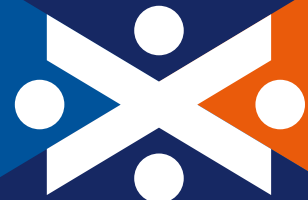


Core Banking Agreement



Credit Processing Cheques Scheme Incorporating Branch Delivery Service

Product & Services
Terms & Conditions



**BANK OF
SCOTLAND**

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 or request a copy from your relationship team.

the date on which these Product & Services Terms & Conditions are deemed to come into effect, as set out in the application form for these Product & Services Terms & Conditions and notwithstanding the date or dates of execution of the application form for these Product & Services Terms & Conditions.

Commission
means the percentage-based commission and/or the margin-based commission, as calculated in accordance with the Pricing Schedule.

disclosed to it lawfully by a party who did not obtain it (whether directly or indirectly) from the Disclosing Party;

was in the public domain at the time of receipt by the Receiving Party or subsequently entered into the public domain other than by reason of breach of the Agreement or breach of any obligation of confidence owed by the Receiving Party or its agents or subcontractors to the Disclosing Party; or

is trivial or obvious,

and (for the avoidance of doubt) the iSITE Service and the iSITE Guide are **Confidential Information**.

Consent to Rely
means the optional consent to rely set out in the application form for these Product & Services Terms & Conditions.

Control
has the meaning given to it by section 840 of the Income and Corporation Taxes Act 1988.

Control Account
has the meaning given to it in clause 23.6.

Designated Client Account
means any account held by us in your name and which is designated as holding funds beneficially owned by one or more Clients who are named or otherwise identified in the title of that account.

the meaning given to it by section 1159 of the Companies Act 2006.

Intellectual Property Rights
means all patents, trade or service marks, registered designs, copyrights, design rights, database rights, rights to extract information from a database, know how or any other industrial or commercial property right whether future or presently existing and any application for the foregoing.

Internal Payment Instruction
means an instruction to transfer money electronically from an Account held in an Account Group to another Account held in the same Account Group or in another Account Group.

ACCOUNT

means any Undesignated Account, Designated Client Account or Client Own Name Account or any other account type identified by us in writing from



Product & Services Terms & Conditions

1. This document has legal implications and you should read it carefully. We are insured according to our risks in the cheque/credit processing service and you should also ensure that you have appropriate insurance cover.
2. We understand that
 - 2.1 there are arrangements in place between you and the carrier approved by us, contracted by you and acting solely on your behalf, for the collection of cheques and delivery of such cheques to us for credit to your account(s) with us; and/or
 - 2.2 you have agreed to use the branch delivery service (as detailed in Annex 1 of these Product & Services Terms & Conditions), and these Product & Services Terms & Conditions set out the basis upon which we will accept delivery of such items.
3. Until receipt by us of written notice from you to the contrary, we will accept from the carrier such separate sealed bundles of cheques (together with respective credit slips) as the carrier may deliver from time to time to premises nominated by us. We reserve the right to nominate another premises in our absolute discretion from time to time.
4. Upon receipt of the sealed bundles in accordance with clause 3 above, a written receipt will be issued to the person delivering the sealed bundles.
5. You understand and agree that we will not check the contents of any of the sealed bundles prior to issuing the receipt referred to in clause 4 above, and accordingly the receipt shall only refer to and be treated as acknowledgement of receipt by us of the number of sealed bundles specified on the receipt and not of any of the contents.
6. You understand and agree that if you use the branch delivery service (as detailed in Annex 1 of these Product & Services Terms & Conditions) to deliver the sealed bundles of cheques (rather than using a carrier) then the terms set out in Annex 1 of these Product & Services Terms & Conditions will also apply to you.
7. We will arrange for the sealed bundles to be opened and the contents checked at the clearing centre to identify any discrepancy between the amount shown on the respective credit slip and the aggregate face value of the cheques.
8. If we identify any discrepancy as referred to in clause 7 above, we may correct the respective credit slip.

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- We will arrange for the sealed bundles to be opened and the contents checked at the clearing centre to identify any discrepancy between the amount shown on the respective credit slip and the aggregate face value of the cheques.
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9. We will notify you of alterations made to the credit slips by us as follows:

Amount of Alteration	Notification Method
£0-£10	No notification needed
Over £10	By letter

10. We will not be responsible and no risk will pass to us in respect of any cheques and/or credit slips until they have been delivered to us by the carrier and we have given a receipt for such items in accordance with clause 4 on the previous page.
11. You understand and agree that you shall maintain an audit trail, and capture full codeline details including serial number, account number, sort code, transaction code and amount of each cheque to be processed, by whatever means available to you. The audit trail shall be retained by you for a period of not less than six months.

