

HBL



TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS

With effect from 1st April 2010



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Terms and Conditions – Business Accounts

These terms and conditions are a contract between you and us - Habib Allied International Bank plc (trading as Habib Bank UK). Please read them carefully and retain them for future reference. When you apply to open an account, you accept these terms and conditions. They:

- apply to any accounts you have with us;
- explain our obligations to you and your obligations to us; and
- apply to all our services provided to you although these terms and conditions may be added to or varied by specific terms and conditions for certain services.

Please note that certain of these terms and conditions may **NOT** be relevant to a savings account or a fixed/term deposit account, for example:

- those terms relating to cheque books or payments by standing order or direct debit will not apply as these services are not available for savings accounts or fixed/term deposit accounts; or
- those terms relating to borrowing or overdrafts will not apply as you may not borrow on a savings account or a fixed/term deposit account.

Please refer to your branch if you are uncertain as to what services are available in respect of your account.

1. Definitions

In these terms and conditions:

"account" means each or any account held by you with us and "accounts" means all of them including payment accounts.

"branch" means a place of business of the Bank.

"You", "your" or "payer" means the account holder(s) set out in the separate account operating instructions you provide to us from time to time

covering your accounts (or any of them) with us, and includes, in particular the business customers defined below:-

- **Sole trader** - a person operating a business in his or her own name, or under a trade name;
- **Partnership** - two or more people operating an unincorporated business together with a view to making a profit from their activities;
- **Corporate Customers** - a limited or unlimited company incorporated in the UK or abroad, limited liability partnerships and other corporate bodies; and
- **Club, society, association, personal representative, trustee, charity or other group** - a person, group or body providing a service or benefit for the benefit of its members or others as applicable.

"Payee" means a person who is intended recipient of funds, which have been the subject of a payment transaction.

"Payment order" means any instructions by you to us requesting execution of a payment transaction.

"Payment transaction" means an act, initiated by you, of placing, transferring or withdrawing funds, irrespective of any underlying obligation between you and payee.

"Schedule of charges" means the separate schedule setting out our charges from time to time. The current schedule of charges is displayed in our branches and on our website (www.habibbankuk.com) and is available upon request.

"We", "us", "our" means Habib Allied International Bank plc (trading as Habib Bank UK) and our successors in title and/or assigns.

"working day" means any day from Monday to Friday, except for a public holiday.

The following ways of making payments are referred to in these terms and conditions and are briefly defined below:

- **Standing order** — this is an instruction you have given to your branch to make payments from your current account for a specified amount on named dates, to a stipulated account.
- **Direct debit** — means a payment service for debiting the payer's i.e. your payment account where a payment transaction is initiated by the payee on the basis of consent given by you to the payee, to the payee's payment service provider (bank) or to the payer's own payment service provider (us) The amount(s) and date(s) can either be fixed or they can vary.

"Habib Bank Group" - Habib Allied International Bank plc is a subsidiary of Habib Bank Limited. Habib Bank UK Group means Habib Bank Limited and each of its subsidiaries (including Habib Allied International Bank plc)

2. Revisions to the Terms and Conditions

We may, at our discretion, change these terms and conditions. We will inform you of these changes by notice displayed in our branches and/or on our website (www.habibbankuk.com) and/or by other means as we deem appropriate (which may include messages contained in your statement). Such notice may at our discretion, either detail the changes or, instead, may state that there have been changes and set out from where a copy of the revised terms and conditions may be obtained. The changed terms and conditions will apply from the date specified in the notice. We may also agree separate terms with you in writing.

If a change is to your disadvantage, we will give you not less than 30 days prior written notice before we make it. We may make any other change immediately and tell you about it within 30 days. If we make a disadvantageous change, at any time up to 60 days from the date we tell you of it, you may switch any account affected or close such account(s) without having to pay any additional charges or interest beyond what you would have had to have paid had we not made the change.

If we make a major change or a large number of minor changes in any one year, we will give you a copy of your new terms and conditions or a summary of the changes.

3. Services

Our branches will generally be open between 9.15 am to 4.30 pm each working day. These timings may vary at some branches, and will be displayed at each branch. Please refer to your branch for full details of their opening hours.

4. Contacting each other

We may contact you by post, telephone, fax or email by using the latest mailing address, telephone number(s) or email address that you have given us. It is your responsibility to ensure that we have your current contact details. We will normally contact:

- For a Sole Trader account - the principal; or
- For a Partnership; Corporate Customer; Club; society; association; personal representative; trustee; charity; other group; account – one of the authorised signatories for the account or an individual specifically designated as our point of contact with you. The designated individual is responsible for passing information we send to the other partners, directors, office bearers.

