

TERMS AND CONDITIONS FOR HIGH INTEREST CHEQUE ACCOUNT

1. Your account

1.1 This document together with your application form and the sheet titled “High Interest Cheque Account Current Interest Rates and Charges” (“the Charges sheet”) (together “the Agreement”) sets out the terms and conditions which apply to your High Interest Cheque Account and your authority to operate the account (“the Authority”).

1.2 This Agreement replaces any terms and conditions or other agreements or authorities that may have applied to your account.

1.3 Subject to any legal or regulatory requirements which may apply to your account you authorise us to act upon any instruction, agreement or arrangement that is in accordance with your Authority without our enquiring about the purpose, the identity of the recipient, the disposition of the payment proceeds or the circumstances in which any of your instructions are given. If any one authorised signatory is authorised to operate any of your accounts, that person will be able, for example, to withdraw any money from any of your accounts (which may be without the knowledge of the (other) authorised signatories).

1.4 We reserve the right not to open an account.

1.5 You have 14 days from the date we accept your application to cancel and we will return your money together with interest. If you wish to exercise this right, please write to us at the address overleaf.

1.6 This Agreement will continue until terminated in accordance with clause 12.

2. Deposits

2.1 The minimum opening deposit is £5000.

2.2 You can make subsequent deposits by cheque made payable to you or your Business; by bank giro credit or an electronic payment from another account.

3. Interest on money in your High Interest Cheque Account

3.1 Until further notice interest will accrue daily on the cleared credit balance.

3.2 Interest will be credited quarterly or on closure of the account.

3.3 If the balance of the account falls below £5000, the interest rate will be reduced to 0.10% (0.10% AER, 0.08% net).

3.4 Interest is normally paid at the net rate, but it may be paid at the gross rate if, for tax purposes, the account falls within an exempt category or you qualify to receive gross interest. We reserve the right to pay interest at the net rate.

3.5 The rate of interest that applies to your account and the balances in relation to which such rates are paid are set out in the Charges sheet. The rate may also be obtained by telephoning 01264 360560 between 9am to 5pm on a Business Day, our normal office hours.

4. Running your account

4.1 We will provide you with a statement on opening the account. Thereafter we will send you a statement following the addition of interest quarterly. You may also request monthly statements by contacting us in writing or by telephoning 01264 360560 during office hours.

4.2 If we need to investigate a transaction on your account we may require you to cooperate with us and the police, if we need to involve them. We may need you to give us confirmation or evidence that you have not authorised a transaction. In certain circumstances we may refuse to accept a payment into the account.

4.3 You are not permitted to overdraw your account.

4.4 If the account becomes overdrawn interest will be charged at the applicable rate set out in the Charges sheet.

4.5 Where cheques are written and received by you they go through the clearing cycle. When you pay in a cheque the money will be available four working days later, however you will earn interest from the second working day after the day on which the cheque was paid in. By the end of the sixth working day you can be certain that if the cheque is later returned unpaid the funds will not be debited from your account without your agreement. Foreign cheques may take longer.

4.6 The processing times for dealing with UK cheques do not apply to foreign cheques paid into your account. We may at our sole discretion, either negotiate a foreign cheque or collect it. If we negotiate the cheque we will buy it from you by converting it into sterling on the Business Day after we receive using the relevant Lloyds TSB Exchange Rate prevailing on that day and paying the sterling equivalent of the cheque into your account on the following Business Day. If we collect the cheque we will pay into your account the sterling equivalent of the cheque on the day we receive payment from the paying bank using the relevant Lloyds TSB Bank plc Exchange Rate prevailing on that day. You can obtain details of the Lloyds TSB Bank plc Exchange Rate by contacting us by phone on 01264 360560.

If the foreign bank returns the cheque or asks for the money to be returned, we will take the currency or the sterling equivalent from your account. If we converted the cheque into sterling, we will recalculate the amount based on the Lloyds TSB Bank plc Exchange Rate prevailing on the day we debit your account.

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

For further information on foreign cheques please contact AMC by phone on 01264 360560

5. Payment instructions (Other than cheques)

5.1 Payments may be made by bank transfer. You must provide us with the sort code and account number or for an international payment the BIC number and IBAN, of the person or organisation who is the intended recipient of the funds (“the payee”). We will rely on these details. You are responsible for giving us the correct details and for checking that you have done so. We shall not be liable if you wrongly identify the payee’s account. We will not accept payment instructions by facsimile or e-mail.

5.2 You can consent to our making a payment or series of payments from your account before we make the payment and if we agree, after you make the payment. You can give consent for transactions

by providing us with your written instructions (other than by facsimile or by e-mail) signed in accordance with the Authority.

5.3 You can withdraw your consent to our making a payment at any time up to the cut off time on the Business Day immediately before that set for the payment.

5.4 In the case of a series of payments, you may withdraw your consent at any time up to the cut off time on the Business Day immediately before that set for the first payment. We will operate your account on the basis that you do not consent to making the other payments.

