

Clear.Bank

# Client Terms

Core Terms



+44(0)203 111 2370  
[enquiries@clear.bank](mailto:enquiries@clear.bank)

Level 27, The Broadgate Tower,  
20 Primrose Street, London,  
England, EC2A 2EW

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## Section 1

### Communication

#### 1. How We Work Together

- 1.1 Each party will provide prompt support, co-operation, information and materials reasonably requested by the other party in connection with this Agreement.
- 1.2 We will reasonably co-operate with any Direct Third Party Service Provider, and you will ensure that such Direct Third Party Service Provider co-operates with us as we reasonably require to provide the Services.

#### 2. How We Communicate With Each Other

- 2.1 We will ordinarily contact you via our client servicing platform or by email, unless we are required to contact you in a certain way by Applicable Law. Any communications will be in English.
- 2.2 You may contact us by email for general communication purposes or for non-payment instructions that we may choose to act on. All communication related to payment instructions have to be submitted exclusively via the ClearBank API in accordance with clause 3.3.
- 2.3 Any notice we provide to you by email during Business Hours will be deemed received at the time of sending. Otherwise, the relevant notice will be deemed received at the start of Business Hours on the next Business Day.
- 2.4 Unless otherwise provided in this Agreement, any notices sent:
  - (a) by you under this Agreement will be sent to legalnotices@clear.bank; and
  - (b) by us will be sent to you using the contact details which you provided to us.
- 2.5 When we provide servicing updates or other notifications, you will ensure that you promptly provide these to your Personnel and Direct Third Party Service Providers as appropriate and ensure that they respond or act accordingly.

#### 3. Who Can Access Our Services

- 3.1 As soon as possible after the Commencement Date, you will notify us through the ClearBank Portal or otherwise in writing of the names, job titles and contact details of your Personnel and any Direct Third Party Service Providers who you nominate and authorise on your behalf:
  - (a) to act as your primary points of contact for all issues relating to your relationship with us, this Agreement and the Services (each an "**Authorised Representative**"); and
  - (b) to administer and manage your use of and access to the ClearBank API and ClearBank Portal (each an "**Authorised User**"), including the granting of permissions referred to in clause 3.3(b).
- 3.2 You may change your Authorised Representative or an Authorised User if you provide us with prior notice of such change either through the ClearBank Portal or otherwise in writing. We may require you to replace your Authorised Representative or any Authorised User with an alternative person. If any changes are proposed to be made to your Authorised Representative or an Authorised User pursuant to this clause 3.2, you will provide us with all the required information in respect of a new

Authorised Representative or Authorised User to enable us to complete our due diligence checks in accordance with clause 10.1.

3.3 We will only accept payment instructions which are received from:

- (a) an IT System which accesses the Services via the ClearBank API in accordance with the access instructions set out in the API Documentation, this clause 3 and Part A of the Technology and Security Schedule; or
- (b) a person who has been granted the necessary permissions by you, or by an Authorised User, to take such actions within the ClearBank Portal,

provided that each such IT System or permitted person has been validly authorised and authenticated in accordance with this Agreement (each a "**Permitted User**").

3.4 We are authorised to act upon any instructions given by an Authorised User or a Permitted User (each a "**User**") without making further enquiries. However, we may require Users to provide certain security credentials and answer certain questions in order to validate such User and grant access to the Services. You are responsible for ensuring that all Users possess valid security credentials. We will have no responsibility or liability in respect of any Loss incurred as a result of any fraudulent, illegal or unauthorised instructions given or purported to be given by any User via the ClearBank API or ClearBank Portal.

3.5 You will ensure that your Personnel, personnel of your contractors and personnel of Direct Third Party Service Providers are aware of your obligations under this Agreement and comply with them, and it is your responsibility to:

- (a) ensure that they have the necessary skills and are fit and proper;
- (b) monitor permissions granted by Authorised Users;
- (c) monitor actions taken by Permitted Users; and
- (d) alert us to any unauthorised access gained or actions taken via the ClearBank API or within the ClearBank Portal.

## 4. Your Use Of A Third-Party Provider

4.1 This clause 4 has been incorporated in anticipation of us enabling your use of an authorised TPP and will apply when you engage an authorised TPP to use any of the Services.

4.2 You have the right, to the extent permitted by Applicable Law, with respect only to Accounts which are both payment accounts and are accessible online (as each of those terms are defined in the PSR), to make use of an appropriately authorised or registered TPP.

4.3 You agree that if you make use of a TPP, such TPP will:

- (a) in the case of an AISP, have access to your Accounts and all the transactions, data and other information contained in those Accounts (which may include personal data, as defined in the Data Protection Legislation);
- (b) in the case of a PISP, be able to give payment instructions as if it were you or a User acting on your behalf; and
- (c) in the case of a CBPIL, be able to request confirmation of funds availability with respect to the relevant Account,

and you agree that we will act on such access rights, instructions and requests as if they were provided to or given by you and will be effective as if you or a User had such access or provided such instructions or requests,

whether or not these were in fact authorised by you or a User, and you acknowledge that references to "you" or a "User" in such circumstances will be taken to refer to the relevant TPP.

- 4.4 We may deny a TPP access to an Account for objective (i.e. reasonably justified) and duly evidenced reasons relating to unauthorised or fraudulent access to the Account by that TPP, including the unauthorised or fraudulent initiation of a payment transaction. We will notify you (in advance, where possible, or if not reasonably practicable to do so, promptly afterwards) in the manner we consider most appropriate in the circumstances of the denial of access and to explain why we have denied access, unless to do so would be unlawful or would compromise the security or integrity of our systems, operations or business. You agree that we may be required to report the incident to the FCA (or any other relevant Regulatory Authority), with details of the case and the reasons for taking action.
- 4.5 You agree that it is your responsibility, and not the responsibility of the relevant TPP, to notify us of any unauthorised or incorrectly executed payment transaction or any non-executed or defective payment transaction in accordance with this Agreement, notwithstanding that the relevant payment transaction was initiated through a TPP, and further that we may disregard any such notification received from a TPP.
- 4.6 You agree that our liability to you with respect to a funds transfer initiated through a TPP will be no greater than if you had given the instruction to us directly.

## Section 2

### Our Obligations To Each Other

#### 5. Provision of Services

The Services will be provided by us with reasonable care and skill and on a non-advisory basis.

#### 6. Warranties

- 6.1 Each party represents, warrants and undertakes to the other party throughout the Term that:
- (a) it is duly constituted, organised and validly exists under the laws of the jurisdiction of its incorporation;
  - (b) it has the ability, capacity, legal right, power, authority and any authorisation (including Regulatory Authorisation) required by Applicable Law to enter into, exercise its rights and perform its obligations under this Agreement;
  - (c) entering into this Agreement will not cause it to breach Applicable Law, any provision of its constitutional documents or any agreement, licence or other instrument, order, judgment or decree of any court, governmental agency, or Regulatory Authority to which it is bound; and
  - (d) it complies with clause 8.1.
- 6.2 You represent and warrant to us that:
- (a) you are not infringing the rights of any third party by entering into and performing this Agreement; and
  - (b) any information which you (or anyone acting on your behalf) provides to us is accurate, complete and up to date.

#### 7. Legal And Regulatory Obligations

- 7.1 Each party must meet and comply with its own legal and regulatory obligations under Applicable Law and neither party is reliant on the other party to do so.
- 7.2 Each party will:
- (a) ensure it has all Regulatory Authorisations necessary to perform its obligations under this Agreement (and, in your case, to carry out your activities and to provide your services to your Clients);
  - (b) perform its obligations under this Agreement in accordance with Applicable Law (as applicable to each of the parties);
  - (c) promptly provide all information, co-operation and assistance to the other party to comply with its obligations under Applicable Law, or to respond to any direction, request or recommendation of any Regulatory Authority or Law Enforcement Authority;
  - (d) comply with the Payment System Rules;
  - (e) not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK;

- (f) notify the other party as soon as it becomes aware of any actual or suspected slavery or human trafficking in a supply chain which has a connection with this Agreement; and
  - (g) maintain a complete set of records to trace the supply chain of all services provided by one party to the other party in connection with this Agreement; and
  - (h) include in contracts with its direct subcontractors and suppliers' provisions which are at least as onerous as those set out in clauses 7.2(d) to 7.2(f).
- 7.3 Each party represents and warrants to the other party that it has not been convicted of any offence involving slavery and human trafficking, nor has it been the subject of any investigation, inquiry or enforcement proceedings regarding any offence or alleged offence of or in connection with slavery and human trafficking.
- 7.4 Where you make the Services or part of them available to your Clients who are retail customers located in the United Kingdom for the purposes of the FCA's Consumer Duty (the "**Consumer Duty**"):
- (a) you will act as a distributor and ClearBank will act as a manufacturer, as set out in the FCA Handbook and any relevant FCA policy statements and regulation; and
  - (b) you will comply with the Consumer Duty obligations applicable to a distributor, including taking reasonable steps to deliver good outcomes for such retail customers and satisfy all other requirements of the Consumer Duty, including complying with the obligations set out in the ClearBank Consumer Duty Statement.

## 8. Your Obligations

- 8.1 You must discharge your obligations under this Agreement in accordance with clause 7.2(b) and our Policies.
- 8.2 You must operate strictly within the scope of the license(s) granted by your Regulatory Authority and will promptly notify us of:
- (a) any changes, withdrawals, or non-renewals of such approval; and
  - (b) any penalties or sanctions imposed (or reasonably anticipated to be imposed) by your Regulatory Authority.
- 8.3 If you experience (or reasonably anticipate experiencing) an Insolvency Event, you will notify us in writing as soon as practicable upon becoming aware of such Insolvency Event. The notification must include a detailed description of the Insolvency Event and any steps being taken to address or, if applicable, prevent it.
- 8.4 Where this Agreement places an obligation on you to comply or act, such obligation extends to your Personnel, Direct Third Party Service Providers and Clients (as applicable) and you will ensure that each of them complies with such obligation, including the obligation to comply with Applicable Law, this Agreement and our Policies.
- 8.5 Our performance of our obligations is dependent upon your performance of your obligations. We may invoice you for our additional costs we reasonably incur in providing any Service to the extent such costs arise from your non-performance.
- 8.6 You will ensure at all times that your Clients are notified and receive correct account information from you, and they receive correct details about the Services.

## 9. Your Payment System and APP Scam Reimbursement Obligations

## ***Payment System Rules***

- 9.1 We will monitor your compliance with the Payment System Rules. Where we suspect non-compliance or receive a complaint, we will notify you and will use reasonable endeavours to provide as much information as possible to allow you to remediate it within the timeframes set by us. You will promptly undertake such remediation action.

## ***APP Scam Reimbursement***

- 9.2 You will promptly provide all management information and data that we reasonably request in order to comply with the APP Scam Reimbursement Rules, including:
- (a) measures you have taken to prevent authorised push payment fraud;
  - (b) numbers of cases of fraud;
  - (c) financial amounts involved in cases of fraud;
  - (d) reimbursements, refusals to reimburse, and remediation action considered or implemented; and
  - (e) any information or notification from any third party suggesting that a payment to or from your Account is suspected of being an authorised push payment fraud.
- 9.3 Unless specified otherwise by us in writing, you agree that, for the purposes of the APP Scam Reimbursement Rules, you will ensure your Clients who are consumers (as defined in the APP Scam Reimbursement Rules), are made aware of their reimbursement rights in accordance with the APP Scam Reimbursement Rules.
- 9.4 Where necessary to defend or determine a claim under the APP Scam Reimbursement Rules, you will participate on our behalf in the dispute resolution arrangements introduced by any Payment System Operator, Regulatory Authority, or industry body in connection with the APP Scam Reimbursement Rules.

## **10. Financial Crime**

### ***Our Due Diligence and Rights***

- 10.1 You consent to us conducting know your customer ("KYC"), anti-money laundering ("AML"), politically exposed persons ("PEPs"), Sanctions and other Financial Crime related due diligence checks on you, your Personnel and your Direct Third Party Service Providers (other than consultants and agents) (including via services provided by third-party providers used by us) prior to entering into this Agreement with you and on an ongoing basis as required for us to comply with Applicable Law and in accordance with our policies and subject to the relevant Charges set out in the Commercial Terms. We may hold or use information you have previously provided to us for this purpose and may need additional information from you promptly to conduct our due diligence checks. If any information you have provided changes or becomes inaccurate, you will promptly notify us and provide the updated, accurate information. You will obtain consent from your Personnel and Direct Third Party Service Providers for us to conduct KYC, AML, PEPs, Sanctions and other Financial Crime related checks on them as we require.
- 10.2 You consent (and will obtain consent from your Clients) to us monitoring payment instructions and payment transactions for the prevention and detection of money laundering, breach of Sanctions, any other crimes, any breach of clause 10.16, any other breach of this Agreement or fraud and fraudulent transactions.

- 10.3 We may review your oversight and supervision of your and your Clients' Financial Crime policies, controls and procedures and you will promptly provide all such information and assurances (including annual certifications) as we may require.
- 10.4 We are not required to comply with the terms of this Agreement if we are precluded from doing so by Applicable Law, and a failure to fulfil a specific obligation where we are so precluded will not constitute a breach of this Agreement. This may include, but is not limited to, not accepting instructions to process a payment, not making a payment, and/or freezing funds (in whatever form).
- 10.5 We may add automatic prefixes to the names of your Accounts if required by Applicable Law or a Regulatory Authority.

#### ***Your Due Diligence and Obligations***

- 10.6 You are solely responsible for conducting:
  - (a) KYC, AML, PEPs, Sanctions, and other Financial Crime related due diligence checks required by Applicable Law in relation to all of your Clients, Personnel and Direct Third Party Service Providers that will use or benefit from the Services; and
  - (b) AML, Sanctions, fraud, and other due diligence checks required by Applicable Law in relation to all payments sent from or received into any of your Accounts.
- 10.7 You will provide us with details of any changes to your Financial Crime team (including any change in your MLRO or nominated officer and any other senior management responsible for Financial Crime) and of any updates and amendments to your Financial Crime policies, controls and procedures which you make promptly after making them and with any audits you or your Clients undertake with respect to Financial Crime matters (irrespective of the scope of such audits).
- 10.8 If we believe there are circumstances relating to any of your Clients which we consider, would or may require us to decline or report a transaction pursuant to Applicable Law, you will provide us with evidence of your original customer due diligence checks (including any documents and information obtained) as well as all other relevant documentation as we reasonably require.
- 10.9 You will supply us with any documents and information we reasonably consider we need to review in connection with satisfying ourselves that any due diligence checks referred to in clause 10.6 have been properly performed.
- 10.10 Should you identify circumstances in relation to a payment sent from or received into any of your Accounts, which indicate that a breach of any Applicable Law (including relating to Sanctions) has or may have occurred or be occurring (due to the identification of a true sanctions hit or otherwise), you will immediately notify us of those circumstances.
- 10.11 For any Designated Segregation Account, Designated Safeguarding Accounts, Designated Client Account or Virtual IBAN you open and hold on behalf of your Clients, you will ensure the full legal name of the respective Client is included in English in the account name without any special characters and that you have verified that legal name.
- 10.12 You will provide promptly upon request all information requested by us concerning your Clients and any payments sent or received by them and any payment instructions given by them which we consider reasonable in all the circumstances to comply with our obligations under Applicable Law (including where we have

Financial Crime concerns with the source of funds or source of wealth of your Clients).

10.13 Where:

- (a) we are required to suspend or terminate provision of our Services to you or your Client because of our reasonable suspicions that failure to do so would expose us to a possible breach of Applicable Law, contravention of any requirement imposed by a Regulatory Authority or Law Enforcement Authority or breach of our Policies; and
- (b) actions taken as a result, by you or your Client, results in our incurring direct costs, including reasonable legal costs in dealing with those actions,

you will indemnify us against those costs and we may deduct them from any Operational Account or your Mandated Minimum Balance Account without notice.

10.14 Our assessment of the Financial Crime risk exposure you present to us is predicated on the information disclosed to us by you at the time of onboarding and during the Agreement. If such information is or becomes not true and accurate, incorrect, out of date or misleading in any respect so as to change our Financial Crime risk assessment or if there are any changes in your circumstances such that we have to update our Financial Crime risk assessment, you will bear the costs we reasonably incur in reviewing and updating such assessment and we may deduct these costs from any Operational Account in accordance with the Commercial Terms.

10.15 You will promptly disclose to us any known or anticipated change in factors within your business model which may constitute a material change in our assessment of the Financial Crime risk exposure you present to us, as determined by us under the ClearBank Executive Financial Crime Risk Appetite Statement, available from the Knowledge Centre. This includes changes in your beneficial ownership, changes to jurisdictional/industry/entity type exposure in your business model/customer base, changes to products and services offered and material changes to your Financial Crime systems and controls.

10.16 You will not permit or facilitate any use of the Services for purposes associated with any:

- (a) business activity which is wholly or partly outside of the activity you have disclosed to us, and which we have approved, as being the kind of activity for which the Services will be used as part of your onboarding and due diligence process;
- (b) activity involving a jurisdiction or industry prohibited by the Policies (and you will immediately notify us upon you becoming aware of the possibility of such activity); or
- (c) activity involving a jurisdiction or industry restricted by the Policies without first advising us of the proposed activity and receiving our consent (such consent not to be unreasonably withheld), for the relevant use of the Services.

10.17 You represent and warrant to us that your and your Client's use (directly or indirectly) of the Services does not facilitate payment instructions or payment transactions for any industries, jurisdictions or entities which we deem as out-of-scope at the Commencement Date and as otherwise notified to you, including in the Policies.

## 11. Independent Audit

- 11.1 You will conduct and supply to us your own independent audits, certifications, attestation reports and any other supporting documents and copies:
- (a) on a biennial basis;
  - (b) at such other frequency as reasonably requested by us where we:
    - (i) suspect non-compliance by you under this Agreement; or
    - (ii) require additional assurance to permit you to use one of our Services; and
  - (c) as is required or expected by any Regulatory Authority or under Applicable Law,
- (each an "**Independent Audit**"), in relation to your systems, controls, policies, procedures and standards in connection with your use or receipt of the Services.
- 11.2 Independent Audits will be performed at your cost, and by an appropriately qualified and licensed independent auditor selected by you from the panel of auditors in the Knowledge Centre.
- 11.3 Where requested, at minimum such Independent Audits will address a review of the design and effectiveness of your Financial Crime systems and controls (such review must cover the key areas specified by us in writing) and, if applicable, compliance with the Payment System Rules. A review of other systems, controls, policies, procedures, and standards may also be requested to ensure your and our compliance with Applicable Law. You will provide us with a copy of the Independent Audit within 5 Business Days of completion and sign off.
- 11.4 If any Independent Audit reveals non-compliance with your obligations under this Agreement, then you will promptly propose a plan for achieving compliance with those obligations within a reasonable period, to be agreed by the parties, and at your own cost, and will reimburse us for any costs we incur as a result of any remediation activities we undertake to assist you (including engaging a third party to conduct such remediation activities). Unless we require otherwise, you will implement the plan within that period.

## Section 3

### Payment Services Regulations

#### 12. Corporate Opt-Out

- 12.1 You represent and warrant to us that you are not a consumer, micro-enterprise or charity as defined in the PSRs, and you undertake to notify us promptly if at any time you become a consumer, micro-enterprise or charity as defined in the PSRs.
- 12.2 Pursuant to clause 12.1 and in accordance with regulation 40(7) of the PSRs (which provides that the parties may agree that certain provisions of the PSRs will not apply), you agree that we are not required to provide you with any of the information under, or to comply in any other respect with, Part 6 of the PSRs, and in accordance with regulation 63(5) of the PSRs (which provides that the parties may agree that certain provisions of the PSRs will not apply), you agree that regulations 66(1) (charges), 67(3) and (4) (withdrawal of consent), 75 (evidence on authentication and execution), 77 (payer or payee's liability for unauthorised transactions), 79 (refunds for direct debits), 80 (requests for direct debit refunds), 83 (revocation of a payment order), 91 (defective execution of payer-initiated transactions by the payer), 92 (non-execution or defective or late execution of payment transactions initiated by the payee) and 94 in Part 7 of the PSRs will not apply with respect to the Services, and the relevant period for the purposes of regulation 74(1) is 13 months.

#### 13. Giving Payment Instructions

- 13.1 In accepting the Services, you authorise us to act on your behalf to process payments and fulfil requests for refunds, returns, recalls, recovery and reversal of payments in accordance with this Agreement (including where you own the bank code or sort code attached to the relevant Account), except that you will need to liaise directly with the receiving PSP to make requests for refunds, returns, recalls, recovery and reversal of payments to the extent that such requests relate to fraudulent transactions. You also authorise us to process payment instructions from any appropriately authorised or registered TPP who you appoint as if they were authorised by you and regardless of whether they were, in fact, authorised by you.
- 13.2 To process any payment instruction provided by you or in any other way as provided in the Services Schedule, you will need to give us certain information as indicated, requested or notified to you via the ClearBank API or ClearBank Portal (the "Required Information").
- 13.3 You represent, warrant and undertake to ensure that the Required Information is correct and accurate every time you provide payment instructions to us. You will need to provide us with the payment value that you would like to make. For legal or regulatory reasons or if the receiving PSP asks us, we may also request the full name and address of the intended payee.
- 13.4 You and your Client must provide to any payer or paying PSP correct and accurate information as required by the payer or paying PSP, including the correct sort code and account number. We rely upon your compliance with this clause 13.4 to enable us to meet our obligations under the Payment System Rules.

#### 14. Receipt And Processing Of Payment Instructions

- 14.1 Once we have received a payment instruction from you or your Clients and subject to clause 13, 14.3 and 15.3, we will process the payment instruction in near real time (when we receive the payment instruction within the Operating Period) following the

time of receipt of the payment instruction, or such other time identified in the Services Schedule. However, payments received prior to any applicable Operating Period may be held whilst screening processes are completed and may not be released during the same Operating Period. If this occurs, then we will store the payment and process it in the next available Operating Period.

- 14.2 Subject to clauses 14.3 and 15.3, we will treat any payment instruction as having been received at the time that it is actually received by us.
- 14.3 If you instruct us to make a payment on a date in the future, we will not start processing such payment until such future date, and such payment instruction will be deemed to be given on the relevant future date.
- 14.4 Unless otherwise provided for in the Services Schedule, if we receive (or are deemed to receive) any payment instruction after the Operating Period, that payment instruction will be rejected or automatically returned to you and you will be required to resubmit the payment instruction within the applicable Operating Period.
- 14.5 Subject to clause 13 and except as provided by Applicable Law, if you receive funds into any of your Accounts, the value date will be the Business Day (or end of day in respect of FPS Service) on which we receive the funds. We will ensure that the funds are available to you once the payment has been applied to the relevant Account in accordance with Applicable Law and Payment System Rules. If you enter into a debit transaction the debit value date will be no earlier than the time at which the transaction is debited to your Account.

## **15. Providing And Withdrawing Consent To Make A Payment**

- 15.1 You will provide us with your consent to carry out a payment transaction as specified in clauses 13 and 14. A payment transaction will be deemed to have been authorised by you if the relevant payment instruction has been given in accordance with this Agreement.
- 15.2 Any consent given to us by you in relation to recurring payments will be treated as you giving consent for all future recurring payments, unless you notify us otherwise.
- 15.3 Once you have provided your consent, you can only withdraw your consent where your instructions are to:
  - (a) make a payment on a future date; or
  - (b) make recurring payments,provided you notify us through the ClearBank API or ClearBank Portal (as applicable) no later than the end of the relevant Operating Period on the day prior to the day when such payments are scheduled to be made.
- 15.4 If you withdraw your consent for recurring payments, we will treat this as you withdrawing your consent for all payments not yet made, unless you notify us otherwise. Once we have received your withdrawal of consent, we will not make such payments. You are responsible for notifying the intended payee and we will not be responsible for any Loss that you may suffer if you fail to do so.
- 15.5 If you would like to stop or rescind:
  - (a) a payment to be made on a future date after the end of the Operating Period on the day preceding the day when such payment is scheduled to be made;
  - (b) recurring payments to be made on future dates after the end of the Operating Period on the day preceding the day when such payment is scheduled to be made; or

(c) a payment after you have provided the instruction to us, we will, upon your request and where such Service is available, endeavour to recover such payments in accordance with Applicable Law and the Payment System Rules, but:

- (i) we may not be able to recover the payment and we have no responsibility for any Loss that you may suffer if we are unable to do so; and
- (ii) if the payment has already been credited to the payee, we will only be able to recover the payment with the payee's agreement.

## 16. Execution Of Payment Transactions

16.1 We may deduct our Charges from amounts received before crediting them to your Account.

16.2 With respect to the execution time requirements applicable under the PSRs:

- (a) the applicable Business Day, cut-off time and point in time of receipt with respect to any particular payment instruction and payment transaction will be determined in accordance with this Agreement (including as set out in the Services Schedule) or, if this Agreement does not provide for such details, in accordance with our usual procedures; and
- (b) execution of the relevant payment instruction is to take place on a specific day, the last day of a certain period or the day on which you have put funds at our disposal may be inferred from the payment instruction, any information provided with it and any other relevant circumstances.

16.3 The maximum time for the payee's PSP's account to be credited (the "**Execution Time**") for the following transactions will be the time until the end of the next Business Day from the deemed point in time of receipt: (i) payment orders executed wholly within the Qualifying Area in euro under a payment scheme which operates across the Qualifying Area; (ii) payment orders executed wholly within the United Kingdom in sterling, or (iii) payment orders executed wholly under a payment scheme which operates across the Qualifying Area and involving only one currency conversion between the euro and sterling where the currency conversion is carried out in the United Kingdom, and in the case of cross-border payment transactions, the cross-border transfer takes place in euro. The Execution Time may be extended by a further Business Day if the payment order is given on paper.

16.4 Without prejudice to the force majeure provisions in clause 38, we will not be liable for any Loss to you for any contravention of any requirement imposed on us by or under the PSRs or for any breach of any corresponding or derivative contractual obligation where: (i) such contravention or breach is due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary; or (ii) such contravention or breach is due to our obligations under Applicable Law.

