

About Your Account

This leaflet sets out information about our Accounts, including the standard interest rates and charges applicable and the timing of payments into and out of the Account.

Contents	PAGE
OUR CHARGES	
Corporate Current Accounts	2
Corporate Treasury Cheque Account	3
Direct Corporate Cheque Account	3
Business Offset Current Account	3
Not For Profit Current Account	3
Charges for Other Services on All Accounts	3 - 5
Currency Transactions on All Accounts	5 - 7
Business Travel Money on All Accounts	7
OPERATING YOUR ACCOUNT	
Cut-off Times – Outward Payments	8 - 9
Cut-off Times – Inward Payments	9 - 10
Cut-off Times – Inter Account Transfers	10
Cheque Clearing on All Sterling Accounts	11
Reference Interest Rates and Interest Rates	11 - 13
Security and Regulatory Information	13 - 14
Payment Definitions	15 - 17

OUR CHARGES

This section gives a summary of our standard charges for services most frequently used by our Corporate customers. If you need further information on charges please contact your Relationship Manager to discuss further.

From time to time it may be necessary for us to vary our charges. Notice of changes will be sent to you personally by letter or notified with your statement.

The Transactional Banking charges only apply to the accounts detailed below. Charges for any other accounts can be obtained by contacting your Relationship Manager.

The tax treatment of interest paid on the account depends on customer status and may be subject to change in the future.

ALL CORPORATE CURRENT ACCOUNTS

We apply your Transactional Banking charges on a monthly basis.

Our charging period starts on the day after your monthly statement is produced or would normally be produced, if you have not opted for monthly statements.

We'll inform you about any transaction charges with your statement, which is issued 14 days before the charges are deducted from your Account.

<u>Item description</u>		<u>Transaction charge</u>
Pay-ins to your Account	Over the counter, Business CashSaver	25p each
	Automated e.g. Bacs, CHAPS	25p each
	Faster Payments	25p each
Items included in your pay-ins	e.g. Cheque, batch of credit card vouchers	24p each
Cheques paid from your Account	Retained by the Bank	50p each
	Returned with your statement	69p each
Direct Debits/other automated debits	e.g. ATM withdrawals	35p each
Standing Orders		45p each
Faster Payments	Immediate Faster Payments	£5 each
	Future Dated Faster Payments	45p each
Payments made by Corporate Online via Bacs	e.g. Bill payments and third party payments	
	To a single beneficiary	25p each
	To multiple beneficiaries	8p each + 25p for account debit
Payments made by Internet Banking via Bacs		25p each
Payments made by Telephone Banking via Bacs		25p each
Cash paid in while you wait		65p per £100
Cash paid in using Business CashSaver		50p per £100
Cash withdrawn		59p per £100
Providing change	Account holders	£1.25 per £100
	Non-account holders	5% (minimum £2.00)

Different transactional charges apply to Corporate Treasury Cheque Account / Direct Corporate Cheque Account / Business Offset Current Account / Not For Profit Current Account – please see page 3.

CORPORATE TREASURY CHEQUE ACCOUNT / DIRECT CORPORATE CHEQUE ACCOUNT / BUSINESS OFFSET CURRENT ACCOUNT - CLOSED TO NEW BUSINESS

We apply your Transactional Banking charges on a monthly basis.

Our charging period starts on the day after your monthly statement is produced or would normally be produced, if you have not opted for monthly statements.

We'll inform you about any transaction charges with your statement, which is issued 14 days before the charges are deducted from your Account.

<u>Item description</u>		<u>Transaction charge</u>
Cheques	All cheques paid from account	40p each
All other transactions	e.g. Standing Order payments, Direct Debits, cheque pay-ins and inter-account transfers	Free of charge
Direct Cash Envelopes	Charge taken at time of order	£6.00 per envelope. Minimum order 5

NOT FOR PROFIT CURRENT ACCOUNT

We apply your Transactional Banking charges on a monthly basis.

Our charging period starts on the day after your monthly statement is produced or would normally be produced, if you have not opted for monthly statements.

We'll inform you about any transaction charges with your statement, which is issued 14 days before the charges are deducted from your Account.

<u>Item description</u>		<u>Transaction charge</u>
Cheques	First 50 cheques per monthly charging period	Free allowance
	After free allowance used	40p per cheque
All other transactions	e.g. Standing Order payments, Direct Debits, Cheque pay-ins	Free of charge

CHARGES FOR OTHER SERVICES ON ALL ACCOUNTS

Charges which are charged at the time of the transaction.

<u>Service description</u>		<u>Charge</u>
Statements	Standard	Free of charge
	Copy	£5 per page (maximum £10)
Sterling Bank Draft / Foreign Draft		£10 per draft
Stopping a cheque		Free of charge
Cheques paid into your Account returned unpaid		Free of charge
Copy Vouchers	e.g. Copy of an original cheque you have issued, or a copy of a pay-in slip	£5 per item
Same day transfer of money by CHAPS	Charge debited along with principle amount of CHAPS payment.	£25 per transfer (£20 Telephone Banking or £12 if made via Corporate Online).
Special presentation of cheques		£12 per cheque (plus expenses)
Status enquiries	On Bank of Scotland customers	£8.51 plus VAT
	On customers of other banks	Price on request
Business Debit Card (Foreign Transactions)		£1.50 service fee plus 2.75% conversion fee per transaction
Your payments returned unpaid		£35 per item (maximum £105 per day)

CHARGES FOR OTHER SERVICES ON ALL ACCOUNTS (cont.)

