

COMMERCIAL BANKING

General Terms of Business

Bank of Scotland plc

These terms apply immediately for new clients and are effective from 15th October 2018 for existing clients.



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This document consists of the following:

- The **Important Information** in **Part I**, which you should read before you enter into a relationship with us.
- **Part II** sets out the Terms and Conditions that govern your relationship with us.
- There is also a **Glossary** of key terms.

Part I - Important Information

1. Introduction

- 1.1 These General Terms of Business (the "Terms") explains how your relationship with Bank of Scotland plc ("Bank of Scotland") will work, and sets out the terms and conditions that apply when we provide you with our Products and/or Services.
- 1.2 Bank of Scotland plc has its registered office at The Mound, Edinburgh EH1 1YZ and it is registered in Scotland under no. SC327000. Bank of Scotland plc is part of the Lloyds Banking Group which comprises Lloyds Banking Group plc and its subsidiaries, associates and affiliated companies.
- 1.3 Lloyds Banking Group ("LBG") has been required by legislation to conduct banking activities through two separate banks, Bank of Scotland plc which is designated as the "ring fenced bank", and Lloyds Bank Corporate Markets plc which is the "non-ring fenced bank". Both are wholly owned subsidiaries of Lloyds Banking Group plc. Your contractual counterparty will be Bank of Scotland plc.
- 1.4 Bank of Scotland plc has appointed Lloyds Bank plc and Lloyds Bank Corporate Markets plc to provide certain services that enable Lloyds Bank plc to fulfil certain of its obligations to you under these Terms, subject always to Applicable Regulations. Even in these cases, your relationship is with Bank of Scotland plc and subject to these Terms.
- 1.5 By 'we', 'us' or 'our', we mean Bank of Scotland plc.
- 1.6 By 'you' or 'your', we mean you as a person (if you are a sole trader) and your business or legal entity (including companies and partnerships).
- 1.7 These Terms only apply to:
 - i. Our "Products" include simple foreign exchange and interest rate derivative contracts. Other available products include foreign exchange spot contracts ("FX Spot"), deposits and loans. Please contact your Bank of Scotland representative for more information.
 - ii. Our "Services" include structuring and arranging of Transactions.
- 1.8 Further information on our Products and Services can be found in Part II and in the product terms (see paragraph 2.1 below), which can be accessed on our website ("Website"):
<http://business.bankofscotland.co.uk/25m-plus-turnover/banking-with-us/schemes-reviews-and-regulations/>.
- 1.9 It is important that you understand the nature of the risks involved with any of the Products and Services that you enter into with us. We will provide you with information on the nature and risks associated with our Products and Services. Before entering into any of our Products or Services you should read our General Risk Disclosure Statement, which is available via our Website.
- 1.10 Not all Products and Services are available to, or appropriate for all types of clients. Please see paragraph 12 (Your status) for more information on how we determine and communicate categorisations that help us determine your eligibility for our Products and Services.
- 1.11 If you are a Retail Client, we will provide you with a Key Information Document ("KID") in good time before any relevant Transaction is concluded. A KID will be made available to you on our Website.
- 1.12 In these Terms:
 - i. words and expressions shall have the particular meaning, if any, given to them in the body of these Terms and/or the Glossary set out at the end of these Terms;
 - ii. reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated and also to all statutory instruments or orders made pursuant to it;
 - iii. references to a person or entity include a company, corporation, firm, unincorporated or incorporated association, or statutory authority;
 - iv. unless the context requires otherwise, references to any document include reference to such document as may be amended, supplemented, novated, substituted or replaced from time to time; and

- v. any phrase introduced by the words “including”, “includes”, “in particular”, “for example” or “such as” or similar shall be construed as illustrative and shall not limit the generality of the related general words.
- 1.13 All communications between you and us and all information and documents from us shall be in English unless otherwise required by Applicable Regulations

2. Understanding these Terms

- 2.1 These Terms form a binding contract between you and us, and are only provided to you at the start of our relationship, unless amended or varied as detailed in paragraph 13 (Amendment or variation by us).

You may receive further terms and conditions that are specific to our Products or Services (“Product Terms”) that will supplement and/or vary these Terms. In addition, where you wish to transact certain Products or Services, you will also be required to enter into additional product agreements and/or other documentation and agreements (“Product Agreements”). Product Terms and Product Agreements are referred to herein together as “Additional Terms”. You will be informed when such Additional Terms are required. When such Additional Terms are required, you must execute these before any Products, or Transactions or orders can be completed and/or executed.

- 2.2 If there is any conflict between these Terms, the Product Terms or the Product Agreements then the Product Agreements shall prevail over the Product Terms and/or these Terms; and any Product Terms shall prevail over these Terms to the extent of such inconsistency.
- 2.3 If your relationship with us was initiated via one of LBG’s online platforms, then further terms specific to that platform may also apply to our relationship with you.
- 2.4 These Terms, which may be amended from time to time, supersede any other general terms of business that may have been previously sent to you by us.
- 2.5 We suggest you keep a copy of this document in case you want to check the terms and conditions that apply to our relationship.
- 2.6 If you have been categorised as a Retail, Professional or Eligible Counterparty Client

(see paragraph 12 (Your status)) you will be taken to have accepted these Terms by entering into any Products with us or receiving any Services from us.

