

COMMERCIAL BANKING

TERMS AND CONDITIONS

Commercial Foreign Currency Account

December 2018



LLOYDS BANK

Commercial Foreign Currency Account and Euro Current Account Terms and Conditions

1. Your account

- 1.1 This document together with your application form ("Agreement") sets out the terms and conditions which apply to your Commercial Foreign Currency Account, including any Euro Current Account.
- 1.2 Unless otherwise agreed in writing between us your Currency Account is with Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN. Registered in England, number 2065 ("the Bank").
- 1.3 This Agreement replaces any terms and conditions or other agreements that may have applied to your Currency Account.
- 1.4 These terms and conditions apply to Currency Accounts only. In the event of any overlap and/or inconsistencies between these terms and conditions and any other terms and conditions relating to any of our other products or services, the terms and conditions relating to such other products or services will take precedence in respect of those products or services.
- 1.5 The Currency Account is an account denominated in a currency other than sterling. It is a condition of your Currency Account that you maintain a sterling account with us and operate your Currency Account in accordance with your sterling account Authority.
- 1.6 You acknowledge that financial markets transactions which are traded directly between you and Lloyds Bank plc trading as Lloyds Bank Commercial Banking will be subject to the terms and conditions issued from time to time by Lloyds Bank.
- 1.7 Subject to any legal or regulatory requirements which may apply to your Currency Account you authorise us to act upon any instruction, agreement or arrangement that is in accordance with your Authority without our enquiring about the purpose, the beneficiary, the disposition of the payment proceeds or the circumstances in which any of your instructions are given. If anyone authorised signatory is authorised to operate any of your accounts, that person will be able, for example, to withdraw any money from any of your accounts or set up any overdrafts (which may be without the knowledge of the (other) authorised signatories).
- 1.8 You acknowledge that any individual (whether or not listed in your application or Authority) can access your Currency Account if they pass our Standard Customer Verification Procedure on any of your accounts. Our Standard Customer Verification Procedure can be passed by anyone who has access to your bank statements and banking information. It is therefore important that you keep your bank statements and banking information in a secure place and do not disclose them to anyone whom you do not want to have access to your Currency Account.
- 1.9 You may cancel or amend your Authority by writing to your relationship manager or by completing and signing the form that we provide for that purpose and sending it to us wherever your relationship manager is based.
- 1.10 We reserve the right to decline to open a Currency Account.
- 1.11 You will be responsible to us for all debts on your Currency Accounts.
- 1.12 You give us your explicit consent (or have obtained the explicit consent of the relevant individual) for us to access, process and keep any personal information that you provide to us for the purposes of providing payment services to you. This won't affect any rights any of us have under data protection legislation. You can withdraw your consent by ending your agreement with us.

2. Liability

- 2.1 General
 - 2.1.1 You must notify us by telephone or in writing as soon as possible after you become aware of any incorrectly executed transaction or any unauthorised transaction on your Currency Account, and at the latest within 13 months of when the payment left or should have left your account (as applicable), otherwise we may not be liable to you.
 - 2.1.2 You will be liable for all unauthorised transactions on your Currency Account if you have acted fraudulently.
 - 2.1.3 When giving us payment instructions (other than cheques or in respect of the SEPA Debtor DD Service) you must provide us with the payee bank's Faster Payments Service enabled sort code and account number, or where applicable, their IBAN number and, if required, BIC number, full name and address, the payee bank's SWIFT address or National Clearing Code for your payment instructions to be properly executed. If you fail to provide the correct details we will not be liable should a transaction not be capable of being properly executed although we will where relevant use all reasonable efforts to recover your payment. We reserve the right to charge you a fee to cover our reasonable costs for so doing. Where we are unable to get the money back,

you can send us a written request and we will then provide all the relevant information we can in order for you to claim repayment of the funds. We will only provide you with information that we are allowed to provide to you by law.

- 2.1.4 We will not be liable for:
 - any losses not directly associated with the incident that may cause you to claim against us whether or not such losses were reasonably foreseeable; nor
 - any loss of profits, loss of business, loss of goodwill or any form of special damages; nor
 - any losses associated directly or indirectly with our failing to make a payment because you have not provided us with the required or correct details.
- 2.1.5 You are responsible for ensuring that cheques issued by you (where a cheque book is issued on the account) are correctly and legibly completed and signed.
- 2.2 Micro-enterprises

The provisions of this clause 2.2 shall apply if you are a Micro-enterprise.

 - 2.2.1 If we fail to execute (other than in situations where you have not provided us with all of the required information), or incorrectly execute a payment transaction or a cheque payment on your Currency Account, we will refund the amount of the transaction or payment to your Currency Account unless the payment was received by the payee's bank. We will also refund to you any interest and charges directly incurred by you on your Currency Account and pay you any interest you have missed out on so that it is as if the defective payment transaction had not taken place.
 - 2.2.2 Where we are liable for an unauthorised transaction on your Currency Account or unauthorised cheque payment on your Currency Account and subject to you complying with any security obligations that we have notified to you relating to the relevant Payment instrument (including the security obligations set out in the terms and conditions for the relevant Payment instrument), we will refund to your Currency Account the amount of the transaction or payment and any interest and charges directly incurred on the Currency Account as a result of the transaction if the payment was in fact unauthorised and pay you any interest you have missed out on so that it is as if the unauthorised payment or transaction had not taken place. Beyond this we will have no further liability for an unauthorised transaction.
 - 2.2.3 When we are assessing whether a payment transaction was authorised by you we cannot necessarily treat the use of the Payment instrument as sufficient evidence of such authorisation, although this is one of the factors that we will take into consideration.
 - 2.2.4 If you have an account with an overdraft which is regulated by the Consumer Credit Act 1974, these terms do not prejudice any rights or obligations that you may have under that Act for unauthorised use of credit facilities.
 - 2.2.5 Where a payment instruction is initiated by a payee:
 - a. and you are the payee, our responsibility is limited to correctly transmitting the payment order to the payer's bank. If we have failed to do so, we will immediately re-transmit the payment order to the payer's bank and, on receipt of the funds from the payer's bank, we will make the funds immediately available and refund to your account the amount of any interest and charges incurred on the Currency Account or pay any interest you have missed out on so that the Currency Account is in the position it would have been had the transaction been executed correctly;
 - b. and you are the payer, (subject to clause 2.2.6) we are only responsible to you for a failure to execute the payment transaction or for incorrectly executing the payment transaction if the payment order has been correctly transmitted to us.
 - 2.2.6 In respect of the SEPA Debtor DD Service, clause 2.2.5(b) does not affect your refund rights under the Core Scheme Rules.
- 2.3 Non-Micro-enterprises

