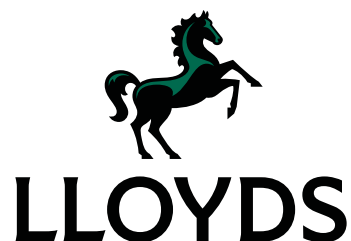


BUSINESS & COMMERCIAL



Bacstel-IP Direct and Indirect Submitters

Core Banking Agreement
Product & Services Terms & Conditions





T&Cs

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Core Banking Agreement

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

Important Information

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



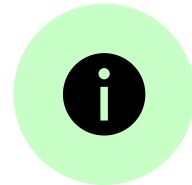
Relationship Terms & Conditions

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



Product & Services Terms & Conditions

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



General Information On Payments, Charges & Contacts

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

You need to read

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

You can find a copy of each of these at lloydsbank.com/corebankingagreement or request a copy from your relationship team.

1. Definitions

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

Access Code

means the access code associated with a **Contact ID** as issued by the **Bacs System** to the relevant **Contact** or subsequently changed by the **Bacs System** or a **Contact** as contemplated by (amongst other documents) the **Bacstel-IP Service User Guide**.

Account

means an account with the Bank nominated by an **Organisation** for **Bacstel-IP** transaction payments and receipts. This account may be an individual account or a group account.

Administration

means the facility provided through **Bacstel-IP** to allow **Contacts** (depending on their granted privileges) to:

- set up new **Contacts**;
- allocate **Contact** access rights;
- amend **Contacts'** details;
- amend **Contacts'** access rights; and
- suspend or delete a **Contact's** authority.

ASM

means the Alternative Security Method which is a non-PKI-based method of accessing the **Service** using a **Contact ID** and **Password** to provide secure access to low-risk functions on the **Bacs Payment Services** web channel (e.g. accessing reports, maintaining non-sensitive reference data).

Applicable Requirements

means any requirements in relation to your use of the **Service** advised by **Bacs** in any form, whether in paper or electronic copy or given verbally, from time to time (including any guidelines set out in instruction materials, for example, the **Bacstel-IP Materials**) and any law, regulation, order, rule, guidance, voluntary code or standard applicable to you (including without limitation, all import and export controls and requirements).

Approved Software

means software which has been approved through the **Bacs Approved Software Service**.

ASM Contact

means a **Contact** who accesses the **Service** via the **ASM**.

Authorised Signatory

means an authorised signatory on one or more **Accounts** who is designated by the **Organisation** to the Bank as having authority to:

- apply for the **Service** on behalf of the **Organisation**; and
- appoint other **Contacts**.

Bacs

means **Bacs Payment Schemes Limited** and/or **VocaLink** as appropriate (and any successor entity or entities thereof).

Bacs Confidential Information

means all information of **Bacs** and any member of **Bacs** which is disclosed or made available to you in connection with, or for the purposes of using **Bacstel-IP** and the **Service** and which:

- is by its nature confidential;
- is designated as confidential by the party who discloses it or to whom it relates; or
- You know or ought reasonably to know is confidential, including (without limitation):
 - information relating to any customer of the Bank or any member of **Bacs**;
 - any person to whom the Bank or any member of **Bacs** provides a service or any customer of such a person;
 - information relating to the operation, internal management, structure, personnel, policies or business strategies of **Bacs**, the Bank, any member of **Bacs** or **Bacstel-IP**; and
 - computer object or source codes and related documentation.

Bacs Service

means the UK clearing that processes bulk electronic payments. The clearing provides the **Bacs** three day service, which is the three day cycle where input processing and entry occur on three consecutive processing days.

Bacs Payment Services

means a secure website, used by **Contacts** to access various services offered by **Bacs**.

Bacs System

means the system relating to the automated clearing and settlement of payments operated by **Bacs**.

Bacstel-IP

means a service providing a secure access channel into the **Bacs Service** to send submissions and access reports. It uses internet protocols (IP) and **PKI** security. Software used to connect to the **Bacstel-IP** service must be approved under the **Bacs** approved software service for **Bacstel-IP**.

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Bacstel-IP Materials

means any materials, provided by **Bacs** or us to you or other **Contacts** in connection with the **Service**, including the **Bacstel-IP Service User Guide**.

Bacstel-IP Service User Guide

means the document entitled '**Service User Guide – Bacstel-IP**' provided by **Bacs**, as amended from time to time.

Bacstel-IP Transmission/Transmission

means an instruction, message, file, data or other communication which is transmitted in electronic form via **Bacstel-IP** to or from **Bacs** including (without limitation) any such communication which allows access to or changes to be made to the '**Reference Database**'. This data may consist of all or part of a **Submission**. Each **Transmission** must involve a transport header (in XML).

Bacstel Payment Schemes Limited

means the not-for-profit, membership-based industry body responsible for maintaining the integrity of the schemes behind the clearing and settlement of automated payments in the UK including **Direct Debit** and **Bacs Direct Credit**.

Commercial Bureau

applies where you are a commercial bureau which is authorised by us to make submissions to, receive output from or collect reports from the **Bacs System** on behalf of your customers who may supply you with data in a variety of formats. Your customers may be authorised to use the **Bacs Service** by any member of **Bacs** regardless of your banking arrangements.

