

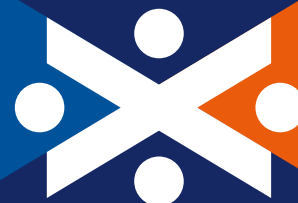
COMMERCIAL BANKING

## Core Banking Agreement



# Project Bank Account

Product & Services  
Terms & Conditions



**BANK OF  
SCOTLAND**



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Core Banking Agreement  
("The Agreement") contains  
terms, conditions and  
important information that  
apply to certain of our  
products and services.  
Those products and services  
can be identified as they  
state in the header  
Core Banking Agreement.

# Important Information

The following documents detail both your and our rights and obligations in relation to the Products.



## Relationship Terms & Conditions

These contain the general relationship terms and conditions for all **Products** under **The Agreement**;



## Product & Services Terms & Conditions

These contain additional terms and conditions for a specific **Product** provided under **The Agreement**; and



## General Information On Payments, Charges & Contacts

This contains the general information you will need to know in respect of payments and standard charges under **The Agreement**. Also included are general contact details and information on large print, Braille and call recording.

## You need to read

Product & Services Terms & Conditions, relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

You can find a copy of each of these at [bankofscotland.co.uk/corebankingagreement](http://bankofscotland.co.uk/corebankingagreement) or request a copy from your relationship team.



# 1. Definitions

- 1.1 Words and expressions as defined in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts have the same meaning in these Product & Services Terms & Conditions unless otherwise stated in these Product & Services Terms & Conditions. We also use the following defined terms throughout these Product & Services Terms & Conditions.

## Account

means the account applied for and opened by the **Account Holder(s)** with us and held on the behalf of the **Beneficiaries** of a specific construction project. Where the **Account Holder(s)** have more than one **Account**:

- i. each **Account** is separate and has separate documentation which forms **The Agreement** relating to that **Account**; and
- ii. references to the **Account** in these Product & Services Terms & Conditions are references to each **Account**.

## Account Holder(s)

means the party or parties who have entered into these Product & Services Terms & Conditions with us.

## Beneficiary

Beneficiary means a person identified as being a "Beneficiary" in the application form for the **Account**, and any other person the **Account Holder(s)** tell us is a Beneficiary from time to time and who is an eligible Beneficiary under the terms of the **Trust Deed**.

## Charging Cycle

means the charging cycle relating to the payment of charges, which shall be monthly unless otherwise agreed between the **Account Holder(s)** and their relationship team.

## Credit Interest Rate

means the rate of interest, if any, paid on the **Account**, details relating to which are agreed between the **Account Holder(s)** and us in writing.

## Instructions

means an instruction made in accordance with the section titled "Who is authorised to give instructions to us" in the Relationship Terms & Conditions which authorises us to pay money out of the **Account**.

## Interest Cycle

means the charging cycle relating to the payment of interest, which shall be monthly unless otherwise agreed between the **Account Holder(s)** and their relationship team.

## Residence

means in relation to a company or other incorporated body (such as a Scottish partnership or limited liability partnership), the place where such company or other incorporated body is established and controlled; or in relation to an unincorporated body (such as an English partnership or a club), the place where such unincorporated body's central management is situated.

## Third Party Provider

means a service provider authorised by law to access information or make payments for you from your payment accounts.

## Trust Deed

Means the trust deed establishing the formal trust arrangement for the specific construction project which the **Account Holder(s)** are a party to.

## Unauthorised Debit Interest Rate

means the standard unauthorised debit interest rate charged on the **Account** for unauthorised overdraft borrowing, details of which are available in the General Information On Payments, Charges & Contacts and from your relationship team, or are as otherwise agreed between the **Account Holder(s)** and us in writing.

## Uncleared Balance

means any balance which is still to be cleared through the clearing cycle after being paid into the **Account**.

## 2. Eligibility

2.1 The **Account** is only available to parties who are applying to hold funds in the **Account** for the benefit of contractors and sub-contractors in construction projects, pursuant to the minimum requirements issued by the Cabinet Office or any other Government or public body functions and the Government's Model "Fair Payment" Charter. The **Account** can only be used to hold funds for this purpose.

2.2 The following restrictions on eligibility also apply:

2.2.1 only one **Account** can be opened for each construction project; and

2.2.2 each **Account Holder** must be a corporate entity.