Clause 2.2 shall not apply if you are not a Micro-enterprise. Instead this clause 2.3 shall apply, and the provisions of the Payment Services Regulations 2017 that deal with incorrectly executed and unauthorised transactions shall be disapplied and replaced as provided for herein.

 - 2.3.1 If we fail to execute (other than in situations where you have not provided us with all of the required information), or incorrectly execute a payment transaction on your Currency Account, we shall be liable to you for any reasonable losses incurred by you but only if they arise directly from our breach of this Agreement or our negligence, and if in the ordinary course of events and with the knowledge we had, we might reasonably have expected such loss to result directly from such breach or negligence. Our liability pursuant to this clause 2.3.1 shall be limited:

- i. to the amount (if any) necessary to reimburse you as required by law in respect of the transaction pursuant to which our breach or negligence occurred; and
- ii. to the amount of any interest and charges directly incurred by you on the Currency Account that would not have been incurred otherwise up to a maximum amount of £5,000.

Beyond this we shall have no further liability to you for a failure to execute properly or a failure to execute at all for any reason.

2.3.2 Where you have told us that there has been an unauthorised transaction on your Currency Account you will be liable for such transactions unless we are reasonably satisfied that the transaction was unauthorised. If the transaction was unauthorised and subject to you complying with any security obligations that we have notified to you relating to the relevant Payment instrument (including the security obligations set out in the terms and conditions for the relevant Payment instrument), we will refund to your Currency Account the amount of the transaction and any interest and charges directly incurred on the Currency Account as a result of the transaction and pay you any interest you have missed out on so that it is as if the unauthorised transaction had not taken place. Beyond this we will have no further liability to you for an unauthorised transaction.

2.3.3 When we are assessing whether a payment transaction was authorised by you:

- a. we can treat the use of the Payment instrument as sufficient evidence to show that the payment was authorised by you or that you may have acted fraudulently or that you may have intentionally or with gross negligence failed to:
 - i. take all reasonable steps to keep the Payment instrument safe; or
 - ii. use the Payment instrument in accordance with this Agreement.

2.3.4 We shall not be liable for the defective execution or payment of cheques unless we are negligent or in breach of contract. If you tell us that there has been an unauthorised cheque payment on your Currency Account we will only be liable to you if we are reasonably satisfied that the cheque payment was not authorised by you. If we are liable to you under this clause 2.3.4 we will refund to you the amount of the payment, to the extent the payment has been wrongly paid away, and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, but beyond this we will not have any further liability to you.

2.4 Refunds

2.4.1 We shall effect all refunds in respect of Collections effected under the Core or B2B Scheme Rules in accordance with the relevant Rulebook.

2.4.2 Your refund rights under the Core Scheme Rules are set out in the Core Scheme Rulebook and the Summary for Debtors under the SEPA Direct Debit Schemes.

2.4.3 The B2B Scheme Rules do not provide any refund rights. However, in certain circumstances you may be entitled to a refund under the Payment Services Regulations 2017. Your refund rights are set out in the Payment Services Regulations 2017 and the Summary for Debtors under the SEPA Direct Debit Schemes.

2.5 If we receive a payment to you from another bank but we fail to comply with our legal obligations in relation to crediting your Currency Account, we will immediately make available the amount of the payment to you and credit the corresponding amount to your Currency Account and refund you any charges you have incurred due to our failure. We will also pay/refund any interest to you so that it is as if you received the payment when you should have done.

2.6 If you ask us to make a payment to someone else in the EEA and the recipient's bank receives it later than set out in clause 6.8, you can ask us and we will contact the other bank and ask them to correct the amount of interest and charges on the account with their customer (so that it is as if the payment was received on time).

2.7 We will, if you ask us to, immediately and without charge, make efforts to trace any incorrectly executed payment free of charge and we will notify you of the outcome.

2.8 Nothing in this clause 2 excludes our liability for fraudulent misrepresentation by us, our employees or agents, your refund rights under the Core Scheme Rules, or our liability for death or personal injury caused by our negligence or the negligence of our employees or agents or any other liability on our part which cannot be excluded by law.

3. Force Majeure and sanctions

3.1 Notwithstanding anything to the contrary in this Agreement, if we are prevented, hindered, or delayed from or in performing any of our obligations under this Agreement due to abnormal and unforeseeable circumstances beyond our control (including any strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or

direction, accident, breakdown or other failure of equipment, software or communications network, fire, flood, or other circumstances affecting the supply of goods or services), then we shall not be liable to you or be obliged to perform our obligations under this Agreement to the extent that we are prevented, hindered or delayed in our performance by the abnormal and unforeseeable circumstances beyond our control.