- 2.7 In addition, if you are a Retail Client, you consent to our providing you with information via our Website or other electronic means in accordance with paragraph 17 (How we will communicate with you and provide you with information).

3. Your knowledge and understanding

- 3.1 Any Products or Services which you enter into with us will be on the basis that you are able to make your own independent evaluation of the risks involved in such Products or Services, based upon your knowledge and experience.
- 3.2 You agree to provide us, on an on-going basis, with the information necessary to enable us to make an assessment of your knowledge and experience. However, we are entitled to assume that Professional Clients have the necessary experience and knowledge to understand the risks involved in relation to the particular Product or Service which they wish to enter into.

4. If you have questions

- 4.1 If you have any questions about these Terms or our Products and/or Services, need further information, or would like another copy of these Terms please contact your Bank of Scotland representative.

5. How we are regulated

- 5.1 Bank of Scotland plc is authorised by the Prudential Regulation Authority (“PRA”), and regulated by the Financial Conduct Authority (“FCA”) and the Prudential Regulation Authority. The address of the FCA is 12 Endeavour Square, London, E20 1JN. The address of the PRA is 20 Moorgate, London EC2R 6DA. Our authorised firm reference number is 119278. To find out more about us, see the Financial Services Register: www.fca.org.uk or call the FCA on 0800 111 6768.
- 5.2 Although we are required to comply with the rules of the FCA, the PRA and other relevant regulators, they shall not give rise to any obligations or rights in contract between you and us except as provided by Applicable Regulations.

6. Important information about compensation arrangements

- 6.1 You may be protected by the Financial Services Compensation Scheme (FSCS). The FSCS is the UK's statutory deposit insurance and investors' compensation scheme for customers of authorised financial services firms. This means that FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it.
- 6.2 Further information about the scheme (including the amounts covered for deposits and investments and eligibility to claim) can be obtained from our Website and from the FSCS via its website www.FSCS.org.uk or by calling the FSCS on 020 7741 4100 or 0800 678 1100.

7. If you have a disability

- 7.1 Please feel free to contact us if you would like this information in an alternative format such as braille, large print or audio.
- 7.2 If you have a hearing or speech impairment you can use Text Relay (previously TypeTalk) 6458. Your call may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of Service.

8. Complaints

- 8.1 If you experience a problem or wish to complain in relation to any aspect of our relationship under these Terms, please bring this to the attention of your Bank of Scotland representative as soon as possible.
- 8.2 Once we receive your complaint we will write to you to acknowledge your complaint and let you know when you can expect a full response or to tell you what we have done to resolve the problem. Our full complaints policy is available upon request from your Bank of Scotland representative.
- 8.3 Some customers will be "eligible complainants" which means that they may be able to refer their complaint to the Financial Ombudsman Service. The Financial Ombudsman Service will only consider your complaint once you have tried to resolve it with us, so please take up your concerns with us first and we will do all we can to help.

- 8.4 The Financial Ombudsman Service can be reached at South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Tel: 0800 023 4567. Further details are available from www.financialombudsman.co.uk

Part II – General Terms and Conditions

9. Our relationship

- 9.1 We will only enter into a relationship with you and provide access to our Products and/or Services if and to the extent you:
 - i. use our relevant Products and/or Services solely for the purpose of your trade, business or profession; and
 - ii. satisfy our internal checks and due diligence.
- 9.2 You may be required, from time-to-time, to provide additional or up-to-date information in order to continue to access our Products and/or Services. If this information is not provided within the timeframes we request, you will not be able to continue to access our Products and Services.
- 9.3 The Products and Services we provide are not available to consumers (which mean an individual natural person, personal representative or trustee when acting in a personal capacity). We shall be entitled to immediately terminate our relationship should you act in the capacity of a consumer in transacting under these Terms.

10. Our Products and Services

- 10.1 You should only enter into Products and/or Services with us that you fully understand including the risks associated with such Products or Services and which are consistent with your financial standing, investment objectives and the level of risk which are you are willing to accept. All clients should ensure that they have appropriate investment knowledge and experience of the Products and/or Services they wish to transact. Before entering into any of our Products or Services you should read our General Risk Disclosure Statement, which is available via our Website.
- 10.2 Our Products include, but are not limited to:
 - **Derivatives.** A derivative is a financial contract, whose characteristics and value depend on the characteristics and value of an underlying asset, such as currencies, interest rates or market indices. Please also see paragraph 12 (Your status) below. Please contact your Bank of Scotland representative for more information.