Contact

means an individual registered on payment services and to whom have been allocated privileges and a security method of **PKI** and/or **ASM**.

Contact ID

means a unique identifier generated for all **Contacts**. For **Contacts** with **ASM**, it is used in conjunction with a **Password** to access payment services.

Digital Certificate

means assigned by a certificate authority, a digital certificate forms part of an individual's **PKI** credentials. It contains a copy of the individual's public key, the issuing certificate authority's digital signature and other details.

Digital Identification Service

means the access and use of the **Public Key Infrastructure** (using the Software, **Hardware** and **Smart Cards** and/or HSM(s)) provided to you by or on behalf of the Bank under the **PKI Customer Agreement**.

Digital Signature

means the result of hashing data and encrypting the hash using a **Contact's Private Key**. Successful verification of a **Digital Signature** using the **Contact's Public Key** provides a guarantee to a



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recipient that the signed file came from the person who sent it and that it has not altered since it was signed. The signature is attached to the file or message before it is sent.

Direct Submitter

means a **Service User** who submits **Transmissions** directly to **Bacs** via **Bacstel-IP** and includes, but is not limited to, **In-House Bureaux**, **Grade 3 Users**, **Multi-Banked Customers** and **Commercial Bureau**.

Distinguished Name

means a unique piece of information allocated to a **Contact**, partly based upon the **Contact's** name, which is held on the **Contact's Digital Certificate**. This information is recorded on **Bacstel-IP** when a **Smart Card**/Certificate is registered.

Good Response

means that the **Digital Certificate** is 'active' – i.e. that it has not been revoked or suspended.

Grade 3 User

means Government organisations, which have a banking relationship with the Office of the Paymaster General (OPG), which in turn has an ongoing banking relationship with the Bank of England. Such users require that the funding of their **Bacs** payments is from their account at OPG.

Hardware

means the equipment used in the operation of the **Service**.

Hardware Security Module/HSM

means a hardware device used for the secure storage of **PKI** credentials and for automating the signing process. It can be used with **Bacstel-IP** to carry out unattended submissions and for unattended collection.

Indirect Submitter

means a **Service User** that can originate items but that cannot send them to **Bacs** itself. An indirect submitter sends items to **Bacs** via a **Commercial Bureau**.

Information

means the information accompanying the Software.

In-House Bureau

applies where you are a service department or office of an **Organisation** which makes submissions to and/or receives output from the **Bacs System** via the **Service** from a single **Service User Number** on behalf of various other **Service Users** belonging to the same **Organisation**.

Instructional Materials

means all documents, information, rules, guides and other materials provided or made available to the Organisation, its employees, contractors or agents at any time by or on behalf of the Bank or **Bacs** in connection with the implementation and operation of **Bacstel-IP**, including, without limitation, the **Bacstel-IP Service User Guide**.

Intellectual Property Rights

means all intellectual property rights in any part of the world and includes, without limitation, patents, rights in inventions, registered and unregistered trademarks, rights in business and trade names and get-up, rights in domain names, registered designs, unregistered rights in designs, copyrights, database rights, rights in know how, and in each case rights of a similar or corresponding character and all applications and rights to apply for or for the protection of any of the foregoing.

Keys

means the **Private Key** and the **Public Key**.

Lloyds Bank Corporate Markets plc

means the Jersey, Guernsey and Isle of Man branches of Lloyds Bank Corporate Markets plc.

Lloyds Bank Corporate Markets plc's Registered Office: 25 Gresham Street, London EC2V 7HN. Lloyds Bank Corporate Markets plc is registered in England and Wales No. 10399850. Lloyds Bank Corporate Markets plc in the UK is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration number 763256. Authorisation can be checked on the Financial Services Register at www.fca.org.uk

Services provided by the Jersey, Guernsey and Isle of Man branches of Lloyds Bank Corporate Markets plc will be subject to the regulatory regime applicable in their respective jurisdiction, which will differ in some or all respects from that of the UK.

Multi-Banked Customer

applies where you have **Bacs System** settlement accounts at more than one bank.

Nominated Account

means a bank/building society account from which a **Service User** can originate items. The nominated account can be an individual account or a group individual account.

Organisation

means a customer organisation sponsored by the **Sponsoring Bank** to use the **Service**.

Password

means the alphanumeric code used by each **ASM Contact** in association with **Contact ID** to allow access to the **Service**.

PKI Customer Agreement

means the **Digital Identification Service PKI Customer Agreement** between you and us relating to the access and use by you of the **Digital Identification Service**. (A copy of it can be found at commercialbanking.lloydsbank.com/commercial-terms/pki-agreement/ or such other address as we may specify, from time to time.)

Primary Security Contact/PSC

means an individual authorised to access the **Bacs System** on behalf of your **Organisation** and to whom a **Contact ID** and an **Access Code** have been issued by the **Bacs System** and who is authorised

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by your **Organisation** to perform certain functions via the **Bacs System** including the ability to set up and maintain additional **Contacts**. A **Primary Security Contact** can be given a wider range of privileges than an additional **Contact** and is the main point of contact for us. A **Direct Submitter** must have a minimum of two **Primary Security Contacts** and an **Indirect Submitter** must have a minimum of one **Primary Security Contact**.