3.2 We and/or any member of the Lloyds Banking Group may be subject to sanctions and/or embargoes imposed by the international community including the UK, EU, UN and the USA. We may not accept instructions and may refuse to make any payment or take any action pursuant to an instruction if it would result, or in our reasonable opinion is likely to result, in a breach by us or any member of the Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and we will not be liable for any loss, damage, cost or expense by reason aforesaid. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

4. Running your Currency Account

4.1 Where there are transactions on your Currency Account, we will provide you with a bank statement at least once a month for your Currency Account to help you manage your finances, unless we agree with you that the information is made available to obtain, either online, in branch or via telephone banking. You will examine your bank statements, invoices, confirmations and communications sent to you within a reasonable time after receiving them and will promptly advise us without undue delay of any apparent mistake or discrepancy. Delay in notification may make correcting any error difficult.

4.2 If we need to investigate a transaction on your Currency Account we may require you to co-operate with us and the police, if we need to involve them. In some cases, we will need you to give us confirmation or evidence that you have not authorised the transaction. In certain circumstances we may refuse to accept a payment into the Currency Account.

4.3 Your Currency Account should not become overdrawn without arrangements having been made with us nor should the Currency Account operate in excess of the agreed borrowing limits.

4.4 You should only issue instructions to us to withdraw funds from your Currency Account where there are sufficient funds available at the time those instructions were issued or, where an overdraft limit has been agreed and the withdrawal will not cause that limit to be exceeded. However, if at any time such instructions would result, without prior arrangement, in the Currency Account becoming overdrawn, or the agreed overdraft limit being exceeded, we may in our sole discretion and without contacting you, allow an overdraft to be created or allow the agreed overdraft limit to be exceeded. In these circumstances the new or excess overdraft is an unauthorised overdraft and you will be charged at the applicable rate for unauthorised borrowing. Interest is calculated on the cleared daily balance of unauthorised borrowing and is payable for the duration of the unauthorised borrowing. For details of our unauthorised borrowing interest rate please refer to the documentation in your application pack or lloydsbank.com/business/terms

4.5 We may at any time, without giving you notice, withdraw or restrict any right to an overdraft or demand immediate repayment of your overdraft. We will write to you if we require any repayment of your overdraft.

4.6 We shall have the right to stop a Payment instrument on reasonable grounds relating to:

- a. the security of the Payment instrument;
- b. the suspected unauthorised or fraudulent use of the Payment instrument; or
- c. your ability to repay any credit advanced to you.

4.7 Our Need to Know brochure sets out the steps you should take to help protect your accounts, which include not giving out account or security details to anyone. If you tell us that your cheque book (if any) has been lost or stolen or that someone else knows your security information, we will take action to try to prevent these from being used. More detailed procedures for specific services may be set out in greater detail in the terms and conditions and/or brochures that are specific to those services.

4.8 You will inform us in writing if you wish to issue cheques signed with the facsimile or other printed signature of an authorised signatory (for example by pre-printing, rubber stamp, cheque signing machine or lasing) and will give us specimens of such signatures. You acknowledge that if you do not so inform us, we may reject such cheques. However we are authorised to pay such cheques if they reasonably appear to us to have been issued by you. We need not check that a facsimile or other printed signature (or an imitation of it) has been added with your authority or the authority of your authorised signatory(s). You must ensure that cheques with facsimile or other printed signatures are kept secure and not available to anyone not

authorised by you to use them.

- 4.9 You acknowledge that if you choose to complete cheques (other than the signature) by typewriter, laser printing or other mechanical means, such cheques may be easier to alter than hand-written cheques. You must ensure that all pre-printed or facsimile cheques are kept secure and not made available to anyone other than your authorised signatories. We are authorised to pay cheques completed by typewriter, laser printing or other mechanical means.
- 4.10 It is acknowledged that for some currencies we may have to convert your balance into the relevant foreign currency and that your account will be held by our appointed bank in that country in order that we may ensure that your account is held in accordance with local laws and banking practices. Details of whether your account is held with an appointed bank is available from your relationship manager.
- 4.11 If we discover that a payment that has been credited to your Currency Account has been made by mistake, or if a payment is recalled by the bank that made it, we will immediately debit your Currency Account with the amount of that payment, even if this results in your Currency Account going into an unauthorised overdraft. We may also be required by law to pass on information about you to the other bank. You will have to pay any charges and interest that may result from use of an authorised or unauthorised overdraft in these circumstances.

5. Payment instructions

- 5.1 In order for a payment instruction from you to be properly executed by us, you must provide us, as applicable with:
 - a. for sterling payments to a sterling account in the UK: the payee bank's Faster Payments Service enabled sort code and account number and, if required, payee's full name and address; or
 - b. for payments to an international account: subject to clause 5.1c below, the payee bank's BIC number and IBAN number and, if required, payee's full name and address, the payee bank's SWIFT address or National Clearing Code; or
 - c. for euro payments to an account within a SEPA country: the IBAN number and, if required, payee's full name and address, the payee bank's SWIFT address or National Clearing Code. Sometimes we will also require the BIC.

By 'SEPA' we mean the Single Euro Payments Area and a 'SEPA country' means any of the countries or territories listed from time to time on the European Payment Council's website as being part of SEPA.

We will rely on the sort code and account number for the payee and, where applicable, the other details that you provide to us. You are responsible for giving us the correct details and for checking that you have done so. We will also rely for payment instructions upon the signature provided under the Authority or, in the case of telephone and on-line banking, the specific requirements that apply in the terms and conditions for those banking channels. We shall not be liable if you provide incorrect beneficiary details in respect of debit transactions.