- **Repurchase Transactions.** A repurchase transaction is a form of short term borrowing where one party sells to the other a specific quantity of certain financial instruments for a certain period of time and on certain terms and conditions, and at the same time commits to repurchase those financial instruments at a certain date in the future at a specified price.
 - **FX Spot.** A foreign exchange spot transaction (also known as an FX Spot) is an agreement between two parties to buy one currency against selling another currency at an agreed price for settlement on the spot date which is typically two Working Days after the deal is agreed.
 - **Deposits.** Accounts can be opened for Call and Notice and Term Deposits.
 - **Lending products.** Available with either fixed or floating rates or a combination of fixed and floating rates.
- 10.3 If you have any questions about these Terms, or our Products and/or Services, need further information, or would like another copy of these Terms please contact your Bank of Scotland representative.
 - 10.4 Bank of Scotland provides a number of Services to a variety of clients including arranging transactions, the provision of research and market commentary and investment recommendations. The Services may be provided as part of a Transaction or may be offered separately. We will disclose to you the basis on which we may charge you for the provision of the Services, including any fees/commissions applicable.
 - 10.5 Bank of Scotland does not provide investment advisory services and neither we nor any Associate will provide you with tax, legal regulatory or investment advice with respect to any Product or Service. Please seek your own independent advice in relation to such matters.
 - 10.6 We will enter into Transactions with you on either a non-advised or on an execution-only basis. We will not owe a duty to you to advise on the merits or suitability for you of any our Products or Services which we may provide to you.
 - 10.7 We will provide you with appropriate information about our Products and Services, including guidance on and warnings of the risks associated with our

Products and Services so that you are reasonably able to understand the nature and risks of the specific type of Product and/or Service we may provide you with and, consequently, to take any decisions on an informed basis.

10.8 Research

- i. We may receive research from third parties in connection with the provision of Products and Services and may pay for such research out of our own resources and, if we do, the costs will not be passed onto you.
- ii. We may make research and market commentary freely available via our Website from time-to-time.

11. Agreement between you and us

- 11.1 These Terms form the basis of our relationship and continue in full force and effect unless terminated in accordance with paragraph 31 (Termination) and we will not accept any variation or amendments to these Terms other than as a result of Additional Terms or any applicable further terms agreed with you, subject to paragraph 13 (Amendment or variation by us) below.
- 11.2 We shall not be obliged to disclose to you or to take into consideration, any information, fact, matter or thing (together, "Information") where:
 - i. such Information is protected by information barriers requiring information held within one part of Bank of Scotland or any of our Associates to be withheld from, or not used by, another part of Bank of Scotland or any of our Associates;
 - ii. the disclosure or use of the Information would breach a duty of confidentiality owed to any other person or may result in a breach of law or regulation; or
 - iii. the Information is not known to the individual making the decision or taking the step in question (whether or not it has come to the notice of any officer, director, employee or agent of ours or any of Bank of Scotland or any of our Associates).

12. Your status

- 12.1 Bank of Scotland is subject to various regulatory regimes that require us to consider, in different ways, which products and services are appropriate to each

category of client. Our determination of your status under each of these regimes will be communicated to you by letter or electronic means either shortly after or at the same time as you receive these Terms. That communication will explain the different regimes that apply, how you will be treated in accordance with them, as well as a description of how you may request to be treated differently.

- 12.2 One of these regulatory regimes requires us to categorise you as one of the following: a Retail, Professional or Eligible Counterparty Client. Some products and services we offer are not appropriate for Retail categorised clients and so will not be available to you if you are deemed to be a Retail Client as described elsewhere in these Terms. Further explanation of this will be provided to you by your Bank of Scotland representative when discussing specific Products or Services with you.
- 12.3 Another of these regulatory regimes requires us to consider if you might qualify as a Relevant Financial Institution ("RFI"). We will not generally provide products or services to RFIs unless it relates to a deposit or an exception applies. We will notify you or any legal entities within your corporate structure if you have been classified by us as an RFI. We will also provide you with details of the process for objecting to that classification.
- 12.4 You agree to provide us with the information we reasonably request to enable us to categorise you or to perform our internal checks or due diligence. We may, from time-to-time, require you to provide us with up-to-date, additional or further information. You agree to respond to any requests for such further or additional information promptly and accept that if you fail to respond within any timeframe specified then these Terms may terminate in accordance with the provisions of paragraph 31 (Termination).

13. Amendment or variation by us

- 13.1 We reserve the right at all times, subject to any rules of our regulators, to amend or vary these Terms by providing you with prior notice in writing. Any such amended or varied Terms will also be available on our Website.
- 13.2 We will give you no less than 30 days' prior notice of any material changes to these Terms before such changes take effect.

Different notice provisions may apply in the case of Additional Terms which are applicable to any Products and/or Services.

14. Assignment

- 14.1 You may not assign or charge any or all of your rights under these Terms or any Additional Terms (unless the Additional Terms allow this), without our prior written consent.
- 14.2 You agree that we shall be permitted to assign any or all of our rights under these Terms or any Additional Terms to any entity or entities within the Lloyds Banking Group without your prior consent, unless we have separately agreed in writing otherwise.

