

SERVICE SCHEDULE**SUPPLEMENTAL TERMS AND CONDITIONS APPLYING TO
SEPA CORE/B2B DEBTOR DIRECT DEBIT PAYMENT SERVICES**

These terms and conditions are incorporated into and form part of each separate Agreement which is deemed to exist in accordance with Clause 3.1 of the Global Client Account Agreement (the "**GCAA**") in respect of Accounts maintained at any of our branches in the European Economic Area. These terms and conditions govern in the event of any discrepancy between them and other terms of the GCAA, unless the relevant term has been amended by the Jurisdiction Schedule, in which case that GCAA term as amended by the Jurisdiction Schedule will govern. Save as modified, supplemented or varied by these terms and conditions, the provisions of the Agreement remain in full force and effect.

1 DEFINITIONS

1.1 For the purpose of this Schedule, the following terms have the following meanings:

"Authorised Account" means any and each Account held by you with us in relation to which you have authorised a Mandate.

"Clearing" means the process of transmitting, reconciling, and confirming payments of different types and the establishment of a final position for settlement either on an individual transaction basis or on a periodic basis for aggregated or netted positions.

"Collection" means a payment transaction initiated by the Creditor under which an amount is to be collected from your Authorised Accounts in accordance with the relevant Rulebook.

"Creditor" has the meaning given to it in the relevant Rulebook.

"Creditor Bank" means the bank where the Creditor's account is held and which has concluded an agreement with the Creditor about the rules and conditions of a product based on the relevant Rulebook.

"CSM" means a Clearing and Settlement mechanism which allows participants to the SEPA Direct Debit Scheme or their branches to clear and settle payments made between them as described in the relevant Rulebook.

"Direct Debit" means the payment instrument governed by the rules of the SEPA Direct Debit Scheme for making direct debit payments in euro from your Authorised Accounts to the account of a Creditor.

"Mandate" means the expression of consent and authorisation given by you to allow your Creditor to send instructions to us to initiate Collections for debiting your Authorised Accounts and to allow us to comply with such instructions in accordance with the relevant Rulebook.

"Payment Services Directive" means Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market and any relevant national implementing legislation including any successor legislation in force from time to time.

"Refunds" means claims by you for the reimbursement of a Direct Debit pursuant to Clauses 3.4 and 3.5 of this Schedule in accordance with the rules and procedures set out in the SEPA Core Direct Debit Scheme Rulebook or the Payment Services Directive (as applicable). A request for a Refund must be sent to us (as Debtor Bank) after Settlement and within the period specified in section 4.3 of the SEPA Core Direct Debit Scheme Rulebook or the Payment Services Directive (as applicable).

"Refusals" means claims initiated by you before Settlement, for any reason, requesting us not to pay a Collection in accordance with the conditions agreed with you and resulting in us rejecting the associated Collection.

"Rejects" means Collections which are diverted from normal execution, prior to inter-bank Settlement, for the following reasons:

- (a) technical reasons such as invalid format, wrong IBAN check digit;
- (b) we are unable to process the Collection for such reasons as are set out in Article 78 of the Payment Services Directive;
- (c) we are unable to process the Collection for such reasons as are set out in section 4.2 of the relevant Rulebook (e.g. account closed, account does not accept direct debits); or

(d) you made a Refusal request to us.

"Returns" means Collections that are diverted from normal execution after inter-bank Settlement and which are initiated by us.

"Reversals" means reimbursement to you by a Creditor (or initiated by the Creditor Bank) where the Creditor concludes that a Collection should not have been processed.

"Rulebook" means the SEPA Core Direct Debit Scheme Rulebook and/or the SEPA Business to Business Direct Debit Scheme Rulebook, as applicable, and as amended from time to time by the European Payments Council.