- 5.2 We may not be able to carry out a payment instruction if the bank or building society you are sending the payment to is not a member of the Faster Payments Service or a participant in the Faster Payments Service. If we cannot make a payment using the Faster Payments Service we will notify you or make this information available to you as described in clause 7 and you can contact us to ask if there is any other method available to make the payment. Until we have received an instruction from you that we can properly execute by an alternative method we will not make the payment.
- 5.3 You understand that we will include your full name, address and account number on the payment details sent to the beneficiary's bank to comply with anti-money laundering regulations.
- 5.4 Payment transactions will be shown on your Currency Account in the currency agreed for the Currency Account and will be executed in that currency unless instructed otherwise. For payments in respect of the SEPA Debtor DD Service, we shall receive Collections denominated in euro and will make direct debit payments out of your Currency Account in euro in accordance with the requirements of the Core Scheme Rules or the B2B Scheme Rules (as applicable). Any currency conversion shall be carried out in accordance with clause 5.4.
- 5.5 Unless agreed otherwise, we use Lloyds Bank's exchange rates for foreign exchange transactions. We may change our exchange rates at any time and without notice to you. Such changes to an exchange rate will be applied immediately. You can obtain details of Lloyds Bank exchange rates by telephoning the number given in our Payment Transaction brochure or such other number as we advise from time to time.
- 5.6 You can consent to our making a payment or a series of payments from your Currency Account before we make the payment and if we agree, after you make the payment. You must give consent before the execution of a payment transaction and, depending on the Payment instrument or procedure, in one of the following ways:
 - a. for transactions initiated in writing (other than by facsimile or by

email) instructions signed in accordance with the Authority;

- b. for telephone banking transactions, in accordance with the terms and conditions governing your telephone banking service with us;
 - c. for LloydsLink dial-up or online banking services linked to the Currency Account, in accordance with the terms and conditions governing those banking services linked to the Currency Account (for the avoidance of doubt, we do not accept payment instructions or consent to a payment transaction by email);
 - d. for SEPA Debtor DD Services, by signing the relevant Mandate; and
 - e. through a Third Party Provider, by following any procedures required by such Third Party Provider; and
 - f. for any other transaction linked to the Currency Account, the method and form of consent as agreed with you from time to time.
- 5.7 You can withdraw your consent to payment at any time up until we receive your payment instruction. In the case of a series of payments, you may withdraw your consent to our making them up to the Business Day before the making of any payment and we will operate your Currency Account on the basis that you do not consent to making the other payments.
 - 5.8 If we allow you to withdraw your consent to our making a payment after we have received your payment instruction, we may be entitled to charge you a fee to compensate us for the reasonable costs and expenses we incur in relation to this.
 - 5.9 In the case of direct debit payments within the scope of the SEPA Debtor DD Service, you may inform the creditor at any time that a Mandate is cancelled. If you cancel a Mandate you must inform us immediately. On your written instructions we will refuse any future direct debit demands made under the cancelled Mandate which the creditor has pre-notified you of provided we receive your instructions no later than one business day before your Currency Account is due to be debited.

6. Payments to and from your Currency Account, other than cheques

- 6.1 If we receive an electronic payment for you in sterling (GBP) or euro into a euro-denominated Currency Account, we apply the monies to your Currency Account and make them available for you immediately we receive them.
- 6.2 For payments received in currencies other than sterling (GBP) or euro or for any payment into a Currency Account that is not denominated in euro, timing varies depending upon the currency involved and whether any currency conversion is required. Please refer in the first instance to our Payment Transaction brochure for details. If you then need further information please contact your relationship team.
- 6.3 You agree to our deducting our reasonable charges from the money payable before applying them to your Currency Account. We will not deduct any other charges from that money before paying it into your Currency Account. If we deduct any charges under this clause, we will give you details of the amount of the money we receive and of our charges for receiving the money in our charges invoices, credit advice or bank statements.
- 6.4 Cash payments into your Currency Account will be accepted only if they are in the currency in which your Currency Account is denominated.
- 6.5 If cash is paid into your Currency Account through deposit points or by way of some other deferred checking service the cash will not be received by us until we have taken the money from the machine and/or envelope. In some cases this might not be until the next Business Day but if you use these types of services we will tell you when we are deemed to have received the money.
- 6.6 If you are making a payment to a beneficiary whose bank is in the EEA in a currency of the EEA we will send the full amount of the payment to the person named in your payment instruction. We will send the money without deducting any of the charges we incur for making the payment but will deduct our charges from your Currency Account which shall be set out in our charges invoices or bank statements.
- 6.7 Payments will reach the bank of the person to whom any payment is made in accordance with the information provided in our Payment Transaction brochure and available from Our Website and as varied from time to time in accordance with clause 11.
- 6.8 Unless your payment is initiated by way of a Paper Payment Order, we will execute payment instructions for payments out of your account in sterling, euro or other EEA currencies in accordance with our processing cycles so that the amount to be transferred reaches the payee's bank in all events no later than:
 - 6.8.1 for payments in sterling: where the payee's bank is within the UK, the next Business Day after the Business Day on which we received your instruction; or, where the payee's bank is elsewhere in the EEA, the fourth Business Day after the Business Day on which we received your instruction;
 - 6.8.2 for payments in euro: where the payee's bank is within the EEA (including the UK), the next Business Day after the Business Day on which we received your instruction;

6.8.3 for payments in any other EEA currencies: where the payee's bank is within the EEA (including the UK), the fourth Business Day after the Business Day on which we received your instruction.