## 17. Our Rights To Decline Or Delay Acting On Payment Instructions

17.1 We may decline to process or delay processing any payment instruction, and we will not be responsible to you for any Loss that you may suffer as a result, if:

- (a) permitted to do so by Applicable Law or Payment System Rules;
- (b) you breach this Agreement, Applicable Law or Payment System Rules;
- (c) there are insufficient funds in your Intra-Day Liquidity Pool or the relevant Account to cover the value of the transaction;

- (d) the transaction exceeds any limit relating to the relevant Service as set out in the Services Schedule;
  - (e) there is a dispute, which we reasonably believe to be genuine, about the ownership or entitlement to money in your Account(s) or we reasonably believe someone else may have rights over money in your Account(s);
  - (f) the payment seems unusual considering the ways you usually use your Account(s);
  - (g) by processing your payment instruction, we would breach this Agreement, any Applicable Law or any Payment System Rules;
  - (h) not acting on your payment instruction or delaying acting on your payment instruction would assist us with complying with Applicable Law (including any relating to AML);
  - (i) we consider that your payment instruction is inaccurate or needs to be clarified or does not appear to be given in accordance with your usual instructions;
  - (j) we are unable to process your payment instruction due to Maintenance, or due to any technical fault or failure for which we have no control, or no responsibility, pursuant to this Agreement;
  - (k) clause 14.4 (in relation to payment instructions received after the end of the Operating Period) applies;
  - (l) we have suspended a relevant Service pursuant to clause 40 and that Service is required to complete the payment instruction;
  - (m) we rely on any other reason specified in the Services Schedule; or
  - (n) the transaction exceeds the ClearBank Outbound Transaction Limit.
- 17.2 If we have declined to process or delayed processing any payment instruction, we will provide you with the reason(s) for this, to the extent reasonably practicable and, if relevant, the procedure for correcting any factual mistakes that led to the refusal.
- 17.3 If we cannot make a payment using the relevant Payment System, we will notify you so that we can discuss an alternative method to make the payment and any additional Charges that may be payable by you. If, in exceptional circumstances, we cannot make the payment via an alternative method, we will notify you of this and the reason for this, unless Applicable Law prevents us from doing so or it would undermine our security measures.
- 17.4 Where, in our determination, it is necessary in order to mitigate liability under Applicable Law, including the APP Scam Reimbursement Rules, we may apply a ClearBank Outbound Transaction Limit. The ClearBank Outbound Transaction Limit will be notified to you in advance via the Knowledge Centre or through other written means of communication.

## **18. Payment Instructions Made In Error**

- 18.1 If it comes to our attention that a payment has been credited to your Account by mistake, or if a payment is recalled by a financial institution that made the payment in error, we may debit your Account with the amount of that mistaken or erroneous payment in accordance with Applicable Law or Payment System Rules.
- 18.2 If we process any payment instruction based on any Required Information or CoP Required Information (if applicable) that you provide to us and that Required Information or CoP Required Information (if applicable) is incorrect, the payment

may not reach the intended payee. You can ask that we trace or recover the payment and we will make reasonable efforts to do so for you, but we will not be responsible for any Loss that you or any other person might suffer. We may charge you for any such tracing and recovery action as set out in the Commercial Terms, or as otherwise notified by us to you.

18.3 In relation to SEPA CT, and in accordance with the SEPA CT Scheme Rules, we are not obliged to take any steps to try to action a recall request made by you in circumstances where we have correctly executed the payment instruction given to us by you when, as at the date of the recall request, more than:

- (a) 10 Business Days has passed since the transaction was debited from your Account and the reason for the recall request is due to you incorrectly duplicating a payment instruction sent to us or a payment instruction being received by us as a result of you suffering a technical error; and
- (b) 13 months has passed since that transaction was debited from your Account and the reason for the request for recall is due to the payment instruction being fraudulently originated on behalf of your client or end user, meaning it was initiated without the proper authorisation of your client or end user through methods such as identity theft, phishing, or hacking.

## 19. Suspension Of Use of Payment Instrument

19.1 We can stop you from using a Payment Instrument if it is reasonable for us to do so for any of the following reasons:

- (a) security reasons;
- (b) any suspected unauthorised or fraudulent use of the Payment Instrument;
- (c) any infrastructural or technical issues experienced by either us, a Payment System Operator or a participant in a Payment System; or
- (d) our obligations under Applicable Law,

and we will not be responsible in respect of any Loss that you may suffer as a result.

19.2 We will tell you as soon as is reasonably practicable if we are going to, or have stopped the use of a Payment Instrument and we will tell you of the reasons for doing so, unless Applicable Law prevents us from doing so or it would undermine our security measures. We will remove the stop on any Payment Instrument or replace it with a new Payment Instrument as soon as is reasonably practicable if the reason for stopping the Payment Instrument no longer applies.

19.3 Any payment instructions submitted where the Payment Instrument has been stopped or the Services have been suspended (in whole or in part) will be automatically rejected.

19.4 If you need to discuss the stop on any Payment Instrument with us, you can do so by telephone (using the contact number(s) provided to you by us) or by such other methods as advised by us to you.

## 20. Refunds For Incorrectly Executed Payments

20.1 If due to our error, we incorrectly execute a payment instruction given to us by you or provided to us in any other way as provided in the Services Schedule, or provided to us through you as a payer or payee, we will refund you the amount of the incorrectly executed payment or restore your Account to the state it would have been in had the incorrectly executed payment not taken place as soon as practicable and no later than the end of the Business Day following the day on which we become aware of the incorrectly executed payment, provided that:

- (a) the Required Information and CoP Required Information (if applicable) for the payment instruction was correct; and
- (b) you notify us promptly on becoming aware of the error, and, in any event, in accordance with clause 22.1.

20.2 If you request that we trace a payment for you, we will make reasonable efforts to do so and will notify you of the outcome. We may charge you for any such action as set out in the Commercial Terms, or as otherwise notified by us to you.

## **21. Requests For Refunds For Unauthorised Transactions**

21.1 Subject to Applicable Law and clauses 21.2 and 22, we will take one of the following steps by the end of the Business Day following the day on which you notify us of an unauthorised transaction:

- (a) provide you with a refund of the transaction value;
- (b) provide you with a refund of the transaction value, subject to further investigation in accordance with clause 22.2;
- (c) provide you with a partial refund of the transaction value and provide reasons as to why you are not entitled to a full refund;
- (d) inform you why you are not entitled to a refund; or
- (e) advise you that we are conducting an investigation into the unauthorised transaction prior to making a decision as to whether you are entitled to a refund and the likely period of time that this investigation will take to complete which we may extend by notifying you of this. We may ask you to provide us with any information that we reasonably require and as soon as practicable after completing this investigation we will take one of the other steps pursuant to this clause 21.1.

21.2 This clause 21 does not apply to refunds under the Direct Debit Guarantee, as provided for in the Services Schedule.

## **22. Your Responsibility For Unauthorised Transactions Or Incorrectly Executed Payments**

22.1 You must notify us promptly on becoming aware of any unauthorised transactions and/or incorrectly executed payments, and in any event no later than 13 months from the relevant debit date.

22.2 In some circumstances, we may investigate whether you are entitled to a refund and we may ask you to provide us with any information that we reasonably require. We may also provide you with a refund and subsequently investigate the matter. If, through our subsequent investigations, we discover that you were not entitled to a refund, we may debit the refunded amount from your Account, subject always to any rights you may have under the Bacs Rules. We will give you reasonable notice in advance of doing so. If you discover that a payment has been credited to your account in error and you are required to return the amount credited in error to the payer then, unless we made the error, any Charges incurred in returning such payment will be payable by you. Such Charges are set out in the Commercial Terms.

## **23. Your Obligations Relating To Security Of Your Accounts, Payments, Payment Instruments, Smart Cards and PSW**

23.1 You must use the Services, Smart Cards, security devices (including any authentication details used to access the ClearBank API, the ClearBank Portal, the Bacs website or PSW) and Payment Instruments provided to you in accordance with any reasonable instructions that we provide, and you must take all reasonable steps

to keep these safe and secure, which includes ensuring a User does not share or disclose their credentials or authentication details to any other person.

- 23.2 You will, and will ensure that your Personnel and all Direct Third Party Service Providers, comply with any applicable terms and conditions provided by us or by any Indirect Third Party Service Provider in relation to the Smart Cards.
- 23.3 You must notify us promptly by telephone (using the contact number(s) provided to you by us) or by such other methods as advised by us to you:
  - (a) on becoming aware of any loss, theft, misappropriation, fraudulent use or unauthorised use of a Payment Instrument, a Smart Card, security devices, access credentials, authorisation details, username or password to the Bacs website or PSW; and
  - (b) if a Primary Security Contact or SUN Additional Contact leaves your organisation.
- 23.4 You may make a written request to us at any time to change a Primary Security Contact or SUN Additional Contact. We may require you to replace any Primary Security Contact with an alternative person, and if we ask you to do so, you will replace that Primary Security Contact within the time frame specified by us.
- 23.5 You will be liable for any Losses incurred in respect of an unauthorised transaction arising from the use of a Payment Instrument if these Losses occurred due to your fraudulent actions or gross negligence in failing to meet one or more obligations outlined in clauses 23.1 and 23.323.3(a).

## Section 4

### Commercial Terms

#### 24. Term

- 24.1 This Agreement commences on the Commencement Date and continues until this Agreement is terminated in accordance with its terms or in accordance with Applicable Law (the "**Term**"). The Term will expire at the end of the Run-Off Period or at the end of the time during which we provide you with Exit Assistance (whichever is later).

#### 25. Funds Held By Us

- 25.1 Within 5 Business Days of us notifying you in writing that you have been successfully on-boarded (or such other date as may be agreed between us), you must transfer funds from a bank account held in your name at another UK PSP (unless otherwise agreed between us), which are equal to the Mandated Minimum Balance to your Mandated Minimum Balance Account. You must hold the Mandated Minimum Balance in your Mandated Minimum Balance Account for the remainder of the Term. The Mandated Minimum Balance held by us will not be available to you for any other purpose, including payment transactions.

- 25.2 After you have, or after you are required to have, transferred the funds under clause 25.1, you will ensure that you have available cleared funds in the relevant Account or Virtual IBAN to cover the amount of all payment obligations owed on that Account or Virtual IBAN in connection with any of the Services.

- 25.3 If at any time after you have, or after you are required to have, transferred the funds under clause 25.1:

- (a) the aggregate amount in the Intra-Day Liquidity Pool becomes equal to or lower than zero (a "**Liquidity Notification Event**"); or
- (b) in our reasonable determination, any transaction will or may cause the aggregate amount in the Intra-Day Liquidity Pool to become equal to or lower than zero,

we may refuse to make such a transaction or suspend any further transactions until, in our reasonable determination, it will be possible for you to make further transactions without the aggregate amount in the Intra-Day Liquidity Pool becoming equal to or lower than zero. Any such refusal or suspension will be without prejudice to any payment transactions that have already been executed, but not settled, and to our rights to suspend a Service under this Agreement.

- 25.4 We will review the threshold for the Mandated Minimum Balance on an ongoing basis and may, at our sole discretion, change your Mandated Minimum Balance threshold as necessary according to your activity. Where we:

- (a) increase your Mandated Minimum Balance threshold we will provide you with 30 days' notice prior to that change becoming effective; or
- (b) decrease your Mandated Minimum Balance threshold, the change will apply immediately upon us giving you written notice,

and in either case the Relationship Manager will discuss any changes to the Mandated Minimum Balance threshold with you prior to such changes being made.

- 25.5 We hold your funds in our capacity as a banker, and not as trustee or in any other fiduciary capacity.

## 26. Interest And Exchange Rates

- 26.1 You can find information about when and how interest is earned (if at all) or incurred under this Agreement in the Commercial Terms.
- 26.2 Interest will be calculated based on a 365-day year (or a 366-day year if it is a leap year) for pounds sterling and on a 360-day year for US dollar and EEA currencies.
- 26.3 We may apply changes in interest rates (including the Published Bank of England Rate and the ITPSP Rate) or exchange rates to take effect immediately and without notice to you based on the published reference interest rates or exchange rates information (which may result in you earning interest or negative interest Charges being incurred and payable by you, as such change is applicable).
- 26.4 If the Published Bank of England Rate or the ITPSP Rate is less than 0% for all or part of a month, such negative interest will:
  - (a) apply on all funds held in each of your Accounts for each day that the Published Bank of England Rate or the ITPSP Rate is less than 0%; and
  - (b) be deducted on or around the tenth Business Day of each month for each day of the previous month that the Published Bank of England Rate or the ITPSP Rate is less than 0%.
- 26.5 If there is a material change in policy, monetary, fiscal or otherwise, by any Regulatory Authority, the parties will meet promptly and will each use their respective best endeavours (acting reasonably) to work together to jointly agree any impact to the Charges or this Agreement.

## 27. Charges

- 27.1 Details of the Charges that apply to our Services to you and the amount of such Charges are set out in the Commercial Terms. Some Services may have separate or additional Charges and, if applicable, details of those Charges (or where to find them) will be set out in the Services Schedule.
- 27.2 We may deduct from your Operational Account(s) any Charges which are due and payable at the times specified in the Commercial Terms.
- 27.3 You will ensure that the balance of your Operational Account(s) is sufficient at all times to cover all Charges. If at any time the amount of funds in your Operational Account(s) falls to or below zero, we will notify you of such event as soon as reasonably practicable, and you will be required to bring the balance to zero or above without delay.
- 27.4 If there are insufficient other funds available in Operational Account(s) to pay the relevant Charges or payee, you hereby authorise us to use the Mandated Minimum Balance to pay the Charges, and any funds to relevant payees upon a valid demand made to us by a Payment System Operator. We will report to you all such demands and payments under this clause 27.4.
- 27.5 If we use any of the Mandated Minimum Balance to make payments in accordance with clause 27.4, you will be required to transfer additional funds in order to restore the Mandated Minimum Balance:
  - (a) by 17:00 on the same Business Day, where we have reported to you prior to 13:00 on that Business Day; or
  - (b) promptly, but by no later than 17:00 on the next Business Day, where we have reported to you after 13:00 on that Business Day.

- 27.6 We will be entitled to charge interest at a rate of 2% above the Published Bank of England Rate or, if the Published Bank of England Rate is less than 0%, then at a rate of 2%, on any overdue Charges (except to the extent of any genuinely disputed amounts). Interest will be calculated based on a 365-day year (or a 366-day year if it is a leap year).
- 27.7 We will issue invoices in respect of the Charges which we have deducted from your Operational Account(s) and/or Mandated Minimum Balance Account for the preceding month in PDF format via the ClearBank Portal on the first Business Day of each month. We may deduct the Charges prior to issuing an invoice in respect of such Charges, as provided in the Commercial Terms.
- 27.8 We may issue invoices in respect of Charges which we do not deduct from your Operational Account(s) or Mandated Minimum Balance Account, including any final invoices following the termination of this Agreement. You will pay us the Charges specified in such invoices in accordance with the terms of such invoices.
- 27.9 All Charges set out in the Commercial Terms are exclusive of VAT (unless otherwise stated) and other sales and use taxes which, where applicable, are payable by you in addition to the Charges.

## Section 5

### IPR, Confidentiality and Data Protection

#### 28. IPR

- 28.1 This Agreement will not affect ownership of either party's Background IPR.
- 28.2 Subject to the rest of this clause 28, we grant you a non-exclusive, non-transferable, non-sublicensable licence for the Term to:
- (a) access and use the Services; and
  - (b) use, disclose and reproduce the Documentation,
- in each case solely to the extent necessary for you to benefit from the Services in accordance with this Agreement.
- 28.3 The licences granted under clause 28.2 are non-sublicensable except that with our prior written consent you may grant a limited, non-transferable, non-sublicensable and revocable sublicense of your rights under clause 28.2 to your Group members, Direct Third Party Service Providers and Clients solely to the extent and for the duration necessary for you to benefit from the Services in accordance with the terms of this Agreement, provided that:
- (a) you are responsible and liable to us for all their acts and omissions as if they were your own; and
  - (b) we may, by giving you written notice, require you to terminate a sublicense granted pursuant to this clause 28.3 if you do not comply with (or fail to ensure compliance with) this clause 28.3, in which case you will terminate the relevant sublicense as soon as possible upon receiving such notice.
- 28.4 IPR developed by us, by both parties jointly, or by a third party on our behalf, under or in connection with this Agreement will be owned by us. Any such IPR will vest in us from its creation and, where requested by us, you will execute an agreement to effect any necessary assignment of such IPR. The parties do not intend to jointly develop IPR under or in connection with this Agreement.
- 28.5 IPR developed by you independently of us or our third parties will be owned by you provided that such IPR or its use by you does not infringe any of our or our third parties' IPR.
- 28.6 Except as expressly permitted under this Agreement (or as may be allowed by Applicable Law which is incapable of exclusion by agreement between the parties), you must not, without our prior written consent:
- (a) use any of our IPR:
    - (i) for any purpose other than the specific purpose for which the licences and rights under this Agreement are granted;
    - (ii) for the benefit of any person other than you in connection with this Agreement; or
    - (iii) in a manner that could negatively impact our reputation; or
  - (b) modify, store, copy, replicate, steal, create derivative works from, disclose, distribute, remove, reverse engineer, reverse compile, disassemble, reduce to human-perceivable form, delete, enhance or otherwise use all or any part of

any Deliverables (or attempt to do so or assist any third party to do so or attempt to do so).

- 28.7 You will retain IPR in your data and materials you provide to us in connection with this Agreement. You grant us a royalty-free, non-exclusive licence for the Term (including the right to sublicense to any Group member and subcontractors on the same terms) to use such data and materials to the extent necessary for us to perform our obligations under this Agreement and comply with Applicable Law.
- 28.8 You warrant that the use in accordance with this Agreement of any data or materials which you (or a third party on your behalf) provide to us under or in connection with this Agreement will not infringe the IPR of any third party.

## 29. Confidentiality

- 29.1 During the Term and for 3 years thereafter, the Receiving Party will treat the Disclosing Party's Confidential Information as strictly confidential and prevent any unauthorised access or use of it, and will not disclose it, except to the extent the use or disclosure is:
- (a) to the Receiving Party's or its Group's Personnel, professional advisors, potential financiers, or your Direct Third Party Service Providers or our Indirect Third Party Service Providers or sub-contractors, in each case to the extent necessary to perform or receive the Services, or otherwise to perform the Receiving Party's obligations under this Agreement, and subject to them entering into confidentiality obligations no less onerous than those in this clause 29;
  - (b) required for the Receiving Party to comply with Applicable Law, order of Law Enforcement Authority, Regulatory Authority or regulations of any stock or securities exchange on which the Receiving Party's securities are traded, provided that, to the extent legally permitted, it gives the Disclosing Party as much notice of such disclosure as reasonably practicable with a view to providing the opportunity for the Disclosing Party to take all reasonable action to limit such disclosure;
  - (c) required for the purpose of any court, arbitration, tribunal, Dispute Resolution Procedure or other civil proceedings connected with this Agreement;
  - (d) approved in writing by the Disclosing Party; or
  - (e) subsequent to the Confidential Information becoming publicly available (other than because of a breach of this clause 29).
- 29.2 The Receiving Party will notify the Disclosing Party as soon as reasonably practicable following it becoming aware or reasonably suspecting that:
- (a) there has been a breach of this clause 29; or
  - (b) any of the Disclosing Party's Confidential Information has been lost, stolen, damaged, deleted or corrupted or subject to any actual or attempted reverse engineering, unauthorised intrusion disclosure, copying, reproduction, access or use.

## 30. Data Protection

- 30.1 Information regarding our processing of personal data, including details of the personal data we process, the categories of data subjects that the personal data relates to, how and why we process personal data and the security measures we have in place to protect personal data, are set out in the Privacy Notice and the Data Protection Addendum.

30.2 Each party will comply with the:

- (a) Data Protection Legislation; and
- (b) Data Protection Addendum which is incorporated into and forms part of this Agreement.

## Section 6

### Operational Matters

#### 31. Personnel And Subcontracting

- 31.1 We will conduct reasonable background checks on our employees and will, upon request, provide information to you about our vetting policy and the processes we apply to the recruitment of employees.
- 31.2 We may need to engage subcontractors to provide the Services. Subject to clause 30, you grant us permission to subcontract all or part of the Services as and when we determine. We will notify you via the ClearBank Portal (or by other means as we consider appropriate) if there is any material change to the activities or functions of any of our material subcontractors, or if we or any of our suppliers appoint any new material subcontractor, in relation to the provision of the Services.

#### 32. Records And Reports

- 32.1 We will provide certain reports to you as further described in paragraph 2 of the ClearBank Technology and Security Schedule.
- 32.2 Save in the case of fraud or manifest error, our records in relation to any:
  - (a) access to or usage of the Services, ClearBank API or ClearBank Portal;
  - (b) communication between the parties in relation to this Agreement, or
  - (c) instruction or transaction provided or executed under this Agreement,will be binding and conclusive on you for all purposes whatsoever and will be conclusive evidence of the same. All such records will be admissible in evidence, and you will not challenge or dispute the admissibility, reliability, accuracy or authenticity of the contents of such records merely on account of such records being in electronic form or the output of a computer system, and hereby waive any rights to so object.

#### 33. Audit Rights

- 33.1 Subject to clause 33.2, each party ("**Audited Party**") will permit the other party ("**Auditing Party**") (acting itself or via appointed auditors ("**Auditors**")), and any Regulatory Authority, to access the Audited Party's records and information (including, where appropriate, the Audited Party's premises) for the purposes of verifying the Audited Party's compliance with:
  - (a) this Agreement; and
  - (b) Payment System Rules and Applicable Law in connection with the Services to the extent necessary to enable each party to comply with the Payment System Rules and Applicable Law,(each an "**Audit**").
- 33.2 The Auditing Party will, in respect of an Audit:
  - (a) provide the Audited Party with at least 10 Business Days' written notice prior to such Audit;
  - (b) ensure such Audit is carried out at reasonable times determined by the Audited Party and in an efficient manner which minimises disruption to the Audited Party's business;

- (c) enter into a confidentiality agreement with its Auditors on terms no less onerous than those set out in clause 29 and will ensure that its Auditors comply with such confidentiality agreement;
- (d) comply with the Audited Party's relevant policies in conducting the Audit; and
- (e) reimburse the Audited Party for its reasonably incurred costs of complying with such Audit, except we will not reimburse you if such Audit constitutes an Independent Audit under clause 11 or where such Audit finds you are not complying with this Agreement, the Payment System Rules or Applicable Law.

#### 33.3 The Audited Party:

- (a) will grant access to its records and information at reasonable times determined by the Audited Party;
- (b) will co-operate with any Regulatory Authority; and
- (c) agrees the Auditing Party may allow any Regulatory Authority to access records and other information in respect of the Services.

#### 33.4 Where you or your Auditors are conducting an Audit:

- (a) you and your Auditors may only access our Premises and systems when accompanied by at least one of our Personnel; and
- (b) we may restrict your or your Auditor's access to our Premises where we consider there are reasonable security reasons to do so.

### 34. Complaints And Dispute Resolution

34.1 You will raise any complaint or dispute in connection with this Agreement in accordance with our Customer Complaints Policy.

34.2 If your complaint or dispute is not resolved in accordance with clause 34.1 the parties will follow the Dispute Resolution Procedure. In either case, ahead of invoking the Dispute Resolution Procedure, complainants will be provided with Rights of Referral to an appropriate Alternative Dispute Resolution (ADR) service provider.

34.3 Without prejudice to each party's right to seek interim or interlocutory relief, neither party may commence any court proceedings, litigation or arbitration in relation to any dispute arising out of this Agreement until it has attempted to settle it in accordance with this clause 34, provided that a party may issue proceedings in circumstances where the other party unreasonably delays engagement with the process set out in this clause 34.

### 35. Complaints Handling

35.1 If we receive a complaint about you in relation to the Services, we will notify you and provide you with a copy of the complaint within 1 Business Day of us receiving of the complaint.

35.2 Within 7 Business Days of receiving the complaint from us, you must provide us with a written response setting out:

- (a) details of your findings of your investigation into the complaint; or
- (b) if you are not in a position to resolve the complaint, the timeframe for your final resolution.

35.3 You will work with us in good faith to promptly resolve the complaint and provide all necessary information requested by us within the timeframes specified by us or the relevant Payment System Rules.

35.4 If you receive a complaint in relation to the Services, you will inform us in writing within 1 Business Day of you receiving the complaint.

## Section 7

### Liability and Insurance

#### 36. Liability

##### *Liability scope*

36.1 Subject to clause 47.2, references to liability in clauses 36.3, 36.5 and 36.9 to 36.11 include any liability arising out of or in connection with this Agreement whether arising in contract, tort (including negligence or breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise.

##### *Unlimited liabilities*

36.2 Nothing in this Agreement will exclude or limit:

- (a) either party's liability for fraud, death or personal injury arising from its negligence, or for any other liability which by law cannot be excluded or limited;
- (b) your obligations to pay the Charges and other amounts you are obliged to pay under this Agreement in full;
- (c) your obligations to fulfil your payment, refund, settlement, reimbursement and other similar obligations, including any such obligations under this Agreement, the Payment System Rules and Applicable Law, in full in relation to any transactions initiated or executed using the Services, and you are liable to us in relation to any of these obligations to the extent that we fulfil them on your behalf;
- (d) your liability under the indemnities in clauses 10.13, 36.14 and 36.15; and
- (e) our obligations to pay any amounts to you pursuant to clause 20.1 in respect of incorrectly executed payments.

##### *Our liability to you*

36.3 Subject to clause 36.2 (and without prejudice to clauses 36.4 and 36.10 to 36.13), our total aggregate liability to you in respect of any and all Losses arising out of or in connection with this Agreement in each calendar year will in no event exceed 125% of the value of the Charges paid by you in respect of such calendar year.

36.4 Subject to clauses 36.3 (and without prejudice to clauses 36.10 to 36.13), we will be liable to you for Losses incurred by you that arise directly from any transaction incorrectly shown as processed or settled via the ClearBank Live API or ClearBank Portal (but only to the extent it was not caused or contributed to by you or a Payment System Operator).

36.5 Subject to clause 36.2 (and without prejudice to clauses 36.10 to 36.13), we will have no liability to you for any Losses arising from any act or omission of any Indirect Third Party Service Provider.

36.6 Without limiting clause 36.5, where we consider it appropriate to pursue any remedy or financial redress from an Indirect Third Party Service Provider, if we are successful in obtaining any financial redress from such Indirect Third Party Service Provider, we will pass through a proportionate part of any such amounts recovered as we deem appropriate, having taken into account any outstanding Losses, liabilities or costs incurred by us.

- 36.7 We will not be liable to you for any delay or failure to comply with our obligations in connection with this Agreement, including our obligation to provide any Service to the extent your (or your Group members', Direct Third Party Service Providers' or Clients') failure or delay in performing your obligations under this Agreement causes or contributes to our delay or failure.
- 36.8 We will not be liable for any Loss arising from our failure to fulfil any obligation under this Agreement or from any actions taken that would have otherwise, in our sole determination, caused us or our Group members to breach Applicable Law.