You can contact us at the appropriate address, telephone number or email address we give you.

We may record or monitor telephone calls between us so that we can check instructions and make sure that we are meeting our service standards.

5. Opening an account / documentation required

To open an account, the Sole Trader, Partners, Directors of the Company and Office bearers of club, society, etc, must be at least 18 years old.

When you apply to open an account with us we will ask you for certain information (including, without limitation, both the business and principal's proof of identity, proof of address and financial standing) to help protect you, us and third parties against fraudulent use of the banking system. You must tell us of any variations to any of these documents or the facts contained in them after you have provided them to us.

We may also wish to seek references and other information, which will enable the bank to make an informed decision. For full details of the information required please refer to our website (www.habibbankuk.com) or to the business manager in our branches. While considering an application to open an account we may, like other banks, use credit scoring and make a credit reference agency (CRA) search, which the CRA records. We reserve the right to decline your application to open an account with us.

We will check the validity of any identification document you provide to prove your identity, with the Issuing Authority of that document.

We may also require certain other documents and we shall inform you of our requirements when you apply to open an account. For your information, our requirements for the following entities will include:

- Company - a copy of its certificate of incorporation, memorandum and articles of association and a board resolution authorising the company to open an account;
- Club, society or association - a copy of the rules and any relevant licenses and

certificates; and

- Partnership or limited liability partnership - a copy of your partnership agreement and, if appropriate, certificate of incorporation.

So that we can pay cheques and other items from your account, we will ask you and any other persons who will sign on the account to complete the following documents - account opening form, customer information form and account mandate. This will show a specimen of each relevant signature and tell us who is authorised to make payments from the relevant account.

5.1 Term Deposit Account

Term deposits are for a fixed period and therefore (subject to the provisions stated below) you should not place your funds in such an account if you may need to have access to them before the term ends.

The term of your deposit is fixed for the period selected by you on the application form (and as subsequently agreed in any rollover). The term will start on the day agreed and as advised to you in writing by us and will continue for the period selected by you on the application form (and as subsequently agreed in any rollover).

You **CANNOT** withdraw your money from your term deposit account until the term ends unless we, on your written request, in our sole discretion agree to allow you to break the term in which case it will be subject to payment of interest and charges as stated in the Banks Schedule of Charges.

5.2 Notice Term Account

Notice Term deposits require such notice as has been selected by you in the application form (or as subsequently agreed in writing) before any withdrawal can be made. Therefore, (subject to the provisions stated below) you should not place your funds in such an account if you may need to have access to them on shorter notice or immediately.

You **CANNOT** withdraw your money from your Notice Term account until the agreed notice ends unless we, on your written request, in our sole discretion agree to allow you to break the term in which case it will be subject to payment of interest and charges as stated in the Banks Schedule of Charges.

6. Giving Instructions

We will accept instructions given in accordance with the relevant account mandate (which you will be required to complete on opening the relevant account). Instructions can be given either in person by visiting a branch or in writing.

Instructions can also be given by telephone, by fax or by email provided that you have completed our standard form of indemnity. Generally, we cannot change or stop an instruction you give by telephone, fax or email (except in certain limited circumstances) because we start processing instructions when we receive them. If we are able to cancel your instruction, we may make a charge.

Before we can act on instructions given to us by telephone, the authorised signatory will be asked specific detailed questions relating to the account and its activity. If you give us an instruction by telephone, fax or email we may ask you to confirm it in writing.

With regard to instructions received by fax or email, we may call the business using the contact telephone numbers held in our records to verify the authenticity of the instructions received.

We may respond and/or communicate with you in respect of any instructions by the same means and by using the same fax or telephone numbers or email address (as applicable) as you used to communicate with us or by using the latest fax or telephone numbers or email address that you have provided to us as we deem appropriate.

You must keep your cheque books, cards, Personal Information Numbers (PINs) and other security details secure. You must tell us immediately if you think someone else may know the security procedures/details including business, personal and/or account details. If you fail to do so, you will be liable for all instructions that we receive and act on even if the instruction was not given by you.

Unless we can show that you have been fraudulent, grossly negligent or have not complied with condition above we will refund your account with any payments we make which you can demonstrate were not authorised by you. We will have no further liability to you. We can ask you for all the information you have about the misuse of security procedures/details, which we may pass to the Police if we think that will be useful.