Private Key

means a cryptographic key used in **PKI** which must be kept private to the **Contact** and which has a associated **Public Key**. In **Bacstel-IP**, the **Private Key** is used for **Signing**.

Product & Services

means these terms & conditions in relation to your use of the **Service**, as set out in this document, and the other documents referred to in it (including, without limitation, the **Instructional Materials**).

Public Key

means a cryptographic key used in **PKI** which is contained in the **Digital Certificate** and which is associated with a specific **Private Key**. In **Bacstel-IP**, the **Public Key** is used for signature verification purposes.

Public Key Infrastructure/PKI

means a system to verify the validity of parties involved in electronic communications and to secure electronic data transmissions. **PKI** involves **PKI** credentials, certificate authorities and other registration authorities. **PKI** also refers to the security method that uses **PKI** credentials that can be assigned to a **Contact** for use with **Bacstel-IP** and payment services.

Reference Database

means the database held by **Bacs** which records details input by **Bacs**, the Bank and the **Organisation**, as the case may be, about the **Organisation**, including, without limitation, the levels of authorisation and permission in relation to **Transmissions** submitted to **Bacs** by the **Organisation** as part of **Bacstel-IP**.

Service

means a facilitation of access provided to the **Bacs System** for the purposes of submitting **Bacstel-IP Transmissions** directly or via a **Bacs** approved **Commercial Bureau** to the **Bacs System** using the **Digital Identification Service** or **ASM**.

Service Requirements

means the rules and guidelines relating to the use of the **Service** issued by us and **Bacs** from time to time, including the **Instructional Materials**.

Service User

means a company, group of companies, charity, Financial Institution etc that is sponsored by the **Sponsoring Bank** to use one or more **Bacs Service**.

Service User Number

means a unique character identifier allocated by the **Sponsoring Bank** to a **Service User** to identify it uniquely to **Bacs**.

Sign

means the use of a person's **Private Key** and associated **Digital Certificate** to create a **Digital Signature** on or for a **Transmission**, and 'Signed' and 'Signing' shall be construed accordingly.

Smart Card

means a plastic card with an embedded microchip that is used to store a **Contact's Digital Certificate (Public Key and Private Key)**.

Smart Card User

means a **Contact** who accesses the **Bacs System** using a **Smart Card**.

Sponsoring Bank

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

Submission

means a payment file transmitted to **Bacs** for processing.

Transmissions

(see '**Bacstel-IP Transmission**' above).

User Guide

means the guidelines that we provide from time to time in connection with your operation of the **Service**, including:

- guidance in hard copy form (for example, in a user manual or by letter);
- spoken guidelines (through any technical helpdesks we may operate);
- guidance through any on-line help service available as part of the **Service**;
- any updates of any of the above items; and
- any other information provided by **Bacs**.

Viruses

means viruses, worms, Trojan horses, malicious code, locking or destructive mechanisms or any thing or things similar to any of the foregoing or analogous to them.

VocaLink

means an international payment transaction specialist which provides payment services to banks and corporates. It runs, services and maintains the infrastructure network that processes automated payments on behalf of **Bacs Payment Schemes Limited**.

Your System

means the electronic equipment or other device used by **Contacts** to access the **Service**.



2. Introduction

- 2.1 These Product & Services Terms & Conditions in conjunction with the **Digital Identification Service** set out your rights and obligations in connection with your use of the **Service**, as a **Direct Submitter**, **Indirect Submitter**, **In-House Bureau**, **Grade 3 User**, **Multi-Banked Customer**, or **Commercial Bureau**. These **Terms and Conditions** which apply to you will differ depending on which of these categories applies to your **Organisation**. These **Terms and Conditions** in conjunction with the **Digital Identification Service** are legally binding, so you should read them carefully before you agree to them.
- 2.2 You must have an **Account** with us to enable you to benefit from the provision of the services to be provided by us under these Product & Services Terms & Conditions.
- 2.3 Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions).
- 2.4 These Product & Services Terms & Conditions apply to the **Services** only. Subject to clause 2.5 and clause 2.6, 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.
- 2.5 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply of the **Services** you receive from us, these Product & Services Terms & Conditions will take precedence.
- 2.6 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.
- 2.7 All **Instructional Materials** provided to you by us and **Bacs** form part of these Product & Services Terms & Conditions.
- 2.8 You must ensure all **Contacts** within your **Organisation** comply with the **User Guides**, all **Instructional Materials** and where appropriate the **PKI Customer Agreement**.

3. Customers of LBCM

- 3.1 If the bank that holds the **Account** you access via the **Service** and which has contracted to provide the **Service** is **LBCM** you acknowledge that the **Sponsoring Bank** will fulfil all performance obligations in respect of the **Service** on its behalf and that accordingly all instructions and communications from you and any others acting on your behalf in connection with the use of the **Service** must be directed to the **Sponsoring Bank**.
- 3.2 You agree that your contractual relationship in connection with the supply of the **Service** will be with **LBCM**.
- 3.3 The **Sponsoring Bank** may require the disclosure by **LBCM** of information related to the **Account** (including information stored on its database). You authorise **LBCM** to disclose all such information as may be requested by the **Sponsoring Bank** in pursuance of the supply of the **Service** to you.

“All Instructional Materials provided to you by us and Bacs form part of these Product & Services Terms & Conditions.”