<u>Service description</u>	<u>Charge</u>	
Unauthorised overdraft	£30 per item (Maximum of 1 per day)	
Portable Credit History	£25 per request (two requests are allowable free of charge over a 12 month rolling period)	
Night Safe facilities	Free of charge	
Auditor's standard letter of request	£25 per hour (plus VAT)	
Corporate Card*		
	Annual spend per Cardholder:	
	Under £2,500	£30
	£2,500 to £4,999	£25
	£5,000 to £9,999	£20
	£10,000 to £29,999	£15
	£30,000 and above	Free of charge
*Corporate Card annual fees are charged 12 months in arrears for each card issued, a fee will be charged in the 13 th month after the card is issued and every 12 months after that. The amount of the fee is based on the total spend on the card by each cardholder in the previous 12 months.		
Internet and Telephone Banking	Free of charge	
Other Service Charges		
In the event that you are required to trace either a CHAPS or International Payment the following charges may apply:	£12 for file set-up and tracer messages for payment	
Charges are payable upon case resolution and will not be applied if Bank of Scotland is found to be at fault. Payment queries should be directed in the first instance via your Business Services Centre or your Relationship Manager.		

Charge collected on a monthly basis by Direct Debit

Corporate Online		
	<u>Service description</u>	<u>Charge</u>
	Corporate Online Core Service	Free of charge
	Extra Modules:	£25 per month per module
	CHAPS	
	International	
	Foreign Exchange	
	Full Service (all above modules)	£50 per month

Invoice issued monthly and charges collected 14 days later

Payments and Collections via Bacstel-IP		
	<u>Service description</u>	<u>Charge</u>
	Per Credit / Debit item	9.8p
	Per file direct (via own software)	£4.50
	Per file indirect (via Commercial Bureau)	£2.75

CHARGES FOR OTHER SERVICES ON ALL ACCOUNTS (cont.)

Invoice issued monthly charges collected 14 days later (cont.)

	<u>Service description</u>	<u>Charge</u>
	Multi processing file submission	£4.50, plus £2.75 per day section
	Referral of file e.g. over Bacs limit	£50 per file
	Request for Bacs file extraction	£50
	Request for Bacs file missing payment trace	£10
	Hardware Security Modules (HSM)	£553.18 plus VAT per certificate
	Smart Card	£25.53 plus VAT
	Smart Card reader	£29.79 plus VAT
	Set-up fee Indirect	£75
	Set-up fee Direct	£150
Bacs Entry via Ceridian		
	Item Fee	32p each, (14p each if charity)
	File Fee	£1.85 per fax
	New Beneficiary	32p each
	Cancel a fax already submitted	£5
	Request of copy faxes submitted/output reports	£5 up to max of £40.
Account Reconciliation		
The charges for this service per file are:	Files with 1000 items or less	£7.50 Flat Fee per month
	Files above 1000 items	£0.0075 per item

An invoice is issued for the full value of the equipment fees and after a notice period of 14 days, the nominated account is debited with the full value.

Corporate Online Equipment Fees		
	<u>Service description</u>	<u>Charge</u>
	Smartcard	£25.53 plus VAT
	Smartcard Reader	£29.79 plus VAT
	RSA Secure ID Token	£12.77 plus VAT

CURRENCY TRANSACTIONS ON ALL ACCOUNTS

Charges which are taken at the time of the transaction, unless otherwise agreed

<u>Service description</u>		<u>Charge</u>		
<u>International Payments – Outward Payments</u>				
Charges for payment instructions delivered using Corporate Online (Further details on Corporate Online are available on request.)				
	Cross border and domestic Euro payments		Non-Euro payments	
	Sterling value	Fee	Sterling value	Fee
	£0-£4000	£11	£0-£4000	£11
	£4000.01 - £8000	£14	£4000.01 - £8000	£17
	£8000.01 - £12000	£17	£8000.01 - £12000	£22
	£12000.01+	£22	£12000.01+	£27

CURRENCY TRANSACTIONS ON ALL ACCOUNTS (Cont.)