For payments out of your account where the payment is initiated by way of a Paper Payment Order, we will execute payment instructions in accordance with our processing cycles so that the amount to be transferred reaches the payee's bank in all events no later than (in the case of payments in sterling in the UK and payments in euro anywhere within the EEA) the end of the second Business Day after the Business Day on which we received your instruction, or (in the case of such payments in sterling in the EEA, other than the UK, and payments in other EEA currencies anywhere within the EEA), the fourth Business Day after the Business Day on which we received your instruction.

For payments outside the EEA and/or in non-EEA currencies different timescales will apply. Please contact your relationship manager or refer to Our Website for information on execution times.

Where we receive a payment instruction from you for execution on a specific day, you agree that the time of receipt is deemed to be the specific day on which we are to execute the payment instruction.

We must receive payment instructions before the cut-off time specified in the Payment Transaction brochure or we will deem the instruction to have been received on the next Business Day. Instructions received on days which are not Business Days will also be deemed to have been received on the next Business Day.

- 6.9 We and you agree that regulations 86 (other than regulation 86(4)) to 88 of the Payment Services Regulations 2017 do not apply to transactions in currencies other than sterling (GBP) or euro or involving any currency conversion (other than one currency conversion between sterling (GBP) and euro in the United Kingdom).
- 6.10 Where we have been notified by a UK payment scheme service such as the Current Account Switching Service, that the recipient of one of your standing orders and/or bill payments (payees set up on your account which you may at any time subsequently make payments on variable dates and/or for variable amounts) has moved their current account to another bank participating in the Current Account Switching Service, we will update the recipient's new sort code and account number without further notice to you to ensure that your payment reaches the correct account within applicable timescales.

7. Stopping a payment instruction

- 7.1 We have the right to not execute any particular payment instruction where it is reasonable to do so, for example if you are in breach of this Agreement, or we (or the systems we use) reasonably suspect the payment instruction is fraudulent, or we are otherwise unable to make a payment under this Agreement. If we have declined the payment instruction, or we are unable to act upon your payment instruction we will, where it is reasonable or we are required to do so, notify you or make available to you, the reason why the payment instruction was not executed as soon as possible and in any event within the designated maximum execution times for payment transactions of that type as set out in our Payment Transaction brochure.
- 7.2 Subject to any legal or regulatory requirements which may apply, we will notify you, or make the information available to you, that we have refused to act on your instructions and stopped the payment, or were not able to act on your instructions. If this has been due to your giving incorrect information you can contact us and we will tell you how to put this right. We will notify you or make this information available to you in the manner that we reasonably believe is most appropriate having regard to the way in which you have sought to instruct us and the terms of our relationship with you.
- 7.3 We may reject or return a Collection where we are entitled or obliged to do so under the Core Scheme Rules or B2B Scheme Rules (as applicable).

8. Interest

- 8.1 Interest (if payable on a Currency Account) is calculated on a daily basis on cleared credit balances at the Credit Interest Rate. Interest will be credited to the Currency Account on the dates and frequency agreed with us, which in the absence of agreement will be half-yearly.

9. Charges

- 9.1 We reserve the right to impose charges in accordance with the scale of charges provided or referred to in our Charges Brochures as varied from time to time in accordance with clause 11. For a copy of any brochure referred to please contact your relationship manager or see Our Website.

10. Termination/closing of Currency Accounts

- 10.1 This Agreement shall continue until terminated in accordance with this clause.
- 10.2 We may terminate this Agreement immediately if any of the following occur:

- a. if any information you have given us or give us in the future (whether in connection with this Agreement or not) is inaccurate;
- b. if any material litigation is, or material administrative, criminal or judicial proceedings are, being taken against you at the time this Agreement is signed and you have not informed us in writing before entering into this Agreement ("material" means likely, if successful, to have any damaging effect on your business);
- c. if you are a sole trader you die, become of unsound mind, become insolvent (or in Scotland, apparently insolvent) a bankruptcy petition (or in Scotland, a petition for sequestration) is presented against you, or steps are taken to appoint an administrator, judicial factor or similar officer to you or you apply to the court for a moratorium or make a proposal to creditors for a voluntary arrangement or you grant a trust deed for creditors or take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness;
- d. if you are a limited company or limited liability partnership, you have a petition presented or resolution passed for winding up or an administration order or a notice of intention to appoint an administrator is issued or notice of appointment of an administrator is filed with the court or you have a receiver appointed over all or part of your assets or you cease to trade, or you are deemed by law unable to pay your debts, or you make an application in connection with a moratorium or a proposal to creditors for a voluntary arrangement or take any action (including entering into negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness, including in Scotland granting a trust deed for creditors;
- e. if you are a partnership (including a limited liability partnership) or unincorporated association, you dissolve or a petition is presented for an order to be made for the winding-up of the partnership or an application or a petition is presented or made for an administration order against the partnership;
- f. if you are a limited liability partnership, any member ceases without our written consent to be a member or you cease for any reason to be a limited liability partnership;
- g. if you fail at any time to meet any checks required by law or regulation;
- h. if closure is required by the order of any court or direction or decision of a regulator or any other regulatory requirement; or
- i. if you breach in a serious or repeated way this Agreement or any other agreement with us.

We may terminate the SEPA Debtor DD Service in respect of the B2B Scheme immediately if you cease to be eligible to be classified as a "Business Customer" under the B2B Rules.