4. Use of the Service

All Users

- 4.1 You shall at all times:
- 4.1.1 where required to do so, only use software which is at the relevant time the **Bacs Approved Software**; and
 - 4.1.2 act in accordance with any instructions or guidance which we provide to you in relation to the **Service**.
- 4.2 You shall not, and shall ensure that **Contacts** do not, do anything in connection with the **Bacs System** via the **Service** outside the United Kingdom, the Channel Islands or the Isle of Man which would or is reasonably likely to result in the **Bacs System** or us being in breach of any applicable laws or regulations outside the United Kingdom, the Channel Islands or the Isle of Man.
- 4.3 Your **Bacs** limit will be as agreed between us and you before you enter into these Product & Services Terms & Conditions and may be amended by agreement between us from time to time.
- 4.4 You may not use the **Digital Identification Service** or **ASM** for use with any other product or service without the prior written consent of us. Where you wish to use the **Digital Identification Service** or **ASM** with other products or services offered by us these may be subject to additional terms and conditions.
- 4.5 You shall not be permitted to use **ASM** or **PKI** to access and collect reports from the **Bacs System** in your capacity as **Service User** pursuant to clause 4.6 except via a **Contact** who is authorised to use **ASM** or **PKI**.
- 4.6 If you have been authorised by us to use the **ASM** or **PKI** to access the **Bacs System** via the **Service**, you may use **ASM** or **PKI** to access and collect reports and modify certain reference data on the **Bacs System**.
- 4.7 You shall not, and shall ensure that **Contacts** shall not, use **Keys**, **Digital Certificates**, **Smart Cards**, Software or other item supplied to you for use in connection with the **Service** for any unlawful purposes.
- 4.8 You shall not, and shall ensure that **Contacts** do not, use any service other than the **Service** for submitting **Transmissions** to **Bacs** for your **Service User Number(s)**.
- 4.9 You shall use all reasonable care to prevent the introduction of any **Viruses** into, or any **Virus** contamination of:
- 4.9.1 any **Transmissions**; or
 - 4.9.2 the **Service**; or
 - 4.9.3 any **ASM** or **PKI** based service by any other participant to access **Bacstel-IP**; or
 - 4.9.4 any **Bacstel-IP** related hardware or software.
- 4.10 Subject to and in accordance with these Product & Services Terms & Conditions, you shall use the Alternative Security Method (**ASM**) to access and collect reports and modify certain reference data on the **Bacs System** if you have been sponsored by us as a **Service User** and have been authorised by us to use **ASM** (pursuant to the relevant provisions of the **Bacstel-IP Service User Guide**) for accessing the **Bacs System**.
- 4.11 You shall not, and shall ensure that **Contacts** do not, use the **Service** for any unlawful purposes.
- 4.12 You shall not, and shall ensure that **Contacts** do not, use any service other than this **Service** to collect reports or maintain certain reference data on the **Bacs System** for your **Service User Number(s)**.

Direct Submitters including In-House Bureaux, Commercial Bureaux and Grade 3 Users

- 4.13 Where we sponsor you to act as a **Direct Submitter**, you shall only use the **PKI** Service in connection with the **Bacs System** for submitting **Bacstel-IP Transmissions** directly to the **Bacs System** or for receiving communications or collecting reports from the **Bacs System** via **Bacstel-IP** for your own account or on behalf of any of your Group Companies which either:
- 4.13.1 specify an account with us maintained by you or one of your Group Companies as the account to be debited, or as the case may be, credited; or

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- 4.13.2 If you are a **Grade 3 User**, specify an **Account** maintained by you in respect of which a contra-instruction exists which substitutes for that **Account** an account held by the Office of His Majesty's Paymaster General with the Bank of England as the account to be debited or credited; or
- 4.13.3 make changes to the details held on the **Reference Database** regarding or associated with any such account or provides access to any other information held by the **Bacs System** relating to that account (including, without limitation, any information relating to the processing of payments made or to be made to or from that account).
- 4.14 Where you are a **Commercial Bureau** you may process for any other **Service User Transmissions** submitted to you using the **Service** provided that such **Service User** has been registered on the **Reference Database** by the member of **Bacs** that sponsored such **Service User**.
- 4.16.4 make changes to the details held on the **Reference Database** about, or associated with, an **Account** or a **Nominated Account** or provide access to any other information held by **Bacs** relating to that **Account** and/or **Nominated Account**, including, without limitation, any information relating to the processing of payments made or to be made to or from that **Account** and/or **Nominated Account**.
- 4.17 Where another bank is providing the security credentials to access the **Bacstel-IP** service we agree to settle payments associated with **Transmissions**, submitted by you using such other bank's **Bacstel-IP** service as we may from time to time agree, from your **Account** provided that you have entered into a mandate agreement with us to enable us to operate your **Account** in accordance with, among other things, instructions issued by way of such **Transmissions**.