<u>Service description</u>		<u>Charge</u>			
Charges for payments instructed by phone or delivered manually					
	Cross border and domestic Euro payments		Non-Euro payments		
	Sterling value	Fee	Sterling value	Fee	
	£0-£4000	£14	£0-£4000	£14	
	£4000.01 - £8000	£17	£4000.01 - £8000	£20	
	£8000.01 - £12000	£20	£8000.01 - £12000	£25	
	£12000.01+	£25	£12000.01+	£30	
International Payments – Inward Payments					
Euro Payments		Straight Through Processing		Non-Straight Through Processing	
Sterling Value		Fee		Fee	
£0 - £100		FREE		FREE	
£100.01 - £8000		FREE		£3	
£8000.01 +		£3		£6	
Non-Euro Payments		Straight Through Processing		Non-Straight Through Processing	
Sterling Value		Fee		Fee	
£0 - £100		FREE		FREE	
£100.01 +		£3		£6	
Charges for cheques lodged to a Currency Account or Sterling Account					
<u>Service description</u>		<u>Charge</u>			
Euro cheques drawn on a UK euro Clearing Member bank and lodged to a euro Currency or Sterling Account		Free of charge			
Negotiated cheques – cheques drawn on an overseas bank and lodged to your Currency Account		£1 per cheque			
		Minimum £5 per lodgement			
		Maximum £10 per lodgement			
Negotiated cheques - charges for currency cheques lodged into a Sterling account		Minimum 25p per £100			
		Minimum £5 per lodgement			
		Maximum £40 per lodgement			
Cheques sent on a collection basis – Cheques drawn on an overseas bank and lodged to your Currency or Sterling Account. Charges will be deducted from settlement amount by the Correspondent Bank.		30p per £100			
		Minimum £15 per lodgement			
		Maximum £60 per lodgement			
Charges for cheques issued from a Currency Account					
Euro cheques received via UK euro clearing		60p per cheque			
Currency cheques received for payment via the London Currency Cheque Clearing		£3 per cheque			
Currency cheques received for payment: from an overseas bank		£15 per cheque			

CURRENCY TRANSACTIONS ON ALL ACCOUNTS (Cont.)

Cheques/money drafts written in euro drawn on a UK bank which is a member of UK Euro Clearing – If you pay this type of cheque into your account and your account is held in Euros then you can take the amount of the cheque out of your account on the third bank working day after the day we get it. For example, if you pay a cheque in on a Monday, you can take the money out of your account on a Thursday as long as neither the Monday, the Thursday nor any of the days in between is a UK bank or public holiday.

Cheques/money draft – If you pay a cheque/money draft into your account (which is in the same currency as your account or a different currency) you cannot take some or all of the money out of your account until the value date which is the date the funds become available to our correspondent banks, and also the date your account is debited. The day we receive payment depends on whether the cheques are sent for negotiation or collection. The way we choose to convert your cheque/money draft depends on the amount of the cheque. However, it is for us to decide whether a cheque can be negotiated. For further details please ask your Relationship Manager.

Collection

We will present the cheque/money draft to the bank or other financial institution where the person who wrote the cheque or ordered the money draft (“the payer”) has his or her account. A credit is made to your account after payment has been received from the bank or other financial institution where the payer has his or her account. Depending on where the cheque is drawn, this can take between three and six weeks.

Negotiation

The Bank pays the money into your account and then waits for the other bank to send us the money. If the cheque is returned unpaid, the Bank will take the money back and charge you for the cheque being returned. This is what we call 'with recourse'. Please note that if you pay a cheque/money draft into your account and we let you take some or all of the amount of the cheque/money draft out of your account, that does not mean that the cheque has been fully 'cleared'.

Where the cheque is not in the currency of the account the exchange rate used will be that on the date of processing.

We will credit the Customer's account with the value of the cheque normally within 10 bank working days or less, depending on the currency and the country on which the cheque is drawn.

Days will also be added for bank/public holidays in the relevant country.

BUSINESS TRAVEL MONEY ON ALL ACCOUNTS

Charges which are taken at the time order is placed

<u>Service description</u>	<u>Charge</u>
Sale of currency travellers cheques and currency notes	
From a Bank of Scotland sterling or Currency Account for business travel purposes	Commission Free
The 0% commission Travel Money Offer on Currency Travellers Cheques and Notes is available for business travel purposes and does not apply to commercial transactions. Bank of Scotland reserves the right to withdraw this offer at any time.	
Sale of sterling travellers cheques	
Sale of sterling travellers cheques for business travel or commercial transactions	£1 per £100 Minimum £3, no maximum
Re-purchase of travellers cheques and currency notes (where originally sold by Bank of Scotland and evidenced by a receipt of sale)	
Cashed	FREE
Lodged to a Bank of Scotland sterling or Currency Account	FREE
Lodgement of travellers cheques (not originally sold by Bank of Scotland)	
Lodged to a Bank of Scotland sterling account	25p per £100
	Minimum £5 per lodgement
	Maximum £40 per lodgement
Lodged to a Bank of Scotland Currency Account	£1 per cheque
	Minimum £5 per lodgement
	Maximum £10 per lodgement
Lodgement of currency notes (not originally sold by Bank of Scotland)	
Lodged to a Bank of Scotland sterling or Currency Account	FREE
A £5 fee is payable for orders delivered direct to your business address.	

OPERATING YOUR ACCOUNT

CUT-OFF TIMES – OUTWARD PAYMENTS

Any items credited to your Account before 8pm, will be eligible to be included in any balance used for interest calculation purposes.

Cut-off times stated are those by which the Bank must receive the instruction.

Where you instruct us to undertake a transaction which is an automated payment the money will be available to the payee (subject in each case to the instruction being received before the cut off time):

- (unless the transaction is initiated by way of a paper-based authorisation process) within 3 bank working days of the day after we receive your instructions;
- where the transaction is initiated on a paper-based authorisation process, within 4 bank working days of the day after we receive your instructions;
- for any payments transmitted in the European Economic Area (other than the United Kingdom), the fourth bank working day of the day after we receive your instructions;
- for any payment transmitted outside the European Economic Area, these timings do not apply. Please ask us for details.

