholder must notify the Bank in writing of any changes in employment or business or address (business and residential) or if the Cardholder intends to reside outside Nepal for more than one year.
- ii) If the Cardholder leaves Nepal to take up residence elsewhere, both the Primary and the Supplementary Card(s) shall be returned to the Bank 14 days prior to the Cardholder's departure and the use of the Card and Supplementary Card(s) shall be deemed to be terminated and Termination clause stated hereinabove shall apply.
- iii) Instructions sent by the Cardholder to the Bank through facsimile communication shall be considered valid and binding on the Cardholder and the Bank may act upon instructions conveyed through this medium at its sole discretion. Such copies of facsimile transmissions can also be used as evidence in any court of law.
- iv) All Cards, PIN, Statements of Account, demands or any other communication under these Terms and Conditions may be delivered personally, electronically or sent by ordinary post to the last known billing or other address or email address of the Cardholder and such communication shall be deemed to have been served on the Cardholder on the day of delivery if delivered by hand or the date of email if delivered electronically and on the next business day after registration, if sent by post.
- v) All communications under these Terms and Conditions sent to the Primary Cardholder or the Supplementary Cardholder shall be deemed to be communication sent to both.

General

- i) The Cardholder shall indemnify the Bank against any consequences, claims, proceedings or losses that may arise or be incurred by the reason of the carrying of telephonic instructions from or purported to be from the Cardholder.
- ii) The Bank shall be entitled to appoint an agent to collect all sums due to the Bank from the Cardholder facility.
- iii) The Bank shall be entitled at any time with or without the consent of the Cardholder to assign the whole or any part of its rights obligations with or without notice to the Cardholder.
- iv) The Cardholder undertakes to sign such any other documents as may be requested by the Bank from time to time in line with the policies of the Bank.
- v) The Terms and Conditions herein are binding upon the Cardholder and he shall not assign his obligations herein to any one else.
- vi) Each of these Terms and Conditions shall be separate and distinct from one another and if at any time any one or more of such Terms and Conditions is or becomes invalid, illegal or unenforceable, the validity, legality or the enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- vii) The Bank may at any time waive, either unconditionally or otherwise, any of these Terms and Conditions or any default or breach of the Cardholder, provided that such waiver is given in writing by the Bank and save as aforesaid, no condoning or excusing of and no neglect or forbearance on the part of the Bank for any default or breach of any of these Terms and Conditions shall be construed as a waiver of the Bank's rights and powers and no waiver shall be inferred from or implied by anything done or not done by the Bank unless expressed in writing by the Bank. Any waiver must be construed as a waiver of a specified case to which it relates and shall not operate as a blanket waiver or release of any of these Terms and Conditions.
- viii) For any special discounts/offers made by the merchants, the Bank does not hold out any warranty or make any representation of the availability, delivery quality, design, specifications or otherwise set out in respect of these offers.
- ix) Any special discounts/offers made by the merchants may be withdrawn, cancelled or amended at their discretion and the Bank shall not be held liable for the same.

Variation of Terms

- i) The Bank may from time to time change these Terms and Conditions by giving due notice either in writing or by publication in the Bank's website www.laxmibank.com or other suitable media thereof. Such changes shall apply on the effective date specified by the Bank and shall apply to all unpaid transactions and charges.
- ii) Retention or use of the Card after the effective date of any such change of Terms and Conditions shall be deemed to constitute acceptance of such changes without reservations. If the Cardholder does not accept the proposed change, the Cardholder must terminate use of the Card by giving prior written notice to the Bank and return the Card cut in half to the Bank prior to the effective date and the Termination clause stated hereinabove shall become operative.

Governing Law

These Terms and Conditions shall be governed by and subject to the laws of Nepal and shall be deemed for all purposes to be made and fully performed in Nepal and the Cardholder submits to the exclusive jurisdiction of the courts of Nepal.

Schedule of Service Charges

Basic Charges will be advised to you at the time of card delivery. Apart from the basic charges, the following transaction charges are valid from 1st April 2007 and will remain in force until further notice. These are subject to change with 30 days notice either in writing or by public display at our branches or in the bank's website www.laxmibank.com.

Card Replacement Fee	NPR 500 per card
PIN Replacement Fee	NPR 150 per PIN
Temporary Limit Enhancement Fee	NPR 500 per card
Permanent Limit Enhancement Fee	NPR 750 per case
On Demand Renewal Fee	NPR 500 per case
Urgent Card Issuance Fee	NPR 500 per card
Negative Listing Fee (for Lost / Stolen Cards)	NPR 300 per case
Cash Advance Fee	NPR 150 + 2%
Late Payment Fee	NPR 300 or 0.2% per month whichever is higher
Over Limit Fee	NPR 500 per month
Auto Debit Reversal Fee	NPR 200 per case
Duplicate Statement Fee	NPR 100 per page
Petroleum / Government Hospital Transaction Fee	2% of transaction amount