"SEPA Business to Business Direct Debit Scheme" means the payments scheme for making direct debits across SEPA pursuant to the SEPA Business to Business Direct Debit Scheme Rulebook;

"SEPA Core Direct Debit Scheme" means the payments scheme for making direct debits across SEPA pursuant to the SEPA Core Direct Debit Scheme Rulebook;

"SEPA Direct Debit Schemes" means the SEPA Business to Business Direct Debit Scheme and the SEPA Core Direct Debit Scheme;

"Services" means the services, pursuant to the SEPA Core and Business to Business Direct Debit Schemes in respect of executing Collections of direct debits originated by a Creditor, of debiting your Accounts in accordance with the procedures set out in the relevant Rulebook as further described in Clause 2 below (the "**Service**");

"Settlement" means the act that discharges obligations through the Clearing process between a Creditor Bank and us (as Debtor Bank) with respect to the transfer of funds.

1.2 Capitalised terms not defined in this Schedule will be construed in accordance with the relevant Rulebook.

1.3 References to "Accounts" will include Accounts maintained at in any of our branches in the European Economic Area.

2 THE SERVICE

2.1 You request and authorise us to execute each Collection of a Direct Debit originated by a Creditor in accordance with the relevant Mandate by debiting your Authorised Accounts in accordance with the provisions of the relevant Rulebook.

2.2 You have the right to instruct us to completely prohibit the application of Direct Debits to one or more of your Authorised Accounts.

2.3 In the event that the provisions of this Schedule are inconsistent or conflict with the provisions of the relevant Rulebook, the provisions of the relevant Rulebook will prevail.

2.4 You undertake to us:

(a) to comply with the provisions of the relevant Rulebook relating to Debtors;

(b) to comply with the terms of Mandates agreed with your Creditors;

(c) to claim Refunds only in accordance with the relevant timing requirements set out in the relevant Rulebook and/or the Payment Services Directive (as applicable);

(d) to resolve any disputed Collection directly with the Creditor concerned, and you acknowledge and accept that our obligations and the obligations of the Creditor Bank under the relevant Rulebook are not subject to claims or defences under the contractual or other arrangements in place between you and the Creditor;

(e) at our request, to complete any forms and provide all information that, in our reasonable opinion, are necessary for us to provide or you to receive, the Service; and

(f) to notify us immediately if you wish to use another Account in respect of a Collection or if you wish to use an account at another bank, or of any change to any other information contained in the Mandate relevant to the provision by us of the Service.

- 2.5 Where you are using the SEPA Business to Business Direct Debit Scheme, you further undertake to us:
- (a) to notify us immediately if you no longer qualify to participate as a Debtor in the SEPA Business to Business Direct Debit Scheme since you can no longer be classified as a Business Customer under the relevant Rulebook;
 - (b) to provide us immediately with a copy of each new Mandate and any additional information we may require in this respect, so as to enable us to perform our checking obligations under the relevant Rulebook; and
 - (c) to inform us of any amendments to or cancellation of the Mandate before this takes effect and before the due date of the next Collection.
- 2.6 We will inform you of any change to our name, address, BIC Code or other information about us required in the Mandate or otherwise needed for us to effect Direct Debits under this Schedule, and will inform any other party of such changes where required under the relevant Rulebook.