We will do all that we reasonably can to prevent a breach of security, resulting in unauthorised access to your accounts and the information we hold about you. As long as you have not breached the above conditions, we will accept liability for any loss or damage to you resulting from any breach of security.

We can act on instructions given by you:

- on a document bearing your original signature(s); or
- by telephone, fax or email whether or not they were given by you as long as we have followed the security procedures referred to above. As long as we have followed your instructions correctly, we can deduct the amount of any payment from your account. You agree that we may rely on any information quoted in an instruction as correct.

We can refuse to act on any instruction if:

- we have a good reason for thinking that you did not give us the instruction;
- the instruction is not clear or incomplete;
- or

- we believe that by carrying out the instruction we might break a law, regulation, code or other duty which applies to us.

We can also freeze your account and seek consent from the Serious Organised Crime Agency (or any successor to such body) ("SOCA") if we believe that by carrying out an instruction we might break a law, regulation, code or other duty which applies to us and your account will remain frozen until we have received consent from SOCA in relation to your instructions.

We may apply financial and/or other limits to telephone and computer instructions from time to time. We may vary these limits at any time with immediate effect. We will tell you if your transaction exceeds any of the limits.

7. Minimum Balance

We may, at our discretion, require you to maintain a minimum balance in any or all of your account(s) at anytime. Currently there is a minimum balance requirement of £1,000 on accounts held in Sterling and an equivalent of £1,000 sterling for accounts held in other currencies. We reserve the right to impose a minimum balance requirement and/or to increase or decrease any existing minimum balance requirement.

If we impose or amend any minimum balance requirement we shall notify you of such change in accordance with the section of these Terms and Conditions headed *Revisions to the Terms and Conditions*.

Minimum balance for a term deposit account is £5,000 for accounts held in sterling and an equivalent of £5,000 for accounts held in other currencies.

8. Paying into your account

We will accept the following items for payment into your accounts:

- Cash; and
- Cheques or other items which are payable as follows:
 - Sole Trader - to you or your trading name;
 - Partnership - to any or all partners or your trading name;
 - Company - to the company or its trading name;
 - Club, society association, etc.- to its own name.

You can pay cheques into any account by post, or pay cash and cheques over the counter at any of our branches. We can only accept responsibility for such items after we have received and checked them. Please do not send us cash by post. If you send us cash by post, we advise you to use registered post or a courier company. We accept no liability for cash sent by post regardless of whether it is sent by registered post, courier company or otherwise. If you have incorrectly entered the total of the items being paid into an account on the paying-in slip (bank giro credit), we will correct the error and credit the revised amount to the relevant account. We will tell you we have done this unless the amount is £1.00 or less.

If items are paid into an account on a working day we will normally deal with them that day so long as we receive them before 3.00 pm (save in the case of cash deposits which will normally be dealt with on the same day provided they are received before 4:30 pm) or such other time as may be displayed in our branches. Items paid in after this time will be dealt with on the next working day.

If a cheque, which is paid into an account, is returned unpaid, the sum shown on it will be deducted from the relevant account. Depending on why the cheque was returned unpaid, we will either ask again for payment from the bank of the person who issued it or we will return it to you. There will be a charge to the relevant account for our dealing with any unpaid

cheques. Please refer to our schedule of charges or contact your Business Manager for further details. Please note that different procedures apply to foreign cheques (as defined below) and this are set out below.

Please note that if you have not paid in a cheque within six months from the date of its issue, it will no longer be valid and you should not pay it in for collection/clearing as it will be returned unpaid by the drawee bank and will incur unnecessary bank charges.

9. Foreign Cheques

By “**foreign cheques**” we mean cheques drawn in a foreign currency (whether on a bank in the UK, Channel Islands, the Isle of Man or abroad), or sterling/euro/US\$ cheques drawn on a bank abroad.

If you want to pay in cash or a foreign cheque into an account in another currency, we will convert the amount at our applicable rate of exchange. We will tell you the exchange rate and, where applicable, the fees we charge for negotiating or collecting the cheque. Please see below for more details on paying in foreign cheques.

Where you present a foreign cheque for payment into an account we may negotiate it or send it for collection. These processes are explained below. Please let us know when the foreign cheque is presented whether you want it to be negotiated.

9.1 Foreign Cheques for Negotiation

We may agree to negotiate a foreign cheque although we are not obliged to do so. This means that we will credit the relevant account:-

- with the full amount immediately if the cheque is drawn in sterling (or in a foreign currency and is converted at our applicable rate of exchange) and is credited to a sterling account; or
- with a pre-determined forward value if

credited to a foreign currency account.