### ***Your liability to us***

- 36.9 Subject to clauses 36.2, 36.14 and 36.15 (and without prejudice to clauses 36.10 to 36.13), your total aggregate liability to us in respect of any and all Losses arising out of or in connection with this Agreement in each calendar year will in no event exceed 125% of the value of the Charges paid by you in respect of such calendar year.

### ***Data Protection Legislation Liability***

- 36.10 Subject to clauses 36.2 and 36.11, each party's total aggregate liability to the other party for breaching the Data Protection Addendum or any Data Protection Legislation, or for causing the other party to breach Data Protection Legislation, arising out of or in connection with this Agreement in each calendar year:
- (a) is included in the first party's total aggregate liability under clause 36.3 or 36.9; and
  - (b) will in no event exceed the lower of:
    - (i) £1,000,000 (one million pounds sterling); or
    - (ii) 100% of the value of the Charges paid by you to us in respect of such calendar year.

### ***General exclusions of liability***

- 36.11 Subject to clause 36.2, neither party will be liable to the other party under or in connection with this Agreement, for:
- (a) any loss of profit, loss of business, loss of revenue, loss of contract, loss of data, loss of anticipated savings, loss of goodwill or reputation;
  - (b) any indirect or consequential loss; or
  - (c) any compensation the party chooses in its discretion to pay to a third party, in each case irrespective of whether such losses may reasonably have been in the contemplation of the parties, at the time they entered into the Agreement, as the probable result of the relevant breach.
- 36.12 Other than as expressly set out in this Agreement, we do not give any warranty or representation of any kind, express or implied, on behalf of us or our suppliers (including Indirect Third Party Service Providers) in relation to the Services or anything else provided through or under this Agreement, including warranties as to performance, merchantability or fitness for a particular purpose.

### ***Liability for Direct Third Party Service Providers***

- 36.13 Your relationship with a Direct Third Party Service Provider will be governed by the agreement between you and that Direct Third Party Service Provider and we are not liable to you or anyone else for any Loss suffered by you or any third party arising

from the provision of services by or any other act or omission of a Direct Third Party Service Provider.

## ***Customer Indemnity***

36.14 Except to the extent caused by our negligence, wilful default or fraud, you will indemnify us and keep us fully and effectively indemnified against, and the limitation of liability under clause 36.9 will not apply to, Losses suffered or incurred by us arising out of or in connection with:

- (a) our sponsorship of you or your Clients into or with respect to any Payment System (including any bank code and sort code);
- (b) us treating as authorised or genuine, relying and acting on, accepting and executing any payment instruction given or purported to have been given by you or on your behalf (including by any of your Clients);
- (c) the APP Scam Reimbursement Rules;
- (d) any claim by any of your Clients;
- (e) any claim by any Direct Third Party Service Provider;
- (f) any claim by a third party relating to transactions executed by us (whether for you or any of your Clients) by or through any Payment System (including any Bacs Direct Debit indemnity claims);
- (g) any act or omission by you or your Group members, Direct Third Party Service Providers or Clients which is in breach of the Client Money Rules, the Safeguarding Rules or Applicable Law;
- (h) any breach of paragraph 8.3 of the Technology and Security Schedule by you or any of your Group members, Direct Third Party Service Providers or Clients;
- (i) any fine, award, penalty or administrative fee imposed by a Regulatory Authority, Law Enforcement Authority or a Payment System Operator to the extent arising as a result of any breach of your obligations under clauses 6, 7 and 10); or
- (j) any fraud, misappropriation and/or theft (by whomever committed) where the fraud, misappropriation and/or theft was perpetrated, enabled or assisted by you or any of your Group members, Direct Third Party Service Providers or Clients.

36.15 In the event of any breach by you of this Agreement or any other matter for which you indemnify us under clause 36.14, you will promptly reimburse us for (and the limitation of liability under clause 36.9 will not apply to) the cost of utilising our management time or other resources calculated on the basis of such reasonable daily or hourly rates as we may notify to you.

36.16 Any such amounts are in addition to any other fees, costs, Losses or Charges paid or payable by you to us under this Agreement.

## **37. Set Off**

37.1 If:

- (a) you owe us money (already incurred or to be incurred); or
- (b) we incur Losses because of any act or omission by you in relation to the Service,

without prior notice, we may deduct money in your Operational Accounts or Mandated Minimum Balance Account to satisfy your debt to us.

37.2 We will not use our right pursuant to clause 37.1 if:

- (a) it would breach Applicable Law; or
- (b) we have agreed with you in writing that we will not do so.

37.3 We have no recourse or right under this Agreement to use the money in your General Segregation Accounts, Designated Segregation Accounts, General Safeguarding Accounts, Designated Safeguarding Accounts, General Client Accounts and Designated Client Accounts for the purposes of clause 37.1.

## **38. Force Majeure**

38.1 If either party is wholly or partly unable to perform its obligations under this Agreement because of a Force Majeure Event, then:

- (a) the affected party will as soon as reasonably practicable notify the other party of the extent to which it is prevented from performing its obligations;
- (b) if we are the affected party, we will promptly implement our business continuity plan;
- (c) the affected party will use reasonable efforts to minimise the effect of the Force Majeure Event; and
- (d) if the affected party complies with its obligations above, that party will not be liable to the other party for Losses the other party suffers as a result of the Force Majeure Event.

38.2 Nothing in clause 38.1 relieves you from your obligation to pay the Charges or other costs you are obligated to pay pursuant to this Agreement.

## **39. Insurance**

39.1 For the duration of the Term we will maintain such insurances as we are required to hold by Applicable Law or under the Payment System Rules.

## Section 8

### Suspension and Termination

#### 40. Suspension Of Services

- 40.1 We may immediately (subject to clause 40.2) suspend our provision of the Services (in whole or in part), if:
- (a) we consider it necessary or appropriate to do so in response to:
    - (i) a security or Financial Crime, fraud risk or an Incident; or
    - (ii) any unlawful or improper use of the Services or our IPR by you, your Clients or Direct Third Party Service Providers, including where the use is in breach of our Acceptable Use Policy;
  - (b) we find that any material information which you have given to us in connection with this Agreement is inaccurate, incomplete or misleading and that this inaccuracy, incompleteness or misleading reasonably requires or justifies us suspending some or all of the Services;
  - (c) you fail to:
    - (i) provide identity information or documents as reasonably required by us to enable us to carry out the checks required by Applicable Law or any Regulatory Authority or Law Enforcement Authority;
    - (ii) meet any KYC, AML, PEPs, Sanctions or other due diligence checks conducted by us;
    - (iii) adhere to Applicable Law or any direction, request or recommendation of any Regulatory Authority or Law Enforcement Authority; or
    - (iv) respond, or provide an incomplete, false or misleading response, to any request for information made by us, or requirement imposed on you, pursuant to clause 10;
  - (d) directed to do so by a Regulatory Authority, Law Enforcement Authority or a Payment System Operator;
  - (e) in our determination, circumstances arise, or we believe circumstances may arise, in relation to you that could be materially prejudicial to a Payment System or an Indirect Third Party Service Provider or represent a threat to the security, integrity or reputation of any Payment System or an Indirect Third Party Service Provider;
  - (f) infrastructural or technical issues experienced by either us, another Payment System participant or the Payment System makes it impracticable for us to provide any of the Services;
  - (g) required as a result of an Indirect Third Party Service Provider suspending, or threatening to suspend, any services provided by it;
  - (h) a Liquidity Notification Event occurs or we determine that any transaction may cause such occurrence;
  - (i) the amount in your Mandated Minimum Balance Account falls to or below zero; or
  - (j) we reasonably believe or suspect, or any Audit conducted by us demonstrates, that:

- (i) your or your Client's use of any Service, contrary to clauses 10.15 and 10.16 and the Policies, has permitted business activity outside of the business activity disclosed to and approved by us as an acceptable use of our Services;
- (ii) you have failed to comply with this Agreement, provided we have notified you of the failure and you have not remedied the failure or have not agreed to an appropriate remedial plan within 5 Business Days of having received such notice;
- (iii) your or your Client's or Direct Third Party Service Provider's act or omission, causes us to breach (or potentially breach) any of our agreements with an Indirect Third Party Service Provider, our other subcontracts, Payment System Rules or Applicable Law;
- (iv) your financial position or credit rating deteriorates such that your ability to adequately fulfil your obligations under this Agreement, or our ability to comply with Applicable Law as a result of such deterioration, is placed in jeopardy; or
- (v) your, your Client's or Direct Third Party Service Provider's act or omission, has had or will have an adverse impact on our Services, or our ability to provide our Services to our customers.

40.2 Prior to exercising our suspension rights under clauses 40.1(h) or 40.1(i) we will notify you in writing of our intention to exercise such rights, and you will have to remedy the issue giving rise to our suspension right:

- (a) by 17:00 on the same Business Day, where we have notified you prior to 13:00 on that Business Day; or
- (b) promptly, but by no later than 17:00 on the next Business Day, where we have notified you after 13:00 on that Business Day,

and, if you fail to remedy such issue within such period, we may exercise our suspension right.

40.3 If we require a Client's account to be suspended under clause 40.1 and require your action to effect such suspension, and you do not take such action either:

- (a) as required by Applicable Law, Regulatory Authority, Law Enforcement Authority or any court or other authority of competent jurisdiction; or
- (b) otherwise as soon as reasonably practicable after we inform you of such requirement,

then without prejudice to our rights and remedies elsewhere in this Agreement, we may suspend the relevant General Segregation Account, General Safeguarding Account or your General Client Account even if such account contains the funds of other Clients.

40.4 If we exercise our suspension rights pursuant to clause 40.1:

- (a) we will take reasonable steps to inform you of this in advance, unless we are unable to do so in which case we will inform you afterwards;
- (b) where the suspension relates to an individual Account or set of Accounts, we may notify you verbally unless clause 40.2 applies; and
- (c) where any access or Service which is suspended is required for us to provide other Services to you, any notice of suspension relating to such access or Service will be deemed to be a notice of suspension of such other Services.

- 40.5 We are not responsible for any Loss that you may suffer as a result of us suspending the Services in accordance with this clause 40, except to the extent that we act fraudulently or negligently in suspending a Service, in which case our liability to you is subject to clause 36.
- 40.6 Any reasonable expense or Loss incurred by us arising from, in connection with or as a result of a suspension of the Services caused by your actions or inactions pursuant to clause 40.1 will be payable by you pursuant to clause 27.8 upon production of an invoice.
- 40.7 Subject to clause 40.8, where we have exercised a suspension right under clause 40.1 or 40.3:
- (a) you will have a 30 day period from commencement of such suspension (or any other period specified by us pursuant to clause 40.2 or 40.3) to remedy the issue giving rise to the suspension right to the extent such issue can be remedied; and
  - (b) where you have remedied such issue to our satisfaction, such suspension will be lifted.
- 40.8 Where we have exercised a suspension right under clause 40.1 or 40.3, we will be entitled to terminate this Agreement under clause 41.3(d) if:
- (a) the issue giving rise to the suspension right is not capable of remedy, or is no longer capable of remedy;
  - (b) such issue causes degradation to, or adversely impacts our ability to provide, the Services; or
  - (c) you fail to remedy the issue in accordance with clause 40.7.
- 40.9 If:
- (a) we have exercised a suspension right under clause 40.1 or 40.3; and
  - (b) a new issue occurs during the relevant remediation period which gives rise to another suspension right,
- we may agree a new period within which you will be required to remedy both issues and, if such issues are not remedied within that new period, we will be entitled to terminate this Agreement under clause 41.3(d).

## 41. Termination

- 41.1 From the first anniversary of the Commencement Date, either party may terminate this Agreement in whole or in part, at any time for any reason by giving not less than 12 months' written notice to the other party.
- 41.2 Either party may terminate this Agreement (in whole or in part), with immediate effect by written notice to the other party if the other party:
- (a) has committed a material breach which is incapable of remedy, or a material breach which is capable of remedy and the breaching party has failed to remedy such breach within 30 days of being notified of the breach by the terminating party, having been given reasonable particulars of the breach; or
  - (b) is subject to an Insolvency Event.
- 41.3 We may terminate this Agreement in whole or in part, with immediate effect by written notice to you in the following circumstances:

- (a) you fail to pay any amount within 60 days of when it became due and payable, except to the extent that the amount is subject to an open complaint or dispute;
  - (b) we suspect fraud in your use of any Service;
  - (c) we reasonably believe that if we continue providing a Service to you, you may cause us to breach Applicable Law, Payment System Rules, including the APP Scam Reimbursement Rules, or to be penalised by a Regulatory Authority or Law Enforcement Authority;
  - (d) a right to terminate has arisen under clause 40.8 or 40.9;
  - (e) we are directed to do so by a Regulatory Authority, a Payment System Operator or an Indirect Third-Party Service Provider;
  - (f) if required given the termination of any agreement between us and a Payment System Operator or an Indirect Third-Party Service Provider in respect of services needed to perform this Agreement;
  - (g) if a Payment System Operator or an Indirect Third-Party Service Provider ceases to provide any services generally or to us particularly where such services are needed to perform this Agreement;
  - (h) no agreement is reached as required in clause 26.5;
  - (i) there is a change of Control of you which we conclude is or could be to an organisation which:
    - (i) is subject to Sanctions or embargoes imposed by the international community including the UK, EU, UN and the USA;
    - (ii) has been the subject of material criminal or regulatory proceedings or investigations;
    - (iii) is a direct competitor in respect of our business, products, or services; or
    - (iv) we reasonably consider is likely to materially adversely affect our reputation;
  - (j) either you or we suffer a Force Majeure Event and within 30 days of its occurrence:
    - (i) it has not been remedied; or
    - (ii) a suitable workaround plan has not been agreed between the parties.
- 41.4 Where we have elected to terminate this Agreement in part, such termination may relate to all or part of our provision of the Services.
- 41.5 If any access or Service which is terminated is required for us to provide other Services to you, any notice of termination relating to such access or Service will be deemed to be a notice of termination of such other Services.
- 41.6 The rights of termination under this clause 41 are in addition and without prejudice to any other right or remedy which the parties may have whether under this Agreement or Applicable Law.

## **42. Consequences Of Termination**

- 42.1 On termination of all or part of this Agreement for any reason:
- (a) you will remain liable for any payment transactions that have been executed, but not settled prior to the date of termination;

- (b) we will be entitled to retain the Mandated Minimum Balance until the end of the Run-Off Period in accordance with clause 43;
- (c) you remain liable for any Charges and other amounts you owe to us (whether incurred before, on or after termination) and such amounts will become immediately due and payable to us;
- (d) we are not liable to you for any Losses you suffer as a result of us acting on instructions which were authorised by you prior to the date of termination of any Service;
- (e) at the request of either party, the other party will, subject to its data retention policy and Applicable Law, provide reasonably requested information in respect of this Agreement to the requesting party, including (i) in respect of any Account balances, and (ii) where such information is required to comply with Applicable Law or request from a Regulatory Authority, Law Enforcement Authority, Payment System Operator or court of competent jurisdiction;
- (f) at the request of either party, the parties will promptly return or destroy (and provide evidence of such) any Confidential Information belonging to the other party (except to the extent it is necessary for a party to keep any Confidential Information to comply with Applicable Law);
- (g) unless stated otherwise in this Agreement, all licences and other rights to IPR, Services and the Deliverables granted under this Agreement will terminate and each party will cease using the other party's or its licensors' IPR;
- (h) any funds held in your:
  - (i) General Segregation Accounts, Designated Segregation Accounts, General Safeguarding Accounts, Designated Safeguarding Accounts, General Client Accounts or Designated Client Accounts will be returned to you promptly or dealt with in accordance with proper notice and instruction from a liquidator, receiver, administrator, special administrator or trustee (or similar person) appointed to you; and
  - (ii) Operational Accounts will be returned to the bank account from which the funds originated under clause 25.1 (unless otherwise agreed between the parties or dealt with in accordance with proper notice and instruction from a liquidator, receiver, administrator, special administrator or trustee (or similar person) appointed to you;
  - (iii) we will provide reasonable assistance to you in respect of your withdrawal from a Payment System (if applicable); and
  - (iv) with the exception of any assistance we may provide under clauses 42.1(a) to 42.1(h)(iii), 42.3 and the Exit Assistance Schedule, our obligations under this Agreement will cease.

42.2 Termination of this Agreement (in whole or in part) will not affect:

- (a) any rights or liabilities of either party which have accrued or become due prior to the date of termination; or
- (b) the coming into or continuance in force of any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after termination or expiry of the Term pursuant to clause 24.1.

42.3 Upon the termination of this Agreement for any reason, we will provide Exit Assistance in accordance with the Exit Assistance Schedule.

## 43. Run-off Period

- 43.1 Following termination of this Agreement for any reason, we will be entitled to retain the Mandated Minimum Balance (or such other amount as the parties may agree) until each of the following have occurred:
- (a) all outstanding payments to your payees have been settled;
  - (b) a period of 30 days has elapsed from the date of the last payment settled in accordance with clause 43.1(a) above; and
  - (c) a period of 12 months has elapsed since the date of the final Direct Debit, or any transaction referred to in Part G or Part H of the Services Schedule,
- (such period together being the "**Run-Off Period**").
- 43.2 During the Run-Off Period, we may deduct from the Mandated Minimum Balance (or such other amount as the parties may agree pursuant to clause 43.1) any outstanding payments or Charges or other amounts you owe to us under or in connection with this Agreement, including as a result of any chargebacks or indemnities relating to the Direct Debit Guarantee.
- 43.3 At the end of the Run-Off Period, we will promptly return any remaining funds from the Mandated Minimum Balance to you, by returning these to the bank account from which the funds originated under clause 25.1 (unless otherwise agreed between the parties).
- 43.4 If during or following the Run-Off Period, the amounts we deduct from the Mandated Minimum Balance pursuant to clause 43.2, exceed the Mandated Minimum Balance (or such other amount as the parties may agree) that we have retained, you will pay us any such amounts within 7 days of receipt of our invoice.

## Section 9

### General Provisions

#### 44. General Provisions

- 44.1 Except where otherwise expressly provided, the rights and remedies contained in this Agreement are cumulative and not exclusive of rights and remedies provided by law.
- 44.2 We may assign or novate this Agreement and our rights and obligations under this Agreement to any member of our Group, or to any purchaser of our business or all or substantially all of our assets, and you hereby grant your prior consent to such assignment or novation. Prior to such assignment, we will ensure that any assignee of these rights has the necessary licences, memberships and/or permissions which are required for performing the Services. We will inform you of such assignment or novation in a reasonable time period following its completion.
- 44.3 You will notify us prior to (or to the extent you are prohibited from doing so by Applicable Law or contractual obligation as soon as possible after) any change of Control of you. Such notification must include details of the new owners and Controllers.
- 44.4 Except in relation to any rights of a Regulatory Authority or any other member of our Group, a person who is not a party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of or enjoy any benefit under it.
- 44.5 No delay in exercising, or failure to exercise, any right, power or remedy in connection with this Agreement will be considered a waiver or abandonment of any of these. No single or partial exercise of a right will preclude any other exercise of that right.
- 44.6 If any provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part, that provision will apply with whatever deletion or modification is needed to make it legal, valid and enforceable.
- 44.7 This Agreement does not create a relationship of employee/employer, partnership, association or trust between the parties. The parties agree that their relationship is one of independent contractors.

#### 45. Announcements

- 45.1 Neither party will make any public announcement concerning the subject matter or terms of this Agreement, the wider transactions contemplated by it, or the relationship between the parties, other than as indicated in Commercial Terms, or as otherwise agreed in writing between the parties, without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed), except as required by Applicable Law or any Regulatory Authority, Law Enforcement Authority, Payment Systems Operator, or court or other authority of competent jurisdiction.

#### 46. Changes To The Terms And Conditions

- 46.1 Except where expressly provided for otherwise in this Agreement and subject to clauses 46.2 and 46.3, we may change the terms and conditions of this Agreement (excluding the API Documentation which is subject to a separate change procedure

as provided for in the API Documentation) at any time by providing you with 60 days' notice prior to any changes taking effect.

46.2 We:

- (a) may change the terms and conditions of this Agreement immediately if such change is in your favour; and
- (b) will notify you of such change as soon as reasonably practicable after it has taken effect.

46.3 Where a change to this Agreement is:

- (a) to reflect a change required by Applicable Law or any Regulatory Authority, Payment System Operator or an Indirect Third-Party Service Provider;
- (b) as a result of a change by a Payment System Operator (including its fees);
- (c) a change to our Charges because there is a change in the Published Bank of England Rate, reference rates or exchange rates, or we decrease our Charges; or
- (d) a change to our Policies to respond to new or emerging security threats, Financial Crime risks (including any changes to Applicable Law or Sanctions) or fraud risks,

we will notify you of the change as soon as reasonably practicable after the change has taken effect, where we are unable to give you prior notice.

46.4 If you:

- (a) receive notice of a change to an existing Service or a new Service under clause 46.1 (whether or not we are required to give the 60 days' notice); and
- (b) start using such new or amended Service at the point of notice or thereafter, then (notwithstanding clause 46.1) by doing so you agree to waive the notice period under clause 46.1 and the effective date of such change will be the date you start using the new or amended Service.

## 47. Entire Agreement

47.1 This Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes any previous agreement between the parties with respect thereto, provided that all non-disclosure or confidentiality agreement(s) entered into by the parties prior to the Commencement Date will each continue to have effect in accordance with their terms until they terminate or expire in accordance with their terms. Without prejudice to the generality of the foregoing and to the extent permitted by law, this Agreement excludes any warranty, term, condition or other undertaking implied at law or by custom, usage or course of dealing.

47.2 In entering into this Agreement you have not relied on, and will have no remedies in respect of, any statement, representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or implied from anything said or written in communications between the parties prior to the Commencement Date (whether made innocently or negligently) which is not expressly set out in this Agreement. You will have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

47.3 Nothing in this clause 47 excludes or limits a party's liability for fraud or fraudulent misrepresentation.

## **48. Governing Law and Jurisdiction**

- 48.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the law of England and Wales.
- 48.2 The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

Clear.Bank

# Client Terms

Glossary Schedule



+44(0)203 111 2370  
[enquiries@clear.bank](mailto:enquiries@clear.bank)

Level 27, The Broadgate Tower,  
20 Primrose Street, London,  
England, EC2A 2EW

## Principles of interpretation

1. We have split this Agreement into sections and inserted a number of headings to make them easier to read. The headings are not intended to affect the way that this Agreement is interpreted.
2. Where we refer to "you" or "your", we mean your business or organisation. If two or more persons are comprised in the expression "you" or "your" then unless this Agreement expressly provides otherwise, each of those persons will be jointly and severally liable for each of the obligations and liabilities under this Agreement.
3. Where we refer to "we", "us" or "our", we mean ClearBank.
4. Where we refer to a person, we mean any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, government, local or municipal authority, governmental or supra-governmental agency of department, state or agency of state or any other entity.
5. Where we refer to a statute or statutory provision, this includes any subordinate legislation made under it and any modifications, amendments, extensions, consolidations, re-enactments and replacements of any of these from time to time.
6. References to the singular include the plural, and vice versa.
7. References to a gender include every gender.
8. The words "include", "includes", "including", "in particular" or any similar words or expression are for illustration or emphasis only and are not intended to limit the meaning or generality of the related general words.
9. A reference to a "party" or the "parties" means you and/or us as the context requires.
10. References to "clauses" are to clauses of Core Terms and references to "paragraphs" are to schedules of this Agreement, unless otherwise indicated.
11. References to times of the day are expressed in the time zone of London, United Kingdom (being Greenwich Mean Time (GMT) or British Summer Time (BST) as applicable) in the 24-hour clock format.
12. If there is any conflict or inconsistency between:
  - (a) any term or condition set out in any section of this Agreement, the sections shall be applied in the following order of precedence with the former sections prevailing over the latter:
    - (i) Commercial Terms;
    - (ii) Core Terms, Data Protection Addendum, Exit Assistance Schedule, Services Schedule and Technology and Security Schedule equally;

- (iii) Glossary Schedule;
- (iv) the Policies; and
- (v) any other section of this Agreement (as updated from time to time);
- (b) this Agreement and the Client Account Acknowledgement Letter, the Client Account Acknowledgement Letter shall take precedence over this Agreement; and
- (c) this Agreement and the Safeguarding Account Acknowledgement Letter, the Safeguarding Account Acknowledgement Letter shall take precedence over this Agreement.