3 REJECTS, RETURNS AND REFUNDS

- 3.1 We will effect all Rejects, Returns and Refunds in respect of your Authorised Accounts in accordance with the relevant Rulebook, even if the relevant Authorised Account is closed.
- 3.2 We are entitled under the provisions of the relevant Rulebook to reject a Collection prior to Settlement, either for technical reasons or because we are unable to accept the Collection for other reasons (including, without limitation, such as the Account is closed, the Account does not accept direct debits, or for reasons pursuant to Article 78 of the Payment Services Directive or our policy). If you wish to initiate a Refusal claim in respect of a Direct Debit prior to Settlement, on your instructions we will reject the Collection in accordance with the provisions of the relevant Rulebook.
- 3.3 We are entitled under the provisions of the relevant Rulebook to return a Collection after Settlement, either for technical reasons or because we are unable to accept the Collection for other reasons (including, without limitation, such as the Authorised Account is closed, the Authorised Account does not accept direct debits, or for reasons pursuant to Article 78 of the Payment Services Directive or our policy). If you wish to refuse a Direct Debit within the applicable time period we will return the Collection in accordance with the provisions of the relevant Rulebook. For the purposes of this Clause, the return can take place up to:
- (a) five (5) Inter-Bank Business Days after the Settlement Date, where you are using the SEPA Core Direct Debit Scheme; or
 - (b) two (2) Inter-Bank Business Days after the Settlement Date, where you are using the SEPA Business to Business Direct Debit Scheme.
- 3.4 Where you are using the SEPA Core Direct Debit Scheme, you are entitled to request a Refund for any Direct Debit within eight (8) weeks from the date on which the amount of the Direct Debit was debited from your Authorised Account. Within this time period we will provide you with a Refund on a no-questions-asked basis, irrespective of whether the Direct Debit payment was authorised or unauthorised.
- 3.5 If your request for a Refund concerns an Unauthorised Transaction, you must present your claim to us within thirteen (13) months of the debit date in accordance with Article 58 of the Payment Services Directive. We will determine whether a transaction may be considered as being unauthorised in accordance with the procedures set out in the relevant Rulebook.
- 3.6 You acknowledge that obtaining a Refund does not relieve you of your responsibility to resolve any issues in respect of the disputed Collection with the Creditor, nor does the payment of a Refund by us prejudice the outcome of such a dispute.
- 3.7 We will process any Reversal made in your favour by a Creditor.
- 3.8 Without delay, at your request, we will seek all relevant information relating to a Collection and a copy of the relevant Mandate from the Creditor Bank and will provide to you without undue delay such information relating to the Mandate as has been made available to us by the relevant Creditor Bank.
- 3.9 You will resolve, directly with the Creditor, all disputes concerning the commercial relationship between you and the Creditor and any debts due and payment made, or to be made, in respect of such commercial arrangements.

4 PROCESSING

- 4.1 We accept no liability for the processing by any CSM of Direct Debit instructions we receive.
- 4.2 We reserve the right to refuse to process any Direct Debit instructions or effect any Collection, without prior notice, where any such instructions are not transmitted to us in accordance with this Schedule or the relevant Rulebook.

5 LIABILITY

Subject to your rights under the relevant Rulebook:

- 5.1 You are fully and solely liable for the amendment of Mandate characteristics for which you are responsible should one or more of these characteristics change within the lifetime of the Mandate. Such amendments will include any change in the identity of the Authorised Account (either to another account with us or at another Bank). You undertake to immediately clarify any doubts which we may have regarding your or the Creditor's bank details pertaining to any Mandate.
- 5.2 You are also solely liable for conformity with the agreements entered into with Creditors and with this Schedule.
- 5.3 You acknowledge and agree that we or any CSM are in no way connected with agreements entered into between you and any Creditor, and as such have no liability and will not be answerable for any breach pertaining thereto, even where occasioned as a result of our acting on or relying on any Direct Debit instruction.
- 5.4 We will also not be liable for the origin and destination of funds, nor for the content of Direct Debit instructions transmitted to us, and you will have sole liability for the same.
- 5.5 We will process each Direct Debit you transmit to us in accordance with your instructions and we will not be under any obligation to enquire into whether the instruction should have been processed pursuant to the SEPA Business to Business Direct Debit Scheme Rulebook or the SEPA Core Direct Debit Scheme Rulebook.
- 5.6 You will reimburse us for any Refunds or similar payments that we may be liable for in relation to a Direct Debit under the relevant SEPA Direct Debit Scheme where you have made an error as to the applicable type of SEPA Direct Debit Scheme to which the Mandate relates.
- 5.7 Our duties in respect of the Service are limited to those expressly set out in this Schedule, and no duty to check any document or instruction will be implied. Without limitation to Clauses 5 and 6 of the GCAA, we will have no liability whatsoever in connection with this Schedule or the Service provided under this Schedule, other than for any actual damages incurred by you as a direct result of our negligence, fraud or wilful misconduct.
- 5.8 Without limitation to Clause 5.6 of this Schedule, you agree to indemnify us, which, for the avoidance of doubt for the purposes of this Clause 5.8, will include all of the subsidiaries of Bank of America Corporation that provide services to you in connection with this Schedule collectively, and to keep us indemnified on demand from and against any and all losses, claims, actions, proceedings, judgments, orders, liabilities, demands, damages, fees, charges, costs and expenses (including, without limitation, legal fees and allocated costs for in-house legal services) (collectively "**Damages**") incurred or sustained by us arising out of or in connection with:
 - (a) this Schedule;
 - (b) the arrangements contemplated by this Schedule;
 - (c) your failure to comply with the undertakings set out in Clauses 2.5 and 2.6 of this Schedule (where applicable);
 - (d) any Direct Debit instructions and/or our acting or relying on any Direct Debit instructions; or
 - (e) us acting on your instructions and processing a Direct Debit under the SEPA Direct Debit Scheme indicated by you as being applicable, where you have made an error as to the type of SEPA Direct Debit Scheme to which the Mandate relates,