5.5 If you withdraw your consent to our making a payment we will be entitled to charge you a fee to compensate us for the reasonable costs and expenses we incur in relation to this.

6. Payments to and from your account (Other than by cheque)

6.1 If we receive a payment for you in a currency of a country in the European Economic Area (EEA), we apply the monies to your account and make them available for you immediately we receive them. Payments received in other currencies may take longer. You agree to our deducting our reasonable charges from the money payable before applying it to your account. We will not deduct any other charges from the money before paying it into your account. If we deduct any charges under this condition we will give you details of the amount of the money we receive and of charges for receiving the money in your statement.

6.2 If you are making a payment to a payee within the EEA we will send the full amount of a payment to the payee named in your payment instruction. We will send the money without deducting any of the charges we incur for making the payment but will deduct our charges, if any, from your account details of which shall be set out in your regular statement. We may on your instructions deduct our charges for a payment to a payee outside the EEA, from the amount of the payment.

6.3 Payments in Euro and Sterling (GBP) will reach the payee's account provider within the EEA no later than the end of the fourth Business Day (after 1 January 2012, the second Business Day) after we received your instruction. Payments in EEA currencies other than Euro and Sterling (GBP) will take until the end of the fourth Business Day to reach the payee's account provider. Payments to a payee outside the EEA may take longer to reach their account. Where we receive a payment instruction from you for execution on a specific day, you agree that the time of receipt is deemed to be the specific day on which we are to execute the payment instruction.

6.4 We must receive specific payment instructions before the following cut off times during a Business Day:

- for automated payments processed within three working days by 4pm
- for same day payments of cleared funds by 2.30pm
- international payments by 2.30pm.

or we will deem the instructions to have been received on the next Business Day. Instructions received on non Business Days are deemed to have been received on the next Business Day.

6.5 Payment transactions will be shown on your account in Sterling (GBP) and will be executed in Sterling (GBP) unless otherwise agreed. If a payment is received to, or made from your account other than in Sterling (GBP) the currency conversion will be made using the Lloyds TSB Bank plc Exchange Rates which change daily and without prior notice. We may also charge for this service as set out in

the Charges sheet.

6.6 We may become able to accept payment instructions other than in writing as required by clause 5.2. In which case Euro and Sterling (GBP) payments within the EEA will reach the payee's account provider no later than the end of the third Business Day (after 1 January 2012 the next Business Day) after we received your instruction. Payments to a payee outside the EEA, may take longer to reach their account.

6.7 If you require information on an individual payment transaction (for example in relation to charges or execution times), contact us on 01264 360560.

7. Stopping a payment instruction

7.1 If we refuse to act on your payment instructions, we will notify you about this as soon as possible and in any event no later than 3 Business Days after we receive your instructions. Subject to any legal or regulatory requirements which may apply, we will tell you why we refused to act on your instructions and stopped the payment. If this has been due to your giving incorrect information we will tell you how to put this right. We will be entitled to charge for any costs we reasonably incur in returning an item unpaid.

8. Refunds

8.1 Where you give us a payment instruction but your consent to the payment:

8.1.1 does not specify the exact amount of the payment; and

8.1.2. the amount is more than you can reasonably expect to pay having regard to the previous history on your account, any other circumstances relevant to you, the account or the person to whom the payment is made,

we will refund the full amount of the payment provided you request the refund within 8 week from the date on which the funds were debited.

8.2 If you request a refund we may ask you to provide such information or further information as we consider reasonably necessary to show that the payment satisfied the requirements for refund.

8.3 We shall inform you of our decision regarding your request for a refund within 10 Business Days of our receipt of the information you provide under clause 8.2.

8.4 The forgoing provisions of this clause 8 do not apply to direct debits which have been incorrectly debited to your account and your refund rights under the Direct Debit scheme will continue to apply. You should tell us immediately you think that there has been an incorrect direct debit payment so that we can arrange a refund.

9. Charges

9.1 Our Charges sheet sets out how, when and what we charge for the range of services we provide, as well as applicable rates of interest. You can contact us on 01264 360560 to get a copy of the Charges sheet.

10. Liability

10.1 If we fail to execute, or incorrectly execute a payment transaction or cheque payment on your account, we will refund the amount of the transaction or payment to your account unless the payment was received by the payee's account provider. We will also, where applicable, refund to you interest and charges directly incurred by you on the account that would not have been incurred had we executed the transaction correctly.

10.2 You must notify us by telephone or in writing as soon as possible after you become aware of any incorrectly executed transaction or any unauthorised transaction on your account otherwise we may not be liable to you.

10.3 Where you have told us that there has been an unauthorised transaction on your account or unauthorised cheque payment on your account, we will refund the amount of the transaction or payment to your account, if we are satisfied on reasonable grounds that the payment or transaction was unauthorised. We will also refund you any interest and charges directly incurred by you on the account as a result of the transaction or payment but will not have any further liability to you.