2.2.3 the **Account** is a trust account, as detailed in the **Trust Deed**. The operation of payments in and out of the **Account** are governed by the **Trust Deed**. The funds to be held in the **Account** will be held by the **Account Holder(s)** for the benefit of the **Beneficiaries**. Under the terms of the **Trust Deed** the **Account Holders** owe a fiduciary duty to the **Beneficiaries** to hold the funds for their benefit and to pay the funds to them when due under the terms of that arrangement. We have no obligation to monitor compliance with this arrangement or with any minimum requirements issued by the Cabinet Office or any other Government or public body functions with oversight of such requirements and have no liability in respect of this. **The Account Holders** must indemnify us for all losses, costs, claims, damages and expenses that we suffer or incur in respect of this.



## RESIDENCE

means in relation to a company or other incorporated body (such as a Scottish partnership or limited liability partnership), the place where such company or other incorporated body is established and controlled



## 3. Running the Account

- 3.1 We can require the **Account Holder(s)** to provide references or a new **Mandate** at any time.
- 3.2 The **Account Holder(s)** can only apply for an **Account** if the **Residence** of each **Account Holder** is within the United Kingdom and where the laws that govern each **Account Holder** do not prohibit them from entering into agreements of this type.
- 3.3 Funds held in the **Account** are held in trust pursuant to the terms of the **Trust Deed** and cannot be used by the **Account Holder(s)** to offset any other contractor, sub-contractor or supply chain liabilities.
- 3.4 By opening the **Account**, each **Account Holder** agrees to comply with the minimum requirements for such an **Account** as stipulated by the Cabinet Office or any other Government or public body functions with oversight of such requirements from time to time together with any guidance issued by such bodies and the Government's Model "Fair Payment".
- 3.5 In the event the solvent **Account Holder(s)** complete the **Mandate** variation process as a result of electing the insolvency trigger detailed in the **Account Holder's** application form for the **Account**, we will make payments as instructed in that **Mandate** variation and have no liability to any **Account Holder** in respect of this. The solvent **Account Holders** must indemnify us for all losses, costs, claims, damages and expenses that we suffer or incur as a result of acting upon this instruction.

## 4. Instructions

- 4.1 If the **Account** is held in joint names, the **Account Holders** accept joint and several liability for any debt that may arise on the **Account** together with any interest or charges that may apply.
- 4.2 The ways in which consent for a payment transaction will be given to us by the **Account Holder(s)** or any **Authorised Signatory** are:
  - 4.2.1 in writing;
  - 4.2.2 in accordance with the Product & Services Terms & Conditions relating to any online/ internet banking service, provided the **Account Holder(s)** have registered for such service;
  - 4.2.3 in the case of a direct debit or standing order on the **Account**, by completing and signing the relevant form setting up the direct debit or standing order; or
  - 4.2.4 by entering a PIN or providing any other security code (when using a debit card, Cashpoint card or an online/internet banking service that we provide to you); or
  - 4.2.5 through a **Third Party Provider**, by following any procedures required by such **Third Party Provider**,  
and consent will be provided at the time the **Account Holder(s)** or any **Authorised Signatory** takes the actions set out in clause 4.2 above.
- 4.3 We will not accept **Instructions** given by any other means (for example, by telephone, fax or email).
- 4.4 The **Account Holder(s)** must indemnify us for all losses, costs, claims, damages and expenses that we suffer or incur as a result of acting upon any **Instructions** given by the **Account Holder(s)** or the **Authorised Signatories** in accordance with **The Agreement**.
- 4.5 Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled "Refunds for incorrectly executed payment instructions", "Refunds for incorrect payment amounts/sums" and "Refunds for unauthorised transactions" in the Relationship Terms & Conditions. Any limitation on your liability under the section titled "Your responsibility for unauthorised transactions" in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions.





## Opening the account

by opening the account, each account holder agrees to comply with the minimum requirements for such an account as stipulated by the Cabinet office from time to time

## 5. Payments into the Account

- 5.1 Payments into the **Account** cannot be made in cash. The **Account Holder(s)** can make payments into the **Account** by transfer from another account.