15. Partnerships

- 15.1 If you are a partnership, then these Terms or any Additional Terms will continue in full force and effect and continue to bind each of the partners notwithstanding any change in your name, style or constitution, including on the death or retirement of a partner or partners, the introduction of a new partner or otherwise.

16. Joint and several liability

- 16.1 If you are two or more persons or a partnership, then your liabilities under these Terms or any Product Terms or Additional Terms shall be joint and several (which means that you are all jointly liable but we can also enforce any liability against any one of you in full).

17. How we will communicate with you and provide you with information

- 17.1 We will communicate with you and provide notices, product statements, Confirmations and information to you via electronic mail or other electronic means (including by way of posting to a website) unless you ask us to communicate with you in writing by post or by fax and provide us with the address or fax number.
- 17.2 You will provide us with your electronic mail address and/or any other information required enabling the transmission of information by electronic means, and you will update us with any changes. You confirm that you have regular access to the internet.
- 17.3 You confirm that we may contact you from time-to-time by electronic means to provide you with information about our Products and Services.

17.4 Any communications by us to you may be directed to whomever we consider appropriate in your organisation in the circumstances for the purposes of the communication.

17.5 Unless otherwise agreed, you consent to our providing you with information via our Website.

We will notify you in accordance with paragraph 13 (Amendment or variation by us) of material changes.

17.6 You and we respectively agree that you and we will not be responsible for ensuring that any computers and/or networks of the other are protected from being affected by any malevolent electronic presence.

17.7 You agree that we have no liability for accepting, relying or acting on any communications. You also agree that we are not liable in the event that any email communications are not received, are mutilated, corrupted, illegible, interrupted, duplicated, incomplete, unauthorised or delayed for any reason, unless such liability arises by reason of gross negligence or fraud or wilful default on our part.

17.8 You agree that we may accept, rely and act upon electronic communications without further enquiry as to the authority or identity of the person sending these communications.

18. General Communications

18.1 The electronic transmission of information cannot be guaranteed to be secure or error-free; such information can be intercepted, corrupted, lost, destroyed, arrive late, be incomplete or be otherwise adversely affected or unsafe to use. You and we accept this risk and will not be liable to each other for any damage or loss caused as a result, except save in the case of fraud.

18.2 You are responsible for ensuring that any persons authorised to act on your behalf comply with any agreed procedures. Where passwords, personal identification numbers ("PINs") or other login details are required and used, you must comply with the steps necessary to keep these details confidential. If you think a password, PIN or other login details may be known to someone else, you must inform us immediately.

19. How you will communicate with us

19.1 Unless we agree otherwise, all communications by you to us will be in writing and sent to the address set out

below, or via agreed electronic means, and sent to such electronic mail address as such as we may notify you in writing. Our address for the purposes of this paragraph is: Commercial Banking Markets Client Services, 10 Gresham Street, London, EC2V 7AE.

20. No payments to third parties

- 20.1 Unless otherwise agreed, settlement or payments will only be effected directly through standard settlement instructions ("SSIs") and we will not accept any instructions to pay third parties.

21. Our capacity

- 21.1 We will only enter into these Terms and provide our Products and/or Services as principal. In some cases we may, with prior agreement, act in a different capacity including as agent on your behalf (for example, when we may provide you with any certain administrative services).
- 21.2 We may delegate any of our obligations under these Terms to an Associate or other person or persons as we think fit, but shall remain responsible for the acts and omissions of any such delegate as if they were our own.

22. Agency

- 22.1 Your relationship with Bank of Scotland is based upon you acting as principal in respect of the Products and/or Services that we transact with you. Where you act as agent on behalf of someone else you agree to disclose this to us and the identity of the person you are acting for before entering into these Terms. Where this disclosure is not made we will continue to treat you, and not any underlying principal, as our client.
- 22.2 If you act as agent on behalf of one or more principals, whose identity you shall disclose:
- i. you accept these Terms for yourself and each principal;
 - ii. you confirm that you have been authorised to disclose the identity of each principal and to accept these Terms on their behalf; and
 - iii. you accept that you alone, and not the underlying principal, are our client.
- 22.3 Where you act as agent, references to "you" in these Terms means you as agent, and not your principals, except in 23 (Fiduciary duties), 24 (Representations,

warranties and undertakings), 25 (Limitation of liability), 26 (Indemnity), 30 (Data protection and confidentiality) where references to "you" means both you as the agent and/or your principals.

23. Fiduciary duties

- 23.1 The provision of the Products and Services under these Terms or any Additional Terms will not give rise to any fiduciary or equitable duties on our part or that of our Associates. You agree that nothing contained in these Terms shall create any fiduciary, trustee, agency, joint venture or partnership relationship between us or any Associate of ours, on the one hand, and you or any Associate of yours on the other.