However, if the cheque is subsequently returned unpaid, we will deduct from the relevant account either the amount credited or, if we converted the cheque from another currency, the amount reconverted at the exchange rate applicable on the date we make the deduction. This means that if the exchange rate has changed, the amount we deduct could vary from the amount we originally credited. For a cheque that we negotiate, we will deduct our fees at the time that you pay the cheque in. If a cheque is returned unpaid, we will also deduct from the relevant account a further fee at the time it is returned. Any agent's fees may also be payable whether the cheque is paid or not. Please refer to our schedule of charges for details of our fees.

If we negotiate a cheque and it is returned unpaid, we not only have recourse to you, for example by debiting the amount to the relevant account, but also to anyone else who signed or endorsed it.

For details of how and when interest is calculated and applied in relation to amounts credited or debited to an account following negotiation of a foreign cheque, please refer to your branch.

9.2 Foreign Cheques for Collection

We may agree to send a foreign cheque for collection although we are not obliged to do so. This means that we will credit your relevant account only when we have received the money from the bank on which it is drawn.

For a cheque that we collect, we will charge a fee from the proceeds at the time we receive them or, if it is not paid, we will charge a fee at the time we receive the cheque back unpaid. We will also pass on any charges made by our agents and/or the bank on which the cheque is drawn and will deduct these from the proceeds or (if there are none) from the relevant account. Please refer to our schedule of charges for details of our fees.

9.3 General

You must endorse any foreign cheques you pay into your account. This means that you must sign on the back. Your signature should be in the same form as your name on the front of the cheque. For example, if it is payable to "M Khan Ltd" please sign it "M Khan Ltd"; if it is payable to "Muhammad Khan Ltd", please sign it "Muhammad Khan Ltd".

Whilst we take care in choosing our agents when negotiating or collecting foreign cheques, we do not accept liability for any loss, damage or delay, which is not directly due to our own negligence. If exchange control restrictions or some other cause result in us receiving payment in a currency different from that of the cheque, neither we nor our agents will be liable for any loss in exchanging the proceeds into the currency of the relevant account.

Because of difficulties that occur from time to time in relation to foreign cheques drawn on banks abroad, for example exchange control restrictions, we may not always be able to negotiate or collect such cheques for you.

When we refer to foreign cheques, we mean also other forms of foreign payment. Unless other arrangements are in place between you and us in respect of such other forms of foreign payment, the Uniform Rules for Collections, as published by the International Chamber of Commerce from time to time, will also apply to any negotiation or collection of foreign cheques or other forms of foreign payment. Please ask your Business Manager for further details.

10. Paying from your account

10.1 Making a payment

We will make a payment from an account if:

- you authorise it in any of the ways set out in the section headed *Giving us instructions* (see above) of these Terms and Conditions and in any other way we

- have agreed with you; and
- there are enough cleared funds in that account to cover the payment or, in the case of current accounts only, the amount due is covered by an overdraft we have agreed with you.

We will take into account any other payments which we have paid or agreed to pay from that account or which have been authorised (such as direct debits) in assessing whether there are enough cleared funds in such account to cover the payment.

We may, in our absolute discretion, allow you to make a payment from a current account that may cause it to go overdrawn or to go over an overdraft limit we have agreed with you provided that the account in question is a current account. This does not mean we are willing, nor are we under any obligation, to do so another time.

You should only write cheques in sterling on a sterling account. If you need to make a payment in a currency other than sterling, please speak to your Business Manager who can advise you on the best way to do so.

For making payments in a currency other than sterling, details of rates of exchange and the fees we may charge are available on request.

10.2 Stopping a payment

If you want to stop a cheque, or cancel a standing order or direct debit instruction on your account, you should advise your branch (or such other person(s) as we tell you) in writing, or by telephone (followed by written confirmation). You will not be able to stop a cheque or cancel a standing order or direct debit if you do not advise us before we are committed to pay the cheque or make the payment from your account. You must include the following details:

- (a) Cheque – cheque number and date of issue, your account number, amount and name of payee;
- (b) Standing Order – name of recipient,

- (c) amount and frequency;
 (c) Direct debit – name of recipient, amount and frequency.

We may make a charge for stopping a payment instruction. Please refer to our [schedule of charges](#).