## 6. Payments out of the Account

- 6.1 Withdrawals can be made from the **Account** without notice.
- 6.2 Withdrawals can only be made by transferring funds to the bank or building society account specified in the written withdrawal instruction.
- 6.3 We will transfer funds by CHAPS or via an international payment. A charge applies for certain transfers and we will charge this to the **Account** before we process the transfer. Details of such charges are set out in the General Information On Payments, Charges & Contacts.



Payments into the Account cannot be made in cash. The Account Holder(s) can make payments into the Account by transfer from another account



## 7. Interest on money in an Account

- 7.1 Until further notice, interest (if payable on the **Account**) is calculated on a daily basis on cleared credit balances at the **Credit Interest Rate**. Interest will be credited to the **Account** on a monthly basis, unless otherwise agreed between the **Account Holder(s)** and their relationship team. Any interest will be taxed according to your individual circumstances and as specified by law.

## 8. Borrowing

- 8.1 Borrowing is not permitted on the **Account**. If the **Account** does become overdrawn, unauthorised borrowing interest will be charged as set out in the General Information On Payments, Charges & Contacts.
- 8.2 Unauthorised borrowing will incur interest at the **Unauthorised Debit Interest Rate** and will be charged when the **Account** goes overdrawn (including any **Uncleared Balance**). Interest will be debited to the **Account** in line with the **Interest Cycle**.

## 9. Charges

- 9.1 We will charge the **Account Holder(s)** for transactions by applying the charges set out in the General Information On Payments, Charges & Contacts, or as otherwise agreed in writing between the **Account Holder(s)** and their relationship team.
- 9.2 If the **Account Holder(s)** are the recipient of a payment (i.e. a payee) we may deduct our charges as set out in the tariff from the money transferred before crediting it to the **Account Holder(s)**. If we deduct any charges under this clause, we will give details in regular bank statements or charges invoices (or other agreed means by which the **Account Holder(s)** wish to be notified) of the amount of money we receive and of our charges for receiving the money.
- 9.3 **Account** transaction charges will be debited to the **Account** in line with the **Charging Cycle** (unless otherwise agreed between the **Account Holder(s)** and their relationship team).
- 9.4 Unless we tell the **Account Holder(s)** or the **Account Holder(s)** request otherwise, we will send prenotification of **Account** transaction charges and debit interest at least 14 days in advance of them being debited to the **Account**.
- 9.5 We will tell the **Account Holder(s)** the charge for any other service or product before we provide that service or product to the **Account Holder(s)**, and at any time that the **Account Holder(s)** ask.

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- Withdrawals can be made from the Account without notice.
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## 10. Account Information and Notices

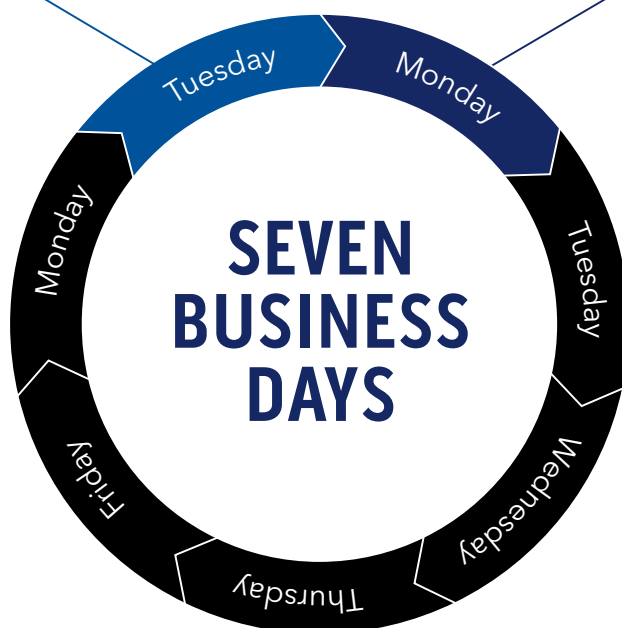
- 10.1** We will make all statements of accounts and notices available to the principal contact nominated by the **Account Holder(s)** from time to time. The **Account Holder(s)** can also access **Account** information using any online/internet banking service we make available from time to time, provided the **Account Holder(s)** have registered for this service.
- 10.2** We will only send one copy of each statement or notice. If the **Account** is held in the name of two or more companies, each **Account Holder** agrees that they will not be provided with separate statements.

