

TERMS AND CONDITIONS FOR POSITIVE PAY FACILITY

These terms and conditions ("**Terms**") govern the use of the Positive Pay facility (*defined below*) by the customer (*defined below*) provided by Unity Small Finance Bank Ltd ("**Bank**"). These terms and conditions shall be in addition to and not in derogation to any other terms ("**Other Terms**") as stipulated by the Bank from time to time on its Website (*defined below*), pertaining to the Account (*defined below*), all variants of the Accounts or in relation to other products, services or offers provided by the Bank.

In the event of any conflict between Other Terms and these Terms with respect to the Positive Pay facility these Terms shall prevail.

Definitions:

- 1) "**Account**" shall mean both the savings and current account, including all variants of savings and current accounts held with the Bank.
- 2) "**Customer**" refers to any person holding an Account or maintaining any deposit, any other account, any other relationship, whether loan based or otherwise with the Bank and shall include his/her heirs, executors, legal representatives, executors, as applicable to the specific type of Customer. In case of the customer being a minor shall mean the minor acting through his/her natural guardian or by a guardian appointed by a court of competent jurisdiction.
- 3) "**Channels**" refers to all media through which the Customers can perform banking transactions, including but not limited to mobile banking, retail internet banking, and corporate internet banking.
- 4) "**Positive Pay Facility/Facility**" acts as an additional layer of security and allows reconfirmation of cheque details ("**Information**"), , for validation during the cheque clearing process, including but not limited to, cheque number, account number, amount of the cheque, Magnetic Ink Character Recognition (MICR) code, transaction code, etc. or any other data that may be required by the applicable law, when a cheque is presented for clearing.
- 5) "**CTS/Cheque Truncation System**" refers to the image based cheque clearing mechanism of RBI.
- 6) "**Website**" refers to the website owned, established and maintained by the Unity Small Finance Bank Ltd. at www.theunitybank.com
- 7) "**RBI**" shall mean the Reserve Bank of India.
- 8) "**NPCI**" means National Payment Corporation of India.

General Terms and Conditions:

- 1) By using the Positive Pay Facility, customer will get prevented from frauds perpetrated through cheque tampering/alteration. Positive Pay System involves re-confirming of key details of the cheque by drawer to the Bank, which would be cross-checked with the presented cheque at the time of payment processing.
- 2) The customer agrees and understands that while the facility may be enabled by the Bank on different channels from time to time, upon the specific request of the customer and this facility is available for cheques of amounts of ₹50,000 and above and the customer may choose to use the facility, at their sole discretion. However, in the event the customer chooses to utilise the facility, the customer understands that the cheques shall be cross-checked against the information provided by the customer through the channels and it shall be the customer's responsibility to enter accurate information. The Bank has no control over and

takes no responsibility for any errors that may occur in the information. The Bank reserves the right to reject/return the cheque, if the information provided in Positive Pay does not match with the information on the cheque being presented.

- 3) The customer also agrees and understands that for any cheque issued by them for above ₹ 50,000 in value, the same shall be accepted for the dispute resolution mechanism under the Cheque Truncation System grids, only if the Positive Pay facility has been utilised while issuing the cheque.
- 4) The customer must provide the information before the cheque is deposited for the information to be accepted for Positive Pay facility. The customer understands and agrees that if the information is not provided before the said time, the Bank shall not employ the facility while clearing the particular cheque issued by the customer.
- 5) The Bank reserves the right to reject the cheque, if there is any mismatch in the information and the corresponding details on the cheque.
- 6) In case of mismatch in details on the cheque with the details uploaded under the Positive Pay Facility, Bank may, at its discretion, return the cheque with the remarks "REFER TO DRAWER", at the sole risk, responsibility and liability of the Customer.
- 7) The customer agrees that the facility may be unavailable for certain periods, including but not limited to maintenance work, unavailability of third party services, or any other reason whatsoever and the customer agrees that the Bank shall not be liable for any loss or damage arising out of or in connection with such unavailability of the facility and the customer shall not bring any claims against the Bank.
- 8) The customer also agrees that any communication of successful validation of the information, whether through SMS, e-mail or any mode, shall not be treated in any way a proof of clearance of the cheque.
- 9) These Terms shall be governed by the laws of India and any dispute in relation to the use of the facility shall be referred to the exclusive jurisdiction of the court.
- 10) To the maximum extent permitted by applicable law, the Bank, its affiliates, and the personnel, shall not be liable to the customer for any direct, indirect, special, punitive, exemplary, statutory, incidental or consequential damage, loss of profit, loss of data, loss of business opportunities, and any intangible or economic loss, whether based on tort, negligence, or any other theory of liability, where such loss, liability arises from or in connection with the customer's use of the facility.
- 11) The Bank may amend/modify the Terms, from time to time in its sole discretion, at any time, and such modifications shall be effective immediately upon posting of the modified terms on the Website/Channels. Customer will be notified for any changes done in the Terms and Conditions. If the customer continues to use the facility, it shall be deemed conclusive proof of the Customer's acceptance of the amended/modified terms and conditions.
- 12) The customer agrees to indemnify, defend and hold harmless, at their own expense, the Bank from and against any and all liability any other loss that may occur, arising from or relating to the customer's use of the facility, breach, non-performance or inadequate performance by the customer of the Terms, including but not limited to provision of incorrect information by the Customer.