- 10.3 Subject to clause 10.2 we will not close any of your Currency Accounts without giving you at least two months' written notice.
- 10.4 We reserve the right to require a Currency Account to be closed without giving a reason. This applies even if closure of the Currency Account results in a loss of tax benefits, and we will not be liable to compensate you for any loss of tax benefits or other consequential or indirect losses whatsoever and howsoever arising.
- 10.5 You may close your Currency Account at any time by informing us in writing. We shall not charge you for termination of this Agreement after 6 months from its commencement.
- 10.6 Closure of your Currency Account either by you or by us will not release you from any liability in respect of sums owing to us or from any previous liability or indemnity for any act performed by us in accordance with instructions previously received from you or an authorised signatory.
- 10.7 If your sterling account is closed, we may give you two months' written notice to close your Currency Account.
- 10.8 We may remove an authorised signatory from your account if we reasonably believe a regulatory requirement means we have to. We will tell you if we have to remove an authorised signatory, but we may not be able to give you a reason.

11. Variation

- 11.1 We may change or introduce (where appropriate):
- interest rates, including their type or the way they are calculated or charged. The new rates apply to your Currency Account from the date the rate changes;
 - charges and annual fees;
 - statement dates; and/or
 - these terms and conditions.
- 11.2 Subject to clause 11.3 and 11.4 we will notify you by notice in writing at least two months before we make any change to these terms and conditions. You will be deemed to have accepted any such change if you

do not notify us to the contrary before the date any such change comes into effect. However, if you choose not to accept any change:

- you can close your Currency Account at any time before the change comes into effect provided that any outstanding amounts on your Currency Account are paid; or
- our notice of the change shall be deemed to be notice of termination given under clause 10 and this Agreement will terminate the day before any change comes into effect. Should there be any outstanding balance on your Currency Account it will become immediately due and payable on termination.

- 11.3 We may change these terms and conditions at any time to reflect changes in law, regulation or codes of practice which apply to us or the way we are regulated. We will always endeavour to give you at least two months notice of such changes in accordance with clause 11.2 wherever possible. Where this is not possible we will give you as much prior notice as reasonably practicable.
- 11.4 Notwithstanding clause 11.2 we may change our interest rates without notice at any time if they are a reference rate. We may also change our interest rates at any time if a change is to your advantage. Details of how to find out reference rates for different currencies are set out on Our Website. Alternatively please contact your relationship manager.
- 11.5 When we tell you personally about a change we can do this by letter, email, text, statement inserts or messages or in any other way which is sent to you individually.

12. Notice

- 12.1 Any notice (other than notification on changes to interest rates referred to in clause 11.4 above) to be given by either party in relation to the Currency Account shall be written, sent by facsimile (in which case deemed to be received the next Business Day after sending), post or otherwise delivered by hand to the other party (and deemed received upon receipt). The address for any such notice for us will be the address of the office where your relationship manager is based, until further notice. The address for any such notice for you will be the address you have given us for correspondence. Either party may change address for communication by giving seven days' notice in writing to the other party.
- 12.2 We will contact you by telephone or text message if we need to tell you about suspected or actual fraud or a security threat to your Currency Account.

13. Cheques and Cheque clearing

- 13.1 Banking of cheques for payment will at all times be subject to the rules, and clearing processes, of any cheque clearing systems used by the Bank.
- 13.2 We reserve the right to refuse payment on any cheque that is presented more than six months after the date of the cheque.
- 13.3 The processing times for dealing with UK sterling cheques do not apply to foreign cheques paid into your Currency Account. We may at our sole discretion, either negotiate a foreign cheque or collect it. If we negotiate the cheque we will buy it from you by paying into your Currency Account the equivalent amount of the cheque in the currency in which your Currency Account is denominated on the Business Day after the day that we receive it, using the relevant Lloyds Bank exchange rate prevailing on that day. If we collect the cheque we will pay into your account the equivalent amount of the cheque in the currency in which your Currency Account is denominated on the day we receive payment from the paying bank using the relevant Lloyds Bank exchange rate prevailing on that day. You can obtain details of Lloyds Bank exchange rates by telephoning the number given in the Need to Know brochure or such other number as we advise from time to time.

If the foreign bank returns the cheque or asks for the money to be returned, we will take the currency or the equivalent amount from your Currency Account. If we converted the cheque into the currency in which your Currency Account is denominated, we will recalculate the amount based on the Lloyds Bank exchange rate prevailing on the day we debit your Currency Account.

Euro and US Dollar cheques drawn on a UK bank and paid into an account of the same denomination may go through UK clearing schemes instead of being negotiated or collected in which case different processing times and charges may apply. Please see our International Services brochure and tariff for further information.

Occasionally it is not possible to obtain payment of foreign cheques because of local foreign exchange or other restrictions.

If you require information in relation to cheques, including foreign cheques (for example, in relation to charges or clearing processes), please refer in the first instance to the latest Need to Know or International Services brochure. Details of charges for negotiated or collected cheques are set out in our International Services tariff under Negotiations and Collections. All these brochures are on Our Website or

alternatively contact your relationship manager. If you have any queries or need further information please contact your relationship team.