24. Representations, warranties and undertakings

- 24.1 As at the date our relationship under these Terms commences, you represent, warrant and undertake now and on a continuing basis, on your own behalf and, where applicable, on behalf of any principal, as follows:
- i. (if you are trading as a company or other undertaking) you are duly organised and validly existing under the laws of your jurisdiction of incorporation or establishment and have the power and authority to execute and perform your obligations under these Terms or, any Additional Terms in respect of any Transaction;
 - ii. (if you are not trading as a company or other undertaking) you have full capacity and authority to enter into these Terms or any Additional Terms in respect of any Transaction and any subsequent Transactions;
 - iii. your obligations under these Terms and, any Additional Terms in respect of any Transaction are legal, valid and binding obligations which are enforceable against you, subject only to applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally;
 - iv. any Products which we or our agent, if any, may hold on your behalf or which you instruct us to sell are or will be beneficially owned by you on the day the Transaction is entered into or, where you are acting as agent, by your principal or principals and free from any liens, charges and encumbrances except for any that are granted or may arise in our favour;

- v. you have obtained or made all governmental, regulatory and other consents, licences, authorisations or filings that are required for you to enter into and to perform your obligations in respect of these Terms or any Additional Terms in respect of any Transactions and they are in full force and effect and you have complied with all conditions applicable to any of them;
- vi. the execution, delivery and performance of these Terms or any Additional Terms in respect of each Product or Service and the purchase or sale by you of Products or Services in connection with a Transaction, does not violate or conflict with any Applicable Regulations that apply to you;
- vii. where you are acting as a trustee under a deed of trust, you: (i) have all necessary powers, authority and capacity under that deed of trust to enter into and perform your obligations under these Terms or any Additional Terms in respect of any Transactions; and (ii) have the right (subject only to principles of equity) to be indemnified out of the assets of the trust in respect of all obligations incurred by you in connection with these Terms or any Additional Terms in respect of any Transaction;
- viii. where you are acting as agent on behalf of a principal or series of principals:
 - a. you have been duly appointed and have the capacity to act, as agent on behalf of each principal and are fully authorised to enter into these Terms or any Additional Terms and to enter into and confirm each Transaction on behalf of each principal and to procure the performance of its obligations under these Terms or any Additional Terms on behalf of each principal;
 - b. to the best of your knowledge and belief, each principal has full legal capacity and power to enter into and perform its obligations under the Terms and any Terms, and the Terms and any Additional Terms constitute legal, valid, binding and (subject to applicable bankruptcy, reorganisation, insolvency or similar laws) enforceable obligations of each principal.
- ix. you will promptly inform us if there is any material change in any information you have provided to us and will provide all further and/or amended information required;
- x. you will promptly inform us if there is any change in your authorised representatives, including any third party decision makers and where we do not hear from you we will assume that no changes have been made;
- xi. if you are a Professional Client or Eligible Counterparty Client, where in connection with a Transaction you acquire Products in an offering, you do so as a qualified, professional, institutional or similar investor that is eligible to do so under Applicable Regulations and under the applicable offering documents;
- xii. any information given to us by you or on your behalf in relation to a Transaction is complete and accurate in all material respects and not misleading;
- xiii. you are entering into the Transaction based on your own independent review and such professional advice as you consider appropriate, and that based on that review and advice you are satisfied that the product or transaction: (i) is consistent with your financial situation; and (ii) complies and is consistent with any investment policies, mandates, guidelines and restrictions that are applicable to you in relation to the Product and/or Transaction;
- xiv. if at any time any of the representations or warranties contained in this paragraph 24.1 cease to be true, you will notify us in writing within five (5) Business Days (or earlier if you are able to do so);
- xv. you will comply with Applicable Regulations in connection with each Transaction and will provide us with any instruction and order, and complete any procedural formality as may be required by Applicable Regulations (including applicable tax law or practice) in connection with a Transaction, Product or Service;
- xvi. you will not take or omit to take any action if that action or omission would amount to market abuse under Applicable Regulations or would be inconsistent with proper standards of conduct in relation to any applicable market, and you will not knowingly take or omit to take any action that would cause us to commit market abuse or to fail to meet such proper standards; and
- xviii. you will provide us with any information and documents which is/are in your possession or control in connection with a Transaction, Product or Service;

- a. that we may request in connection with any request or investigation by a court, the FCA, the PRA or any other regulator;
 - b. that we may request in connection with any complaint received by the FCA, the PRA, any other regulator or you ;
 - c. that we may reasonably require from time to time in order to allow us to comply with our legal, tax and/or regulatory obligations;
 - d. in each case, as soon as is reasonably practicable and, in any event, in good time in relation to the prescribed timings of any regulator, court or regulatory process.
- 24.2 You may also be required to provide other representations, warranties and undertakings as part of any Transaction.