Payment Cycle for Bacs Payments (excluding Bacstel-IP)

Day 1	Day 2	Day 3
e.g. Monday	e.g. Tuesday	e.g. Wednesday
Customer Account debited	Bacs Processing Day	Beneficiary Account credited

You may be able to make payments to a beneficiary's account quicker by using the Faster Payments Service.

<u>Service description</u>	<u>Information</u>	<u>Processing cut-off</u>	<u>Beneficiary Account Credited</u>
CHAPS	<i>Same day payment made within UK</i>		
Electronic	Corporate Online	3.45pm	Same Day
	Corporate Online to other HBOS beneficiaries	5.00pm	Same Day
Manual	Faxed request	2.00pm	Same Day
Telephone	Contact Centre	2.30pm	Same Day
Direct Deal	Standard Service	2.30pm	Same Day
Direct Deal	Express Service	3.00pm	Same Day
Bacs			
Standing Orders	Available on Bank Working Days	Day 1	Day 3
Future Dated Bill Payments /Third Party Payments	Online or Telephone Banking	Day 1	Day 3
Immediate Bill Payment	Online or Telephone Banking	6.00pm on Day 1	Up to Day 3
Direct Debit	Available on Bank Working Days	n/a	Same Day
Bacs Entry	Fax funds transfer	3.00pm on Day 1	Day 3
Bacstel-IP	Funds transfer service	10.30pm on Day 1	Day 3
Recalls	On day 2 of the Bacs cycle	12 noon	n/a
Faster Payments			
Immediate Faster Payment	Funds normally with beneficiary within 2 hours however, message may advise a later receipt time	24hrs, 7 days a week	Within 2 hours
Future Dated Faster Payment	Available on Bank Working Days	Input by midnight day before payment due	Normally by 8.00am on payment due date
Standing Orders	Available on Bank Working Days	Day 1	Normally by 8.00am on payment due date, or next working day (Day 1)

CUT-OFF TIMES – OUTWARD PAYMENTS (Cont.)

International Payments

Payment made from UK to another Country.

Many payments reach our correspondent bank on the same day you instruct them. The actual date when the beneficiary is credited may vary depending on local banking practices and any time zone differences and is unfortunately out with our control.

The value date applied to all payments is the earliest possible date, and this depends on:

- the currency of the payment
- the country to which you are sending the payment
- the time of receipt and method of delivering the payment
- instruction to our payment processing area.

<u>Service description</u>	<u>Information</u>	<u>Processing cut-off</u>	<u>Payment Value Date</u>
Corporate Online			
\$US		5.00pm	Same Day
Euro		2.45pm	Same Day
Swiss / Liechtenstein Franc, Danish / Norwegian Krone, Swedish Krona		1.20pm	Next business day
All other EEA currencies		2.00pm	Day 3
All other currencies		Available on request	Available on request
Direct Deal, Telephone & Manual			
\$US		12 noon	Same Day
Euro		12 noon	Same Day
Swiss / Liechtenstein Franc, Danish / Norwegian Krone, Swedish Krona		12 noon	Next business day
All other EEA currencies		12 noon	Day 3
All other currencies		Available on request	Available on request

CUT-OFF TIMES – INWARD PAYMENTS

<u>Service description</u>	<u>Information</u>	<u>Processing cut-off</u>	<u>Beneficiary Account Credited</u>
CHAPS	Same day payment made within UK	Received by Bank of Scotland by 4pm	Same Day
Bacs (including Direct Debits)	Payments received through Bacs		Account credited by 9.30am on Day 3 of the Bacs cycle

CUT-OFF TIMES – INWARD PAYMENTS (Cont.)

<u>Service description</u>	<u>Information</u>	<u>Processing cut-off</u>	<u>Beneficiary Account Credited</u>
Faster Payments			
Immediate Faster Payments	Available for inward payments, 24 x 7	n/a	Normally within 2 hours
Future Dated Faster Payments	Available for inward payments, 7 days a week	n/a	Normally by 8am on payment date
Standing Orders	Available for inward payments on Bank Working Days only	n/a	Normally by 8am on payment due date, or next working day
Cash			
Business CashSaver		5pm, Bank Working Days	Cash immediately available
Over the Counter		5pm, Bank Working Days	Cash immediately available
Cash In Transit	Carrier delivered to Cash Centre	Upon receipt into Cash Centre, by 9am	Cash immediately available at time of processing in Cash Centre on day of receipt
Direct Cash Envelope	Direct Postal Service	Upon receipt into Cash Centre	Cash immediately available at time of processing in Cash Centre on day of receipt
Lodged via an ATM	Scottish ATM's including Berwick & Wooler	8am	Cash immediately available when processed by branch. (Any lodgements received after 8am will be treated as received the following business day)
International Payments			
	Payment received from another country		
\$US		4.00pm	Same Day
Euro		4.00pm	Same Day
Sterling		4.00pm	Same Day
Swiss / Liechtenstein Franc, Danish / Norwegian Krone, Swedish Krona		1.20pm	Next business day after receipt
All other EEA currencies		2.00pm	Day 3 after receipt
All other currencies		Available on request	Available on request

CUT-OFF TIMES – INTER ACCOUNT TRANSFERS

<u>Service description</u>	<u>Information</u>	<u>Sterling Processing cut-off</u>	<u>Currency Instructions Processing cut-off</u>	<u>Beneficiary Account Credited</u>
<u>Inter Account Transfers</u>				
Transfers between Accounts in the same name and same entity				
Corporate Online		6pm	5.30pm	Same day
Internet Banking		6pm	5.30pm	Same day
Telephone Banking		6pm	12 Noon	Same day

CHEQUE CLEARING ON ALL STERLING ACCOUNTS

How long does it take for a cheque to clear?