14. SEPA Debtor DD Service

- 14.1 This clause 14 applies only to the SEPA Debtor DD Service to you as a debtor under the SEPA Direct Debit Scheme (the "Core Scheme") or the SEPA Business to Business Direct Debit Scheme (the "B2B Scheme"). If there is any conflict between the Core Scheme Rules and/or the B2B Scheme Rules and this Agreement, the Core Scheme Rules and/or the B2B Scheme Rules, shall prevail.
- 14.2 Our duties in respect of the SEPA Debtor DD Service are limited to those expressly set out in this Agreement.
- 14.3 You undertake to us:
- a. to comply with the Core Scheme Rules or the B2B Scheme Rules (as applicable) relating to debtors;
 - b. to comply with the terms of Mandates agreed with your creditors;
 - c. to claim refunds only in accordance with the relevant timing requirements set out in the Core Scheme Rulebook (and summarised in Summary for Debtors under the SEPA Direct Debit Schemes) and this Agreement;
 - d. to resolve any disputed Collection directly with the creditor concerned, and you acknowledge and accept that our obligations and the obligations of the creditor bank under the relevant Rulebook are not subject to claims or defences under the contractual or other arrangements in place between you and the creditor;
 - e. to notify us immediately if you wish to use another account in respect of a Collection or if you wish to use an account at another bank, or of any change to any other information contained in the Mandate relevant to the provision by us of the SEPA Debtor DD Service;
 - f. to take any steps and provide any information which we may reasonably require to assist us in the performance of our obligations under the Core Scheme Rules and the B2B Scheme Rules; and
 - g. in respect of the B2B Scheme, to notify us immediately if you no longer qualify to participate as a debtor in the B2B Scheme since you can no longer be classified as a "Business Customer" under the B2B Rulebook.
- 14.4 We accept no liability for the processing by any clearing and settlement mechanism of direct debit instructions we receive based on any Mandate. We may refuse to process any direct debit instructions or effect any Collection, without prior notice, where any such instructions are not transmitted to us in accordance with this Agreement or the applicable Rulebook.
- 14.5 You may amend a Mandate by informing the creditor of the changes you wish to make provided you do so in accordance with the Core Scheme Rules or B2B Scheme Rules (as applicable). You are fully and solely liable for the amendment of Mandate characteristics for which you are responsible should one or more of these characteristics change within the lifetime of the Mandate. You may instruct us to prohibit your Currency Account to be debited for any Collection.
- 14.6 To the extent that we provide you services as a debtor under the B2B Scheme, you represent and warrant to us that you qualify to participate as a debtor in the B2B Scheme and can be classified as a "Business Customer" under the terms of the B2B Rulebook.
- 14.7 We shall inform you of any change to our name, address, BIC Code or other information about us required in the Mandate or otherwise needed for us to provide the SEPA Debtor DD Service, and shall inform any other party of such changes where required under the Core Rulebook or the B2B Rulebook (as applicable).
- 14.8 You may instruct us to prohibit any direct debits being made from your Currency Account.
- 14.9 You must not allow anyone other than an authorised signatory to sign a Mandate. Subject to any applicable legal or regulatory requirements or our obligations under the Core and B2B Scheme Rules (as applicable), we are authorised to act upon any Collection that is submitted to us in accordance with this Agreement without enquiring about its purpose, or the circumstances in which the Mandate was signed.
- 14.10 This clause 14.11 applies to you if you are a debtor under the SEPA B2B Scheme. You must inform your relationship manager immediately of any new Mandate you have signed. We are required under the B2B Scheme Rules to check each Collection presented by a creditor bank. We shall inform you of the information we will need from you to enable us to fulfil our obligations in this respect. Our duty to check each Collection shall be limited to that required under the B2B Rulebook.
- 14.11 You shall indemnify us against all claims, actions, demands, liabilities, losses, costs and expenses arising out of your failure to provide us with the correct Mandate information required by us or to correctly check the Mandate information provided to you or to pre-notify us of any new Mandate under clause 14.11 above. This indemnity is in addition to and shall not be in any way prejudiced by any other claim or right howsoever

arising that we might have in respect of you. This indemnity shall survive the termination of these Terms.

- 14.12 If you have insufficient funds in your account to meet any direct debit payment we may reject the relevant Collection in accordance with the provisions of the Rulebook.
- 14.13 This clause applies to you if you are a debtor under the SEPA Core Scheme. You may instruct us:
- to limit the amount collected from your account;
 - as to how often you want your SEPA direct debit collected from your account;
 - to block the collection of all SEPA direct debits from your account until you agree to have the block removed;
 - to block the collection of SEPA direct debit payments by particular businesses or organisations until you agree to have the block removed, or to allow SEPA direct debit payments to be collected only from particular businesses or organisations until you instruct us otherwise.

15. Third Party Rights

- 15.1 Nothing in this Agreement confers or is intended to confer a benefit enforceable by a person who is not a party to it and such a person shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

16. Third Party Providers

- 16.1 You can instruct a Third Party Provider to access information on your Currency Accounts or make payments from your Currency Accounts online as long as it is open and transparent about its identity and acts in accordance with the relevant regulatory requirements. We will treat any instruction from a Third Party Provider as if it were from you.
- 16.2 We may refuse to allow a Third Party Provider to access your Currency Account if we are concerned about unauthorised or fraudulent access by that Third Party Provider. Before we do this we will tell you and explain our reasons for doing so, unless it is not reasonably practicable, in which case we will tell you immediately afterwards. In either case, we will tell you in the way which we consider most appropriate in the circumstances. We won't tell you where doing so will compromise our reasonable security measures or otherwise be unlawful. We may make available to a Third Party Provider a specific means of accessing your Currency Account. If we do, and it tries to access your Currency Account by a different way, we may refuse to allow that access.
- 16.3 If you think a payment may have been made incorrectly or is unauthorised, you must tell us as soon as possible even where you use a Third Party Provider.
- 16.4 If you (or an authorised user) provide consent to a Third Party Provider to access your Currency Account data so they can provide account information services or initiate transactions on your behalf, you consent to us sharing your information (which may include personal data relating to authorised users) with the Third Party Provider as is reasonably required for them to provide their services to you.