10.4 You will be liable for all unauthorised transactions on your account if you have acted fraudulently.

10.5 We will not be liable to you for any losses not directly associated with the incident that may cause you to claim against us whether or not liability was reasonably foreseeable, nor any loss of profits, loss of business, loss of goodwill or any form of special damage.

10.6 You are responsible for ensuring that cheques issued by you are correctly and legibly completed and signed.

10.7 Where a payment instruction is initiated by a payee (e.g. a direct debit), and you are the payer, we are only responsible to you for a failure to execute the payment transaction or for incorrectly executing the payment transaction if the payment order has been correctly transmitted to us.

10.8 Notwithstanding anything to the contrary in this Agreement, if we are prevented, hindered, or delayed from or in performing any of our obligations under this Agreement due to abnormal and unforeseeable circumstances beyond our control (including any strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or direction, accident, breakdown or other failure of equipment, software or communications network, fire, flood, or other circumstances affecting the supply of goods or services), then we shall not be liable to you or be obliged to perform our obligations under this Agreement to the extent that we are prevented, hindered or delayed in our performance by the abnormal and unforeseeable circumstances beyond our control.

10.9 Nothing in this clause 10 excludes our liability for fraudulent misrepresentation by us, our employees or agents, our liability for death or personal injury caused by our negligence or the negligence of our employees or agents, or any other liability on our part which cannot be excluded by law.

11. Modifications to Terms and Conditions

11.1 You may cancel or amend your Authority by writing to us at Charlton Place, Charlton Road, Andover, Hampshire SP10 1RE. We will provide further authority forms where appropriate. We must be satisfied with our identification and other checks in relation to a new authorised signatory before we will accept instructions from that person.

11.2 For practical reasons it normally takes us two working days to process a notice of any changes to your Authority. Until we've processed your notice we can continue to rely on your existing Authority.

11.3 We will notify you in writing at least 2 months before we make any change to this Agreement and the interest rate applied to the account. You will be deemed to have accepted any such change if you do not notify us to the contrary before the date any such change comes into effect. However, if you choose not to accept any change:

- you can close the account at any time before the change comes into effect; or
- our notice of the change shall be deemed to be notice of termination given under clause 12.2 below and this Agreement will terminate the day before any change comes into effect.

11.4 Clause 11.3 does not apply to any change in the interest rate applied to the account where:

- the change is to your advantage; or
- the interest rate applied to your account is a variable rate linked to an external interest rate (such as the Bank of England base rate or LIBOR) and the change occurs as a result of a change in the external rate.

11.5 When we tell you about a change we will do so by letter, statement inserts or messages or in any other way which is sent to you individually.

12. Termination/Closure of account

12.1 You may terminate this Agreement at any time by informing us in writing. We shall not charge you for closing your account.

12.2 We may terminate this Agreement by giving you at least 2 months written notice.

12.3 We reserve the right to require the account to be closed without giving a reason. This applies even if closure results in a loss of tax benefits and we will not be liable to compensate you for any loss of tax benefits or any other losses not directly associated with the closure.

13. Notice

13.1 Any notice to be given by either party in relation to your account shall be written, sent by post or otherwise delivered to the other party, in which case it is deemed to be received two Business Days after posting. The address for any such notice for us will be Charlton Place, Charlton Road, Andover, Hampshire SP10 1RE until further notice. The address for any such notice for you will be the address given on the application form for the opening of this account. Either party may change address for communication by giving 7 days' notice in writing to the other party.

14. Governing law and language

14.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with the laws of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement).

14.2 The language of this Agreement is English and all communications and notices between us shall be in English.

15. Third parties

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

16. Defined terms

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

“Business Day” means 9am to 5pm Monday to Friday other than public or bank holiday in England and Wales.

"foreign cheques" mean cheques in a foreign currency or cheques in sterling paid out of an account at a bank abroad (in countries other than the UK, the Isle of Man, Gibraltar or Channel Islands)

“Lloyds TSB Bank plc Exchange Rate” means the exchange rate applied by us to transactions involving foreign exchange which is current at the time of the transaction.

“we”/“us”/“our” means the AMC Bank Limited.

“you”/“your” means the person or Business named in this Agreement.

17. Help and information

17.1 If you have any queries about your account or require a copy of this Agreement please telephone us during our office hours on 01264 360560.

17.2 We aim to provide the highest level of customer service possible. If you do experience a problem, we will always seek to resolve this as quickly and efficiently as possible. If you would like a copy of our complaint procedures, please contact us as above.

AMC Bank Limited Registered office: Charlton Place, Charlton Road, Andover, Hampshire SP10 1RE. Registered in England and Wales no 1039896. Authorised and regulated by the Financial Services Authority under number 204591.

HK 0060 04/10 Issue date: April 2010