Cheque clearance has two meanings:

- the time taken before funds paid into an account by a cheque can be withdrawn, or
- the time taken before interest starts to accrue on funds paid into an account by cheque, this is referred to as "Cleared for Interest Payment purposes".

Please note that cheques still may be returned unpaid after the cheque clearance date, and funds have been withdrawn.

Please refer to our branch locator on www.bankofscotland.co.uk/corporate for full details of your local branch services.

Cheque Clearance Cycle on your Account

Cheque paid into a Bank of Scotland account on day 0:

	Day 0 Monday	Day 1 Tuesday	Day 2 Wednesday	Day 3 Thursday	Day 4 Friday	Saturday	Sunday	Day 5 Monday	Day 6 Tuesday
Cheques drawn on the same Bank of Scotland branch	Cheque lodged, cleared for interest and available for withdrawal								
Cheques drawn on another Bank of Scotland branch or another Bank, lodged to a Bank of Scotland account	Cheque Lodged		Interest calculated from this day (End of Day) Funds available for transfer (via Corporate Online and Internet & Telephone Banking)◆		Funds available for withdrawal (Start of Day)		Certainty of cheque known (i.e. funds belong to you) at end of business day. Until this time the cheque may be returned unpaid and funds debited to your Account.		

NB: Saturdays, Sundays and Bank Holidays are non-business days.

NB: Interest is calculated from 2 business days after the cheque is lodged.

◆ This means inter account transfers between your Accounts via Corporate Online, Internet Banking & Telephone Banking Services.

REFERENCE INTEREST RATES AND INTEREST RATES

The Reference Interest Rate for all Accounts except Currency Accounts is Bank of England Bank Rate, commonly referred to as Bank of England Base Rate. Reference Interest Rates for currency accounts are shown in the table below.

LIBOR is the London Interbank Offered Rate.

EURIBOR is the Euro Interbank Offered Rate.

NIBOR is the Norwegian InterBank Offered Rate.

The 7 day rate for all reference rates will be set on a Thursday and applied on a Monday.

Interest paid on a Corporate Currency Account

Where applicable for the currencies noted below, we will reference the market rates plus a further margin which is available at www.bankofscotland.co.uk

Currency	Name	Reference Rate
EUR	EURO	7 day EURIBOR
CHF	SWISS FRANC	7 day LIBOR
DKK	DANISH KRONE	7 day LIBOR
SEK	SWEDISH KRONOR	7 day LIBOR
NOK	NORWEGIAN KRONE	7 day NIBOR (domestic Norwegian rate)

You can find out your current rate of interest for all Currencies by calling: 0870 850 0871

Foreign Exchanges Rates

If you want to make a payment from your Currency or Sterling Current account, in a different currency than the Account Currency We will change the payment from the account currency to the currency requested before making the payment. The exchange rate that will apply will be the relevant Reference Exchange Rate which is available by calling our Business Service Centre or your Relationship Manager.

Current Account Credit Interest Rates

Corporate Current Account		
Balance	AER%	Gross% p.a.
On all Balances	0.00	0.00

Not For Profit Current Account		
Balance	AER%	Gross% p.a.
£250,000 and above	0.00	0.00
£100,000 to £249,999	0.00	0.00
£50,000 to £99,999	0.00	0.00
£10,000 to £49,999	0.00	0.00
Under £10,000	0.00	0.00

For further information relating to Credit Interest and Deposit Account Interest Rates, please visit our website: <http://www.bankofscotland.co.uk/corporate/rates-charges/current-interest-rates/index.shtml>

How we calculate overdraft interest payable on a Current Account

We calculate interest daily and generally apply it to your Account monthly. Interest charged is shown on your Account statement but will not be charged to your Account until 14 days after your statement is produced.

Interest due up to 50p	No charge applied*	
Interest due 51p to 99p	Minimum charge of £1 applied*	
Fees normally charged on overdrafts	Arrangement Fee ▲	Renewal Fee ●
Corporate Current Account	Determined by the value of the lending facility. We will be pleased to provide you with the fees when arranging the Business Overdraft.	Determined by the value of the lending facility. We will be pleased to provide you with the fees when arranging the Business Overdraft.

Fees normally charged on business loans

Arrangement fees	Determined by the value of the lending facility. We will be pleased to provide you with the fees when arranging the Business Loan.
Security fees	We will be pleased to provide you with an estimate of the fees and expenses which may be payable when Bank of Scotland takes security.

* Does not apply to Currency accounts, where any debit interest accrued is applied.

▲ **Arrangement Fee** covers the Bank's costs in assessing and setting up a new or increased overdraft.

● **Renewal Fee** covers the Bank's costs of reviewing eligibility for the renewal of an overdraft and the cost of making the funds available.