## 13. Defined Terms

In this Agreement:

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Acceptable Use Policy"</b>  | means the acceptable use policy, available on our Website, which governs the use of our services;                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Account"</b>                | means any form of banking account we provide to you pursuant to this Agreement, including the General Client Account, Designated Client Account, General Segregation Account, Designated Segregation Account, General Safeguarding Account, Designated Safeguarding Account, Operational Account, Mandated Minimum Balance Account, Bacs Suspense Account and MCCY Account (as applicable) and any additional account you create with us through the ClearBank API or ClearBank Portal from time to time;                                                            |
| <b>"ADDACS"</b>                 | means the automated Direct Debit amendment and cancellation service which is the electronic service allowing Service Users to be notified of amendments or cancellations made to Direct Debit instructions;                                                                                                                                                                                                                                                                                                                                                          |
| <b>"AISP"</b>                   | means an account information service provider and is defined in the PSRs;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Agency Banking Service"</b> | means the agency banking Service which allows you and your clients or end users to transfer funds via certain Payment Systems as further set out in the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Agreement"</b>              | means the agreement entered into between the parties, as amended, restated, supplemented or otherwise modified from time to time and comprising: <ul style="list-style-type: none"> <li>(i) Core Terms;</li> <li>(ii) Services Schedule;</li> <li>(iii) Technology and Security Schedule;</li> <li>(iv) Exit Assistance Schedule;</li> <li>(v) Commercial Terms;</li> <li>(vi) Data Protection Addendum;</li> <li>(vii) Glossary Schedule;</li> <li>(viii) any application form completed by you for any of the Services; and</li> <li>(ix) the Policies.</li> </ul> |

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| "AML"                          | has the meaning given to it in clause 10.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "API"                          | means an application programming interface;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "API Certification"            | means the process by which we confirm your readiness to use the ClearBank Live API having assessed your security infrastructure and confirmed that you have completed all required testing;                                                                                                                                                                                                                                                                                                                                                                                                 |
| "API Documentation"            | means any information, documentation, rules, guidance, approach documents, processes and procedures which we make available to you from time to time in respect of the ClearBank API;                                                                                                                                                                                                                                                                                                                                                                                                       |
| "API Version"                  | means an updated version or major release of the ClearBank Live API (or any part of it) that provides significant enhancement or new functionality compared to the previous version, and does not include minor updates or sub-version releases of a ClearBank API;                                                                                                                                                                                                                                                                                                                         |
| "APP Scam Reimbursement Rules" | means rules, regulations and recommendations relating to the reimbursement of victims of authorised push payment scams, as imposed by the Payment Systems, for example in Payment System Rules, or imposed by the Payment Systems Regulator or any other Regulatory Authority;                                                                                                                                                                                                                                                                                                              |
| "Applicable Law"               | means any laws, regulations, regulatory constraints, obligations or rules in the UK, or any other relevant jurisdiction, which are applicable to this Agreement or (as the case may be) to us and to the provisions by us of the Services or to the provision by you of products and services to your Clients (including binding codes of conduct and binding statements of principle incorporated and contained in such rules from time to time), interpreted (where relevant) in accordance with any guidance, code of conduct or similar document published by any Regulatory Authority; |
| "ARUDD"                        | means the automated return of unpaid Direct Debits available on the Bacs System website, which is the service advising Service Users of Direct Debit payments which have been returned unpaid;                                                                                                                                                                                                                                                                                                                                                                                              |
| "AUDDIS"                       | means the automated Direct Debit instruction service which is the electronic transfer of a Direct Debit instruction via Bacs;                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Audit"                        | has the meaning given to it in clause 33.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Audited Party"                | has the meaning given to it in clause 33.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Auditing Party"               | has the meaning given to it in clause 33.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Auditors"                     | has the meaning given to it in clause 33.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Authenticator Application"    | means an application that generates a secure and regularly changing code to verify your identity;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| "Authorised Representative"    | has the meaning given to it in clause 3.1(a);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Authorised User"              | has the meaning given to it in clause 3.1(b);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <b>"Background IPR"</b>             | means any IPR owned by/or licensed to a party which is in existence prior to the Commencement Date or which was developed by or for, or licensed other than under this Agreement;                                                                                                                                              |
| <b>"Bacs"</b>                       | means the Bacs Payment System as operated and managed by Bacs Payment Schemes Limited (or any successor in title);                                                                                                                                                                                                             |
| <b>"Bacs Bureau"</b>                | means an organisation engaged for the purposes of making submissions to and receiving processing reports from Bacs on behalf of a Service User;                                                                                                                                                                                |
| <b>"Bacs Clearing"</b>              | means the Services which we provide to you which provide you with indirect access to the Bacs System for:<br>(i) receipt of Direct Credits; and<br>(ii) payment of Direct Debits;<br>as further described in Part G of the Services Schedule;                                                                                  |
| <b>"Bacs Direct Credit Service"</b> | means the Service by which we provide you with indirect access to the Bacs System, for receipt of Direct Credits, as further described in Part G of the Services Schedule;                                                                                                                                                     |
| <b>"Bacs Direct Debit Service"</b>  | means the Service by which we provide you with indirect access to the Bacs System, for payment of Direct Debits, as further described in Part G of the Services Schedule;                                                                                                                                                      |
| <b>"Bacs Rules"</b>                 | means the Payment System Rules relating to the use of the Bacs System including the rules of the Direct Credit scheme and Direct Debit scheme and any other key contractual and operational documents governing the functioning of the Bacs System, as amended in accordance with such Payment System Rules from time to time; |
| <b>"Bacs Services"</b>              | means the Bacs Direct Credit Service, Bacs Direct Debit Service and Direct Debit Origination Service;                                                                                                                                                                                                                          |
| <b>"Bacs Suspense Account"</b>      | means an account in your name which is debited and credited in connection with the Bacs Services;                                                                                                                                                                                                                              |
| <b>"Bacs System"</b>                | means the system and infrastructure relating to the clearing and settlement of Bacs payments between Bacs participants;                                                                                                                                                                                                        |
| <b>"Business Day"</b>               | means a day, other than Saturday, Sunday or public holiday in England (or, if applicable, in Jersey), when banks in London (or, if applicable, in Jersey) are open for business;                                                                                                                                               |
| <b>"Business Hours"</b>             | means the time between 09:00 to 17:00 on a Business Day;                                                                                                                                                                                                                                                                       |
| <b>"CASS"</b>                       | means the rules set out in the section of the FCA's Handbook entitled Client Assets Sourcebook (CASS);                                                                                                                                                                                                                         |
| <b>"CBPII"</b>                      | means a card based payment instrument issuer as defined in the PSRs;                                                                                                                                                                                                                                                           |
| <b>"CHAPS"</b>                      | means the Clearing House Automated Payment System operated by the Bank of England (or any successor in title);                                                                                                                                                                                                                 |

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| <b>"CHAPS Rules"</b>                           | means the Payment System Rules for the use of the CHAPS Service, as amended in accordance with such Payment System Rules from time to time;                                                                                                                                                                                                                                                                                      |
| <b>"CHAPS Service"</b>                         | means the near real-time guarantee service provided by CHAPS for making same day settlement of payment through the CHAPS System;                                                                                                                                                                                                                                                                                                 |
| <b>"CHAPS System"</b>                          | means the system and infrastructure relating to the clearing and settlement of CHAPS payment obligations between CHAPS participants;                                                                                                                                                                                                                                                                                             |
| <b>"Charge"</b>                                | means any fee, payment or charge payable by you to us as specified in this Agreement;                                                                                                                                                                                                                                                                                                                                            |
| <b>"Cheque Deposit Service"</b>                | means the guarantee service provided by ICS allowing inbound payments to be received by cheque deposit via the ICS System;                                                                                                                                                                                                                                                                                                       |
| <b>"ClearBank"</b>                             | means ClearBank Limited, a company registered in England and Wales with company number 09736376;                                                                                                                                                                                                                                                                                                                                 |
| <b>"ClearBank API"</b>                         | means either (depending on your access):<br>(i) the ClearBank Live API; or<br>(ii) the ClearBank Sandbox API;                                                                                                                                                                                                                                                                                                                    |
| <b>"ClearBank API Token"</b>                   | means the information provided by ClearBank used to authenticate an IT System which sends messages to the ClearBank API;                                                                                                                                                                                                                                                                                                         |
| <b>"ClearBank Live API"</b>                    | means the application programming interface for financial institutions described in Part A of the Technology and Security Schedule that allows your IT Systems to connect to our core banking platform;                                                                                                                                                                                                                          |
| <b>"ClearBank Outbound Transaction Limit"</b>  | means the maximum single transaction value you are able to transfer to a beneficiary account via a Payment System which we may impose and notify to you in accordance with clause 17.4;                                                                                                                                                                                                                                          |
| <b>"ClearBank Portal"</b>                      | means our online service management portal enabling you to manage your Services, make payments, monitor your Accounts and use certain reporting functions to track both individual payments and your liquidity position across your Accounts, as further described in Part A of the Technology and Security Schedule;                                                                                                            |
| <b>"ClearBank Sandbox API"</b>                 | means the testing environment made available to you for the purpose of (but not limited to) developing and testing your systems connectivity or access to the ClearBank Live API;                                                                                                                                                                                                                                                |
| <b>"Client"</b>                                | means your clients, end users and all other persons in the payment chain (whether as provider or user) through to the ultimate end user;                                                                                                                                                                                                                                                                                         |
| <b>"Client Account Acknowledgement Letter"</b> | a letter in the form of the template in CASS 7 Annex 2 R (or equivalent notification which you are obliged to give to ClearBank in accordance with the FCA's Client Money Rules) in relation to money held in a Designated Client Account or a General Client Account or an undertaking from us addressed to you and to the JFSC, which is required to obtain in accordance with Client Money Rules applicable to you in Jersey; |

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| "Client Assets Order"      | means Jersey legislation entitled Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001, which for the purposes of this Agreement relates only to money held by you for the purpose of investment business on behalf of your clients or a named client segregated from your own monies and other assets;                                                                                                                     |
| "Client Money Rules"       | as set out in CASS 7.10 to CASS 7.19 and, if applicable, as set out in the Client Assets Order;                                                                                                                                                                                                                                                                                                                                                     |
| "Commencement Date"        | means the date that the last party signs this Agreement;                                                                                                                                                                                                                                                                                                                                                                                            |
| "Commercial Terms"         | means the commercial terms of this Agreement;                                                                                                                                                                                                                                                                                                                                                                                                       |
| "Confidential Information" | means the terms of this Agreement, and any information of a secret, confidential or competitively sensitive nature, obtained by one party relating to the other party or the other party's business, suppliers, clients, end users or customers (which does not include personal data) in discussions relating to, or the negotiation or performance of, this Agreement or any agreement connected with it, including in our case any Deliverables; |
| "Control"                  | means either the ownership of at least fifty per cent (50%) of the issued share capital, or the legal power to direct or cause the direction of the general management and policies, of the entity in question, or its holding supplier or parent undertaking. The terms <b>"Controlled"</b> , <b>"Controlling"</b> , <b>"Controller"</b> and <b>"Controls"</b> will have the corresponding meaning;                                                |
| "Consumer Duty"            | has the meaning given to it in clause 7.4;                                                                                                                                                                                                                                                                                                                                                                                                          |
| "CoP"                      | means confirmation of payee, the Pay.UK name checking service;                                                                                                                                                                                                                                                                                                                                                                                      |
| "CoP Aggregator Service"   | has the meaning given to it in paragraph 1.1(b) of Part D of the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                 |
| "CoP Direct Service"       | has the meaning given to it in paragraph 1.1(a) of Part D of the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                 |
| "CoP Reference Documents"  | has the meaning given to it in the CoP Rulebook;                                                                                                                                                                                                                                                                                                                                                                                                    |
| "CoP Request"              | means a near real time request sent by a CoP Requestor to confirm the account details of the intended payee, prior to the initiation of a payment instruction;                                                                                                                                                                                                                                                                                      |
| "CoP Requestor"            | means a Direct Participant of CoP authorised to send CoP Requests;                                                                                                                                                                                                                                                                                                                                                                                  |
| "CoP Required Information" | means certain information as indicated, requested or notified to you via the ClearBank API or the ClearBank Portal (as applicable), including Account and Third Party Account information in compliance with the CoP Rulebook;                                                                                                                                                                                                                      |
| "CoP Responder"            | means a Direct Participant of CoP authorised to return a CoP Response to a CoP Request;                                                                                                                                                                                                                                                                                                                                                             |
| "CoP Response"             | means a near real time response provided by a CoP Responder to a CoP Requestor, to confirm the result of the CoP Request;                                                                                                                                                                                                                                                                                                                           |

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| <b>"CoP Rulebook"</b>                    | means the rules set by Pay.UK that govern the use of CoP, as amended by Pay.UK from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"CoP Service"</b>                     | has the meaning given to it in paragraph 1.1 of Part D of the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Core Terms"</b>                      | means the core terms of this Agreement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"CRED"</b>                            | is a transaction charge code meaning the payee will incur all of the payment transaction fees;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Credit Payment Recovery Process"</b> | means the industry process to assist the recovery of payments sent in error, either by customers or banks, using Faster Payments or Bacs, details of which are provided in the Knowledge Centre;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Critical ClearBank Policy"</b>       | means our Financial Crime Risk Appetite Statement, Multi-Currency/FX Policy Statement and Crypto Asset Policy Statement and any other policy statement we notify you is to be treated as a Critical ClearBank Policy;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Crypto Asset Policy Statement"</b>   | means the document describing ClearBank's approach to crypto assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"CSM"</b>                             | means clearing and settlement mechanisms, the processes underlying all payment transactions exchanged between two PSPs;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Customer Complaints Policy"</b>      | means the document describing ClearBank's approach to the management of customer complaints;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Data Protection Addendum"</b>        | means the set of contractual clauses relating to data protection contained in a document with that name made available on the ClearBank Portal or our Website from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Data Protection Legislation"</b>     | means: <ul style="list-style-type: none"> <li>(i) any legislation in force from time to time relating to privacy or the processing of personal data including the Data Protection Act 2018, the General Data Protection Regulation (EU) 2016/679 (GDPR), the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) and any laws or regulations implementing the Privacy and Electronic Communications Directive 2002/58/EC;</li> <li>(ii) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing whether or not before or after the date of the Agreement from the date they come into force (except, where permissible under applicable domestic law, to the extent that the GDPR is modified by applicable domestic law from time to time but where the modification has the effect of depriving data subjects of rights to which they would otherwise be entitled were any relevant processing be carried out in the EEA such modification will have no effect on this Agreement); and</li> <li>(iii) the guidance and codes of practice issued by any relevant EEA Regulatory Authority and applicable to a party;</li> </ul> |
| <b>"DDIC"</b>                            | means a Direct Debit indemnity claim made against a Service User under the Bacs Rules;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| <b>"DEBT"</b>                             | is a transaction charge code meaning the payer will incur all of the payment transaction fees;                                                                                                                                                                                                         |
| <b>"Deliverable"</b>                      | means any Documentation, output of any Service, Software and other information, process, material, system and asset made available to you under or in connection with this Agreement;                                                                                                                  |
| <b>"Designated Client Account"</b>        | means an account used to hold money in relation to a named client which you deposit with us and which you are under an obligation to keep segregated from other assets under the Client Money Rules or equivalent requirements (including the Client Assets Order);                                    |
| <b>"Designated Safeguarding Account"</b>  | means an account used to deposit the money received from a specified client which you are under a regulatory obligation to keep segregated from other assets;                                                                                                                                          |
| <b>"Designated Segregation Account"</b>   | means an account used to hold money in relation to a named client which you deposit with us and which you are under an obligation to keep segregated from other assets under the PSRs or EMRs or equivalent requirements;                                                                              |
| <b>"Direct Credit"</b>                    | means an incoming amount via the Bacs System to be credited to an Account and, if relevant, to a Virtual IBAN;                                                                                                                                                                                         |
| <b>"Direct Credit Reversal"</b>           | means a valid request from a Service User via Bacs in accordance with the Bacs Rules to return a Direct Credit to the Service User, due to the Service User identifying an error with that Direct Credit and results in a debit to the Account or Virtual IBAN to which the Direct Credit was applied; |
| <b>"Direct Debit"</b>                     | means the authorised collection of an amount from a paying PSP account by a Service User;                                                                                                                                                                                                              |
| <b>"Direct Debit Guarantee"</b>           | means the Direct Debit guarantee under the Bacs Rules;                                                                                                                                                                                                                                                 |
| <b>"Direct Debit Indemnity Form"</b>      | means the document under the Direct Debit scheme that contains a legally binding undertaking given by you as a Service User to indemnify any paying PSP in response to an indemnity claim;                                                                                                             |
| <b>"Direct Debit Origination Service"</b> | means the Service where we sponsor you to participate as a Service User as a direct or indirect submitter to the Bacs System for the origination and collection of funds by you by Direct Debit as further described in Part H of the Services Schedule;                                               |
| <b>"Direct Debit Reversal"</b>            | means a valid request from a Service User via Bacs in accordance with the Bacs Rules to return funds to an Account or Virtual IBAN which were settled via a Direct Debit transaction made in error and results in a credit to the account from which the Direct Debit was collected;                   |
| <b>"Direct Participant"</b>               | means an entity that has been admitted by Pay.UK to participate directly in CoP as a Direct Participant;                                                                                                                                                                                               |
| <b>"Direct Third Party Service"</b>       | means any service or product that is not provided by us nor on our behalf under this Agreement and is instead provided wholly by a third party to you;                                                                                                                                                 |

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| <b>"Direct Third Party Service Provider"</b>     | means a third party, including a TPP, that provides Direct Third Party Services to you;                                                                                                                                                           |
| <b>"Disclosing Party"</b>                        | means either party when it discloses or otherwise provides access to its Confidential Information to the other party;                                                                                                                             |
| <b>"Dispute Resolution Procedure"</b>            | means the procedure published on the Knowledge Centre explaining the process to resolve a dispute;                                                                                                                                                |
| <b>"Documentation"</b>                           | means documentation relating to the Services or Deliverables which we provide to you or give you access to;                                                                                                                                       |
| <b>"EC"</b>                                      | means the European Commission;                                                                                                                                                                                                                    |
| <b>"EEA"</b>                                     | means the member states of the European Economic Area;                                                                                                                                                                                            |
| <b>"EMRs"</b>                                    | means the Electronic Money Regulations 2011 (SI 2011/99);                                                                                                                                                                                         |
| <b>"Emergency Maintenance"</b>                   | means Maintenance undertaken on short notice in response to a security or performance incident;                                                                                                                                                   |
| <b>"Endpoint"</b>                                | has the meaning given to it in paragraph 6.2 of Part B of the Technology and Security Schedule;                                                                                                                                                   |
| <b>"EPC"</b>                                     | means the European Payment Council;                                                                                                                                                                                                               |
| <b>"Execution Time"</b>                          | has the meaning given to it in clause 16.3;                                                                                                                                                                                                       |
| <b>"Exit Assistance"</b>                         | has the meaning given to it in paragraph 1.4 of the Exit Assistance Schedule;                                                                                                                                                                     |
| <b>"Exit Assistance Schedule"</b>                | means the exit assistance schedule to this Agreement;                                                                                                                                                                                             |
| <b>"Exit Management Plan"</b>                    | has the meaning given to it in paragraph 1.6 of the Exit Assistance Schedule;                                                                                                                                                                     |
| <b>"External Account"</b>                        | has the meaning given to it in paragraph 1.1(e) of Part E of the Services Schedule;                                                                                                                                                               |
| <b>"FCA"</b>                                     | means the UK Financial Conduct Authority;                                                                                                                                                                                                         |
| <b>"FDP"</b>                                     | has the meaning given to it in paragraph 1.2(c) of Part C of the Services Schedule;                                                                                                                                                               |
| <b>"Financial Crime"</b>                         | means any kind of criminal conduct relating to money or financial services, including money laundering, terrorist financing, proliferation financing, bribery and corruption, fraud, tax evasion, financial sanctions and other financial crimes; |
| <b>"Financial Crime Risk Appetite Statement"</b> | means the document setting out ClearBank's standards and requirements in relation to Financial Crime which is provided to you or made available to you under this Agreement;                                                                      |
| <b>"FM Provider"</b>                             | means where you offer facilities management services by taking responsibility for the collection or administration of Direct Debits on behalf of another organisation;                                                                            |

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| <b>"Force Majeure Event"</b>            | means any circumstances beyond the reasonable control of the affected party, including riot, civil unrest, war, act of terrorism, threat or perceived threat of act of terrorism, disaster, earthquake, extraordinary storm, lock-out or other industrial dispute, public electricity, telecommunications or other critical utility failure, public internet failure, or changes in Applicable Law, to the extent that those circumstances materially affect the ability of the party relying on those circumstances to perform its obligations under this Agreement; |
| <b>"FPS"</b>                            | means the UK Faster Payments service as operated and managed by Faster Payments Schemes Limited (or any successor in title);                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"FPS Outbound Transaction Limit"</b> | means £1,000,000 (one million pounds sterling) or the maximum single transaction value you are able to transfer to a beneficiary account via the FPS System which is notified in writing to you from time to time;                                                                                                                                                                                                                                                                                                                                                    |
| <b>"FPS Rules"</b>                      | means the Payment System Rules for participants of FPS, as amended in accordance with such Payment System Rules from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"FPS Service"</b>                    | means the Service which we provide to you which provides you with indirect access to the FPS System, as further described in the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"FPS System"</b>                     | means the system and infrastructure relating to the clearing and settlement of FPS payment obligations between FPS participants;                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"FX"</b>                             | means principal-to-principal foreign exchange transactions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"FX Operating Periods"</b>           | means the periods of time during which we accept and process transactions (as applicable to the FX Service) and which are specified in the Knowledge Centre;                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"FX Service"</b>                     | means the Service we provide to you for processing FX Trades;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"FX Trade"</b>                       | means a transaction made using the FX Service in which a Supported Currency is exchanged for another Supported Currency, and includes TODs, TOMs and SPOTs tenors;                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"GDPR"</b>                           | means Regulation (EU) 2016/679 of the European Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"General Client Account"</b>         | means an account used to hold money in relation to one or more of your Clients which you deposit with us and which you are under a regulatory obligation to keep segregated from other assets under the Client Money Rules or equivalent requirements (including the Client Assets Order);                                                                                                                                                                                                                                                                            |
| <b>"General Safeguarding Account"</b>   | means an account used to deposit the money received from Clients which you are under a regulatory obligation to keep segregated from other assets;                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"General Segregation Account"</b>    | means an account used to hold money in relation to one or more of your Clients which you deposit with us and which you are under a                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|                                         | regulatory obligation to keep segregated from other assets under the PSRs or EMRs, or equivalent requirements;                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Glossary Schedule"                     | means the glossary schedule to this Agreement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Group"                                 | means, in relation to a company, that company, any Subsidiary or Holding Company from time to time of that company, and any Subsidiary from time to time of a Holding Company of that company;                                                                                                                                                                                                                                                                                                                                                                                   |
| "Holding Company"                       | means a holding company as defined in section 1159 of the Companies Act 2006;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "IBAN"                                  | means international bank account number;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| "ICS"                                   | means the Image Clearing Service which allows for digital images of cheques (and bank giros) to be exchanged between banks and building societies across the UK for clearing and settlement;                                                                                                                                                                                                                                                                                                                                                                                     |
| "ICS Rules"                             | means the Payment System Rules relating to the use of the ICS System and any other key contractual and operational documents governing the functioning of the ICS System, as amended in accordance with such Payment System Rules from time to time;                                                                                                                                                                                                                                                                                                                             |
| "ICS System"                            | means the system and infrastructure relating to the clearing and settlement of ICS payment obligations between ICS participants;                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Incident"                              | has the meaning given to it in paragraph 8.4 of Part C of the Technology and Security Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| "Independent Audit"                     | has the meaning given to it in clause 11.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Indirect Participant"                  | means a PSP which has entered into a contractual relationship with us to participate in CoP through us, exclusively for the purposes of providing CoP to its Clients;                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Indirect Third Party Service"          | means any Service (or elements of the Service) provided by any of our subcontractors, correspondent banks, a Payment System Operator or our other third party providers;                                                                                                                                                                                                                                                                                                                                                                                                         |
| "Indirect Third Party Service Provider" | means a third party that provides Indirect Third Party Services;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Insolvency Event"                      | means, in relation to a party, that the party: <ul style="list-style-type: none"> <li>(i) is unable, or admits inability, to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or suspends or threatens to suspend making a payment on any of its debts;</li> <li>(ii) has an order made against it or a resolution passed for its administration, winding-up or dissolution or any other corporate step or legal proceeding is taken with a view to the same (otherwise than for the purposes of a solvent amalgamation or reconstruction);</li> </ul> |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                       | <ul style="list-style-type: none"> <li>(iii) has an administrative receiver, receiver, manager, liquidator, administrator, trustee or similar officer appointed over all or any substantial part of its assets;</li> <li>(iv) enters into or proposes any compromise, composition or arrangement with its creditors generally;</li> <li>(v) is granted a moratorium or similar relief under applicable insolvency laws, allowing temporary suspension of debt obligations to facilitate restructuring efforts; or</li> <li>(vi) suffers or carries out anything analogous to the foregoing in any applicable jurisdiction;</li> </ul> |
| <b>"Internal Transfer"</b>            | means a payment transaction which is made between two accounts both held with us, one of which is an Account held by you) and which is processed and settled internally without being submitted to or made through an external Payment System;                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"International Payments Guide"</b> | means the guide outlining the requirements for sending a multicurrency payment (including the Minimum Transaction Amount, the days on which national banks are closed for a public holiday for all Supported Currencies) which we make available to you from time to time in the Knowledge Centre;                                                                                                                                                                                                                                                                                                                                    |
| <b>"Intra-Day Liquidity Pool"</b>     | means the total aggregate funds held at any one time in your Accounts, excluding any funds held in the Mandated Minimum Balance Account;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"IPR"</b>                          | means any intellectual property rights comprising of trade marks, service marks, rights in trade names, business names, trading and company names, logos or get-up, patents, rights in inventions, registered and unregistered design rights, copyrights, database rights and all other similar proprietary rights in any part of the world (including know-how), including, where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations or any extension to such registrations;                                                          |
| <b>"IT System"</b>                    | means your information technology system (comprising hardware, software or network(s)) which you use to connect to or access the ClearBank API or ClearBank Portal;                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"ITPSP Rate"</b>                   | means any interest rate determined by an Indirect Third Party Service Provider from time to time in respect of any Supported Currency other than pounds sterling;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Knowledge Centre"</b>             | means the part of the ClearBank Portal which contains various information and documentation relating to ClearBank and the Services;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"KYC"</b>                          | has the meaning given to it in clause 10.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Law Enforcement Authority"</b>    | means any authority that has statutory functions pursuant to Applicable Law to exercise public authority or public powers for law enforcement purposes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Liquidity Notification Event"</b> | has the meaning given to it in clause 25.3(a);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| "Loss"                               | means loss, liability, damage, cost, claim or expense of any kind and "Losses" will be construed accordingly;                                                                                                                                                                                                                        |
| "Maintenance"                        | means any maintenance, repair, restoration, service improvement, enhancement or similar work or activities concerning or affecting the ClearBank API, the ClearBank Portal or any other aspect of the Services, whether routine or emergency and whether carried out by ClearBank, a Payment System Operator or another third party; |
| "Main Account"                       | means in relation to you, an Operational Account or, where you act as an FM Provider, a General Segregation Account or a Designated Segregation Account that is nominated as the main account for a Service User and from which DDICs may be automatically settled as part of Sponsorship;                                           |
| "Mandated Minimum Balance"           | means the mandated minimum balance amount specified in the Commercial Terms;                                                                                                                                                                                                                                                         |
| "Mandated Minimum Balance Account"   | means the Account which will hold the Mandated Minimum Balance;                                                                                                                                                                                                                                                                      |
| "Master Account"                     | means the General Client Account, General Segregation Account or General Safeguarding Account;                                                                                                                                                                                                                                       |
| "MCCY"                               | means multi-currency;                                                                                                                                                                                                                                                                                                                |
| "MCCY Account"                       | means any form of multicurrency banking account we provide to you (in a range of currencies but excluding pounds sterling);                                                                                                                                                                                                          |
| "MCCY Operating Periods"             | means the periods of time during which we accept and process transactions (as applicable to the MCCY Service) and which are specified in the Knowledge Centre;                                                                                                                                                                       |
| "MCCY Service"                       | means the Service we provide to you for opening and operating MCCY Accounts;                                                                                                                                                                                                                                                         |
| "Minimum Trade Amount"               | means the minimum amounts applicable to FX transactions as described in the International Payment Guide;                                                                                                                                                                                                                             |
| "Minimum Transaction Amount"         | means the minimum amounts applicable to MCCY payments as described in the International Payment Guide;                                                                                                                                                                                                                               |
| "MLRO"                               | means the money laundering reporting officer who is an authorised employee under the Senior Managers and Certification Regime, appointed to oversee a firm's compliance with anti-money laundering regulations;                                                                                                                      |
| "Nominated Account"                  | means in relation to you, an Operational Account or the Main Account or, where you act as an FM Provider, a General Segregation Account or a Designated Segregation Account, which will receive Direct Debit settlements as part of Sponsorship;                                                                                     |
| "Multi-Currency/FX Policy Statement" | means our policy which governs your use of the MCCY Service and FX Service;                                                                                                                                                                                                                                                          |
| "Operating Period"                   | means a period of time during which we accept and process transactions and which is specified in one or more of the following as applicable to a Service:                                                                                                                                                                            |