If your cheques are lost or stolen or if you think that someone has signed one of your cheques without your permission, you must tell us immediately in accordance with the provisions of the section of these Terms and Conditions headed *Giving Us Instructions*.

When writing a cheque, you must take all reasonable precautions to prevent anyone else altering it or making a forgery.

You should not write a future date on any cheque you issue, as this will not prevent the payee from presenting the cheque before the date of the cheque. The cheque will not be paid if it is presented for payment before the date of the cheque and you may incur cheque returning charges.

If we receive a cheque issued by you for payment that is dated more than six months before the date on which it is presented, we do not have to pay it, and it will be returned unpaid.

10.3 In-house account transfer

You may make transfers between your current account(s) and your saving account(s). We will normally deduct or add transfers from and to the relevant accounts on the same day, so long as we receive instructions to do so before 3.00 PM. Instructions received after this time will be dealt with next working day. Similarly, your instructions to debit your account and credit another payee account maintained with our same branch or another branch of our bank will be done simultaneously i.e. debit to your account and credit to payee account and vice versa will be in the same value date.

11. Clearing credits and cheques

Our “**clearance cycle**” is the time it takes for money paid from or into your accounts to be debited or credited to the relevant account. This section applies to our normal clearance cycles for sterling cash and sterling cheques (other than those drawn on banks abroad) paid into or drawn out at branches of banks in England, Wales, Scotland and Northern Ireland. Different procedures apply to foreign cheques. Please see the section of these Terms and Conditions headed *Foreign Payments* for further information or ask your branch for details.

11.1 Cheques you issue

When you issue a cheque, the amount will normally be debited to the relevant account one to three working days after the beneficiary pays it into their account. For example, a cheque paid by into a payee's account with some other bank on Monday will normally be debited to your account on Wednesday or Thursday.

If you issue a cheque from an account and it is paid into the branch that holds such account, the amount will be debited the same day. If you cash a cheque at your own branch, your account will be debited the same day.

If any current account goes overdrawn without an agreed overdraft facility or if such current account goes overdrawn beyond a previously agreed overdraft limit as a result of issuing a cheque, we will charge you interest from the day the amount of the cheque is debited to your account. The rate of interest on such overdrafts is higher than the interest rates applicable to arranged overdrafts. For details of our interest rates please refer to our notice boards in our branches or our website (www.habibbankuk.com)

11.2 Cheques you credit to your account

In the normal circumstances, the following terms apply for clearance of cheques deposited up to 3.00 p.m. at the counters of our branches.

When you pay a cheque into an account, you will normally have to wait five working days after it has been paid in before you can withdraw the money unless we agree otherwise. For example, the proceeds of a cheque paid in on Monday before clearing cutoff time (3.00 p.m. unless stated otherwise) will normally be available for withdrawal on Friday. However, the amount shown on the cheque will be included in your account balance before you can withdraw the money. When working out any interest that should be paid, either by us to you or you to us, we treat cheques as being cleared for interest calculation purposes five working days from when they have been paid in, that is, using our example above, Friday for cheques paid in on Monday. If you withdraw money that is not cleared, for interest calculation purposes, you may be charged interest even though your account shows a credit balance.

Please note that cheques paid in after 3.00 p.m. on any working day will count as deposited on next working day. Similarly, cheques deposited on a non-working day will count as if deposited on the next working day.

If you want to know whether a cheque will be paid you may ask for it to be specially presented. Please let us know if you want a cheque to be specially presented when the cheque is paid in. You will be charged a fee for this service - please refer to our schedule of charges for details. If the bank on which the cheque is drawn confirms that it will be paid then we may release payment against it earlier than normal. Such a payment will also be subject to a fee - please refer to our schedule of charges or ask your Business Manager for further details. Please note that special presentation of a cheque will not alter the clearing cycle for interest calculation purposes.

11.3 Unpaid Cheques

Please note it is possible that the bank on which a cheque is drawn may later return the cheque unpaid. Because of this we may, at our discretion, require you to wait until we are certain that the cheque has been paid before you are able to draw against it. This will

normally be five working days after the cheque has been paid in, but it may be longer. If a cheque that you have paid into an account is returned unpaid, the sum shown on it will be deducted from the relevant account. If you withdraw against a cheque which is subsequently returned unpaid and the relevant account goes overdrawn, or your existing overdraft increases beyond any agreed overdraft limit, you will have to pay interest (if applicable) and/or any charges as per our schedule of charges.