## 11. Changes to your information

- 11.1** The **Account Holder(s)** must notify us promptly in writing (not by fax), signed by each **Account Holder** (and not by the **Authorised Signatories**), of any change in the information the **Account Holder(s)** have given us, such as an **Account Holder's** name, address, contact details, officers, **Authorised Signatories**, **Mandate** or **Beneficiaries**. We may specify the form in which the **Account Holder(s)** provide such notification and ask the **Account Holder(s)** to provide evidence of any change.
- 11.2** Where the **Account Holder(s)** appoint a new **Authorised Signatory**, a new **Mandate** must be completed and signed by each **Account Holder**. We must be satisfied with our identification, background and other checks in relation to any new **Authorised Signatory** before we will be prepared to accept instructions from that person.
- 11.3** It normally takes us seven **Business Days** to process any changes to your **Mandate**. Until the changes have been processed, and we are satisfied with our identification, background and other checks (if applicable), we can continue to rely on the existing **Mandate**.

### DAY SEVEN

It normally takes us seven Business Days to process any changes to your Mandate.



### DAY ONE

Instructions received.

## 12. Termination and suspension

- 12.1 We can terminate these Product & Services Terms & Conditions (thereby closing all **Accounts**) and/or suspend the availability or provision of the **Account(s)** if the **Account Holder(s)** fail to comply with the minimum requirements for such an **Account** as stipulated by the Cabinet Office from time to time.
- 12.2 Where the **Account Holder(s)** are in breach of **The Agreement**, we can charge the **Account Holder(s)** for all costs and losses we incur in connection with suspending or withdrawing any **Account**, or reversing or recalling any transfer or payment.
- 12.3 The **Account Holder(s)** may close the **Account(s)** and/or terminate these Product & Services Terms & Conditions at any time by giving one month's written notice to us signed by each **Account Holder**. Any **Instructions** received prior to us receiving such notice will be processed before we close the **Account**.
- 12.4 As the **Account** is used to fund a construction project, when that project is completed or cancelled the **Account Holder(s)** must close all **Account(s)**. Until such time as all **Account(s)** are closed, the **Account Holder(s)** will continue to be liable for all transactions made on the **Account(s)**.

## 13. Disputes

- 13.1 If:
  - 13.1.1 we become aware of any court process against the **Account Holder(s)** or any other claim affecting the **Account**; or
  - 13.1.2 there is any question as to the validity of any **Mandate** completed by the **Account Holder(s)**, or any person's authority to instruct us in relation to the **Account**,we can decline to process or delay processing payment instructions and/or suspend the **Account** on reasonable grounds until we receive either new instructions or evidence (acceptable to us) or a court order, and we will not have any responsibility to the **Account Holder(s)** for any loss or damage that the **Account Holder(s)** may suffer as a result.

## 14. Waiver of right of set off

- 14.1 We cannot combine the **Account** with any other account held in the name of the **Account Holder(s)** or held in the name of any of the **Account Holder(s)** individually. In addition, we cannot exercise any right of deduction, set-off or counterclaim against any money held in the **Account**.

## 15. Contact details

15.1 The **Account Holder(s)** can contact us:




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by telephone on  
**0345 835 7478**

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by post at  
Bank of Scotland  
Commercial Servicing,  
Edinburgh BX2 1LB

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15.2 Further contact details are set out within General Information On Payments Charges & Contacts or by such other contact methods as we may from time-to time advise.

## 16. Other terms

16.1 Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions).

16.2 These Product & Services Terms & Conditions apply to the services provided to the **Account Holder(s)** under these Product & Services Terms & Conditions. Subject to clause 16.3 and clause 16.4, if separate terms and conditions (including in the form of other Product & Services Terms & Conditions) are provided to the **Account Holder(s)** by us for the supply by us of any of our other products or services (either electronic, automated or other), the provisions of any such separate agreements will apply to those products and services.

16.3 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply of the services provided to the **Account Holder(s)** under these Product & Services Terms & Conditions, these Product & Services Terms & Conditions will take precedence.

16.4 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply by us of any of our other products and services (either electronic, automated or other), the terms and conditions relating to such other products and services will take precedence in respect of the provision by us to the **Account Holder(s)** of those products and services.



## WEBSITE COPIES

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You can also find a copy of the Relationship Terms & Conditions, the General Information On Payments, Charges & Contacts and each set of Product & Services Terms & Conditions on Our Website

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