Unauthorised borrowing

Our standard rate for unauthorised borrowing is **22.50% above Bank of England Base Rate (displayed in our branches) or a rate agreed with you and recorded in your loan agreement.** To discuss this further contact your Relationship Manager.

Legal and Valuation Fees

Bank of Scotland's present policy is that it will not pay for legal and valuation charges although there may be some circumstances in which, at its discretion, it considers payment is appropriate.

Charges comparisons with other banks

To compare our charges with those of other banks visit the **British Bankers' Association website at www.bba.org.uk**

Interest calculation for Sterling Accounts

Like all banks interest is calculated on your cleared balance which is the balance that appears on your statement less the value of any cheques waiting to be cleared for interest purposes (see the Cheque Clearing Cycle).

Interest that we charge you is calculated on your debit (overdrawn) balance plus any cheques waiting to be cleared.

Example

Account with **£20,000** agreed overdraft limit. For the purposes of this example interest is charged at **3% above Bank of England Base Rate** which is, say, **4%**. This makes the applied rate **7%**.

On a given day the cleared balance on your Account is **£18,914** overdrawn. This is how the interest we would charge for that day is calculated:

$$£18,914 \times 7\% \div 365 = £3.63$$

If the account balance goes over the agreed limit then a higher rate of interest will normally be charged on the excess amount.

Example

Account overdrawn with agreed limit exceeded by **£9,842** – Bank not informed. For the purposes of this example unauthorised borrowing is charged at **22.50% above Bank of England Base Rate** which again is, say, **4%**. This makes the applied rate **26.50%**.

The interest we would charge for the unauthorised borrowing for that day is calculated as follows:

$$£9,842 \times 26.50\% \div 365 = £7.15$$

The daily interest we would pay you on a cleared credit balance in a current or a deposit account is calculated using the same methodology.

SECURITY AND REGULATORY INFORMATION

Account Security

- Please make sure you let us know as soon as possible if the nature of your business changes or if you change your name; business name; address; phone number; or e-mail address (if this is how we communicate with you).
- We recommend that you check your statement regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible so that we can sort it out. Regular checks on direct debits and standing orders will help you be sure the money is going where you want it to.
- Taking care of your cheques, cards, electronic purse, PINs, password and other security information is essential to help prevent fraud and protect your Accounts. Please make sure that you follow the advice given below:
 - Do not keep your chequebook and cards together.
 - Do not allow anyone else to use your card, and do not tell anyone else your PIN, password or other security information.
 - Your bank or building society will never ask you to tell them your PIN. If you are in any doubt about whether a caller is genuine, or if you are suspicious about them, take their details and call us.
 - If you change your PIN, you should choose your new PIN carefully.
 - Try to remember your PIN, password and other security information and securely destroy the notice as soon as you receive it.
 - Never write down or record your PIN, password or other security information.
 - Always take reasonable steps to keep your card safe and your PIN, password and other security information secret at all times.
 - If your card issuer takes part in a secure online payment system (such as Verified by Visa or MasterCard SecureCode), consider signing up either at their website or whenever you are given the option while shopping online. This involves you registering a password with your card company, which you will be asked whenever you shop at an online retailer taking part in the scheme. You should keep this password secret.
 - Never give your Account details or other security information to anyone unless you know who they are and why they need them.
 - Keep your card receipts and other information about your Account containing personal details (for example, statements) safe and get rid of them carefully.
 - Take care when storing or getting rid of information about your Accounts. People who commit fraud use many methods such as 'bin raiding' to get this type of information. You should take simple steps such as shredding printed material.
 - Be aware that your post is valuable information in the wrong hands. If you fail to receive a bank statement, card statement or any other expected financial information, contact your bank or building society.
 - You will find the APACS website www.cardwatch.org.uk a helpful guide on what to do if you suspect card fraud.

Online Security

- Keep your PC secure. Use up-to-date anti-virus and spyware software and a personal firewall.
- Keep your Security Information and Security Device safe and secure.
- Treat e-mails you receive from senders claiming to be from your bank or building society with caution and be wary of e-mails or calls asking you for any personal security details.
- Always access internet banking sites by typing the bank or building society's address into your web browser. Never go to a website from a link in an e-mail and then enter personal details.
- Our websites are usually a good place to get help and guidance on how to stay safe online:
<http://www.bankofscotland.co.uk/corporate/online-services/security.html>
- Visit www.banksafeonline.org.uk for useful information.

Credit Reference Agencies

Credit reference agencies (CRAs) collect and maintain information on consumers' and businesses' credit behaviour, on behalf of lenders in the UK. For more information on when checks are made and when we pass account details, please see the Data Protection section on our Group website <http://www.bankofscotland.co.uk/dataprotection>, or ask for a printed copy.

Important Information about compensation arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most individuals and small businesses are covered by the scheme. Larger businesses are generally excluded; therefore not all Bank of Scotland customers will be covered by the scheme.

Where you make a deposit to us in the UK, compensation payments under the scheme are limited to the first £50,000 or 50,000 Euro of your total deposits with us (whichever is the greater at the time of default). The scheme also covers deposits made with our offices elsewhere in the European Economic Area, and deposits in all currencies are treated alike.