Multi-Banked Customers

- 4.15 Clauses 4.16 and 4.17 below apply to existing **Multi-Banked Customers** prior to the creation of these Product & Services Terms & Conditions and we are not accepting any new **Multi-Banked Customers**.
- 4.16 Where we provide the **Service**, you shall, and shall ensure that **Contacts**, only use the **Service** in connection with **Bacs** for submitting **Transmissions** directly to **Bacs** or for collecting reports from **Bacs** for your own **Service User Number(s)** which:
 - 4.16.1 Specifies as the account to be debited or credited either:
 - 4.16.2 an **Account** maintained by you; or
 - 4.16.3 a **Nominated Account**, maintained by you; or

You shall not, and shall ensure that
Contacts do not, use the **Service**
for any unlawful purposes

5. Security

- 5.1 Before you can use the **Service** you must set up your own appropriate security procedures in accordance with the **Bacstel-IP Service User Guide**.
- 5.2 You are responsible for ensuring that each **Contact** complies with the security procedures set out in the **User Guide**, these Product & Services Terms & Conditions and where appropriate the **PKI Customer Agreement** at all times.
- 5.3 You acknowledge that we or our licensors own all **Digital Certificates** and **Smart Cards** issued to you, including accompanying technical specifications and service marks.
- 5.4 You are responsible for ensuring that each **Smart Card User** complies with your own security procedures, these Product & Services Terms & Conditions, the **PKI Customer Agreement** and any other Bank/**Bacs** advised rules and procedures set out in the **User Guides**.
- 5.5 You shall ensure that all **Contacts** check the information and data provided through the **Service**. If any such information or data is incorrect or incomplete, you must ensure that we are informed of this by following the advised Bank procedures.
- 5.6 You shall notify us without delay by calling the Lloyds Bank **Bacstel-IP** helpdesk at any time if you become aware of or suspect:
 - 5.6.1 any breach of or non-compliance with these Product & Services Terms & Conditions, **PKI Customer Agreement** or the **Service Requirements** by any **Contact** or other person within your **Organisation** or, where you are a **Commercial Bureau**, by any of your customers; or
 - 5.6.2 any loss, theft, misappropriation or unauthorised use of a **Smart Card** or HSM or **Contact ID** and **Password** or any fraud in or breach or compromise of the security affecting the **Service**, giving reasonable details of the circumstances.
- 5.7 You shall further ensure that the **Contacts** take all reasonable steps to ensure that their **Passwords** and **Contact IDs** stay secret.
- 5.8 You shall ensure that each **Contact** changes his/her **Password** as required from time to time by the **Bacs System** and changes his/her **Password** if that **Contact** becomes aware of or suspects that the **Password** is known or has been used by another person other than that **Contact**.
- 5.9 You shall make any notification to us under this clause 5 in accordance with clause 15. We may require the notification to be confirmed in writing before taking any action.



Security

Before you can use the Service you must set up your own appropriate security procedures in accordance with the Bacstel-IP Service user Guide

6. Carrying out your instructions

- 6.1 You must not allow anyone other than **Contacts** authorised by you to use the **Service**.
- 6.2 You agree that the **Primary Security Contacts** are authorised by you to conduct **Administration** and that we do not need any further instruction or confirmation from you to implement the changes made by a **Primary Security Contact** performing **Administration**. You will inform us in writing of any changes that we need to make.
- 6.3 You agree that any **Contact** may validly give instructions electronically through the **Service** in connection with any **Service User Number** or **Account** (or a bank account with another member of **Bacs** where relevant) which you have authorised that **Contact** to access through the **Service** and you acknowledge that **Bacs** will act on such instructions.
- 6.4 The Bank shall be entitled to rely on, and the Customer shall accept full liability for, any **Bacstel-IP Transmission Signed** using a **Private Key** and **Digital Certificate** issued by the **Digital Identification Service** to the Customer, provided that:
 - 6.4.1 the **Digital Certificate** used to **Sign** such **Bacstel-IP Transmission** is valid has not expired has not been revoked or suspended;
 - 6.4.2 the **Bacstel-IP Transmission** does not contravene the levels of authorisation and permission set out in the **Reference Database** in relation to the relevant **Service User**.
- 6.5 We agree to settle payments associated with **Bacstel-IP Transmissions** submitted on your behalf by a bureau where that bureau uses a trust service of another member of the **Bacs System** or a trust service provided by us where the account specified in any such **Bacstel-IP Transmission** is maintained by you or a company related to you with the Bank.
- 6.6 If an instruction is found by you to have been incorrect we will not be liable for any loss, damage or expense whatsoever incurred as a consequence thereof but if we are promptly notified of any incorrect instruction we will make reasonable efforts to recover the funds and shall be entitled to make a charge for such activity. For procedures in relation to **Transmissions** sent in error, please refer to the relevant Section of the **Bacstel-IP Materials**.
- 6.7 We may, if we think it is justified, decline to validate an instruction and insist on written confirmation of that instruction from an **Authorised Signatory**.
- 6.8 You may submit instructions for a **Transmission** at any time but instructions will only be processed on the same Business Day when received by the cut-off times set out in the General **Information On Payments, Charges & Contacts**.