|                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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|                                                          | <ul style="list-style-type: none"> <li>(i) paragraph 2 of Part A of the Services Schedule;</li> <li>(ii) the MCCY Operating Periods;</li> <li>(iii) the FX Operating Periods;</li> <li>(iv) the ICS Rules; and</li> <li>(v) the Payment System Rules;</li> </ul>                                                                                                                                                                                                                                 |
| <b>"Operational Account"</b>                             | means an account we provide to you as part of the Accounts to be used for monies which you deposit with us which are your own monies;                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Pay.UK"</b>                                          | means Pay.UK Limited (formerly NPSO Limited) a company incorporated in England and Wales with company number 10872449 (or any successor in title);                                                                                                                                                                                                                                                                                                                                               |
| <b>"Pay.UK Bank Reference Data Rules and Procedures"</b> | means the Bank Reference Data Rules and Procedures set by Pay.UK, as amended by Pay.UK from time to time;                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Payment Instrument"</b>                              | means any personalised device, platform or set of procedures agreed between the parties which is used by you to instruct us to execute payments and FX Trades;                                                                                                                                                                                                                                                                                                                                   |
| <b>"Payment System"</b>                                  | means any of the payment systems referred to in the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Payment System Operator"</b>                         | means, as defined in section 42(3) of the Financial Services (Banking Reform) Act 2013, any person responsible under a Payment System for managing or operating it, including any Subsidiary of such person with which we directly contract in connection with the Payment System;                                                                                                                                                                                                               |
| <b>"Payment System Rules"</b>                            | means any of the rules, requirements and operational procedures, including the APP Scam Reimbursement Rules, CoP Rulebook, and Credit Payment Recovery Process, established or maintained by any relevant Payment System Operator (or any successor in title) in relation to any system, scheme or service provided by a Payment System Operator from time to time, including any referred to in the Services Schedule. You can find a copy of the Payment System Rules in the Knowledge Centre; |
| <b>"Payment Systems Regulator"</b>                       | means the UK Payment Systems Regulator;                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"PEPs"</b>                                            | has the meaning given to it in clause 10.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Permitted User"</b>                                  | has the meaning given to it in clause 3.3;                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Personnel"</b>                                       | means, in respect of a party or a member of its Group, their directors, officers, employees, consultants, agents and contractors and such persons of their subcontractors (as applicable to each party);                                                                                                                                                                                                                                                                                         |
| <b>"PISP"</b>                                            | means a payment initiation service provider as defined in the PSRs;                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Planned Maintenance"</b>                             | means Maintenance other than Emergency Maintenance;                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| <b>"Policies"</b>                       | means our policies and procedures are made available in the Knowledge Centre and on our Website from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"POOs"</b>                           | has the meaning given to it in 1.2(b) of Part C of the Services Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"PRA"</b>                            | means the UK Prudential Regulation Authority;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Premises"</b>                       | means our principal offices of business which are owned, leased or occupied by us from time to time, but excluding any data centres used to provide the Services;                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"Primary Security Contact"</b>       | means in relation to you, your Personnel nominated by you and approved by us, to be the main contact for the respective SUN, who will be able to process payments and set up and administer SUN Additional Contacts and determine their access levels;                                                                                                                                                                                                                                                                                        |
| <b>"Privacy Notice"</b>                 | means ClearBank's privacy notice available on our Website;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"PSP"</b>                            | means a payment service provider, including us (where applicable);                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"PSRs"</b>                           | means the Payment Services Regulations 2017 (SI 2017/752);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"PSW"</b>                            | means the payment services website, which is Bacs' operational website that enables the parties to interact by uploading and downloading information, viewing reports and the status of submissions;                                                                                                                                                                                                                                                                                                                                          |
| <b>"Published Bank of England Rate"</b> | means the official bank interest rate published as such by the Bank of England from time to time which can be found at <a href="https://www.bankofengland.co.uk/">https://www.bankofengland.co.uk/</a> ;                                                                                                                                                                                                                                                                                                                                      |
| <b>"Qualifying Area"</b>                | means the area of the UK and the EEA;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Qualifying Area Transaction"</b>    | means a transaction (a) where the PSPs of both the payer and the payee are located within the Qualifying Area; and (b) which is in Euro and executed under a payment scheme which operates across the Qualifying Area;                                                                                                                                                                                                                                                                                                                        |
| <b>"Receiving Party"</b>                | means either party when it receives or otherwise accesses the other party's Confidential Information;                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Regulatory Authorisation"</b>       | means an authorisation, registration, licence, permission or consent granted by a Regulatory Authority in relation to the provision or receipt of the Services or performance of the parties' obligations under this Agreement;                                                                                                                                                                                                                                                                                                               |
| <b>"Regulatory Authority"</b>           | means any regulatory authority with jurisdiction over one or both of the parties in relation to the provision or receipt of the Services or performance of the parties' obligations under this Agreement, including the FCA (and the Payment Systems Regulator), the PRA, the Bank of England, the European Commission, HM Treasury, the UK Information Commissioner's Office (ICO), the UK Competition and Markets Authority, any Supervisory Authority, any tax authority and any securities exchange on which a party's shares are traded; |
| <b>"Relationship Manager"</b>           | means the person that we appoint from time to time to be our primary contact point in respect of this Agreement and the Services;                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>"Replacement Service Provider"</b>                | means any supplier or provider of services which are the same as or substantially similar to the Services (or any part of them) or which will, or may, be received in place of or in substitution for the Services (or any part of them) or otherwise have the same or similar use or application as the Services (or any part of them) or their outputs;                                                                                                                                                                                                                                                                                        |
| <b>"Required Information"</b>                        | has the meaning given to it in clause 13.2;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Run-Off Period"</b>                              | has the meaning given to it in clause 43.1;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Safeguarding Account Acknowledgement Letter"</b> | a letter addressed to us from you in a substantially similar form as the guidance template provided by the FCA on 9 July 2020 ( <i>Coronavirus and safeguarding customers' funds: additional guidance for payment e-money firms</i> ) as amended from time to time by the FCA, in relation to 'relevant funds' held in a Designated Segregation Account or a General Segregation Account, and which is acknowledged and signed by us;                                                                                                                                                                                                            |
| <b>"Safeguarding Rules"</b>                          | means the rules and requirements to safeguard 'relevant funds' under the PSRs or the EMRs or equivalent requirements;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Sanctions"</b>                                   | means any laws, regulations, or restrictive measures relating to economic, trade, or financial restrictions imposed, administered, or enforced by the UK's Office of Financial Sanctions Implementation (OFSI) or any other applicable sanctions authority. This includes prohibitions or limitations on dealings with persons, entities, specific industry sectors or jurisdictions listed on the UK Sanctions List maintained by the UK Foreign, Commonwealth and Development Office of all designated persons subject to sanctions by the UK under the Sanctions and Anti-Money Laundering Act 2018, or any applicable sanctions designation; |
| <b>"SEPA"</b>                                        | means the Single Euro Payments Area which is a pan-European network that enables the sending and receiving of payments in euros (EUR) between domestic and cross border bank accounts in the eurozone;                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"SEPA CT"</b>                                     | means the SEPA Credit Transfer service which is established by the regulations and directives developed and published by the EC, managed by the EPC and operated by CSMs;                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"SEPA CT Outbound Transaction Limit"</b>          | means EUR 999,999,999 or the maximum single transaction value you are able to transfer to a beneficiary account via SEPA CT which is notified in writing to you from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"SEPA CT Scheme"</b>                              | means the SEPA Credit Transfer scheme administered by the EPC, which sets the rules, standards and operational requirements enabling euro credit transfers between payment service providers within the SEPA;                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"SEPA CT Scheme Rules"</b>                        | means the Payment System Rules for participants of SEPA CT, as amended in accordance with such Payment System Rules from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"SEPA CT Service"</b>                             | means the service managed by EPC for making SEPA CT transactions through the CSMs;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <b>"Services Schedule"</b>                                     | means the services schedule to this Agreement;                                                                                                                                                                                                           |
| <b>"Service User"</b>                                          | means, in relation to Bacs, an organisation approved by the user's sponsoring bank to originate Direct Debits and Direct Credits;                                                                                                                        |
| <b>"Service"</b>                                               | means any of the Transactional Banking Services, the Agency Banking Services, Exit Assistance, provision of Accounts, Virtual IBANs, ClearBank API and ClearBank Portal and any other services we provide to you under this Agreement from time to time; |
| <b>"Service Update"</b>                                        | has the meaning given in paragraph 7.1 of Part B of the Technology and Security Schedule;                                                                                                                                                                |
| <b>"Service Uptime"</b>                                        | has the meaning given to it in paragraph 6.2 of Part B of the Technology and Security Schedule;                                                                                                                                                          |
| <b>"SHAR"</b>                                                  | is a transaction charge code meaning the payer will pay all fees charged by the payer PSP and the payee will pay all fees charged by the payee PSP;                                                                                                      |
| <b>"SIP"</b>                                                   | has the meaning given to it in paragraph 1.2(a) of Part C of the Services Schedule;                                                                                                                                                                      |
| <b>"Smart Card"</b>                                            | means a smart card (with a certificate), a smart card reader (with signing software) or where required, the certificate for the hardware security module (also referred to as public key infrastructure or PKI);                                         |
| <b>"Smart Card Policy"</b>                                     | means the policy which governs your use of the Smart Cards;                                                                                                                                                                                              |
| <b>"SOP"</b>                                                   | has the meaning given to it in paragraph 1.2(d) of Part C of the Services Schedule;                                                                                                                                                                      |
| <b>"SPOT"</b>                                                  | means the purchase of an amount in one currency and the sale of the equivalent amount in another currency two Business Days later;                                                                                                                       |
| <b>"Sponsorship"</b>                                           | means the process by which we as a Bacs participant authorise you to submit data for processing to the Bacs System under Part H of the Services Schedule;                                                                                                |
| <b>"Sterling High-Value Cross-Border Transactions Service"</b> | means the service which enables sterling payments to be made to sterling accounts located in non-UK jurisdictions using the SWIFT network;                                                                                                               |
| <b>"Subsidiary"</b>                                            | means a subsidiary company as defined in section 1159 of the Companies Act 2006;                                                                                                                                                                         |
| <b>"SUN" or "Service User Number"</b>                          | means the unique 6-digit number allocated to a Service User;                                                                                                                                                                                             |
| <b>"SUN Additional Contact"</b>                                | means in relation to you, your Personnel nominated to carry out certain functions on your behalf as determined by your Primary Security Contact;                                                                                                         |
| <b>"Supported Currency"</b>                                    | means the currencies supported by us in respect of the MCCY Service and FX Service as set out in the International Payments Guide;                                                                                                                       |

|                                           |                                                                                                                                                                                                                                                                                    |
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| <b>"SWIFT"</b>                            | means the Society for Worldwide Interbank Financial Telecommunication;                                                                                                                                                                                                             |
| <b>"Technology and Security Schedule"</b> | means the technology and security schedule to this Agreement;                                                                                                                                                                                                                      |
| <b>"Term"</b>                             | has the meaning given to it in clause 24.1;                                                                                                                                                                                                                                        |
| <b>"Test Agreement"</b>                   | means the agreement between the parties providing access to the ClearBank Sandbox API;                                                                                                                                                                                             |
| <b>"Third Party Account"</b>              | means a bank account or a virtual IBAN which you offer to your customers and/or end users through another financial institution in the UK and in respect of which you use the CoP Aggregator Service;                                                                              |
| <b>"TOD"</b>                              | means the simultaneous purchase of an amount in one currency and the sale of the equivalent amount in another currency on the same day;                                                                                                                                            |
| <b>"TOM"</b>                              | means the purchase of an amount in one currency and the sale of the equivalent amount in another currency on the next Business Day;                                                                                                                                                |
| <b>"TPP"</b>                              | means a third party provider under the PSRs, which may be any of an AISP, a PISP or a CBPII;                                                                                                                                                                                       |
| <b>"Transactional Banking Service"</b>    | means the transactional banking Service which allows you to transfer funds via certain Payment Systems as further described the Services Schedule;                                                                                                                                 |
| <b>"Transitioning Service"</b>            | has the meaning given to it in paragraph 1.4(b) of the Exit Assistance Schedule;                                                                                                                                                                                                   |
| <b>"UK"</b>                               | means United Kingdom;                                                                                                                                                                                                                                                              |
| <b>"Unplanned Outages"</b>                | has the meaning given to it in paragraph 6.3 of the Technology and Security Schedule;                                                                                                                                                                                              |
| <b>"User"</b>                             | has the meaning given to it in clause 3.4;                                                                                                                                                                                                                                         |
| <b>"VAT"</b>                              | means value added tax;                                                                                                                                                                                                                                                             |
| <b>"Virtual IBAN"</b>                     | means an IBAN linked by you via the ClearBank Live API to a Master Account and which is used by you (separate from the general IBAN for that Master Account) as the unique identifier in payment orders to reconcile funds belonging to a named client within that Master Account; |
| <b>"Warranty Letter"</b>                  | means a warranty letter from you as an Indirect Participant to Pay.UK pursuant to which the Indirect Participant provides certain undertakings, warranties and representations to Pay.UK; and                                                                                      |
| <b>"Website"</b>                          | means <a href="http://www.clear.bank">www.clear.bank</a>                                                                                                                                                                                                                           |

Clear.Bank

# Client Terms

Services Schedule



+44(0)203 111 2370  
[enquiries@clear.bank](mailto:enquiries@clear.bank)

Level 27, The Broadgate Tower,  
20 Primrose Street, London,  
England, EC2A 2EW

## Part A

### General Provisions

#### 1. General provisions

- 1.1 By accessing and using a Service, you agree to be bound by any provisions which relate to that Service.
- 1.2 In accepting the Services, you:
  - (a) in accordance with paragraph 2 of Part A of this Services Schedule, authorise us to set up accounts on sort codes in your name, where required as part of the Service(s); and
  - (b) agree that this Services Schedule is not an exhaustive list of your obligations.
- 1.3 We will provide you with access to the ClearBank API and ClearBank Portal, subject to the requirements set out in Part A of the Technology and Security Schedule.
- 1.4 We may request that you submit management information captured through the Credit Payment Recovery Process, including on an ongoing monthly basis.

#### 2. Bank codes, sort codes and Service User Numbers

- 2.1 The table below details how you will be allocated or use bank codes and sort codes in relation to your Accounts:

| Your requirement                                                                                                                                                                                                                                                                        | Your authorisation to us<br>(subject to compliance with the PSR)                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>You do not have a bank code but comply with the Pay.UK Bank Reference Data Rules and Procedures and request one from us in your name; or</p> <p>You do have a bank code but request one from us, subject to compliance with the Pay.UK Bank Reference Data Rules and Procedures.</p> | <p>You authorise us to:</p> <ol style="list-style-type: none"> <li>(a) apply for and obtain a bank code from Bacs to be held in your name;</li> <li>(b) link your bank code with a business identifier code already held by you in your name and registered with SWIFT; and</li> <li>(c) allocate you a sort code(s) to be held in your name.</li> </ol> |
| You already have a bank code and sort code(s) in your name and wish to use them for the Services.                                                                                                                                                                                       | <p>You authorise us to make arrangements to leverage your existing sort code(s) under our name.</p> <p>We are not responsible or liable to you for any delays or issues arising from the transfer of your existing sort code(s) to us.</p>                                                                                                               |
| You do not have a bank code but wish to use one for the Services.                                                                                                                                                                                                                       | <p>You authorise us to allocate a sort code(s) to you in our name and registered to our bank code.</p> <p>Except where Regulatory Authority obligations prevent it, your name will be used as the short branch title on any sort code allocated to you in this way.</p>                                                                                  |
| You have or will have a bank code and you require Bacs Services.                                                                                                                                                                                                                        | <p>You authorise us to:</p> <ol style="list-style-type: none"> <li>(a) register a Service User Number with Bacs for you, to be held in your name (including trading names) for the purpose of returning</li> </ol>                                                                                                                                       |

|                                                                            |                                                                                                                                                                                                                                                                      |
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|                                                                            | <p>Direct Credits as unapplied, Direct Debits as unpaid, and for submission of DDICs; and</p> <p>(b) set up a Bacs Suspense Account in your name linked to a sort code to be held in your name and registered to our bank code.</p>                                  |
| You have no requirement for a bank code and you require Bacs Services.     | <p>You authorise us to:</p> <p>(a) set up a Bacs Suspense Account in your name linked to a sort code allocated to you; and</p> <p>(b) allocate you one of our sort codes to be held in your name and registered to our bank code.</p>                                |
| You require an Account in order to receive the MCCY Service or FX Service. | <p>You authorise us to:</p> <p>(a) allocate you a new sort code and account number (consistent with your elections pursuant to this paragraph 2 of Part A of this Services Schedule); and</p> <p>(b) disable any ability to use Services in GBP in that Account.</p> |

- 2.2 You are responsible and liable for all transactions that occur on each bank code and sort code allocated to you.
- 2.3 You agree that, notwithstanding that the Bacs Suspense Account is linked to a sort code allocated to you and notwithstanding that it may be in your name, you will not access or use the Bacs Suspense Account in any way, at any time other than in accordance with Parts G and H of this Services Schedule.
- 2.4 If you require additional SUNs during the term of this Agreement, you must make an application to us and provide all necessary information required by us.

### 3. Operating Periods

- 3.1 The Operating Periods for our Services (except for MCCY Service and FX Service which are set out in Parts J and K of this Services Schedule), which may be amended by us from time to time and for any reason with immediate effect, are as set out in the table below:

| Type of Service                                                    | Operating Period                                                                                                                                             |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment processing – SIP, POOs and FDP                             | In accordance with the applicable Payment System Rules, being 24 hours per day, 7 days per week, 365 days per year (or a 366-day year if it is a leap year). |
| Payment processing – SOP                                           | In accordance with the applicable Payment System Rules, between 0:01 – 06:00 on Business Days.                                                               |
| Payment processing – CHAPS (outbound)                              | 08:00 – 17:00 on Business Days.                                                                                                                              |
| Payment processing – CHAPS (inbound)                               | 06:00 – 18:00 on Business Days.                                                                                                                              |
| Payment processing – Inbound Bacs Direct Credits and Direct Debits | Once a day by 07:00 on the settlement date (being the day that the funds are due to be credited or debited against the Account).                             |

|                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cancellation or withdrawal of consent for a Bacs Direct Debit instruction                                  | At any time via the ClearBank Portal or ClearBank API, but prior to a Direct Debit being debited from the account to affect that transaction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Processing returns of Direct Debit as unpaid and Bacs Direct Credits as unapplied                          | <p>Requests before 17:30 on the settlement day of the Direct Debit or Direct Credit via the ClearBank Portal or ClearBank API will be actioned on that same day.</p> <p>Requests between 17:30 and 23:59 on the settlement day of the Direct Debit or Direct Credit via the ClearBank Portal or ClearBank API will be actioned by 17:30 on the next Business Day.</p> <p>Requests between 00:00 and 17:30 on the Business Day after settlement day of the Direct Debit or Direct Credit via the ClearBank API will be actioned on that same day.</p> <p>Requests after 17:30 on the Business Day after settlement day of the Direct Debit or Direct Credit via the ClearBank API will be rejected by Bacs.</p> |
| Submission of Direct Debit origination instructions and transactions                                       | <p>For direct submitters, Direct Debit instructions and transactions submitted by 22:30 on Business Days.</p> <p>For indirect submitters, in accordance with the timelines of their Bacs Bureau.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Payment processing – Internal Transfers via ClearBank Live API                                             | <p>Where initiated through:</p> <ul style="list-style-type: none"> <li>FPS – 24 hours per day, 7 days per week, 365 days per year (or a 366-day year if it is a leap year).</li> <li>CHAPS – 08:00 – 17:00 on Business Days.</li> <li>Sterling High-Value Cross-Border Transactions Service – 08:00 – 17:00 on Business Days.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                       |
| Payment processing – Internal Transfers via ClearBank Portal                                               | <p>Where initiated through:</p> <ul style="list-style-type: none"> <li>FPS – 24 hours per day, 7 days per week, 365 days per year (or a 366-day year if it is a leap year).</li> <li>CHAPS – 08:00 – 17:00 on Business Days.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Confirmation of Payee (CoP Response and CoP Request) – via the ClearBank Portal and the ClearBank Live API | In accordance with the applicable Payment System Rules, being 24 hours per day, 7 days per week, 365 days per year (or a 366-day year if it is a leap year).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| General operating hours – for service desk, customer queries, customer complaints                          | 07:00 – 19:00 on Business Days.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Cheque Deposit                                                                                             | <p>For end customer cheque deposit through the ICS System:</p> <ul style="list-style-type: none"> <li>The ClearBank API is open for digital cheque deposit between 00:00 and 23.59 (Monday to Sunday). Cheques deposited before 19:00 on a Business Day will be accepted for settlement by 23:59 on the following Business Day. Cheques received after 19:00 on a Business Day will be submitted on the next Business Day and will be settled by 23:59 the Business Day following the day on which they are submitted.</li> </ul>                                                                                                                                                                              |

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                       | <ul style="list-style-type: none"> <li>Cheques received by post will be submitted for processing upon receipt between 09:00 and 13:00 on a Business Day. Cheques received by post after 13:00 will be submitted for processing on the following Business Day. Cheques received by post will be settled by 23:59 on the Business Day following the day on which they are submitted.</li> </ul> |
| Payment processing – Sterling High-Value Cross-Border Transactions Service (outbound) | 08:00 – 17:00 on Business Days.                                                                                                                                                                                                                                                                                                                                                               |
| Payment processing – Sterling High-Value Cross-Border Transactions Service (inbound)  | 08:00 – 17:00 on Business Days.                                                                                                                                                                                                                                                                                                                                                               |
| Payment Processing – SEPA CT (outbound)                                               | 07:00 – 14:30 on Business Days                                                                                                                                                                                                                                                                                                                                                                |
| Payment Processing – SEPA CT (inbound)                                                | 02:00 – 15:30 on Business Days                                                                                                                                                                                                                                                                                                                                                                |

- 3.2 The Operating Periods are determined based on when we received a payment order, request or other instruction. Any instructions that are pending but are still subject to further approval or submission from you will not be considered as received until they are completely approved and submitted by you.

## Part B

### CHAPS

#### 1. CHAPS

1.1 Subject to you complying with all the terms and conditions of this Agreement and the CHAPS Rules (to the extent that they apply to your use of the CHAPS Service), we will provide you with the CHAPS Service by providing you with indirect technical connectivity to the CHAPS System.

1.2 By receiving indirect access from us you will be able to send and receive CHAPS payments and we will settle your CHAPS payments on your behalf with the Bank of England.

##### ***Your Use Of The CHAPS Service***

1.3 There is no limit to the size of a CHAPS transaction. We reserve the right to impose a maximum limit for outbound payments. We will notify you of any limit via the ClearBank Portal.

##### ***Outbound Transaction Time Limits***

1.4 Outbound CHAPS payments can only be initiated by you during the applicable Operating Period.

1.5 If, within the applicable Operating Period, you initiate a CHAPS payment via the ClearBank Portal but do not approve the outbound payment, we will process the outbound payment during the next Operating Period following your approval.

##### ***Processing Outbound Payment Instructions***

1.6 Payments made using CHAPS generally reach the beneficiary's account in near real time following the initiation of the payment (subject to clause 13 and completion of any necessary Financial Crime and regulatory checks). Receiving financial institutions are obliged to credit customers with CHAPS payments on the same day they are received.

1.7 You cannot cancel or amend a CHAPS payment once it has been initiated. You can however request that the CHAPS payment be recalled at any time after it has settled. We will endeavour to recover the CHAPS payment on your behalf.

##### ***Inbound Transactions***

1.8 We will credit your relevant Account with any inbound payment made via the CHAPS Service, we receive during the Operating Period, or such other period permitted by CHAPS, in near real time and in any case on the same day that we receive the inbound payment (subject to clause 13).

1.9 You will not be entitled to query an inbound payment made via the CHAPS Service, but you will be entitled to return any inbound payment made via the CHAPS Service to the originating financial institution in accordance with the CHAPS Rules where such payment has been made in error.

## Part C

### FPS Service

#### 1. FPS Service

##### *Description Of The FPS Service*

- 1.1 There is no minimum transfer limit, but you are not able to exceed the FPS Outbound Transaction Limit when sending a payment to a beneficiary account via the FPS Service. We reserve the right to change the FPS Outbound Transaction Limit and we will notify you of any changes.
- 1.2 We may facilitate the following types of payments via the FPS Services:
  - (a) single immediate payments ("**SIP**"), which can be domestic or cross-border;
  - (b) payments originating overseas ("**POOs**"), being a payment originally drawn on an account held outside the UK;
  - (c) forward dated payments ("**FDP**"), being a one-off domestic payment scheduled in advance to be sent and received on a pre-arranged date; and
  - (d) standing order payments ("**SOP**"), being a scheduled, recurring, fixed amount domestic payment.

##### *Your Use Of The FPS Service*

- 1.3 By receiving indirect access from us you will be able to send and receive payments using the FPS Service (by us providing you with indirect technical connectivity via the ClearBank Live API and ClearBank Portal as part of our FPS Service) and we will settle your payments made through the FPS Service on your behalf with the Bank of England in accordance with this Agreement, the FPS Rules and subject to any applicable Operating Periods.