11.4 Cash

When you pay cash into your accounts at any of our branches, you will normally be able to withdraw the money the same day but not before the amount is shown on the relevant account. The cash is treated as "cleared" for interest calculation purposes on the day it is paid in. When you pay cash into your account at other banks, you will have to wait five working days before withdrawing the money. This is because it takes time for the credit to reach us. In this case, the cash is treated as "cleared" for interest calculation purposes five working days after it has been paid in.

12. Bank Charges

We will normally charge for receiving and paying cash, cheques and other items to or from your accounts and for providing other services. Please see our schedule of charges or refer to your Business Manager for details of these charges. Account maintenance and service charges payable by you will be recovered in arrears at the end of each quarter (i.e. March, June, September and December every year).

You may ask for the fees and charges we charge for other services at the time a particular service is requested e.g. Trade Service, Money Transmission Service etc.

We shall be pleased to offer assistance on any aspect of your banking relationship with us. Often no fee will be charged but, if we spend a significant amount of time on a specific area, we

reserve the right to charge a fee based upon the time spent and we will tell you the amount before deducting it from your account.

If you ask us to deal with a transaction that needs the services of an agent abroad, you may have to pay their additional charges. These may not be calculated in the same way as our schedule of charges.

Our schedule of charges varies from time to time and each new version will be displayed in our branches and our website (www.habibbankuk.com) and will be available upon request.

13. Statements

If your account with us is a current account, we will send you a statement once every three months free of charge.

If your account with us is a savings or deposit account, we will send you a statement once in a year free of charge.

If your account with us is a term deposit account, we shall provide you with a roll over confirmation at the time of each roll over of deposit.

On request, we will send you statements more frequently but there may be a charge for this. Please speak to your Business Manager for more details.

On receipt, please scrutinize your statement/confirmation and notify us immediately of any discrepancy. If you have any questions about a transaction on your statement, please contact your Business Manager immediately so that the matter can be resolved.

The statements should be kept in a safe place in case you need to check/refer to any transaction later on.

14. Borrowing from us

Borrowing can be arranged either by an overdraft, a separate loan or other method that is suitable for the purpose. The form of borrowing will be agreed between you and us. In some cases, we may need security for the borrowing. Just because we agree to lend you money or provide some other kind of assistance does not mean that we are advising you that your business or proposition will succeed. Ultimately, the decision as to whether to proceed is yours. We are under no obligation to authorise any borrowing you may wish to make.

We recommend that independent advice be taken from an accountant, solicitor, valuer and/or other professional advisor in relation to any proposed borrowing or security. Before we arrange borrowing, we may ask you to provide us with certain information. The nature and extent of the information we will ask for will normally depend on: -

- how long your business has been established;
- how long you have had any accounts with us; and
- how successful your business currently is.

We may, without limitation, ask for a copy of your annual accounts. If your business is exempt from providing audited accounts, we may ask for a copy of your statutory report where one is prepared. We may ask you for a cash flow forecast showing the movement of money through your business over a period of time, particularly if you are starting a new venture or if we feel that your existing business is experiencing temporary trading difficulties.

To help us monitor your progress, we may ask you for regular and up to date management information. Your accountant should be able to help you to provide this.

We may require a copy of a resolution of the directors or members (as the case may be) of a Corporate Customer authorising the borrowing duly certified by a director or designated member (as the case may be) as being a true copy of the same.

Any agreement between us in respect of an overdraft or a loan, will normally be in writing, in a facility letter and will include the following which is not an exhaustive list:-

- the amount we are lending to you;
- the interest rate being charged on such amount;
- how we calculate the interest;
- any fees we may charge for agreeing, reviewing and/or continuing your overdraft or loan;
- how and when the borrowing must be repaid; and
- any security we require.

If the loan is repaid early, a "prepayment" fee may be charged. Where we have agreed to make a loan available to you and you do not use it, a "non-utilization" fee may be charged. Such fees will be agreed with you at the time your loan is negotiated and documented in the relevant facility letter. The terms of any agreement pursuant to which a loan or overdraft are made available to you will not be altered without first discussing it with you.

You may not go over any overdraft limit that has been arranged and agreed with us without our prior agreement.

We may at any time reduce your overdraft limit but we will write telling you we have done this.

We may decide not to pay a cheque or other item from your account if it would make the relevant account go overdrawn or go over an agreed overdraft limit.

If we pay a cheque or other item from your account and, as a result, the relevant account

goes overdrawn or goes over your overdraft limit, this does not mean that we have agreed an overdraft or an increased limit.