7. Confidentiality

- 7.1 You shall keep any **Bacs Confidential Information** which you receive confidential at all times, and shall not:
- 7.1.1 use such **Bacs Confidential Information** or any part of it for any purpose other than its use in **Bacstel-IP** or any payment, clearing or other scheme run by **Bacs**; or
 - 7.1.2 disclose such **Bacs Confidential Information** or any part of it to any person other than to those employees, agents, contractors or any member of your **Organisation** to whom disclosure is necessary for their use of **Bacstel-IP** or any payment, clearing or other scheme run by **Bacs**, provided that you ensure that such persons to whom **Bacs Confidential Information** is disclosed are at all times subject to and maintain this obligation of confidentiality.
- 7.2 You are entitled to disclose the **Bacs Confidential Information**:
- 7.2.1 to the extent necessary to comply with these Product & Services Terms & Conditions;
 - 7.2.2 to a third party to the extent that this is required by any court of competent jurisdiction or by a governmental authority or regulatory authority or that a disclosure is legally required; and/or
 - 7.2.3 where you are able to do so without breaching any legal or regulatory requirements, in which event you will give the owner of the **Bacs Confidential Information** in question written notice as soon as reasonably practicable of the intended disclosure.
- 7.3 These obligations do not apply to information which:
- 7.3.1 you can show was known by you before you received such information (or learned of the same) under or in connection with **Bacstel-IP** or any payment, clearing or other scheme run by **Bacs** and had not previously been obtained under an obligation of confidence; or
 - 7.3.2 is in or comes into the public domain, and has not come into the public domain through a breach of these Product & Services Terms & Conditions or any other confidentiality obligation; or
 - 7.3.3 you can show was independently developed by you; or
 - 7.3.4 is disclosed to you without restriction and without breach of any obligation of confidentiality by a third party who has the right to make such disclosure.
- 7.4 Where you cease to participate in **Bacstel-IP** or any other scheme run by **Bacs**, you shall not be entitled to keep any **Bacs Confidential Information** except to the extent that you are required to do so in order to comply with any **Applicable Requirements** or to maintain a record of **Transmissions** or any other material relating to your participation in **Bacstel-IP**. The provisions of these Product & Services Terms & Conditions continue to apply to you for so long as you retain any such **Bacs Confidential Information**.
- 7.5 The provisions set out in these Product & Services Terms & Conditions are in addition to (and not in substitution for) all other confidentiality obligations between you and us, **Bacs**, and/or any member of **Bacs**, and any software provider.

8. Intellectual Property Rights

- 8.1 All right, title, interest and **Intellectual Property Rights** in the **Bacstel-IP Materials** shall vest in **Bacs** or its licensors, and, except to the extent set out in these Product & Services Terms & Conditions, you shall obtain no right, title or interest in any **Bacstel-IP Materials** or in any **Intellectual Property Rights** therein.
- 8.2 All right, title, interest and **Intellectual Property Rights** in the **User Guides** shall vest in us or **Bacs**, and, except to the extent set out in these Product & Services Terms & Conditions, you shall obtain no right, title or interest in any **User Guides** or in any **Intellectual Property Rights** therein.
- 8.3 We hereby grant you a licence to use and copy (but not to sublicense save as set out in clause 8.4) the **Bacstel-IP Materials** (other than any documents, information and other materials relating to **Bacs**) and the **User Guides**, but only to the extent necessary to enable **Contacts** to **Sign**, submit and receive **Transmissions**.
- 8.4 If you are a **Commercial Bureau**, you shall have the right to sub-license the **Bacstel-IP Materials** (which, for the avoidance of doubt, does not include the Software and **Information**) to your customers, but only to the extent necessary to enable such customer to sign, submit and receive **Transmissions** or to access the **Bacs System** via **ASM**.
- 8.5 We give no warranty that the **Bacstel-IP Materials** and **User Guides** licensed to you shall not infringe the **Intellectual Property Rights** of any third party.
- 8.6 The licence set out in clause 8.3 shall terminate automatically on any termination or suspension of **Bacstel-IP** by **Bacs** and/or any termination or suspension of the **Service** by us and/or you ceasing to maintain a bank account with us.
- 8.7 On such termination, you must destroy all copies of the **Bacstel-IP Materials** and **User Guides** provided to you or which are otherwise in the **Contacts'** possession, custody or power.
- 8.8 If you are a **Commercial Bureau** and you have sublicensed any **Bacstel-IP Materials** to any of your customers in accordance with clause 8.4, you shall procure the destruction of such **Bacstel-IP Materials**, including all copies.

9. Bacs Applicable Requirements

You shall:

- 9.1 Comply at all times with all **Applicable Requirements**; and
- 9.2 Obtain and maintain at all times all licences, consents, permissions and authorisations and ensure that you advise us of any changes to customer reference/contact data necessary to sign, submit or receive **Transmissions** (including, without limitation, data relating to the import or export of any equipment, software or technology).
- 9.3 You expressly agree to comply at all times with the guides and rules applicable to **Direct Debit Service Users** and/or **Direct Credit Service Users** (including but not limited to the **Direct Debit** and **Bacs** Direct Credit Rules (as may be amended from time to time)). You expressly accept that you will be bound by any updates to the **Direct Debit** and/or **Bacs** Direct Credit Rules and that responsibility for obtaining updates to such documents lies with you.
- 9.4 You shall not act, or omit to act, in any way that might affect our ability to comply with our rights and duties under these Product & Services Terms & Conditions or our obligations in respect of the **Direct Debit** and/or **Bacs** Direct Credit Schemes generally (including but not limited to both our obligations as a Member and as your Sponsor).

“You expressly agree to comply at all times with the guides and rules applicable to **Direct Debit Service Users** and/or **Direct Credit Service Users**.”