##### *FPS Service Outbound Transaction Limits*

- 1.4 So that each payment made by you via the FPS Service can be processed, you must ensure that each payment does not:
  - (a) exceed the FPS Outbound Transaction Limit; or
  - (b) meet any of the criteria for a failed payment set out in the Knowledge Centre and the API Documentation.
- 1.5 You will be able to confirm if a payment made by you via the FPS Service is rejected for one of the reasons identified in paragraph 1.4 of Part C of this Services Schedule by reviewing the payment tracker which is available via the ClearBank Portal or the payment information obtained via the ClearBank API.

##### *FPS Service Outbound Transaction Timings*

- 1.6 Outbound SIPs, FDPs and SOPs:
  - (a) are processed by us on a near real-time basis;
  - (b) cannot be cancelled or amended once initiated; and
  - (c) may be queried by you any time after the payment has been initiated.
- 1.7 Outbound SIPs and FDPs can be initiated by you at any time on any day of the week.
- 1.8 Outbound SOPs will be processed by us when initiated in accordance with the applicable Operating Period.

## ***Processing Outbound Payment Instructions***

- 1.9 Payments made using the FPS Service generally reach the beneficiary's account within 2 hours following initiation of payment (subject to any further delays which might include the payment being subject to additional security checks).
- 1.10 You are responsible for sending FDP and SOP payment instructions to us on the date that you require such payment instruction to be processed. We will process FDP and SOP payment instructions promptly upon receipt of such payment instruction.
- 1.11 If you initiate a SOP outside of the applicable Operating Time, the payment instruction will be automatically rejected.
- 1.12 Any outbound POOs must be settled to the end beneficiary based in the UK. If you are unsure if a payment has originated from outside the UK, you should treat that outbound payment as a POO in accordance with the FPS Rules. We will process an outbound POO as a SIP and the outbound POO will be charged in accordance with the Commercial Terms.

## ***Inbound Transactions***

- 1.13 We are not responsible for determining the transaction time or value limits in relation to any inbound payments you receive into any of your Accounts via the FPS Service. Such limits will be imposed on the party sending you the payment by their own PSP in accordance with FPS requirements.
- 1.14 If you choose to return any inbound payment received via the FPS Service to the originating payer, you must do so in accordance with the FPS Rules including where you choose to return a POO, you will only do so for valid reasons as prescribed by the FPS Rules.

## Part D

### Confirmation of Payee

#### 1. Confirmation of Payee

##### *Description of the CoP Service*

- 1.1 We will provide you with one or both of the following CoP Services:
- (a) an account name checking service involving us making a CoP Request and/or providing a CoP Response ("**CoP Direct Service**"); and/or
  - (b) access to CoP as an Indirect Participant in order for you to facilitate CoP Requests and CoP Responses in relation to payments to and from accounts offered by you to your Clients ("**CoP Aggregator Service**"),
- (together, "**CoP Service**").
- 1.2 The CoP Service will be provided:
- (a) subject to you completing testing in the ClearBank Sandbox API and us certifying you for the CoP Service;
  - (b) in accordance with the CoP Rulebook and the terms of Part D of this Services Schedule; and
  - (c) through the ClearBank Live API during the applicable Operating Periods.
- 1.3 You agree to provide sufficient information to us and Pay.UK (if required) in order for:
- (a) us and Pay.UK to comply with all Applicable Law; and
  - (b) us to respond to reasonable requests from other CoP participants and Pay.UK regarding you or your Clients and yours and their payments.
- 1.4 The CoP Service may be provided in relation to Virtual IBANs and the following Accounts:

|                                       | CoP Direct Service                                                                     | CoP Aggregator Service                                                              |
|---------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>CoP Request &amp; CoP Response</b> | Accounts registered to our bank code and sort codes (excluding Bacs Suspense Accounts) | Accounts registered to your own unique sort code (excluding Bacs Suspense Accounts) |

##### *CoP Requests*

- 1.5 Paragraphs 1.5 to 1.11 (inclusive) of Part D of this Services Schedule apply in relation to CoP Requests made by us as a CoP Requestor as part of the CoP Service.
- 1.6 The CoP Service is provided subject to you or your Client (via you) providing us with accurate and up-to-date CoP Required Information.
- 1.7 We are not required to halt a payment transaction you and/or your Client has initiated or investigate it because of information contained within the CoP Required Information.
- 1.8 Subject to you providing us with the CoP Required Information and submitting a properly authenticated and formatted instruction via ClearBank Live API, we will initiate the CoP Request and provide you with one of the following CoP Responses:
- (a) **Exact match:** the account details provided as part of the CoP Required Information match the account details of the intended payee exactly;
  - (b) **Close match:** the name provided as part of the CoP Required Information is similar to the account name of the intended payee but not an exact match or the account type

confirmed as part of the CoP Required Information is different to the account type of the intended payee (personal/business);

- (c) **No match:** the account details provided as part of the CoP Required Information do not match the account details of the intended payee;
  - (d) **Unavailable:** it has not been possible to check the account details, for example, because the CoP Request relates to a PSP who has not signed up to the CoP Service and/or the PSP cannot support CoP Requests; or
  - (e) **Technical error:** there was a technical issue preventing the CoP Request from being completed.
- 1.9 You will then be required to display the CoP Response to your Client in accordance with the CoP Rulebook, CoP Reference Documents and any instructions issued by us to you in relation to the display of CoP Responses from time to time.
- 1.10 We will act on and process a payment instruction regardless of the outcome of a CoP Request if you or a Client instructs us to do so.
- 1.11 If you or your Client proceeds with a payment transaction regardless of a warning being displayed in a "no match" scenario, or the CoP Response being negative, we will not be liable for any Loss suffered by you or your Client as a result. You agree that we are under no duty to halt any such payment transaction and investigate whether it may be fraudulent in these circumstances.

## ***CoP Responses***

- 1.12 Paragraphs 1.12 to 1.13 of Part D of this Services Schedule apply in relation to CoP Responses provided by us as CoP Responder as part of the CoP Service.
- 1.13 Where we receive a CoP Request from a CoP Requestor:
- (a) we will conduct a check of the information provided by the CoP Requestor against the information we hold or as provided by you through the ClearBank Live API; and
  - (b) provide a CoP Response to the CoP Requestor based on the results.

## ***CoP Opt-Out Requirements***

- 1.14 It is your responsibility to ensure that you:
- (a) inform your Clients that the CoP Service allows payers to check certain account information against their accounts held with you;
  - (b) have measures in place to allow your vulnerable Clients to opt out from sharing their personal information for the purpose of us providing a CoP Response; and
  - (c) notify us via the ClearBank Live API or ClearBank Portal (as applicable) of any request from a Client to opt out (which has the effect of flagging the Account (but excluding Bacs Suspense Accounts) or the Virtual IBAN or the Third Party Account as opting out) and to opt back in if requested to do so by the Client.
- 1.15 If we receive a CoP Request for an Account (but excluding Bacs Suspense Accounts), Virtual IBAN or Third Party Account of a Client which has been marked as opting-out, we will send a CoP Response with an "opted-out of CoP" message to the payer's PSP. Where an Account, Virtual IBAN or Third Party Account is marked as opting-out of a CoP Response, it does not restrict the owner of the Account from sending a CoP Request.

## ***CoP Aggregator Service***

- 1.16 Paragraphs 1.16 to 1.32 of Part D of this Services Schedule apply in relation to the CoP Aggregator Service only.

## ***Eligibility criteria***

- 1.17 We may agree to provide you with the CoP Aggregator Service:
- (a) at our absolute discretion; and

- (b) subject to you satisfying certain eligibility criteria set by us and certain eligibility criteria set by Pay.UK (both as amended from time to time).

1.18 You represent and warrant that you comply with the eligibility criteria set by us and set Pay.UK for the CoP Aggregator Service (both as notified to you by us) on an ongoing basis.

#### ***Use cases***

1.19 You may only access CoP as an Indirect Participant for the purpose of facilitating CoP Requests and CoP Responses as part of the CoP account name checking service to verify the account details of a payee.

1.20 CoP Aggregator Service may be provided for Third Party Accounts, but only in conjunction with CoP Response.

#### ***CoP Reference Documents***

1.21 We will provide you with the CoP Reference Documents. You acknowledge that you have read and understood the CoP Reference Documents. You will comply with the CoP Reference Documents to the extent they apply to your use of CoP as an Indirect Participant. When a CoP Reference Document is amended, we will provide that CoP Reference Document to you as soon as reasonably practicable.

1.22 We are obliged by the CoP Rulebook to carry out an assessment at least annually of you as an Indirect Participant to satisfy ourselves that you continue to comply with the CoP Reference Documents. You agree that we may exercise our powers in clauses 11 and 33 of this Agreement in order to verify your compliance with the CoP Reference Documents and carry out such assessment.

#### ***Warranty Letter***

1.23 In order for us to grant you access to CoP as an Indirect Participant:

- (a) an authorised signatory (with due capacity and authority to bind you) must first sign a Warranty Letter; and
- (b) the signed Warranty Letter must be confirmed as received by Pay.UK.

#### ***Provision of information***

1.24 You consent to us providing your details to Pay.UK which they may provide to other CoP participants upon request.

#### ***Suspension of indirect participation in CoP***

1.25 We may immediately suspend the provision of your indirect participation in CoP if we reasonably believe that you are in breach of the CoP Reference Documents or do not meet other requirements of Pay.UK.

#### ***Liability***

1.26 You agree, to the fullest extent permitted by Applicable Law, that Pay.UK will not be liable to you under any circumstances in relation to your participation in CoP as an Indirect Participant.

1.27 If you make an error (as defined in the CoP Rulebook) by providing incorrect information to your Client where we have provided you with the correct information, you are liable for direct costs resulting from any payments made.

#### ***Complaints***

1.28 You agree to raise any issues or concerns in relation to CoP with us and we will act on your behalf in respect of all complaints, disputes and appeals.

1.29 Pay.UK is not obligated to involve, or provide information to, or have any communication with you (as Indirect Participant) in any complaint handling or dispute resolution process (other than when the complaint or dispute relates to us as the Direct Participant providing you with indirect access to CoP).

- 1.30 You must notify us as soon as reasonably practicable if you have concerns with the conduct or CoP operation of another CoP participant, including if you have evidence that another CoP participant has not been operating in compliance with the CoP Rulebook. We will in turn notify Pay.UK as soon as reasonably practicable.
- 1.31 You must notify Pay.UK as soon as reasonably practicable if you have concerns with our conduct or our operation of CoP, including if you have evidence that we have not been operating in compliance with the CoP Rulebook.
- 1.32 All complaints raised will be dealt with in accordance with the CoP Rulebook.

## Part E

### Virtual IBANs

#### 1. Virtual IBANs

1.1 Where we agree to provide you with Virtual IBANs, these provisions will apply:

- (a) Each Virtual IBAN issued by us will be linked by you via the ClearBank Live API to a Master Account held by you with us.
- (b) You may allocate Virtual IBANs to your Clients, provided always that you agree that:
  - (i) a Virtual IBAN will be named in compliance with clause 10.11 and you will not reuse or repurpose any Virtual IBANs by changing their names;
  - (ii) we will treat a Virtual IBAN as a unique identifier to identify the relevant Master Account and we will execute payments orders accordingly;
  - (iii) all funds are physically received into and paid from, and credited to or debited from, the relevant Master Account and any transactions associated with a Virtual IBAN, and any balance held in a Virtual IBAN, are notional only and merely intended to assist you with payment reconciliation;
  - (iv) we will not treat a Virtual IBAN as a payment account separate from the relevant Master Account;
  - (v) we will treat only you, and not your Client or any other person, as our payment service user and as the holder of the Virtual IBAN or the Master Account and as the person with which we have a business relationship;
  - (vi) you will:
    - (A) notify us in writing if a Virtual IBAN is allocated to any end user who is not your direct client and whether such Virtual IBAN will be held in the name of your direct client or end user; and
    - (B) retain the basic KYC and transactional information (name, nationality, date of birth, address, identification documents and statements) obtained by you for such direct client or end user after termination of your relationship with them (subject to any data limitations imposed by Applicable Law);
  - (vii) you will open and hold a separate General Segregation Account, General Client Account or General Safeguarding Account (as applicable) for each of your direct clients if we instruct you to do so;
  - (viii) we accept no responsibility or liability nor any duty (including under trust or as a fiduciary) to any person to which you allocate Virtual IBANs; and
  - (ix) you are solely responsible for reconciling funds and transactions related to Virtual IBANs with the records you hold in respect of your Clients.
- (c) You acknowledge that the use of Virtual IBANs gives rise to additional Financial Crime considerations and risks, including our obligation to conduct ongoing monitoring of our business relationship with you (including of transactions undertaken) and you agree to promptly provide any and all such additional information (including KYC and balance information) and to take such steps (including to identify and verify the identity of any holder of a Virtual IBAN) as we may (in our sole discretion) request, including but not limited to for compliance with any AML and Financial Crime related Applicable Law.
- (d) You will provide us with details of balance transfers between Virtual IBANs linked to the same Master Account if we instruct you to do so.

- (e) If you hold funds on behalf of your Clients in a Master Account and in a bank account with another financial institution ("**External Account**") and, as part of your overall balance reconciliation for your Clients, you make a transfer of funds between the Master Account and the External Account without linking it to Virtual IBANs, you will:
  - (i) if requested by us, provide a breakdown of such transfer so that the funds can be linked back to the individual Virtual IBANs and their holders;
  - (ii) unless prohibited by Applicable Law, disclose any information about a Virtual IBAN, its holder or the holder's funds:
    - (A) with the financial institution that received the funds into the External Account (if such disclosure is requested by us); and
    - (B) with us (if such disclosure is requested by the financial institution that received the funds into the External Account),in each case, for the prevention and detection of money laundering, fraud, breach of Sanctions and other crimes.
- (f) If we disable a Virtual IBAN in accordance with the terms of this Agreement, you will not allow the balance of funds linked to that Virtual IBAN to be reduced.
- (g) You will immediately close any Virtual IBAN on our written instruction if we believe that maintaining the Virtual IBAN, or holding funds linked to the Virtual IBAN, may damage our reputation or result in us breaking Applicable Law.
- (h) Where a payment is made from the funds linked to a Virtual IBAN but is refused, rejected, revoked or for whatever reason fails, or is the subject of a refund, reversal, or return then the corresponding credit will be made to the relevant Master Account and will be linked to the Virtual IBAN.

## Part F

### Internal Transfers

#### 1. Internal Transfers

- 1.1 Unless we inform you otherwise, we may facilitate as an Internal Transfer any payment transactions initiated from one of your Accounts through CHAPS, FPS, Sterling High-Value Cross-Border Transactions Service or MCCY Service, and formatted in compliance with the applicable PSRs, where the beneficiary account is held with us, including one linked to a Virtual IBAN provided by ClearBank.
- 1.2 In the case of a payment referred to in paragraph 1.1 of this Services Schedule, we may automatically change the payment type to an Internal Transfer.
- 1.3 To the extent of any conflict between the provisions of F of this Services Schedule and the provisions of the Core Terms, these provisions will prevail.
- 1.4 With respect to each outbound Internal Transfer, we will:
  - (a) apply the same transaction limits and Operating Periods as would have applied for the original type of payment transaction, as set out in Part A of this Services Schedule;
  - (b) subject to the above, process the outbound Internal Transfer on a near-real time basis and accordingly you will not be able to cancel or amend it once we have processed it; and
  - (c) apply the relevant Charge for the outbound Internal Transfer rather than for the type of payment transaction that would have been made as set out in the Commercial Terms.
- 1.5 You agree that:
  - (a) we will settle each Internal Transfer individually;
  - (b) the FPS Outbound Transaction Limit will be applicable to a payment initiated as an FPS payment, but facilitated as an Internal Transfer;
  - (c) each Internal Transfer will be deemed to have been settled upon completion of our clearing and settlement processes with respect to that Internal Transfer and our determination unconditionally to execute the transfer of funds by crediting the beneficiary's account. Where it is not possible to determine the precise point of settlement on a particular value date, settlement will be deemed to occur at the close of Business Hours on the value date of the payment instruction; and
  - (d) the relevant PSRs, the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 and any other relevant statutory provisions dealing with settlement finality in force from time to time will not apply to any Internal Transfer.
- 1.6 If you send a payment instruction which we facilitate as an Internal Transfer which is incorrect, you must notify us as soon as practicable after sending that payment instruction. In such circumstances, we cannot guarantee recovery of the payment. It is your responsibility to ensure that all payment instructions you send to us are valid, clear, and error-free.
- 1.7 You are responsible and liable for recovering an Internal Transfer but we will facilitate that recovery as far as possible.
- 1.8 You can query an Internal Transfer payment at any time after the payment has been initiated.
- 1.9 Once an Internal Transfer has been made, we are not able to cancel or amend it.

## Part G

### Bacs Clearing

#### 1. Bacs Clearing

- 1.1 We will settle transactions made through the Bacs System on your behalf with the Bank of England in accordance with this Agreement, the Bacs Rules and subject to any applicable Operating Periods.
- 1.2 In accepting Bacs Clearing, you agree to comply with and act in accordance with the Bacs Rules including in particular all provisions relating to, in respect of the Direct Debit scheme, the paying PSP, and in respect of the Direct Credit scheme, the receiving PSP, and this Agreement.

#### 2. Bacs Direct Credit Service

##### *Direct Credit Returns*

- 2.1 We may return a Direct Credit on your behalf where we are unable to apply the Direct Credit to your Account including for any of the following reasons:
  - (a) the Account is unable to receive Direct Credits;
  - (b) the Account has been transferred to a different institution;
  - (c) the account number is not recognised by us; or
  - (d) you have closed the Account,or as otherwise required under the Bacs Rules.
- 2.2 If you receive a Direct Credit which you are subsequently unable to apply, you will be responsible and liable for returning the Direct Credit to the remitter via the ClearBank API or the ClearBank Portal (for example where the ultimate account holder is deceased).
- 2.3 If a Direct Credit is returned unapplied in accordance with paragraphs 2.1 and 2.2 of this Services Schedule, you authorise us to credit the full amount of the unapplied Direct Credit to the Bacs Suspense Account. The Bacs Suspense Account will be debited by the full amount of the unapplied Direct Credit 2 Business Days after sending the unapplied Direct Credit to Bacs Payment Schemes Limited.

##### *Direct Credit Recalls*

- 2.4 We will be responsible for receiving and processing Direct Credit recall requests and will prevent recalled Direct Credits from being credited to the relevant Account, in accordance with the Bacs Rules.
- 2.5 Where a Direct Credit has been recalled, we will credit any amounts received by us relating to that Direct Credit to the Bacs Suspense Account up until the day of settlement of the return of that amount.

##### *Direct Credit Reversals*

- 2.6 If we receive a Direct Credit Reversal request relating to an Account or Virtual IBAN, you authorise us to attempt to process the Direct Credit Reversal request in accordance with the Bacs Rules and Part G of this Services Schedule.
- 2.7 It is your responsibility to determine whether a Direct Credit Reversal request should be processed and you will be responsible and liable for returning the Direct Credit Reversal request. You must return the Direct Credit Reversal request via the ClearBank Portal or the ClearBank API in accordance with the Operating Periods.
- 2.8 The Direct Credit Reversal will be applied as a debit to the respective Account or Virtual IBAN in accordance with the Bacs Rules and Part G of this Services Schedule.

## ***Direct Credit Error***

- 2.9 If a Direct Credit is applied to your Account in error, you will comply with the terms of the Credit Payment Recovery Process under the Bacs Rules, including any obligation to return the funds to us.
- 2.10 You will be able to view all Direct Credits that have been returned, reversed or recalled by reviewing the payment tracker in the ClearBank Portal or via the ClearBank API.

## **3. Bacs Direct Debit Service**

### ***Direct Debit instructions***

- 3.1 Direct Debit instructions may only be set up on an Operational Account, Designated Client Account, Designated Segregation Account, Designated Safeguarding Account or a Virtual IBAN.
- 3.2 We will process Direct Debit instructions received via AUDDIS and via the ClearBank API or the ClearBank Portal.
- 3.3 If you receive paper Direct Debit instructions, you will be responsible for validating and retaining copies of all paper instructions and recording the details of the Direct Debit instruction with us via the ClearBank API or the ClearBank Portal (whichever is available at the time). We will not process paper Direct Debit instructions.
- 3.4 You can cancel a Direct Debit instruction at any time via the ClearBank API or the ClearBank Portal (whichever is available at the time), which will be processed by us and communicated to the Service User via the Bacs System in accordance with the Operating Periods. Direct Debit instructions cancelled via the ClearBank Portal will only be applied once the relevant approval step has been completed. If the Direct Debit has settled prior to cancelling the Direct Debit instruction, you must follow the unpaid Direct Debit process outlined in paragraphs 3.5 to 3.10 (inclusive) of Part G of this Services Schedule.

### ***Unpaid Direct Debits: Returns by us***

- 3.5 We reserve the right to return a Direct Debit as unpaid in accordance with the Bacs Rules including where:
  - (a) there are insufficient funds in the respective Account;
  - (b) there is no Direct Debit instruction;
  - (c) the account number is not recognised;
  - (d) the Account is closed or restricted; or
  - (e) the Direct Debit is not yet due (such as where the Direct Debit instruction received via AUDDIS was received less than 3 Business Days before the settlement day).

### ***Unpaid Direct Debits: Returns by you***

- 3.6 If we process a Direct Debit request which you are subsequently unable to pay, including due to a lack of funds in the Account or the Virtual IBAN or a request not to pay from the payer, you will be responsible and liable for processing the return of the Direct Debit as unpaid on the settlement day (being the day that the funds would have been debited from the Account or the Virtual IBAN).
- 3.7 You must process a return of a Direct Debit as unpaid via the ClearBank Portal or the ClearBank API in accordance with the Operating Periods.

### ***Unpaid Direct Debits: General provisions***

- 3.8 You agree to take full responsibility and liability for any dispute that may arise in relation to an unpaid Direct Debit.
- 3.9 You will be able to view all Direct Debits that have been returned as unpaid by reviewing the payment tracker in the ClearBank Portal or via the ClearBank API.

- 3.10 If a Direct Debit is returned unpaid in accordance with paragraphs 3.5 to 3.10 (inclusive) of Part G of this Services Schedule, you authorise us to debit the full amount of the unpaid Direct Debit from the Bacs Suspense Account, including if this creates an overdraft. The Bacs Suspense Account will be credited by the full amount of the unpaid Direct Debit 2 Business Days after the request is sent to Bacs.

#### ***Direct Debit Reversals***

- 3.11 If we receive a Direct Debit Reversal request, it will be applied as a credit to the relevant Account or Virtual IBAN in accordance with the Bacs Rules and Part G of this Services Schedule.

#### ***Direct Debit Errors and the Direct Debit Guarantee***

- 3.12 You agree to be bound by the terms of the Direct Debit Guarantee.
- 3.13 You are responsible for all correspondence with your Clients, Service Users and any other third party relating to the processing of Direct Debits including errors in processing, the use of the Direct Debit Guarantee, DDICs and challenges. We will facilitate such correspondence via the Bacs System on your behalf.
- 3.14 Where a claim under the Direct Debit Guarantee has occurred, you must credit the payer's account from your own funds (for example, from the Operating Account) in accordance with the timelines set out in the Bacs Rules.

#### ***Refunds under Direct Debit Guarantee: Errors caused by you***

- 3.15 You agree that you are liable for refunds owed to your Client for errors caused by you.

#### ***Refunds under Direct Debit Guarantee: Errors caused by Service Users – DDIC Process***

- 3.16 If in your opinion an error has been caused by a Service User, then you will need to raise a DDIC.
- 3.17 To raise a DDIC, you must raise a ticket to us via Freshdesk as first point of contact, or by other such methods as advised by us to you from time to time. At such time, you will need to supply us with a DDIC form alongside any additional supporting evidence or documents for this claim. If required, we can supply you with a copy of the DDIC form. You authorise us to submit documents and correspond with Bacs Payment Schemes Limited on your behalf. Once we have lodged the DDIC, we will liaise with you to advise of timescales or any additional information required.

#### ***DDIC Settlement***

- 3.18 If a DDIC raised by you is accepted by the Service User, we will apply the funds received to the Account you have used to refund your Client.
- 3.19 If the Service User challenges the DDIC and the DDIC is subsequently cancelled, you are responsible for retrieving any funds back from your Client.
- 3.20 If a DDIC settlement is not received within 14 Business Days of the DDIC being raised and the DDIC is over £125,000 (one hundred and twenty five thousand pounds sterling), we will contact you via the existing Freshdesk ticket raised to lodge the DDIC, and we will escalate the DDIC to the relevant escalation points with the PSP of the Service User for settlement in accordance with the Bacs Rules. If the DDIC settlement has not been received within 14 Business Days of the DDIC being raised, and we have not contacted you, you must contact us as soon as possible via the existing Freshdesk ticket raised to lodge the DDIC, or by such other methods as advised by us to you from time to time in order to escalate the DDIC to the PSP of the Service User for settlement in accordance with the Bacs Rules.

#### ***Consequential Loss Claims under the Bacs Rules***

- 3.21 In order to raise a consequential loss claim against a Service User, you will need to contact us via Freshdesk by raising a query ticket or by such other methods as advised by us to you from time to time and you authorise us to submit documents and correspond with the sponsoring

PSP or Bacs (as applicable) on your behalf. If requested, you must provide documentary evidence to substantiate your claim.

- 3.22 As part of a consequential loss claim, you must nominate an account for any funds from the Service User to be paid into. This cannot be the Bacs Suspense Account. You will be responsible for ensuring those funds are ultimately received by your Client.

### ***Complaint Handling***

- 3.23 If we receive a complaint about you from Bacs Payment Scheme Limited, we will notify you and provide you with a copy of the complaint within 1 Business Day of us receiving of the complaint.
- 3.24 Within 7 Business Days of receiving the complaint from us, you must provide us with a written response setting out:
- (a) details of your findings of your investigation into the complaint; or
  - (b) if you are not in a position to resolve the complaint, the timeframe for your final resolution.
- 3.25 You agree to work with us in good faith to promptly resolve the complaint and provide all necessary information requested by us within the timeframes specified by us or the Bacs Rules.

## Part H

### Direct Debit Origination Service

#### 1. Direct Debit Origination Service

1.1 In accepting the Direct Debit Origination Services, you:

- (a) agree to comply with and act in accordance with the Bacs Rules (including the Service User's Guide and Rules to the Direct Debit Scheme) and this Agreement;
- (b) agree that, if you (or anyone on your behalf) submit Direct Debit instructions outside of the UK, the Channel Islands or the Isle of Man, you will not do anything (or permit to be done on your behalf) in connection with the use of the Bacs System (including the PSW) which would cause us or Bacs (and its suppliers) to be in breach of any applicable local laws or regulations.