14.1 Interest and charges on overdrafts

You will have to pay to us all costs and fees incurred or charged by us in connection with the negotiation, preparation, investigation, administration, supervision, or enforcement of your overdraft or loan, the facility letter or any security. These will include expenses, fees (for example, legal, security and valuation fees), stamp duty and stamp duty land taxes, registration costs and any other charges we incur. We will debit these costs and fees to your current account and we will endeavor to tell you the amounts before doing so.

If your current accounts (or any of them) go overdrawn without an agreed overdraft, or you go over an agreed overdraft limit we reserve the right to charge interest on the unauthorised amount at a rate higher than interest rates applicable to agreed overdrafts. We will continue to charge the higher rate until:

- we have agreed a formal borrowing arrangement; or
- the cleared balance on your account is back within your agreed limit; or
- there is a cleared credit balance on your account if there is no agreed limit.

The higher interest rate may vary but will be contained in our schedule of charges, which is current from time to time, available in our branches and also displayed at our website (www.habibbankuk.com).

Different arrangements apply if your Foreign Currency account goes overdrawn without an agreed overdraft limit or you go over an agreed overdraft limit. Please ask your Business Manager for details.

In addition to charging interest for unarranged overdrafts, we may also charge a daily excess fee for administration relating to your overdraft.

Administration fees for unarranged overdrafts are available in our branches and displayed at our website (www.habibbankuk.com) in our schedule of charges.

We may charge you management fees either instead of or in addition to the daily excess fee, and such amounts will be advised on your statements before we debit these to your current account.

Interest on any overdrawn amount (whether authorised or unauthorised) will be calculated on a daily basis and compounded monthly on the cleared debit balance on your account on the basis that there are 365 days in a year. Interest calculated on this basis will be payable for the duration of the overdraft in respect of each of the 365 days in a calendar year (366 days in leap years). The interest will be debited to your account monthly in arrears on the last business day of each month.

In the case of most foreign currency accounts, whilst interest on any overdrawn amount (whether authorised or unauthorised) will still be calculated on a daily basis on the cleared debit balance on such account, by convention it is both quoted and calculated on the basis that there are 360 days in a year. Interest calculated on this basis will be payable for the duration of the overdraft in respect of each of the 365 days in a calendar year (366 days in leap years).

Interest on any overdrawn amount will be debited in arrears to your current account monthly on the last business day of each month. On and from the date interest (or any other charge) is debited to your current account, interest will accrue on any borrowings created by such debit.

14.2 Cancellation of credit/loan facilities

Unless we have agreed other terms with you in writing, we may at any time cancel/withdraw your borrowing limit and/or demand that you immediately pay all the money you owe to us. However, we would only do so after serious consideration of the situation. Without limiting

our rights at any time to withdraw your borrowing limit or make demand, the following is a list of some of the more common situations where we might take such steps: -

- if you use the facility for purposes for which it was not agreed;
- if you frequently exceed or attempt to exceed your borrowing limit without our agreement;
- if you fail to make loan repayments or to pay interest that is due;
- if you fail to keep other conditions relating to your borrowing;
- if you trade or continue to trade at a loss or if we consider that there has been a worsening of your business viability;
- if you cease to trade or dispose of a significant business asset;
- if there is a reduction in the value or a restriction or invalidation of any security we are holding in respect of your borrowing; or
- if you become insolvent or if insolvency proceedings are commenced against you or a receiver or administrator is appointed.

If we make demand for repayment, we may debit interest and/or accrued fees and charges to the relevant account on the day such demand is made. We may also change the charging date. After demand, you will still have to pay interest until you have repaid us in full, at the same rates as before demand, on the amount demanded and on any other sums debited to your account, unless we agree otherwise with you.

If any accounts you hold with us are in credit we may use such credit balances to reduce or repay any amounts you owe on other accounts you hold with us in the same name. If we decide to do so, we will tell you when it has been done.

15. Responsibility for borrowing

15.1 Sole Trader

You are personally responsible for any monies your business owes us.

15.2 Partnership, Personal Representatives and Trustees

As well as the account holders being jointly liable for monies owed to us, each partner, personal representative or trustee is individually liable for all such monies, even if he or she has subsequently ceased to be a partner, personal representative or trustee, unless we have agreed otherwise in writing. We have the right to demand repayment from all or any account holders for all or part of such monies.

15.3. Corporate Customers, Club, Society, Association and Charity

The signatories are not normally liable for monies owed to us, unless, in the case of a members' club, they are members of it, in which case they will have the same liability as other members.