10. Overseas dispatch of the Smart Card

- 10.1 We maintain the right not to dispatch **Smart Cards** and/or any security and **Instructional Materials** to addresses outside the United Kingdom.



Smart card

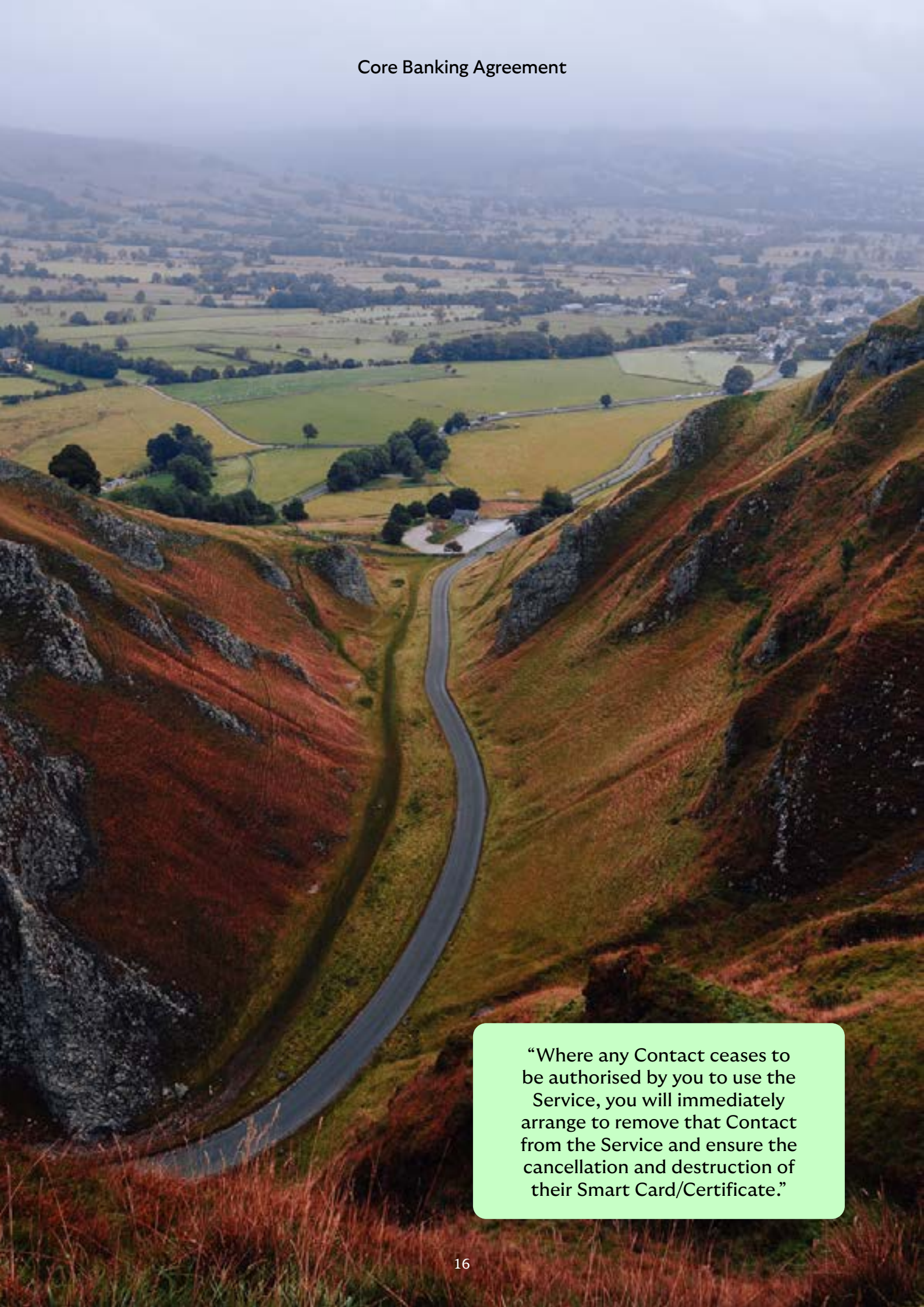
We maintain the right not to dispatch Smart Cards and/or any security and Instructional Materials to addresses outside the United Kingdom

11. Liability for loss

- 11.1 Subject to our limitations of liability set out in the Relationship Terms & Conditions, as otherwise provided in these Product & Services Terms & Conditions, we are only liable for direct losses to you, and then only if caused by our negligence or deliberate default. We will not be liable for indirect or consequential loss. We will not be liable for any loss, liability or cost arising as result of the acts or omissions of any person who is not party to **The Agreement** between you and us. Examples where we are not liable include incompatibility between your **System** and the **Service** or the Software.
- 11.2 Our entire liability to you in contract, tort (including negligence), misrepresentation, restitution or otherwise arising out of the performance or contemplated performance of **The Agreement** between you and us and/or your use of the **Service** in any period of 12 months (or such lesser period) as **The Agreement** has been in force) up to the date when the liability was incurred, shall not exceed: (a) the amount (if any) necessary to reimburse you in respect of any transaction as required by law, plus (b) the amount of the fees paid by you for the **Service** in respect of that period or the sum of £5,000 whichever shall be the greater.
- 11.3 You must compensate us for any loss we suffer as a result of your breaching any of these Product & Services Terms & Conditions or allowing any **Contact** to do so.
- 11.4 Without prejudice to our liability, in no event shall we or any of our licensors be liable for any special, indirect, incidental, consequential or punitive losses or damages (including losses or damages for any lost revenues, profits or data), even if advised or made aware of the possibility of any such losses or damages and regardless of whether the claim:
- 11.4.1 relates to the Software, any third party software product or the performance or non-performance thereof; or
 - 11.4.2 is based on breach of contract or warranty, negligence or other tort, strict liability or other theory of liability.
- 11.5 Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled "Refunds for incorrectly executed payment instructions", "Refunds for incorrect payment amounts/sums" and "Refunds for unauthorised transactions" in the Relationship Terms & Conditions. Any limitation on your liability under the section titled "Your responsibility for unauthorised transactions" in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions.