#### ***Bacs Bureau Sponsorship***

1.2 You may apply to us for Sponsorship to become a Bacs Bureau and you consent to us providing any necessary information about you to Bacs.

1.3 As part of your application for Sponsorship as a Bacs Bureau, you will be required to enter into discussions and provide information to Bacs directly.

1.4 If your application for Sponsorship is successful:

- (a) we will issue you with a Smart Card; and
- (b) if you do not have a Bacs Bureau number, we will issue you with one; or
- (c) if you already have a Bacs Bureau number, we can either transfer your existing Bacs Bureau number from your previous sponsor so it is registered with us or if requested by you, issue you an additional Bacs Bureau number at your cost.

1.5 During the period of Sponsorship as a Bacs Bureau you will comply with the Bacs Rules which includes inspection requests and payment of applicable fees to Bacs.

#### ***Direct Debit Origination Sponsorship***

1.6 You may apply to us for Sponsorship to access the Direct Debit Origination Service and you consent to us providing any necessary information about you to Bacs.

1.7 To apply to us for Sponsorship to access the Direct Debit Origination Service, you will:

- (a) execute as a deed a Direct Debit Indemnity Form and if you are a company registered outside of the UK or have your principal place of business outside of the UK, you will provide a legal opinion stating that the Direct Debit Indemnity Form will be enforceable under the relevant jurisdiction and/or provide proof of adequate assets in the UK;
- (b) confirm if you will be a direct or indirect submitter of Direct Debit transactions to Bacs;
- (c) confirm how many SUNs you require and/or if you require any existing SUNs to be transferred to us;
- (d) specify which Bacs approved software or Bacs Bureau you will use;
- (e) confirm your Main Account and Nominated Account per SUN (where you act as an FM Provider, you must nominate the Main Account and Nominated Account in accordance with the Bacs Rules);
- (f) nominate (and maintain during your use of the Direct Debit Origination Services) two Primary Security Contacts per SUN;
- (g) provide other documentation pertaining to your application as requested by us;
- (h) satisfactorily complete all necessary testing;

- (i) have at least 2 of your Personnel undertake and successfully complete the Bacs mandatory training course for Direct Debits;
  - (j) submit to us all supporting documentation (including any operational documentation, submission and other procedures, and communication literature) you intend to use in your Direct Debit operations pursuant to the Bacs Rules, for our prior written approval;
  - (k) if you are an indirect submitter, nominate whether you wish to participate in AUDDIS (this is compulsory for direct submitters); and
  - (l) confirm if you wish to join the paperless Direct Debit service for which AUDDIS is required.
- 1.8 If your application for Sponsorship is successful, we will:
- (a) register you as a Service User with Bacs;
  - (b) provide you with your SUN(s);
  - (c) provide you with details to log into the Bacs website to access Bacs guides and rules and also details to log into the PSW; and
  - (d) where you are a direct submitter, provide each Primary Security Contact and any SUN Additional Contact with a Smart Card. Each Smart Card will last for a period of 3 years (or such other period as notified to you, the Primary Security Contact and/or the SUN Additional Contact), after which time we will issue you with a new Smart Card, which may cause you to incur additional Charges, unless you advise us that the Smart Card is no longer required. Smart Cards must be used in accordance with the Smart Card Policy.
- 1.9 You must provide any additional indemnities (including confirmatory indemnities) in accordance with the Bacs Rules as and when requested by us.
- 1.10 You must allow 4 weeks from the date you are registered with Bacs under our Sponsorship before you submit any Direct Debit instructions.
- Direct Debit Instructions***
- 1.11 All Direct Debit instruction templates must be approved by us.
- 1.12 You must ensure your SUN is quoted on all Direct Debit instructions in accordance with the Bacs Rules.
- 1.13 You must not accept a Direct Debit instruction with any amendments made by the payer to the approved template wording.
- Lodgement of Instructions***
- 1.14 You must ensure that all Direct Debit instructions are signed and dated by the payer. You must lodge all Direct Debit instructions with the paying PSP within 6 months from the date that the Direct Debit instruction was signed by the payer.
- 1.15 You must not send paper Direct Debit instructions to the paying PSP under an AUDDIS SUN.
- 1.16 If a paying PSP rejects a Direct Debit instruction, you will be responsible for dealing with the rejection directly with the paying PSP or the payer.
- Advance Notice***
- 1.17 Once a Direct Debit instruction has been lodged, you must provide the advance notice to the payer before the first collection of the Direct Debit.
- 1.18 If the reference for the Direct Debit instruction is not known when the Direct Debit instruction is signed, you must inform the payer of the reference when you issue the first advance notice.
- 1.19 If you need to change the date or amount of a collection, you must provide a new advance notice to the payer within the advance notice period. You must allow 10 Business Days from receipt by the payer of the new advance notice until the date of the collection (unless a shorter period has been agreed with us). If a Direct Debit is returned unpaid for the reason

'refer to payer' you should contact the payer and provide a new advance notice (although you are not obliged to do so under this Agreement).

### ***Confirmation of Paperless Sign-Up***

- 1.20 Once a Direct Debit instruction has been lodged, you must provide confirmation of payer sign-up for paperless Direct Debit instructions within 3 Business Days of sign-up for paperless Direct Debit instructions.
- 1.21 If the first Direct Debit collection date is within one month of the date of sign-up, then confirmation of paperless sign-up may be provided with the advance notice.

### ***Validation of Details***

- 1.22 For paperless Direct Debit instructions, you must validate the payer and its details before processing any Direct Debit instruction and using the verification methods available on the Bacs website.
- 1.23 For all other Direct Debit instructions, you may validate the payer and its details before processing any Direct Debit instruction and using the verification methods available on the Bacs website.
- 1.24 Failure to verify the payer may result in unauthorised or fraudulent Direct Debit instructions and subsequent DDICs.

### ***Record Keeping and Correspondence***

- 1.25 You are responsible for keeping records of all information relating to Direct Debits, including information relating to your payers, Direct Debit instructions, including amendments whether via ADDACS or otherwise, and any communications with paying PSPs and payers.
- 1.26 In relation to AUDDIS Direct Debit instructions:
  - (a) you must be able to produce a copy of the signed Direct Debit instruction within 7 Business Days from date of the request from a paying PSP;
  - (b) if you cannot produce a copy of a Direct Debit instruction within that timeframe or the Direct Debit instruction is incorrect or fraudulent, then you will be liable in accordance with the applicable Bacs Rules; and
  - (c) you may also be liable for a DDIC where the payer disputes the signature.
- 1.27 Where available, you must always provide written correspondence to payers. If you use electronic correspondence, you must advise payers at the time of sign-up.

### ***Amendment and Cancellation of Instructions***

- 1.28 You must not alter or amend a Direct Debit instruction after it has been signed by the payer unless it is to add the core reference as notified to the payer in the advance notice.
- 1.29 If you need to change details on the Direct Debit instruction, you will need to get the payer to sign a new Direct Debit instruction and lodge it with the paying PSP, or if available to you, use the bulk change process in accordance with the Bacs Rules for changes affecting a large number of Direct Debit instructions. To use the bulk change process, you must contact us.
- 1.30 The payer may amend or cancel their Direct Debit instruction at any time by giving notice to you directly (in which case you may notify the paying PSP), or by the payer giving notice to its PSP and then the PSP notifying you via ADDACS.
- 1.31 You must apply any amendments or cancellations received via ADDACS advices within 3 Business Days of the date of the advice of the amendment or cancellation, or otherwise as specified by the payer, confirm the amendment or cancellation with the payer, and issue the payer with a new advance notice.

### ***Changes to Advance Notice Period***

- 1.32 You may apply, subject to our prior written approval, an advance notice period of less than 10 Business Days. If approved by us, you will be required to:

- (a) submit new Direct Debit instructions, advance notice and Direct Debit Guarantee documentation for approval by us; and
- (b) notify existing payers by issuing a new Direct Debit Guarantee.

### ***Dormancy of Instructions***

1.33 A Direct Debit instruction may become dormant if there are no collections in the time period described by Bacs from:

- (a) lodgement of the Direct Debit instruction; or
- (b) the last collection.

1.34 You may apply and we may approve to extend the dormancy period for all Direct Debits under a SUN. If approved by us, we will notify paying PSPs of the change to your dormancy period by updating your Service User registration with Pay.UK.

### ***Originating Direct Debits***

1.35 Each Nominated Account must be in the same name as the legal entity or trading name that the associated SUN is registered to.

1.36 You must wait the minimum period of time in accordance with the Bacs Rules before your first collection of funds. As at the date of this Agreement the minimum period of time is:

- (a) **Paper instructions:** 10 Business Days between posting the Direct Debit instruction to the payer's PSP and the date you have notified the payer by advance notice as the first collection date; or
- (b) AUDDIS or paperless instructions: 5 Business Days between lodgement of the Direct Debit instruction and the date of the first collection.

1.37 At least 2 Business Days before the due dates for Direct Debits, you must submit to Bacs Payment Schemes Limited all files of Direct Debits for processing. All Direct Debit collections must be made on or within 3 Business Days after the relevant Direct Debit due date. You must only originate Direct Debits:

- (a) using the SUN on the Direct Debit instruction; and
- (b) for the amount and on the date stated on the advance notice.

1.38 We will apply funds for each Direct Debit submission to your Nominated Account as a bulk credit on the same day as funds received by us.

1.39 You are responsible for the reconciliation of Direct Debit instructions and transactions processed, rejected, returned, amended and cancelled.

### ***Unpaid Direct Debits***

1.40 After the funds have been applied to your Nominated Account, a paying PSP may request a Direct Debit be returned as unpaid in accordance with the Bacs Rules.

1.41 You will be notified of any unpaid Direct Debit requests via the ARUDD report 1 or 2 Business Days after the funds were applied to your Nominated Account. We may also provide you notice of any unpaid Direct Debits.

1.42 You agree that you are responsible and liable for any dispute that may arise in relation to an unpaid Direct Debit.

### ***Settling Unpaid Direct Debits***

1.43 You authorise us to debit the full amount of any unpaid Direct Debit from the relevant Nominated Account 2 or 3 Business Days after the respective funds were applied to the Nominated Account.

1.44 If there are insufficient funds in the Nominated Account to debit the full amount of any unpaid Direct Debit:

- (a) you authorise us to debit the full amount from the Bacs Suspense Account (including if this creates an overdraft); and
- (b) you agree to promptly transfer the equivalent amount of the unpaid Direct Debit from your own funds into the Bacs Suspense Account.

## ***Re-present Unpaid Direct Debits***

1.45 You may only re-present an unpaid Direct Debit if:

- (a) the original Direct Debit was returned for the reason "refer to payer";
- (b) re-presentation takes place within 1 month of the date on which first presentation was made;
- (c) the amount and reference of the re-presented Direct Debit is the same as that of the Direct Debit that originally failed; and
- (d) it is identified by the use of transaction code 18.

## ***Direct Debit Origination File and System Errors: Error in the Origination File***

- 1.46 Where there is an error in the origination file submitted by you to Bacs Payment Schemes Limited, you will follow the error recovery procedures in accordance with the Bacs Rules and you must keep us informed of your progress.
- 1.47 For single item errors in a Direct Debit origination file which has been submitted to Bacs Payment Schemes Limited, you must contact the paying PSP directly and request that the paying PSP raise a DDIC against you in accordance with the Bacs Rules.
- 1.48 For errors with the majority or the whole of a Direct Debit file submitted by you, you must contact us by raising a Freshdesk query ticket as first point of contact, however you can also contact us by phone or such other methods as advised by us to you from time to time. This must be raised as soon as possible upon identifying the error and we will advise you of the appropriate remedial action.
- 1.49 If a payment referral is created via Pay.UK for a Direct Debit, we will contact you to discuss the referral. If you do not respond to our request you authorise us to determine on your behalf whether to accept or decline the origination file.

## ***Direct Debit Origination File and System Errors: Your System Errors***

- 1.50 If you incur a system error which will affect your ability to submit files to Bacs on the required days, you must contact us as soon as possible.
- 1.51 If due to the system error you fail to collect on or within 3 Business Days after the relevant Direct Debit collection date, you must inform the payers affected, detailing what action has been taken and confirm the new collection date and amount by issuing a new advance notice.

## ***Direct Debit Origination File and System Errors: Paying PSP Error***

- 1.52 If a payer requests a refund under the Direct Debit Guarantee and the paying PSP accepts that the error is their fault, the paying PSP may raise a refund request with you and you may use your discretion in settling the refund request. You may seek our guidance in assessing the refund request.

## ***DDICs: Errors caused by you – DDIC Settlement***

- 1.53 If a paying PSP raises a DDIC against you, you will be notified:
  - (a) via the PSW for automated DDICs; or
  - (b) by us, for paper DDICs, which are DDICs for £125,000 (one hundred and twenty-five thousand pounds sterling) or more, or in circumstances where a SUN has been deleted off the Bacs System, or for consequential loss claims for erroneous Direct Debit payments.

- 1.54 If you discover that the reason for claim on a paper DDIC is either incomplete or incorrect, you must advise us within 3 Business Days of receipt of the claim in order for us to contact the paying PSP to discuss the issue and request the paying PSP to issue a replacement DDIC.
- 1.55 If the payer contacts you directly regarding an error, and you agree that you have made an error in the collection you should contact the paying PSP requesting the paying PSP to refund the payer and raise a DDIC against you.
- 1.56 Subject to paragraphs 1.59 to 1.64 (inclusive) of Part H of this Services Schedule, for automated DDICs, you authorise us to debit the full amount of the DDIC from the Main Account 14 Business Days after the DDIC is submitted to Bacs Payment Schemes Limited.
- 1.57 For paper DDICs, you must directly pay the full amount of the DDIC to the paying PSP within 14 Business Days from the date of the DDIC or the date of a replacement DDIC and notify us, in writing, when the DDIC has been settled.
- 1.58 If there are insufficient funds in the Main Account to debit the full amount of any DDIC in accordance with paragraph 1.56 of H of this Services Schedule or you fail to pay the paying PSP in accordance with paragraph 1.57 of Part H of this Services Schedule:
  - (a) you authorise us to debit the full amount from the Bacs Suspense Account (including if this creates an overdraft); and
  - (b) you agree to promptly transfer the equivalent amount of the DDIC from your own funds into the Bacs Suspense Account.

### ***Challenging a DDIC***

- 1.59 You may challenge an automated DDIC to seek clarification and/or cancellation up to 11 Business Days after the DDIC has been submitted into PSW, where a valid challenge reason exists under the Bacs Rules.
- 1.60 You must raise your challenge with the paying PSP via the PSW.
- 1.61 If your challenge is:
  - (a) upheld (accepted by the paying PSP), the paying PSP will cancel the DDIC in accordance with the Bacs Rules timeframes; or
  - (b) unsuccessful, the DDIC will be settled in accordance with paragraphs 1.56 to 1.58 (inclusive) of Part H of this Services Schedule.
- 1.62 If the issue falls outside of a challenge criteria, you must pursue the matter directly with the payer.

### ***Complaint Handling***

- 1.63 Within 48 hours of receiving a complaint, Pay.UK will notify:
  - (a) us, in which case we will notify you and provide you with a copy of the complaint within 1 Business Day of us receiving the complaint from Bacs; or
  - (b) you, in which case Pay.UK will also provide a copy to us.
- 1.64 You must provide a written response to Pay.UK in accordance with the Bacs Rules timeframes. If you wish for us to submit the response to Pay.UK on your behalf, you must send us the relevant documentation at least 1 Business Day prior to the due date to respond to Pay.UK.

### ***Compliance***

- 1.65 You must only operate Direct Debit sign-up methods and only use Direct Debit operational documentation, submission and other procedures, and communication literature including scripts, webpages and templates previously approved by us in writing. You must immediately contact us by telephone (using the contact number(s) provided to you by us) or by such other methods as advised by us to you from time to time if you discover any errors in your Direct

Debit sign-up methods, documentation, procedures and literature to discuss steps to remedy the errors.

- 1.66 You can find a copy of the Bacs Rules on the Bacs website or, where you do not have access on the Bacs website you may contact us by telephone (using the contact number(s) provided to you by us) or by such other methods as advised by us to you from time to time to request copies of the Bacs Rules or contact the Bacs helpdesk on 0370 165 0018.
- 1.67 We will monitor your compliance with the Bacs Rules. Without prejudice to our other rights under this Agreement, where we suspect or receive a complaint via Pay.UK or from another PSP regarding any issue with your activities as a Service User. We will contact you and will use reasonable endeavours to provide evidence of the suspected issue and request that you undertake remedial action within the timeframes set by us. You agree to undertake such remedial action and provide evidence to support such remediation.

## Part I

### Sterling High-Value Cross Border Transaction Service

#### 1. Sterling High-Value Cross Border Transaction Service

- 1.1 We will settle your payments and transactions made through the Sterling High-Value Cross-Border Transactions Service in accordance with this Agreement and subject to any applicable Operating Periods.
- 1.2 If you send a payment instruction through the Sterling High-Value Cross-Border Transactions Service which is erroneous, you must notify us as soon as possible. In such circumstances, we cannot guarantee recovery of the payment.
- 1.3 You are responsible for any tax, reporting and originating and beneficiary jurisdiction compliance obligations applicable to you in relation to your use of the Sterling High-Value Cross-Border Transactions Service.
- 1.4 Where a transaction charge code instruction results in a Charge to you, we will endeavour to inform you of the charges imposed by the payee's PSP and any correspondent banks where such information is available to us prior to the payment instruction being processed by us.
- 1.5 We will not deduct Charges from the principal amount of any payment transaction, but charges may be deducted from the principal amount by payee banks:
  - (a) located in the EEA for payments other than Qualifying Area Transactions; and
  - (b) located outside of the EEA.
- 1.6 Your use of the Sterling High-Value Cross-Border Transactions Service may be subject to certain limitations. The limitations applicable to your use of the Sterling High-Value Cross-Border Transactions Service, if any, are set out in the Commercial Terms and notwithstanding any other provision of this Agreement, may be changed from time to time when we notify you in writing of such changes. Any limitations will remain in place until we advise you in writing that they will no longer apply.
- 1.7 Payments that are returned by you must be formatted in a manner compliant with the rules of the SWIFT messaging system.

#### ***Outbound Transaction Time Limits***

- 1.8 Outbound payments made through the Sterling High-Value Cross-Border Transactions Service can only be initiated by you during the relevant Operating Periods.
- 1.9 If, within the Operating Periods, you initiate an outbound payment through the Sterling High-Value Cross-Border Transactions Service but do not approve the outbound payment, we will process the outbound payment during the next Operating Periods following your approval.

#### ***Processing Outbound Payment Instructions***

- 1.10 Payments made using the Sterling High-Value Cross-Border Transactions Service must be processed across borders to a beneficiary account located outside the UK. ClearBank cannot guarantee completion of the payment within a specified timeframe.
- 1.11 You cannot cancel or amend a payment once it has been initiated through the Sterling High-Value Cross-Border Transactions Service. You can however request that the payment be recalled at any time after it has settled. We will endeavour to recover the payment on your behalf.

#### ***Inbound Transactions***

- 1.12 We will credit your relevant Account with any inbound payment we receive during the relevant Operating Period in near real time and in any case on the same day that we receive the inbound payment (subject to clause 13).

- 1.13 You will not be entitled to query an inbound payment made through the Sterling High-Value Cross-Border Transactions Service, but you will be entitled to return any inbound payment made through the Sterling High-Value Cross-Border Transactions Service to the originating financial institution in accordance where such payment has been made in error.
- 1.14 In the event that you expect to receive a payment through us, we may credit your account with this payment. However, we reserve the right to reverse this if something goes wrong with that payment. For example, if we do not receive the payment for you or must repay it. Typically, this may occur if the payer becomes bankrupt around the time that the payment is made.

#### ***Trace Requests***

- 1.15 We will make reasonable efforts to perform any traces of a payment made through the Sterling High-Value Cross-Border Transactions Service as requested by you and we will notify you of the outcome. We may charge you for any such trace request as set out in the Commercial Terms. You will be liable for any third party charges in undertaking a trace request.

## Part J

### MCCY Service

#### 1. MCCY Service

- 1.1 You agree that:
  - (a) you will only use the MCCY Service for your own business/treasury purposes and on behalf of your Clients;
  - (b) we may advise you in writing of limitations applicable to your use of the MCCY Service and you will comply with such limitations;
  - (c) we will not provide you with any advice in connection with the MCCY Service; and
  - (d) you will not use the MCCY Service for any speculative or investment purpose and if we have reason to believe that you are doing so, we may decline to deal with you, or suspend or terminate the MCCY Service.
- 1.2 We will only provide or continue to provide you with MCCY Service if you have completed any application form or questionnaire we require you to complete prior to or during your use of the MCCY Service.
- 1.3 The MCCY Service provides you with the ability to open, hold and operate MCCY Accounts.
- 1.4 This MCCY Service is available through a ClearBank API only and you will not be able to access or use MCCY Accounts through the ClearBank Portal.
- 1.5 You will comply with the Critical ClearBank Policies when using the MCCY Service.
- 1.6 You will not initiate any MCCY payments which are less than the Minimum Transaction Amount.
- 1.7 In relation to MCCY payments in Supported Currencies other than in British Pounds:
  - (a) we will settle your payments made through the MCCY Service using an Indirect Third Party Service Provider, in accordance with this Agreement and subject to the MCCY Operating Periods; and
  - (b) the Operating Periods set out in Part A of this Services Schedule will not apply.
- 1.8 We may change the MCCY Operating Periods with immediate effect at any time upon providing you with written notice of such change.
- 1.9 You will only be able to send and receive payments in the Supported Currencies into and from a MCCY Account.
- 1.10 Where we receive a valid payment instruction:
  - (a) we will endeavour to process payment instructions by the end of the same Business Day in which you initiate them, and otherwise no later than the end of the following Business Day;
  - (b) outside the MCCY Operating Periods, we will store the instruction and will endeavour to process it as soon as reasonably possible after the beginning of the next available MCCY Operating Period for the applicable currency and otherwise no later than the end of the Business Day following receipt of the instruction; and
  - (c) if the payment is one described in paragraph 0 of Part F of this Services Schedule, we will facilitate the instruction as an Internal Transfer.
- 1.11 For any payment instruction received outside of the MCCY Operating Periods, you may cancel such payment provided the cancellation request is received by us at least one hour before the payment is processed by us.

- 1.12 We will automatically reject any incoming payment sent to an Account which does not match the receiving currency of that Account.
- 1.13 You are responsible for any tax, reporting and originating and beneficiary jurisdiction compliance obligations applicable to you in relation to your use of the MCCY Service.

## ***Charges and Transaction Charge Codes***

- 1.14 You will have an option to select a transaction charge code when initiating a payment instruction from an Account in accordance with the following table:

| Payment Currency | Payee PSP Destination          | Transaction Charge Code   |
|------------------|--------------------------------|---------------------------|
| Any currency     | Inside the Qualifying Area     | SHAR                      |
| Any currency     | Outside of the Qualifying Area | Either DEBT, CRED or SHAR |

- 1.15 If you do not make a selection in accordance with paragraph 1.14 of Part J of this Services Schedule, SHAR will be applied by default.
- 1.16 Where a transaction charge code instruction results in a Charge to you, we will endeavour to inform you of the charges by the payee's PSP and any correspondent banks where such information is available to us prior to the payment instruction being processed by us.
- 1.17 We will not deduct Charges from the principal amount of any payment transaction, but charges may be deducted from the principal amount by payee banks:
- (a) located in the EEA for payments other than Qualifying Area Transactions; and
  - (b) located outside of the EEA.

## ***Transaction Details and Statements***

- 1.18 Notwithstanding paragraph 2 of the Technology and Security Schedule, you will be able to access through the ClearBank Portal:
- (a) details of individual transactions which have occurred within the previous 31 days;
  - (b) details of your MCCY Accounts and balances; and
  - (c) a general statement for each MCCY Account for a calendar month in CSV or PDF (as available) by the fifth Business Day of the following calendar month.