25. Limitation of liability

- 25.1 No Bank of Scotland Person will be liable to you or any third party for any Loss you may suffer in connection with these Terms, any Additional Terms or any Transaction, except to the extent that such Loss arises as a direct result of the gross negligence, wilful default or fraud by any Bank of Scotland Person.
- 25.2 No Bank of Scotland Person will be liable to you or any third party in connection with any Transaction, the Terms or any Additional Terms for:
- i. any loss of profits or opportunity due to an increase in the value, or any Loss due to a decline in the value, of any Products which are or were the subject of a Transaction or a potential Transaction;
 - ii. any other type of indirect, consequential or special Loss, even if a Bank of Scotland Person should reasonably have been aware of the possibility of that Loss being incurred;
 - iii. the solvency, acts or omissions of any broker, nominee, custodian, settlement agent, securities depositary or other third party through or with whom a Transaction is carried out or in whose control any of your Products or documents or certificates giving or evidencing title to them may be held, or any bank with whom we maintain any bank account, or any other third party with whom we deal or transact business or whom we appoint on your behalf, other than any such entity which is an Associate of ours, but to the extent that you reasonably request us to do so, we will make available to you any rights that we may have against any such person;
 - iv. any liability however arising in relation to our giving, withholding or withdrawing consent in connection with these Terms, any Additional Terms, a Transaction, Product or Service;
 - v. any communication or document produced or information provided by you in relation to a Transaction; or
 - vi. any action or omission by you or by any third party under or in connection with these Terms or any Additional Terms, including any failure to provide us with accurate information and/or documentation that we may need to fulfil our obligations under these Terms. These Terms and any Additional Terms set out the full extent of our duties and no Bank of Scotland is subject to any fiduciary or equitable duties which: (i) are more extensive than the obligations set out in these Terms or, any Additional Terms; or (ii) would prevent us or any Associate from carrying out any services or activities with or for other persons.
- 25.3 Nothing in these Terms or, any Additional Terms will require any Bank of Scotland Person to take or not to take any action which would in our opinion breach Applicable Regulations.
- 25.4 The provisions of this paragraph 25 (Limitation of liability) will only limit the liability of any Bank of Scotland Person to the extent permitted by Applicable Regulations.
- 25.5 Nothing in these Terms or any Additional Terms shall exclude or restrict any duty or liability that we owe to you under the regulatory system established under the Financial Services and Markets Act 2000 and the rules of our regulators. Notwithstanding any provision of these Terms or, any Additional Terms, we shall be entitled to take any action that we consider reasonably necessary to ensure compliance with Applicable Regulations.

26. Indemnity

- 26.1 You agree, on demand, to reimburse and indemnify any Bank of Scotland Person for any Loss that we have or may suffer or incur in connection with any Transaction, Product or Service as a direct result of:

- i. any breach or alleged breach by you and/ or any person acting on your behalf of any provision of these Terms, any Additional Terms or any Applicable Regulations; and
- ii. any actual or alleged unauthorised action by you and/or by any person acting on your behalf, except to the extent that the gross negligence, fraud or wilful default of a Bank of Scotland Person has directly caused that Loss.

27. Benchmarks

- 27.1 Lloyds Banking Group may participate in benchmarks as administrator, contributor, or user, or in any combination of these capacities. Benchmarks may be referenced by us for internal purposes or in Products, Services or Transactions which we provide or carry out with you.

28. Conflicts of Interest

- 28.1 We have a conflicts policy, updated from time- to-time, which sets out how we identify and manage all potential conflicts of interest. Our conflicts policy describes in detail the kinds of circumstances in which conflicts may arise in our different services, including those arising from our day-to-day business activities.
- 28.2 Depending on the exact nature of any such conflicts, we will take action to mitigate the potential impact of the conflict. This may include implementing controls to manage the conflict by controlling or preventing the exchange of information, and/or involve the appropriate segregation of duties. Where appropriate, we will disclose the general nature and/or source of any conflicts prior to undertaking the relevant business or transaction with you. Where we consider the means of preventing or managing conflicts are insufficient, we will disclose that to you.
- 28.3 We have internal systems, controls and procedures that seek to ensure that conflicts of interest are identified and appropriately managed.
- 28.4 A summary of our conflicts policy is available on our Website or from your Bank of Scotland representative. If you require further information about this policy, please contact your Bank of Scotland representative.

29. Client Money and assets

Client money

- 29.1 All money held on your behalf or received from you will be held by us as banker and not as trustee. The Client Money Rules will not apply to such money. We will not therefore segregate your money while it is held in an account with us. If we go into administration or insolvency, the Client Money Distribution Rules will not apply to your money and you will not be entitled to share in any distribution under the Client Money Distribution Rules.
- 29.2 We will not pay interest on any cash balances held for you, unless otherwise agreed in writing.

Client assets

- 29.3 Any assets we hold in custody for you will be subject to further terms.