Core Banking Agreement





“Where any Contact ceases to be authorised by you to use the Service, you will immediately arrange to remove that Contact from the Service and ensure the cancellation and destruction of their Smart Card/Certificate.”

12. Legal effectiveness and admissibility of Electronic Signatures and Digital Certificates

- 12.1 You shall not challenge the legal effect, validity and enforceability of a **Bacstel-IP Transmission** (including, any transmission that purports to be a **Bacstel-IP Transmission**) on the basis that:
- 12.1.1 such **Bacstel-IP Transmission** is in electronic rather than written form;
 - 12.1.2 where you or anyone acting on your behalf (including but not limited to a Bureau) did not see, check or review the contents of the **Bacstel-IP Transmission** before or when **Signing** it;
 - 12.1.3 the **Bacstel-IP Transmission** was **Signed** automatically without direct human instigation or intervention (whether by a hardware security module or otherwise); or
 - 12.1.4 the **Bacstel-IP Transmission** or the **Signing**, transmission and processing of the **Bacstel-IP Transmission** constitutes a breach by:
 - 12.1.4.1 you of these Product & Services Terms & Conditions or the **User Guides** or of the provisions or terms of use of any relevant third party provider or third party scheme; or
 - 12.1.4.2 anyone acting on your behalf (including but not limited to a Bureau), of the terms on which it acts on your behalf.
- 12.2 We shall be entitled to rely on, and you shall accept full liability for, any **Bacstel-IP Transmission Signed** in accordance with these Product & Services Terms & Conditions and the **User Guides**.

13. Suspension, Withdrawal or Termination

- 13.1 We may suspend or terminate, or withdraw or cease to provide the **Service** to you with immediate effect in any of the following circumstances:
- a. if **Bacs** has suspended or withdrawn its authorisation for the **Service** or **ASM** to be used in connection with **Bacstel-IP**; or
 - b. where we consider it appropriate to do so in order to protect the security, integrity or reputation of **Bacstel-IP**; or
 - c. If you fail to maintain an account with the Bank.
- 13.2 Upon any suspension or withdrawal of the **Service** in accordance with these Product & Services Terms & Conditions:
- 13.2.1 You shall not (and shall ensure that your employees, contractors and agents shall not) **Sign** or submit any **Transmissions** using the **Service** or use the **ASM** or **PKI** after such suspension or withdrawal unless and until, in the case of a suspension, such suspension is lifted by us giving written notice to that effect to you; and
 - 13.2.2 You shall ensure that any hardware, software or documentation issued by us and **Bacs** is returned to us (or destroyed).
- 13.3 Where any **Contact** ceases to be authorised by you to use the **Service**, you will immediately arrange to remove that **Contact** from the **Service** and ensure the cancellation and destruction of their **Smart Card/Certificate**.
- 13.4 Ending your use of the **Service** will affect your instructions in the following way: if we have acted upon such instructions, we will try to cancel them at your request if it is reasonable and possible to do so.

14. Communications and electronic records

- 14.1 The **Sponsoring Bank** (including its subcontractors) and/or **Bacs** may monitor and record communications with you, your agents, employees and contractors (including, but not limited to, **Transmissions**) for any purpose connected with **Bacstel-IP** which the **Sponsoring Bank** (including its subcontractors) and/or **Bacs** consider appropriate.
- 14.2 Records and audit logs maintained by the **Sponsoring Bank** or **Bacs** in relation to the **Service**, any **Transmission** or **Bacstel-IP** communication shall be deemed to be accurate until the contrary is proved, and the burden of proof that they are inaccurate shall lie with you.

15. Contact details

- 15.1 You can contact us:



by calling the
Lloyds Bank Bacs Helpdesk
on **0345 982 5325** or such other
number as we may notify to you or;



by post at
Bacs Onboarding
Lloyds Banking Group
Ettrick House
37 South Gyle Crescent
Edinburgh EH12 9EB



or by speaking to your
relationship team.

- 15.2 Further contact details are set out within General Information On Payments, Charges & Contacts.

16. About our charges

- 16.1 We will charge you fees for the **Service** monthly in arrears unless otherwise agreed.
- 16.2 We may debit those fees and charges from your nominated current account or your principal account if you fail to nominate one.
- 16.3 Details of our charges are set out within the Bacstel-IP Tariff.

Charges

Details of our charges are set out within the Bacstel-IP Tariff.



LLOYDS