## Part K

### FX Service

#### 1. FX Service

- 1.1 You agree that:
  - (a) you will only use the FX Service for your own business/treasury purposes and on behalf of your Clients;
  - (b) we may advise you in writing of limitations applicable to your use of the FX Service and you will comply with such limitations;
  - (c) we will not provide you with any advice in connection with the FX Service. We cannot accept responsibility for your decision to enter into an FX Trade and we will not be liable for any loss or opportunity loss if exchange rates move before or after you transact; and
  - (d) you will not use the FX Service for any speculative or investment purpose and if we have reason to believe that you are doing so, we may decline to deal with you, or suspend or terminate the FX Service.
- 1.2 We will only provide or continue to provide you with FX Service if you have:
  - (a) completed any application form or questionnaire we require you to complete prior to or during your use of the FX Service; and
  - (b) opened a MCCY Account with us.
- 1.3 We deal in FX Trades on a matched principal basis where we source liquidity from one or more Indirect Third Party Service Providers.
- 1.4 We will:
  - (a) treat you as principal, including where you act as agent for another principal;
  - (b) act as an arm's length party to transactions with you; and
  - (c) assume no obligations to your Clients.
- 1.5 The FX Service provides you with the ability to:
  - (a) open, hold and operate Virtual IBANs (where available);
  - (b) instruct us to effect TODs, TOMs and SPOT tenor trades;
  - (c) execute FX Trades between your Accounts and Virtual IBANs; and
  - (d) reconcile those FX Trades by using Virtual IBANs.
- 1.6 You authorise us to process FX Trades on your behalf and debit the Account or the Virtual IBAN (as applicable) from which the FX Trade was initiated by you in order to facilitate settlement.
- 1.7 This FX Service is available through a ClearBank API only and you will not be able to initiate FX Trades through the ClearBank Portal.
- 1.8 You will comply with the Critical ClearBank Policies when using the FX Service.
- 1.9 You will not initiate any FX Trades which do not meet the requirements for the Minimum Trade Amount.
- 1.10 In relation to FX Trades in Supported Currencies other than in British Pounds:

- (a) we will settle your FX Trades using an Indirect Third Party Service Provider, in accordance with this Agreement and subject to the FX Operating Periods; and
  - (b) the Operating Periods set out in Part A of this Services Schedule will not apply.
- 1.11 We may change the FX Operating Periods with immediate effect at any time upon providing you with written notice of such change.
- 1.12 You must have available cleared funds in the Account or the Virtual IBAN (as applicable) from which you have initiated an FX Trade as follows:

| FX Settlement Date | Time that available cleared funds must be in the Account or the Virtual IBAN (as applicable) |
|--------------------|----------------------------------------------------------------------------------------------|
| TOD                | At the time of initiating the FX Trade                                                       |
| TOM                | No later than 08:00 on the day the FX Trade is initiated                                     |
| SPOT               | No later than 08:00 on the day the FX Trade is initiated                                     |

- 1.13 We will endeavour to process FX Trades in the order in which you have instructed us.
- 1.14 Where you have more than one FX Trade pending settlement, we will use your available funds to settle as many as possible in the order in which you made the instructions.
- 1.15 Once you have placed an instruction for an FX Trade, it will be final and irrevocable and you must settle the FX Trade.
- 1.16 Any FX Trade you initiate from an Account or by using a Virtual IBAN must settle into an Account that bears the same name as the owner of the originating Account or Virtual IBAN.
- 1.17 Any FX Trade you initiate using a Virtual IBAN will be initiated from the Account to which the relevant Virtual IBAN is linked.
- 1.18 If we are unable to settle an FX Trade we will refund the full amount taken in respect of the FX Trade to the Account from which the funds were taken.
- 1.19 We will be unable to settle an FX Trade if your Account does not have available cleared funds prior to the times stated in paragraph 1.12 of Part K of this Services Schedule and we will promptly reverse the FX Trade with a zero FX margin applied.
- 1.20 You will be responsible for any costs or charges reasonably incurred by us in complying with paragraph 1.19 of Part K of this Services Schedule, including any due to movement in FX rates.
- 1.21 All FX Trades are accepted and priced using the execution rate determined by us at the time we make the FX Trade.
- 1.22 You will be charged an FX margin in accordance with the Commercial Terms.
- 1.23 Subject to paragraph 1.24 of Part K of this Services Schedule, the foreign exchange rate for an FX Trade will be disclosed to you after that FX Trade has been executed through a ClearBank API webhook.
- 1.24 We may disclose to you the foreign exchange rate for an FX Trade prior to that FX Trade being executed through a ClearBank API webhook provided you meet our eligibility requirements for that functionality.
- 1.25 Where you conduct FX Trades for your Client using a Virtual IBAN or a Designated Segregation Account, you may:
- (a) elect to add an FX margin to your Clients' FX Trades; and

- (b) instruct us to deposit any such margin into an Operational Account through a ClearBank API.
- 1.26 Where you instruct us pursuant to paragraph 1.25(b) of Part K of this Services Schedule, we will follow your instructions.

## Part L

### Cheque Deposit Service

#### 1. Cheque Deposit Service

- 1.1 You are responsible for creating a Virtual IBAN for any Clients that wish to deposit a cheque. Such Virtual IBANs must be created prior to the end of the day on which a cheque is submitted for processing.
- 1.2 We will transfer all funds processed and cleared on a Business Day to your designated account in one payment.
- 1.3 There is no limit to the size of an ICS transaction. However, we reserve the right to impose a maximum limit for ICS transactions and we will notify you of any changes to these limits by email.
- 1.4 By receiving indirect access to the ICS from us you will be able to clear and settle cheque deposits using the ICS (by us providing you with indirect technical connectivity through the ClearBank Live API as part of our Cheque Deposit Service) and we, on your behalf, will, or will allow you to, settle or clear cheque deposits made through the ICS in accordance with this Agreement, the ICS Rules and subject to any applicable Operating Periods.
- 1.5 Cheque deposits made over the counter at a branch of the Post Office cannot be accepted for clearing and settlement through the Cheque Deposit Service.

#### ***Fraud Liability***

- 1.6 In the event that we are liable under the ICS Rules for a fraudulent act in relation to a cheque deposit with a value in excess of £500 (or such other limit as the Payment System Operator may apply from time to time), you agree to indemnify us in full for any such liability other than where the relevant fraudulent act was not detected and prevented because of our gross negligence.

#### ***ICS Transaction Limits***

- 1.7 So that each cheque deposited through the Cheque Deposit Service is able to be processed, the cheque holder must ensure that each cheque does not:
  - (a) exceed any maximum value applied by ClearBank from time to time and notified to you through the ClearBank Live API; or
  - (b) meet any of the criteria for a failed payment set out in the Knowledge Centre and the API Documentation.

#### ***ICS Transaction Timings***

- 1.8 Cheque deposits:
  - (a) can be initiated by a cheque holder at any time before the Operating Period set out in Part A of this Services Schedule;
  - (b) are processed and cleared by us on or before 23.59 on the following Business Day;
  - (c) cannot be cancelled or amended once initiated; and
  - (d) may be queried by you any time after the payment has been initiated.

## Part M

### SEPA CT Service

#### 1. SEPA CT Service

- 1.1 You:
  - (a) agree to comply with and act in accordance with the SEPA CT Scheme Rules and this Agreement;
  - (b) authorise us to process refund, return, recall requests on your behalf in accordance with this Part M (SEPA CT Service); and
  - (c) acknowledge that this Part M (SEPA CT Service) is not an exhaustive list of your obligations.
- 1.2 SEPA CT provides participants with the ability to initiate and receive Euro payments on Business Days.
- 1.3 In using the SEPA CT Service, you must:
  - (a) submit, receive and process SEPA CT payment messages (including credit transfers, returns, recalls, cancellations, status updates and investigations) in the ISO 20022 formats required under the SEPA CT Scheme (including pacs.008, pacs.004, camt.056, camt.029 and related messages);
  - (b) process all SEPA CT returns, recalls, rejects and refunds strictly in accordance with SEPA CT Scheme-mandated timelines, formats and reason codes; and
  - (c) ensure that payer and payee address information is provided only in the structured or hybrid formats permitted under the SEPA CT Scheme (with unstructured formats no longer permitted from the date specified by the SEPA CT Scheme Rules).
- 1.4 By receiving indirect access from us:
  - (a) you will be able to send and receive payments using the SEPA CT Service (by us providing you with indirect technical connectivity through the ClearBank Live API); and
  - (b) we will settle your payments made through the SEPA CT Service on your behalf using an Indirect Third-Party Service Provider in accordance with this Agreement and the SEPA CT Scheme Rules and subject to any applicable Operating Periods.

#### ***Outbound Transactions***

- 1.5 So that each payment made by you through the SEPA CT Service is able to be processed, you must ensure that each payment does not exceed the SEPA CT Outbound Transaction Limit.
- 1.6 You will be able to confirm if a payment made by you through the SEPA CT Service is rejected by reviewing the payment information obtained through the ClearBank API.
- 1.7 We reserve the right to change the SEPA CT Outbound Transaction Limit and we will notify you of any changes.

#### ***Inbound Transactions***

- 1.8 We are not responsible for determining the transaction time or value limits in relation to any inbound payments you receive into any of your Accounts through the SEPA CT Service. Such limits will be imposed on the party sending you the payment by their own PSP in accordance with SEPA CT Scheme Rules.
- 1.9 If you choose to return any inbound payment received through the SEPA CT Service to the originating payer, you must do so in accordance with the SEPA CT Scheme Rules, you will only do so for valid reasons as prescribed by the SEPA CT Scheme Rules.

- 1.10 In the event that you expect to receive a payment through us, we may credit your account with this payment. However, we reserve the right to reverse this if something goes wrong with that payment. For example, if we do not receive the payment for you or must repay it. Typically, this may occur if the payer becomes bankrupt around the time that the payment is made.
- 1.11 You acknowledge that inbound payments may also be reversed, returned or recalled where required under the SEPA CT Scheme, including for operational, fraud-related, sanctions-screening or scheme-mandated reasons.

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# Client Terms

Technology and Security Schedule



+44(0)203 111 2370  
[enquiries@clear.bank](mailto:enquiries@clear.bank)

Level 27, The Broadgate Tower,  
20 Primrose Street, London,  
England, EC2A 2EW

## Part A

### ClearBank API and ClearBank Portal

#### 1. ClearBank API and ClearBank Portal

- 1.1. This Part A of this ClearBank Technology and Security Schedule describes both party's rights and obligations in relation to the ClearBank API and ClearBank Portal.
- 1.2. Use of the ClearBank API and ClearBank Portal is also subject to and governed by the terms and conditions set out elsewhere in this Agreement, and the Policies.
- 1.3. The ClearBank Portal is an online service management portal providing you with access to our core banking platform and the range of banking services we provide to our customers, including the Services.
- 1.4. Within the ClearBank Portal you can generate and manage ClearBank API Tokens, which are required to access and use the ClearBank API.

#### 2. Reports via the ClearBank Portal

- 2.1. Within the ClearBank Portal, you can download:
  - (a) a list of transactions processed on each Account over a specified period, including those for the current day; and
  - (b) a general statement for each Account in either CSV or PDF format, which shows the transactions for that Account for the date range selected.
- 2.2. Statements may also show the transaction date and time, descriptor, identifier field reference, transaction type, counterparty account name, counterparty account number, counterparty sort code, debit or credit code, the amount of the transaction and the Account balance.

#### 3. Access to the ClearBank API

- 3.1. In order to access a ClearBank API, you must comply with the API Documentation at all times. You will not be permitted access to a ClearBank API other than the ClearBank Sandbox API until have been granted API Certification in accordance with Part A of this ClearBank Technology and Security Schedule.
- 3.2. After the Commencement Date, upon your request, we will give you access to the ClearBank Sandbox API so that you may provide, for our reasonable consideration:
  - (a) evidence of the set-up, management and testing of your security infrastructure in respect of your IT System, for our determination on whether you meet the requirements of HSM – FIPS 140 Level 2, or any other standard we nominate or approve;
  - (b) a message:
    - (i) sent electronically from you to a ClearBank API to apply for a digital identity certificate; and
    - (ii) generated using a FIPS 140–2 level 2 compliant Hardware Security Module (HSM) such as Azure KV HSM, Amazon CloudHSM, GoogleCloudHSM, or another module expressly approved in advance by us; and
  - (c) evidence of your completion of all required testing to verify compliance with all product requirements we deem necessary from time to time,

and if in our consideration you have complied with each requirement above, we will grant you API Certification, and you will have access to the ClearBank Live API.

- 3.3. To connect to the ClearBank Live API, you will ensure your Users have correct and current ClearBank Portal permissions to:
  - (a) generate and manage your ClearBank API Tokens; and
  - (b) subscribe to receive webhooks which are required as part of the Services you have elected to receive from us.
- 3.4. You will not change your IT System's security infrastructure, without our prior written confirmation that such change will not affect your API Certification. We may request at least every 12 months during the Term that you confirm that you have complied with this paragraph 3.4, and you shall respond promptly to such request.

## 4. Security

- 4.1. You acknowledge and agree that:
  - (a) it is your responsibility to maintain the security of the IT Systems you use to connect to the ClearBank API and ClearBank Portal; and
  - (b) your access to the ClearBank API and ClearBank Portal is subject to you downloading an Authenticator Application.
- 4.2. You will ensure that all Users keep any username and password they use to access the ClearBank API or ClearBank Portal through an Authenticator Application secure at all times. Users may be required to change their passwords from time to time and we will notify you of this requirement via the ClearBank Portal.
- 4.3. You acknowledge and agree that all messages and instructions provided to us via the ClearBank API will be sent using your ClearBank API Token and/or mTLS certificate and will be authenticated using the security and encryption procedures set out in the API Documentation.
- 4.4. You will ensure that all security credentials used to validate your access to the ClearBank API or ClearBank Portal, and that all ClearBank API Tokens, private keys and certificates used to transmit messages to the ClearBank API, are kept secure at all times. You acknowledge and agree that:
  - (a) we may replace or update such authentication details at any time;
  - (b) such authentication details may expire automatically from time to time, and it is your responsibility to renew such details; and
  - (c) failure to renew or update such authentication details may prevent you from using the Services via the ClearBank API or ClearBank Portal.
- 4.5. When using the ClearBank Live API, you must ensure that private keys are:
  - (a) kept secret;
  - (b) generated and stored in a User's physical or cloud-based cryptographic module that is at least compliant with FIPS 140-2 level 2 or a similar standard that affords an equivalent level of assurance; and
  - (c) generated from a cryptographic module and managed with appropriate assurances, including cryptographic protection and access control, so that only a User may determine the value of the plain text private key.
- 4.6. You acknowledge and agree that any messages or webhooks which we send to you are sent to a secure domain only accessible by Users, and you are responsible for

maintaining the operation and security of this domain. You will respond to such messages or webhooks in compliance with the API Documentation.

- 4.7. You will notify us as soon as possible if you become aware of, or reasonably suspect, any unauthorised use of or access to the ClearBank API or ClearBank Portal, or unauthorised disclosure of any relevant username or password.
- 4.8. You acknowledge and agree that you are responsible for monitoring the access gained to your Accounts within the ClearBank API or ClearBank Portal and the actions taken within those Accounts and for notifying us as soon as possible if any Account is compromised.

## 5. Technical Requirements

- 5.1. Without prejudice to paragraph 3.4 of this Technology and Security Schedule, you will notify us as soon as practicable of any planned material changes to the technical specifications of your IT Systems to the extent such changes may affect the manner in which you use the ClearBank Live API or ClearBank Portal.
- 5.2. If changes to your IT Systems' technical specifications mean you are unable to access or use the ClearBank Live API or ClearBank Portal:
  - (a) we may revoke your existing API Certification and require you to repeat the steps in paragraph 3.2 of this Technology and Security Schedule and obtain a new API Certification; or
  - (b) terminate Part A of this Technology and Security Schedule immediately upon providing written notice to you.
- 5.3. You will promptly comply with all reasonable requests from us in relation to the maintenance and operation of the ClearBank API or ClearBank Portal.

## Part B

### Service Uptime, Changes and Interruptions

#### 6. Service Uptime

- 6.1. We will endeavour to achieve 99.7% Service Uptime, measured on a per-calendar year basis.
- 6.2. "**Service Uptime**" means the ability for you, via the ClearBank Live API, to initiate payment instructions and to extract details of settled transactions via the following ClearBank endpoints:
- POST/Payments/{scheme}; and
  - GET/Transactions.
- (each an "**Endpoint**").
- 6.3. "**Unplanned Outages**" means any outage of an Endpoint, except outages of Endpoints:
- (a) where it is due to the Planned Maintenance or we have given you prior written notice of the outage in accordance with paragraph 7 of this Technology and Security Schedule;
  - (b) where an outage has occurred at a Payment System; or
  - (c) where an outage has occurred as a result of your breach of our Acceptable Use Policy.
- 6.4. The Service Uptime for the calendar year in which the Commencement Date occurs will be calculated (and rounded to the nearest one decimal place) as follows:
- $$\text{Availability} = 100 \times ((A - B) \div A)$$
- Where:
- A** means the total number of minutes remaining in the calendar year from the first day of the calendar month following the Commencement Date; and
- B** means the total number of minutes of Unplanned Outages for the remainder of the calendar year from the first day of the calendar month following the Commencement Date.
- If the first full calendar month following the Commencement Date is January, then this paragraph 6.4 will not apply, and paragraph 6.5 of this Technology and Security Schedule will apply.
- 6.5. The Service Uptime for the second and subsequent calendar years after the Commencement Date, will be calculated (and rounded to the nearest one decimal) as follows:
- $$\text{Availability} = 100 \times ((A - B) \div A)$$
- Where:
- A** means the total number of minutes in the calendar year.
- B** means the total number of minutes of Unplanned Outages in that calendar year.
- 6.6. You may request information on the Service Uptime once per calendar year during the Term by contacting us through such processes set out in the Knowledge Centre.

## 7. Service Changes and Interruptions

- 7.1. We provide services to our customers (including the Services we provide to you) in a ring-fenced environment via a centralised platform and we may enhance, modify or update any of the Services or the Deliverables ("**Service Updates**") (subject to paragraph 5.1 of this Technology and Security Schedule), including where required to comply with Applicable Law or Regulatory Authority direction, or to rectify errors, improve security or change the scope of services that we provide. We will endeavour to implement Service Updates with minimal disruption to your use of the Services or Deliverables.
- 7.2. Where Service Updates are required to comply with Applicable Law or Regulatory Authority direction, or are critical to the provision of the Services or Deliverables, including any urgent or Emergency Maintenance, then, to the extent it is necessary to do so, we may implement the Service Updates immediately, provided that we will notify you of each Service Update as soon as reasonably practicable after its implementation if we reasonably believe it has adversely impacted or may adversely impact the Services or Deliverables.
- 7.3. Without limiting paragraphs 7.1 or 7.2 of this Technology and Security Schedule, the table below sets out the notification obligations agreed between the parties.

|                                              | ClearBank Portal                                                                                                                                                                                                                                                                                                                                                                       | ClearBank API                                                                                                              |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Notification of system access changes</b> | We will provide you with at least 15 Business Days' notice of any planned changes to the technical specifications of the systems used to access the ClearBank Portal.                                                                                                                                                                                                                  | Not Applicable.                                                                                                            |
| <b>New features &amp; enhancements</b>       | We will provide you with at least 5 Business Days' notice of any material changes being implemented to the ClearBank Portal.                                                                                                                                                                                                                                                           | We will provide you with at least 5 Business Days' notice of any material changes being implemented for the ClearBank API. |
| <b>Planned Maintenance</b>                   | Each Tuesday on a fortnightly basis (starting from the first Tuesday of each calendar year) between the hours of 03:00 and 07:00 (which may change to another day and time of the week in the future) planned Maintenance will occur.<br><br>Notwithstanding anything else in this table, we will provide you with at least 10 Business Days' notice of all other planned Maintenance. | Same as Planned Maintenance for the ClearBank Portal.                                                                      |

- 7.4. We will support the accessibility and maintenance of each API Version for at least 12 months following its release. We will provide you with at least 6 months' notice of any withdrawal or retirement of an API Version, unless otherwise notified by us that a shorter time period will apply to an API Version we release:
- (a) to comply with a change in Applicable Law or direction from a Regulatory Authority; or

- (b) because such release is critical to ensure the continued the provision of the Services or Deliverables,  
and in any case you will be notified by email, and as updated in the API Documentation, of any API Version release.

## Part C

### IT Security

#### 8. IT Security

- 8.1. We will align our IT, cyber and security operational controls with industry practice (including maintaining ISO 27001 or equivalent certification) and will take reasonable steps to prevent the unauthorised use of or access to IT systems owned by us and used in connection with the provision of the Services.
- 8.2. We will put in place security measures which seek to ensure that:
  - (a) only authorised Personnel have need-to-know access to your data and the software and equipment used to process your data to the extent necessary to perform their relevant roles in relation to the Services; and
  - (b) any person whom we authorise to have access to your data will comply with obligations contained in Part C to this Technology and Security Schedule.
- 8.3. Without limiting either party's other obligations under this Agreement, neither party will:
  - (a) do anything that is likely to adversely interfere with the other party's business, systems or operations; or
  - (b) knowingly or recklessly transmit any data or send or upload any material that contains viruses, Trojan horses, worms, time-bombs, keystroke loggers, spyware, adware, malware, ransomware or any other harmful programs or similar computer code designed to adversely affect the operation of any of the other party's IT systems.
- 8.4. If either party becomes aware of any event, or a series of linked events, which it reasonably believes has or may have an adverse impact on the security, integrity, availability, confidentiality, authenticity or continuity of service you provide to your Clients using our Services ("**Incident**"), that party will notify the other party as soon as practicable after becoming aware of such Incident and we will promptly carry out an investigation of the Incident.
- 8.5. After conclusion of our investigation, we will provide you with a full description of the Incident, including any information that may assist you to promptly and accurately assess the nature, extent and likely consequences and duration of the Incident, except to the extent we are prohibited by Applicable Law, Regulatory Authority or contractual obligation from doing so.
- 8.6. We will provide all reasonable assistance in relation to an Incident as requested by you, which may include:
  - (a) undertaking a more-detailed investigation into the Incident and reporting our findings to you (except to the extent we are prohibited from doing so by Applicable Law, a Regulatory Authority or contractual obligation);
  - (b) providing a remediation plan setting out the steps we are taking to resolve the Incident;
  - (c) keeping you informed of all remedial actions relating to the Incident until such time as the Incident is resolved; and
  - (d) assisting you with any notification concerning the Incident that you make or are required to make to a Regulatory Authority or your affected Clients.

- 8.7. Without limiting any other obligation or liability under this Agreement, to the extent that our investigation of an Incident shows that you or your Group members, Direct Third Party Service Providers or Clients caused or contributed to such Incident, you are responsible for covering our reasonable costs incurred in investigating and rectifying the Incident commensurate to the extent of that person's responsibility for such Incident.

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# Client Terms

Exit Assistance Schedule



+44(0)203 111 2370  
[enquiries@clear.bank](mailto:enquiries@clear.bank)

Level 27, The Broadgate Tower,  
20 Primrose Street, London,  
England, EC2A 2EW

## 1. Exit Assistance

- 1.1 Upon termination of this Agreement (in whole or part), if you are transitioning to a Replacement Service Provider and you wish us to cooperate with you, the relevant Payment System Operators and your Replacement Service Provider, to assist with your transition of the Services provided under this Agreement to such Replacement Service Provider, this Exit Assistance Schedule will apply.
- 1.2 Following termination of this Agreement, we will:
  - (a) make your data available to you for a maximum period of 91 days only, after which we may destroy or retain your data in accordance with this Agreement; and
  - (b) revoke any Smart Card certificates that are not required for the relevant SUNs that have been terminated or transferred to your Replacement Service Provider.
- 1.3 In addition to our support pursuant to paragraph 1.1 of this Exit Assistance Schedule, you may request that we provide Exit Assistance by sending us reasonable written notice to that effect. You will endeavour to provide such notice as soon as reasonably practicable after becoming aware of the effective date of termination of this Agreement, and no later than 5 Business Days after either party receives a notice of termination. Your Exit Assistance notice will specify:
  - (a) the nature and extent of the Exit Assistance you require; and
  - (b) the period during which you require the Exit Assistance, which will not exceed 3 months from the date of the relevant termination.
  - (c) If requested by you pursuant to paragraph 1.3 of this Exit Assistance Schedule, and subject to the rest of this Exit Assistance Schedule, we will provide reasonable assistance and co-operation to you to support:
  - (d) your orderly exit from any of the Services;
  - (e) the orderly transition of any of the Services from us to services which you or a Replacement Service Provider provides (each a "**Transitioning Service**"); and
  - (f) the transfer of any relevant information (excluding our Confidential Information and IPR) pursuant to the Exit Management Plan to you or a Replacement Service Provider, which is reasonably required for the provision of any Transitioning Service,(together, the "**Exit Assistance**").
- 1.4 Within 10 Business Days of you providing notice to us in accordance with paragraph 1.3 of this Exit Assistance Schedule, unless we have declined to provide Exit Assistance under paragraph 1.7 of this Exit Assistance Schedule, each party will appoint an exit manager and provide written notification of such appointment to the other party. The exit managers will liaise with one another in relation to all matters relevant to the exit activities (including any Exit Assistance) and each party's compliance with this Exit Assistance Schedule and this Agreement.
- 1.5 During any period of Exit Assistance, we will continue to provide the exiting Services and Transitioning Services to you in accordance with this Agreement and the parties will agree a plan which sets out:
  - (a) the timing for the exiting Services and the Transitioning Services;

- (b) details of the Exit Assistance which we will provide and what steps we will endeavour to take to minimise any disruption to the provision of the Transitioning Services and to your business;
  - (c) the process of transferring your sort codes issued by us to you under this Agreement back to your bank codes (if applicable, and subject to the Payment System Operator agreeing to such transfer); and
  - (d) the Charges and other additional reasonable costs applying to our provision of Exit Assistance,

(the "**Exit Management Plan**").
- 1.6 The parties will commence discussions to document the Exit Management Plan at any time during the Term but no later than 5 Business Days after either party receives a notice of termination.
- 1.7 Notwithstanding any provision in this Exit Assistance Schedule, we may at our discretion at any time decline or cease to provide such Exit Assistance or participate in an Exit Management Plan (subject to our compliance with Applicable Law) if:
  - (a) we have terminated the Agreement under clause 41.3;
  - (b) you fail to pay us any of the Charges, or any additional reasonable cost you owe us for any Exit Assistance;
  - (c) you breach Applicable Law; or
  - (d) we cannot reasonably provide such Exit Assistance.
- 1.8 The Charges for any Exit Assistance will be payable by you in accordance with the terms of the Exit Management Plan and this Agreement and we may charge you for any additional reasonable costs we incur providing any incidental additional Exit Assistance to you beyond the scope of the Exit Management Plan on a time and materials basis, in accordance with fee rates agreed in the Exit Management Plan.
- 1.9 The Charges for any exiting Services and Transitioning Services during the period of Exit Assistance will be:
  - (a) the Charges for those Services that would otherwise apply in accordance with this Agreement until the time that each exiting Service is terminated and each Transitioning Service is transitioned (unless the parties otherwise agree in the Exit Management Plan); and
  - (b) payable by you in accordance with the terms of the Exit Management Plan and this Agreement.
- 1.10 Each party will comply with its obligations contained in the Exit Management Plan. If you do not comply with your obligations under the Exit Management Plan, we will not be required to continue to provide the Exit Assistance.
- 1.11 You will, at our reasonable request, require any Replacement Service Provider and any personnel and agents of that Replacement Service Provider, to enter into a confidentiality undertaking on terms that are reasonably satisfactory to us, in connection with our provision of Exit Assistance to you.
- 1.12 Notwithstanding any other provision in this Exit Assistance Schedule, you will be responsible for the overall management of all arrangements relating to the termination of this Agreement and the termination of the exiting Services and transition of the Transitioning Services.

- 1.13 Although we will endeavour to minimise any disruption and deterioration of each Transitioning Service during its transition, there will be periods where a Transitioning Service will be unavailable or will not function at its full capacity.
- 1.14 During the period of Exit Assistance, the parties may agree in writing to extend the period of Exit Assistance beyond that notified by you under paragraph (b) of this Exit Assistance Schedule, subject to the parties agreeing a new version of the Exit Management Plan, and any increase in the Charges, to apply to that extension period.
- 1.15 You may cancel the Exit Assistance at any time by providing us with at least 10 Business Days' written notice and our obligation to provide you with the Exit Assistance will cease at the end of that notice period. You will remain liable for any Charges incurred for any Exit Assistance provided prior to the cessation of the Exit Assistance.