12. You understand that we will not carry out any checks other than those specified in clause 7 on the previous page. Therefore, you are responsible for ensuring that the cheques are valid and complete in all respects and are properly payable to you.
13. You shall pay to us the charges for the service provided under these Product & Services Terms & Conditions calculated in the amounts specified in the charges schedule to these Product & Services Terms & Conditions, or as otherwise agreed between you and us in writing.
14. You shall indemnify us fully and effectually against all claims, demands, losses, liabilities, costs, charges, damages or expenses which may be brought or preferred against us or which we may incur arising out of or in connection with any such cheques or vouchers or any sums represented by the same.



15. 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.
16. Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions).
17. These Product & Services Terms & Conditions apply to the Credit Processing Cheques Indemnity only. Subject to clause 18 and clause 19, if separate terms and conditions (including in the form of other Product & Services Terms & Conditions) are provided to you by us for the supply by us of any of our other services or products (either electronic, automated or other), the provisions of any such separate agreements will apply to those products and services.
18. 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 Credit Processing Cheques Indemnity you receive from us, these Product & Services Terms & Conditions will take precedence.
19. 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 you of those products and services.
20. You can contact us through your relationship team using the details given to you when you applied for the service provided under these Product & Services Terms & Conditions, or by such other contact methods as we may from time to time advise you. Further contact details are also set out within General Information On Payments, Charges & Contacts.



CONTACT

You can contact us through your relationship team using the details given to you when you applied for the service provided under these Product & Services Terms & Conditions, or by such other contact methods as we may from time to time advise you.

Annex 1

Branch Delivery Service



Branch Delivery Service

1. This Annex 1 applies to the extent that we have agreed to provide you with the branch delivery service.
2. We will arrange for delivery of bulk cheques to the clearing centre on your behalf and credit your account(s) with us via the use of a branch of Lloyds Bank plc in England and Wales or Bank of Scotland plc in Scotland as a drop off point.
3. You will deliver your bulk cheques to the branch(es) agreed with your relationship team from time to time.
4. The bundles of cheques and credit slips shall be prepared in accordance with the Customer Bulk Cheque Preparation Sheet (which is provided by us to you and details the way that cheque deposits and bank giro credits and credit slips should be presented into the clearing).
5. If a cheque is lost during the course of clearing, it may be necessary for the paying bank to arrange for the drawer's account to be debited on a photocopy/full details. If this action is unsuccessful, either because sufficient information cannot be obtained or the drawer of a cheque refused to accept the debit to his/her account, you must obtain a duplicate. In this situation, we reserve the right to debit your account with the value of the missing cheque pending resolution of the problem.
6. If a non-clearing item is included in your bundle of cheques and credit slips which cannot be processed by us, we reserve the right to debit the value of the item to your account.
7. The self-sealing clearing bag shall be delivered to the relevant branch and handed to a branch employee in accordance with the procedure agreed with your relationship team. The tear off receipt will be completed by the employee who accepts the clearing bag and returned to you or your courier.
8. The branch employee shall be entitled to reject the clearing bag if it contains, or is believed to contain, any other items than cheques and/or bank giro credits (such as cash) and/or if it appears to have been tampered with. The rejected clearings bag will be handed back to you or your courier and no responsibility whatsoever is accepted by us or Lloyds Banking Group for the acts or omissions of your employees or couriers in relation to this.

9. Charges

There is currently no charge for the branch delivery service

10. Liability

10.1 In recognition of the characteristics of the branch delivery service, no member of Lloyds Banking Group will be liable to you in any case for any direct, special, incidental or consequential loss, any indirect or punitive damages or for any lost profits or revenue arising from the delay in delivery of any clearings bag to the clearings centre, the loss of any clearings bag or any damage to the contents of any clearings bag once accepted by the relevant branch.

10.2 You shall indemnify each member of Lloyds Banking Group in full against all claims, demands, losses, liabilities, costs, charges, damages or expenses which may be brought against such member of Lloyds Banking Group or which any member of Lloyds Banking Group may incur arising out of or in connection with the collection and processing of cheques delivered by you.

► DELIVERY

We will arrange for delivery of bulk cheques to the clearing centre on your behalf and credit your account(s) with us via the use of a branch of Lloyds Bank plc in England and Wales or Bank of Scotland plc in Scotland as a drop off point.