except in the event such Damages are directly caused by our negligence, fraud or wilful misconduct. Such indemnity will survive termination of this Schedule. This indemnity is additional to and will not be affected by any other indemnity from you.

6 REPRESENTATIONS AND WARRANTIES

6.1 You represent and warrant to us that:

- (a) where you are using the SEPA Business to Business Direct Debit Scheme you qualify to participate as a Debtor in such scheme and can be classified as a Business Customer under the terms of the Rulebook;
- (b) you will transmit to us Direct Debits under the appropriate SEPA Direct Debit Scheme for us to process and you acknowledge that we have no obligation to enquire into whether you have transmitted your instructions under the appropriate SEPA Direct Debit Scheme.

7 TERMINATION

7.1 We (collectively or singularly) may terminate the Service hereunder effective immediately, and we will send you notice of the termination, if any of the following occurs

- (a) you breach any of the terms of this Schedule;
- (b) you terminate, liquidate or dissolve your business or dispose of a substantial portion of your assets;
- (c) you fail generally to pay your debts as they become due;
- (d) you voluntarily or involuntarily, become the subject of, or in respect of you any corporate action, legal proceedings or other procedure or step is taken in relation to, any bankruptcy, insolvency, reorganisation, liquidation, receivership, administration or other similar proceeding;
- (e) you initiate, or in respect of you any step is taken in relation to, any composition, compromise, assignment or arrangement with your creditors;
- (f) you seek or become subject to, or in respect of you any corporate action, legal proceedings or other procedure or step is taken in relation to, the suspension of your payments or a moratorium of any of your indebtedness, or the appointment of an administrator, liquidator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official in respect of you or all or any part of your assets;
- (g) you experience a material adverse change in your financial condition or your ability to perform your obligations under this Schedule;
- (h) any analogous event specified in (b) to (g) (inclusive) of this Clause 7.1 occurs;
- (i) where you are using the SEPA Business to Business Direct Debit Scheme, you cease to be eligible to be classified as a Business Customer under the relevant Rulebook; or
- (j) you fail to satisfy the essential operating requirements of the CSM.

7.2 Notwithstanding any such termination, we may debit your Account with us for, and you will pay to us on demand and without undue delay, any sums required to be paid to any Creditor (directly or via another deposit bank) in accordance with the provisions of the relevant Rulebook. This Clause 7.2 will survive termination of the Agreement.

8 GOVERNING LAW AND JURISDICTION

8.1 The terms of this Schedule and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with English law.

8.2 Each of the parties irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any disputes and all matters which may arise out of or in connection with this Schedule (including any dispute or matter regarding any non-contractual obligations arising out of or in connection with this Schedule) and that accordingly any proceeding, suit or action which may arise out of or in connection with this Schedule ("**Proceedings**") may be brought in such courts, and that nothing contained in this Schedule will limit our right to take Proceedings against you in any other court of competent jurisdiction, nor will the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.