Further information about the scheme and the eligibility criteria is available from the FSCS. Please call their helpline on: 020 7892 7300, visit www.fscs.org.uk/ or write to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portoken Street, London E1 8BN.

What happens if you change your mind?

You have 14 days starting from opening your Account to give us written notice that you wish to cancel the product and/or service (unless you have opened a fixed rate fixed term account). You must repay any monies owed and return any card(s). If you do not exercise your right to cancel you may still close your Account as set out in your Account Terms and Conditions. Whenever you cancel, we will repay any credit balance outstanding. There is no charge for cancellation under these regulations and we will pay any agreed interest on the account for the time your money was with us. You should send a written cancellation instruction to Bank of Scotland, Corporate, Operations, Citymark, 150 Fountainbridge, Edinburgh EH3 9PE.

If you have a complaint

A copy of our complaints procedure is available on our website at:

<http://www.bankofscotland.co.uk/corporate/contact/complaints/procedure.html>. If You are not satisfied with the way We deal with Your complaint You may be entitled to refer this to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

Alternatively please write or e-mail us:

Bank of Scotland Corporate, Customer Care, Citymark, 1st Floor, 150 Fountainbridge, Edinburgh, EH3 9PE
CorporateBankingCustomerCare@bankofscotland.co.uk

For more information on any of our products and services please call us on 0845 8 505 808†

Bank of Scotland is authorised and regulated by the Financial Services Authority and licensed under the Consumer Credit Act 1974 by the Office of Fair Trading under licence number 0593292.

Bank of Scotland adheres to the Statement of Principles 'Banks and Businesses – Working Together', copies of which are available on request.

Finance is provided, for business use only and subject to satisfactory credit assessment.

†Telephone calls may be recorded for security purposes and monitored under our quality control procedures.

You may contact us using Type Talk. Information is available in large print, audio and Braille on request.

Bank of Scotland Corporate, The Mound, Edinburgh, EH1 1YZ

Charges, rates and timings are correct as at 1st August 2009

PAYMENT DEFINITIONS

Automated Payments

Automated payments are commonly used to make regular payments such as salaries. They are made automatically into a named bank account. These include regular payments such as, direct debits, standing orders and Faster Payments. All you need to do is ensure that there's enough money in your Account to cover your payments since for regular automated payments these will be debited to your Account first thing on the date they are due irrespective of later credit payments made to the account.

For more information see <http://www.bankofscotland.co.uk/corporate/day-to-day-banking/>

Bacs

Bacs is a way of electronically transferring funds from one account to another account with us or another bank, through bank wide fund transfer system.

Bacstel-IP

Bacstel-IP is a simple cost effective funds transfer service which enables you to make regular or occasional electronic payments directly into bank and building society accounts. The process operates with a 3 day cycle with day 3 being the debit/credit day.

Direct Debits

This is an instruction you give to your bank or building society which authorises an organisation to collect amounts from your Account.

To set up a Direct Debit the organisation you want to pay will provide you with a Direct Debit instruction to complete and return. If the organisation makes changes to the collection day or amount you must be notified in advance, normally 10 business days.

Faster Payments

Faster Payments is a system specifically designed to radically speed up some Standing Orders and sterling payments made either online or via the telephone. The system allows near real-time payments to and from participating member banks. Payments sent via Faster Payments will in normal circumstances be received by the beneficiary within a few hours.

Payments collected in error

Under the Direct Debit Guarantee Scheme we as your bank are responsible for giving you a full and immediate refund, even if the error was made by the organisation collecting your payments.

Standing Orders

This is an instruction you give your bank or building society to make payments, usually on a regular basis, to a specified person or company's bank or building-society account.

Unlike a Direct Debit the payment must be for a fixed amount each time. The organisation you want to pay will supply you with a Standing Order instruction (usually called a mandate). It's your responsibility to complete the date, the amount you want us to pay from your Account and when. Payments will continue as instructed until you tell us otherwise. All you need to do is ensure that there's enough money in your Account to cover your payments.

Stopping/Amending payments

Payments made by debit card, credit card, or immediate payments made via Corporate Online, Internet Banking or Telephone Banking service cannot be stopped once you've made them.

To stop a future dated Bacs payment via Corporate Online, Internet Banking or Telephone Banking service, the instruction must be received by 6pm on the Bank Working Day before the payment is due to be made.

To stop a Future Dated Faster Payment via Corporate Online, Internet Banking or Telephone Banking service, the instruction must be received by midnight on the date before the payment is due to be made.

To stop a cheque that was written without a cheque guarantee card you must tell us before we receive the cheque through the clearing system for payment. You can give us the instruction by telephone, in writing or at a branch.

To cancel or amend a standing order or similar arrangement you should tell us no later than close of business the business day before the payment is due to be made.

To stop a **Direct Debit** you should write to us before the next payment is due to be made.

To avoid the risk of payment being made you should tell us no later than close of business the business day before the payment is due to be made to allow us to action your instruction. Unless you tell us otherwise we will assume that you want us to stop all future payments as well. If you're paying by **Direct Debit** you should also send a copy of your letter to the organisation involved.