- 13) Cheques presented in clearing are validated as per the regulatory guidelines defined for CTS Clearing. The Positive Pay System is an additional tool for validation of cheques. All other parameters with respect to validation of cheques remain unchanged.
- 14) By using the Positive Pay facility, the customer allows the Bank to collect the information for cheques amounting to Rs.50000/- and above issued by the customer. The customer also authorises the Bank to share the information with other Banks, NPCI, Regulators or any third party to facilitate the clearing of the cheques issued by the customer.
- 15) The Bank may amend/modify these Terms from time to time in its sole discretion, at any time and such modifications shall be effective immediately upon posting of the modified Terms on the website/channels. The customer should periodically review these Terms to be aware of such modifications. If the customer continues to use the facility, it shall be deemed conclusive proof of the customer acceptance of the amended/modified Terms and Conditions.

Customer's Liability:

- 1) The customer agrees to notify the Bank and confirm the details of cheques issued by him/her from the account(s) which are to be covered under the Facility.
- 2) The customer also agrees that:
 - a) Insufficient and incorrect details may lead to return/rejection of the cheque/s.
 - b) To enable the validation through Positive Pay, the cheque/s details mentioned above should be available with the Bank at least 2 (two) working days prior to the cheque presentation date.
- 3) The customer confirms and declares that he/she has been jointly and/or severally authorized to make this request with the Bank towards the activation of the facility by the joint holders/board of directors/managing committee/managing partners, as applicable.
- 4) The customer also declares that in consideration of the Bank acting on his/her request towards activation of the facility, the customer do hereby for himself/herself and/or on behalf of the firm/company, jointly and severally undertake and agree to defend, indemnify and hold harmless the Bank, its successors and assigns against all claims, demands, proceedings, losses, damages, charges and expenses which may be raised against or incurred by the Bank by reasons or in consequence of the Bank having agreed to activate the facility and/or to act upon such request made from them on behalf of the joint holders/firm/company.

Disclaimer:

The Bank shall not be liable or responsible, in any manner whatsoever, in case:

1. The Bank is unable to receive or execute any of the requests from the customer or there is any loss of information during processing or transmission or any unauthorized access by any other person or breach of confidentiality or due to reasons beyond the control of the Bank.
2. There is any kind of loss, direct or indirect, incurred by the customer or any other person due to any failure or lapse in the facility which are beyond the control of the Bank.
3. There is any failure or delay in transmitting of information or there is any error or inaccuracy of information or any other consequence arising from any cause beyond the control of the Bank which may include technology failure, mechanical breakdown, power disruption, etc.
4. There is any lapse or failure on the part of the service providers or any third party affecting the Positive Pay facility.

5. There is any loss or damage whether direct, indirect or consequential, including suffered by the customer or any person howsoever arising from or relating to any delay, interruption, suspension, resolution or error in receiving and processing the request and/or any breakdown, interruption, suspension or failure of the Bank's system and/or the network of any service provider and/or any third party who provides such services as is necessary to provide the facility.
6. Any other losses or delays which may be caused by any circumstances beyond its control, or for any act, omission, neglect, default, failure or insolvency of any correspondents, agents or any third party systems.
7. The cheque will be processed even if Positive Pay facility is not used. However, any issue in relation to the cheque will not be accepted for dispute resolution mechanism under Cheque Truncation System (CTS) grid by NPCI.