30. Data protection and confidentiality

- 30.1 These Terms are subject to the our obligations under applicable data protection legislation, including the Data Protection Act 1998, as amended, updated or replaced from time-to-time. Your information will be held by Bank of Scotland plc which is part of the Lloyds Banking Group plc. For more information about how Bank of Scotland plc processes personal and business information, please see www.bankofscotland.com/businessprivacy.
- 30.2 Subject to paragraph 30.3, we will keep your business information or information of which we become aware confidential ("Confidential Information") unless:
 - i. the information provided is or becomes public information;
 - ii. you or any person on your behalf identifies the information as "non-confidential" at the time the information is delivered to us or any other Bank of Scotland Person;
 - iii. the information is known to us or any other Bank of Scotland Person before the date the information is disclosed; or
 - iv. the information is lawfully obtained by us or any other Bank of Scotland Person after the date the information is disclosed to us or any other Bank of Scotland Person.
- 30.3 We or any other Bank of Scotland Person may disclose Confidential Information where it is necessary for the provision of services, or for any other lawful purpose, to:

- i. another Bank of Scotland Person;
 - ii. Lloyds Bank plc
 - iii. Lloyds Bank Corporate Markets plc;
 - iv. any service provider or professional adviser of a Bank of Scotland Person who is under a duty of confidentiality to such Bank of Scotland Person;
 - v. any actual or potential participant, sub-participant, assignee or transferee of our rights or obligations under any Transaction between you and us (or any agent or adviser of any of the foregoing);
 - vi. any insurer or insurance broker, or direct or indirect provider of, credit protection to any Bank of Scotland Person;
 - vii. any person pursuant to or in connection with any actual or proposed restructuring, reorganisation of, or business transaction of or involving any Bank of Scotland Person, including without limitation any actual or proposed restructuring or reorganisation pursuant to regulatory ring-fencing requirements, and any other persons involved in any such transaction and their respective lawyers, consultants, advisers and agents; and
 - viii. any person as required by law or regulation or any government, quasi-government, regulatory or supervisory body or authority, court or tribunal.
- 30.4 Telephone conversations and electronic communications are recorded and retained in accordance with Applicable Regulations and internal policies. Applicable Regulations require a copy of the recording of such conversations and communications to be made available to you upon request for a minimum period of five years or where requested by a competent authority, for a minimum period of seven years. However, whilst Applicable Regulations may require a minimum holding period, our internal policies may require us to retain recordings for periods beyond this.
- 30.5 We will record and monitor all telephone lines and monitor all conversations of our trading, operations and marketing staff. Those recordings may be used as evidence for the purposes of resolving any disputes with you and will be retained in accordance with Lloyds Banking Group's records management policies, as amended from time to time, and Applicable Regulations.
- 30.6 If you provide us with the personal data of any joint applicant or other person as required by or pursuant to these Terms or any Additional Terms, you represent and warrant to us that, to the extent required by law that you have:
- i. notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed including, without limitation, information about how Bank of Scotland processes personal and business information referred to in paragraph 30.1 and at www.bankofscotland.com/businessprivacy; and
 - ii. obtained such individual's consent, or you have another lawful basis under which to provide us with their personal data.

31. Termination

- 31.1 These Terms may be terminated in the circumstances set out in paragraphs 9.3 and 12.4 and this paragraph (Termination). Additional Terms may have differing termination provisions that apply to our Products and Transactions.
- 31.2 These Terms shall be terminated immediately and without notice if:
- i. you are unable to pay your debts as they fall due or enter into any scheme or arrangement with your creditors or, in the case of a company, file or have filed against you a petition for winding up, pass a resolution for winding up or have a receiver, liquidator, administrator or similar officer appointed over all or any part of your assets or undertaking or, in the case of an individual, a bankruptcy petition is presented or a trustee in bankruptcy is appointed or a protection order is made under the provisions of the Mental Health Act 1983 (or successor legislation); or
 - ii. We consider it necessary or desirable, for our own protection, or to prevent what we consider is or might be a violation of any Applicable Regulations or good standard of market practice.
 - iii. Either you or we may terminate these Terms at any time, by giving not less than five (5) Business Days' notice in writing to the other party.
- 31.3 Any notice of termination to be provided under these Terms may be provided by

agreed electronic means and will not prejudice any rights already accrued or affect any outstanding Transactions entered into before the date on which the notice of termination is received.

- 31.4 Following termination, subject to final discharge of all obligations that you owe to us and to any Associates in connection with any Transactions, Products or Services, our relationship with you will cease.
- 31.5 Any termination under this paragraph 31 (Termination) will not affect accrued rights or any provision of these Terms and/or any Additional Terms that is intended to survive termination, including, without limitation, paragraphs 23 (Fiduciary duties), 25 (Limitation of liability), 26 (Indemnity), and 32 (General provisions) of these Terms.

32. General provisions

Entire agreement

- 32.1 These Terms supersede any previous written or verbal agreement between us (except any Additional Terms) in relation to the matters dealt with in these Terms and, except as expressly stated, comprise the whole agreement between us relating to the subject matter of these Terms.