<u>CHAPS</u>	CHAPS stands for the Clearing House Automated Payment System and is the process for making an electronic bank-to-bank same day sterling payment within the United Kingdom.
<u>Cheques</u> Cards and PIN Cheques returned unpaid Out of date cheques	<p>If your Account has the functionality, we will send you, and other authorised users, a card if you ask for one or to replace a card you already have. We will give you your PIN (personal identification number) separate from your card and tell you about our systems, which allow you to choose and change your PIN.</p> <p>We assume that all cheques will be paid, which is why the value of each cheque you pay in will appear on your statement on the same day. If a cheque is returned unpaid, the entry in your statement will be cancelled by a corresponding debit amount. If the cheque is returned after it has been cleared for interest purposes (see the Cheque Clearing Cycle) then you will not lose any interest earned on its value.</p> <p>If a cheque is dated six months or more before the date when you pay it in then the bank on which it's drawn may refuse to pay it. You would then have to return the cheque to whoever issued it and ask either for a new cheque or for the old one to be re-dated and the alteration initialled.</p>
<u>International Payments</u> Currency Cheques Issued Currency Lodgements IBAN and BIC Regulations. International Payments Inward Payments International Payments - Outward Payments	<p>We unfortunately do not have any control over how cheques issued from your Currency Account are returned to us from overseas. They may be sent on a collection basis and may incur correspondent bank charges.</p> <p>A lodgement is cheques or notes of the same currency drawn on the same country, with the exception of euro cheques drawn on the eurozone which will be treated as one lodgement. Cheques or notes lodged to your Currency Account may be sent on a collection basis and may incur correspondent bank charges.</p> <p>It is compulsory to quote valid IBAN and BIC details within the EEA/EU when sending euro payments. Banks within these countries may reject euro payments which do not include these details.</p> <p>An IBAN (International Bank Account Number) is partly made up of your existing sort code and bank account number and is standardised into an internationally recognisable format. A BIC (Bank Identifier Code) is a code by which your bank is identified throughout the world again in a standardised format.</p> <p>Each sterling and Currency Account has its own unique IBAN and BIC numbers, which you'll find in the top right hand corner of your Bank of Scotland statement. When sending or receiving payments you should:</p> <p>Ensure you give your own IBAN and BIC numbers for your Account to your customers and ask them to use them when making payment to you.</p> <p>Obtain the IBAN and BIC number of your suppliers and use them when sending payments to them from your sterling or Currency Account.</p> <p>For more details on IBAN and BIC visit our website at: www.bankofscotland.co.uk/corporate or call our IBAN and BIC Helpline on 0870 850 0871† (select option 2). Lines open Monday-Friday 8.30am-5.15pm.</p> <p>The charge for receiving an international payment depends on the currency of the payment and whether IBAN and BIC details are used. Payments which include a valid IBAN and BIC can be processed with a higher level of automation (Straight Through Processing or STP)**. As these payments cost us less to process we can pass the cost savings on to you in the form of reduced charges.</p> <p>**This is also subject to the remitting bank formatting the payment instruction according to SWIFT standards.</p> <p>Express Payment Service The cost of our Express Payment Service depends on the currency of the payment, and whether the payment instruction is instructed by phone, or delivered manually (by fax, post or via your Relationship Manager or business contact centre).</p>

Foreign Drafts

Foreign drafts offer a lower-cost solution for low-value and non-urgent payments and are drawn on our correspondent banks across the world. A maximum value of £25,000 or currency equivalent applies.

Correspondent bank charges

International Payments are sent through our vast network of correspondent banks across the world. Such banks may, at their discretion, levy a charge for passing the payment on to the beneficiary bank. These charges may be deducted from the amount of the payment received by the beneficiary for the payment (unless otherwise stipulated). The amount of the correspondent bank charges may vary depending on the destination country and possibly the bank involved. Some charges may be fixed whilst others are variable according to payment value.

There are three charging codes that are available for International Payments.

When you make an international payment you can choose who pays the transfer charges.

For example, as a result of the Payment Services Regulations, from the 1st November 2009, there are changes to the charging codes that can be used in certain circumstances. In particular, for payments where no currency conversion is required, certain charging options that you might have chosen in the past (e.g. BEN or OUR) may no longer be allowed.

For payments being sent within the EEA in EEA currencies SHA is the only option. However, if Bank of Scotland is undertaking a currency conversion on your behalf it is possible to use the OUR option.

BEN

Money transfer means that the beneficiary pays all the charges, i.e. the charges of Bank of Scotland and any overseas bank charges.

This option is only available for non EEA International Payments.

SHA

Money transfer means that the sender pays all charges of Bank of Scotland and the beneficiary pays all other charges.

SHA within the EEA (for payments in EEA currencies)

Means that the sender will pay Bank of Scotland charges only with no charges allowed to be deducted from the payment before delivery to the beneficiary's bank. The beneficiary will only pay charges levied by their bank.

OUR

Money transfer means that the sender pays all the charges incurred for this transfer, i.e. the charges of Bank of Scotland and the overseas bank charges. In this case, the beneficiary will receive the entire payment amount.

EEA Countries are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and UK.

To ensure we comply with the Payment Services Regulations, payments will automatically be corrected to the SHA charging code where you submit an invalid payment charging code.

SWIFT

SWIFT is the Society for Worldwide Interbank Financial Telecommunication, who exchange standardised financial messages for International Payments securely.