17. Governing law and language

- 17.1 This Agreement 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. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement).
- 17.2 The language of this Agreement is English and all communications and notices between us shall be in English.

18. Definitions

"Authority" means your authority to operate accounts signed by you which, unless you have agreed in writing any other authority with us, is an authority in accordance with our general terms and conditions for all businesses;

"B2B Scheme Rulebook" means the SEPA Business to Business Scheme Rulebook as amended from time to time by the European Payments Council;

"B2B Scheme Rules" means the rights and obligations set out in the B2B Scheme Rulebook;

"Business" means any body corporate or unincorporated, sole trader or partnership named in this Agreement and where the Business (not being a body corporate) consists of two or more persons, then this definition means all or any of them and the liability of such persons will be joint and several;

"Business Day" means 9 am to 5 pm Mondays to Fridays other than Public and Bank Holidays in England and Wales, unless transacting through one of our branches which opens for shorter hours or we notify you of different times for the processing of payments to and from your Currency Account;

"Charges Brochure" means any brochure or leaflet of ours that sets out the charges, including where appropriate, international as well as UK charges that apply to your Currency Account;

"Collection" means a payment transaction initiated by a creditor under which an amount is to be collected from your account in accordance with the Core Scheme Rules or the B2B Scheme Rules (as applicable);

"Core Scheme Rulebook" means the SEPA Core Direct Debit Scheme Rulebook as amended from time to time by the European Payments Council;

"Core Scheme Rules" means the rights and obligations set out in the Core Scheme Rulebook;

"Credit Interest Rate" means the rate of interest, if any, paid on a Currency Account, details of which are set out on Our Website, or are as otherwise agreed between you and us in writing

"Currency Account" means an account that you hold with us that is denominated in any currency other than sterling;

"Current Account Switching Service" means a UK payments industry service operated by Bacs Payment Schemes Limited which facilitates the transfer of bank accounts from one participating bank to another participating bank;

"Direct Debit Scheme" means a direct debit scheme under which we provide debtor bank services to you in your capacity as debtor, but does not include the SEPA Core Direct Debit Scheme or the SEPA B2B Direct Debit Scheme;

"EEA" means the European Economic Area;

"Faster Payments Service" means the payments service which allows faster electronic payments to be made between accounts in the UK with sort codes capable of receiving faster payments held with banks and building societies which are either members of the service or participants in the service;

"Lloyds Banking Group" includes Lloyds Bank plc and a number of other companies using brands including Lloyds Bank, Halifax and Bank of Scotland, and their associated companies;

"Lloyds Bank Exchange Rate" means the exchange rate decided and applied by us to transactions involving foreign exchange which is current at the time of the transaction. Rates of exchange in respect of transactions for the equivalent of £25,000 or more may be agreed on a transaction-by-transaction basis;

"Mandate" means the written expression of consent and authorisation given by you to allow your creditor to send instructions to us to initiate Collections for debiting your Currency Account;

"Micro-enterprise" means any enterprise, or group of enterprises of which it forms part, which at the time you enter into this Agreement, employs fewer than 10 persons and whose annual turnover and/or balance sheet total does not exceed EUR2 million (or its equivalent);

"Our Website" means our website appearing at lloydsbank.com/business (or any other URL as we may notify to you from time to time).

"Paper Payment Order" refers to any instruction from you to us to make a payment that is issued by you in a paper form, including instructions on completed bank forms or those sent to us by way of letter and fax and whether such instruction is delivered to us by post, in person or by fax transmission;

"Payment instrument" means any personalised device or personalised set of procedures agreed between you and us which you use in order to initiate a payment but for the avoidance of doubt does not include cheques or bankers drafts;

"Payment Services Regulations 2017" means the Payment Services Regulations 2017 (SI 2017/752) as may be amended or superseded from time to time;

"Rulebook" means the Core Scheme Rulebook and/or the B2B Scheme Rulebook (as applicable);

"SEPA Debtor DD Service" means our services to you as a debtor in respect of any Collection as set out in this Agreement;

"Third Party Provider" means a service provider authorised by law to access information or make payments for you from your payment accounts;

"we", "us", "our", "Bank" means Lloyds Bank plc;

"you" or "your" means the Business named in this Agreement.

19. Help and Information

- 19.1 If you require a copy of this Agreement or any document referred to in it please consult Our Website in the first instance. If you have any queries about your Currency Account or need further information please contact your relationship team.
- 19.2 However, if you experience a problem, we will always seek to resolve this as quickly and efficiently as possible. A copy of our 'How to voice your concerns' leaflet can be obtained in branch or by contacting your relationship team. The complaint procedures are also published on Our Website: lloydsbank.com/business/contact-us.asp
- 19.3 You should let us know as soon as possible if your business is experiencing financial difficulties. We will always seek to help you and develop a repayment plan with you.
- 19.4 A Summary for Debtors under the SEPA Direct Debit Schemes is published on Our Website. The Core Scheme Rulebook, B2B Scheme Rulebook plus further information about the SEPA Direct Debit Schemes are published on the European Payments

Find out more

 [Go to lloydsbank.com/business](https://lloydsbank.com/business)

 [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 Text Relay (previously Typetalk) or if you would prefer to use a Textphone, please feel free to call us on 0345 601 6909 (lines open 7am-8pm Monday to Friday and 9am-2pm Saturdays.)

Important Information

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.

Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales No. 2065. Telephone: 020 7626 1500.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration number 119278.

We adhere to the Standards of Lending Practice which are monitored and enforced by the LSB: www.lendingstandardsboard.org.uk

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.



LLOYDS BANK