Severability

- 32.2 If any provision of these Terms is found by any court or regulatory or administrative body of competent jurisdiction to be invalid or unenforceable, then:
- i. the invalidity or unenforceability of that provision will not affect the other provisions of these Terms, which will remain in full force and effect;
 - ii. if that provision would be valid or enforceable if part of it were deleted, then the provision in question will apply with such modification(s) as may be necessary to make it valid and enforceable; and
 - iii. if paragraph 32.2(ii) does not apply, then you and we agree to negotiate in good faith to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid or unenforceable provision.

No Waiver

- 32.3 A failure or delay by us in exercising any right in respect of these Terms will not be presumed to operate as a waiver. In addition a single or partial exercise of any

right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right or of any other right under these Terms.

Rights of Third Parties

- 32.4 With the exception of paragraphs 25 (Limitation of liability) and 26 (Indemnity) for the benefit of Bank of Scotland Persons and paragraphs 23 (Fiduciary duties) and 30 (Data protection and confidentiality) for the benefit of our Associates, the Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms.

Force majeure

- 32.5 We will not be liable to you for any delay in performance, or for the non-performance, of any of our obligations hereunder by reason of any cause beyond our reasonable control. This includes without limitation any breakdown or failure of transmission, communication or computer facilities, strikes or similar industrial action and the failure of any relevant exchange, clearing house, data service provider and/or broker for any reason to perform its obligations.

Governing Law

- 32.6 These Terms and any non-contractual obligations arising out of, or in connection with it, shall be governed and construed in accordance with the laws of England and Wales.

Jurisdiction

- 32.7 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute arising out of or in connection with these Terms (including any dispute relating to any non-contractual obligation arising out of or in connection with these Terms).

Glossary

Associate means any undertaking in a group of companies (whether a holding company, subsidiary, subsidiary of any holding company, or representative and branch office in any jurisdiction) or a person whose relationship with the group might reasonably be expected to give rise to a conflict of interest in dealings with third parties.

Applicable Regulations means any applicable laws, rules and regulations including without limitation, the Financial Services and Markets Act 2000, the rules of the FCA and the PRA, any rules, policies, guidelines and practices of a relevant regulator, the rules of a relevant Market and all other applicable laws, rules, procedures, codes, standards and regulations (including without limitation, accounting rules, anti-money laundering and economic sanctions legislation).

Business/Working Day means a day (other than a Saturday or Sunday) in which we are open for normal business in London.

Client Money Distribution Rules means the provisions of the FCA's Client Assets Sourcebook (Chapter 7A) relating to the distribution of client money in case of the failure of a firm.

Client Money Rules means the provisions of the FCA's Client Assets Sourcebook relating to client money from time to time, including without limitation the provisions in Chapter 7.

Confirmation means a confirmation, contract note, statement or note

issued or made available by us to you confirming the details of a Transaction. Unless otherwise notified to you Confirmations include Confirmations provided to you by SWIFT or similar electronic messaging, subject to the Applicable Regulations.

Eligible Counterparty Client means a client that we have classified as an Eligible Counterparty Client in accordance with the rules of the FCA.

Financial Instrument means without limitation, financial derivatives and any other financial instruments which we may provide from time to time.

Investment Advice means the provision of personal recommendations to a client, either upon its request or at the initiative of the Investment Firm, in respect of one or more Transactions relating to Products.

Bank of Scotland Person means Bank of Scotland plc and any of its Associates and its or their directors, officers, employees, contractors, associates and agents.

Loss means any loss, damage, cost, charge, expense, claim, counter-claim, action, suit, judgment or other liability which a person may incur or which may be made against such person.

Market means a Regulated Market, a Multilateral Trading Facility and an Organised Trading Facility each as defined in the rules of the FCA.

Products means Financial Instruments, foreign exchange spot contracts, all foreign exchange derivative contracts (whether or not they are Financial

Instruments), deposits and lending.

Professional Client means a client classified by us as a professional client in accordance with the rules of the FCA.

Retail Client means a client that is not an Eligible Counterparty Client or Professional Client.

Services means, but is not limited to, the structuring and arranging of Transactions.

Transaction means any transaction you enter into with us for the provision of Products and/ or Services.

Website means
<http://business.bankofscotland.co.uk/25m-plus-turnover/banking-with-us/schemes-reviews-and-regulations/>.

Get in touch



bankofscotland.co.uk/business



0345 300 0268

7am-8pm Monday to Friday,
and from 9am-2pm on Saturday,
excluding UK public holidays



Visit your local branch

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use the Next Generation Text (NGT) Service (previously Text Relay/Typetalk) or if you would prefer to use a Textphone, please feel free to call us on **0345 300 2755** (lines open 7am-8pm, Monday-Friday and 9am-2pm Saturday).

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service. Please note that any data sent via email is not secure and could be read by others.

Bank of Scotland plc. Registered Office:
The Mound, Edinburgh EH1 1YZ.
Registered in Scotland No. SC327000.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration number 169628. Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