15.4 Financial Difficulties

If you have any difficulty in repaying us, please let us know as soon as possible.

16. Credit Interest

You will receive interest, if any at the rate(s) applicable to your account. We may at our discretion vary our rates at any time by giving you 30 days notice of the change. Such notice will be displayed at our branches, and/or sent to you by post (this includes messages contained on your statement).

Information about our current interest rates is available in our branches.

No interest is paid on balances held in current accounts.

In the case of term deposit accounts, we will calculate credit interest on a daily basis on the cleared credit balance on such account on the basis that there are 365 days in a year. Interest calculated on this basis will be payable for the term of the deposit in respect of each of the 365 days in a calendar year (366 days in leap years).

In the case of term deposits in foreign currencies, whilst credit interest will still be calculated on a daily basis on the cleared credit balance on such account, by convention, it is quoted and calculated on the basis that there are 360 days in a year. Interest calculated on this basis will be payable for the term of the deposit in respect of each of the 365 days in a calendar year (366 days in leap years).

In each case, interest on a term deposit account (whether in sterling or any foreign currency) will be paid upon maturity of the term deposit.

In the case of savings or deposit accounts, we

will calculate interest on the minimum balance of such account maintained during each calendar month. Interest will be credited to the relevant account half yearly on the last business day of June and December.

We will pay you interest after deduction of tax at the applicable rate for all sole traders and partnerships. Special conditions may apply to companies, charities and other groups, for which guidance may be obtained at the local Tax Office. For a Company all tax is credited without any tax deducted. For any further queries, contact your business manager.

17. Closing your account

We will normally write to you giving you at least 30 days notice if we want to end our banking relationship with you, unless there are circumstances that justify us ending our relationship earlier.

If you wish to close your accounts (or any of them), you must tell us in writing.

We reserve the right not to close your account(s) until you have returned any unused cheques. You must repay any money you owe us, including the amount of any cheques you have issued which have not yet been debited to your account(s).

18. Disclosure of confidential information

For the purposes of this section, "you" means, in respect of sole traders, partnerships and other unincorporated customers, the individuals who own the business and in respect of corporate customers, "you" means both the customer and (where applicable), the directors, officers, shareholders and other parties responsible for the operation of the business.

This section explains how we will use information about you and your business once you have applied for any account or service with us.

We will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your accounts will be disclosed to anyone, other than as permitted by law or where disclosure is made at your request or with your consent including:

- where we are legally compelled to do so;
- where there is a duty to the public to disclose;
- where our interests require disclosure; or
- where disclosure is made at your request or with your consent e.g. under these terms and conditions.

We may use credit searches when considering your application to open an account and also when operating your account or making lending decisions.

In the same circumstances, we may search the files of credit reference agencies, which may keep a record of the search. We may pass credit reference agencies details of any non-payment where we make demand but receive no satisfactory proposal for repayment. Information about people held by credit reference agencies is used by lenders and others to make credit decisions about those people or members of their household, for occasional fraud prevention and for tracing debtors.

Information about business debts owed to us may be disclosed to credit reference agencies

where:-

- you have fallen behind with your payments; and
- the amount owed is not in dispute; and
- you have not made proposals satisfactory to us for repayment of your debt following formal demand; and
- you have been given at least 28 days clear notice of our intention to disclose.

We will not give any other information about you to credit reference agencies without your consent.

We may share information about you and the conduct of your accounts with:-

- our parent banks, other members of the Habib Bank UK Group or other financial institutions if this is necessary to enable us to provide you with, without limitation, any service or facility or otherwise which you applied for. It is clarified that in order to process any application, we may in compliance with our policy(ies) and procedure(s) require your application to be reviewed and analysed by our parent banks, in Pakistan and in such case will need to transfer such relevant information to our parent banks in Pakistan, which is a country which does not provide the same level of protection for personal information (which means any information obtained by us from you or from a third party in connection with a service or product provided to you) or data as within the EU. However, all personal information transferred to our parents banks will be afforded a high level of protection against any authorised or accidental disclosure, access or deletion;
- other third parties if this is necessary to enable us to provide you with the service you applied for; or
- for purposes of fraud prevention, audit or debt collection.

We may contact you with information about the services of Habib Allied International Bank plc (trading as Habib Bank UK) which we feel

may be of interest to you, unless you have asked us not to do so.

Under the Data Protection legislation individuals can ask in writing (addressed to Head of Audit & Compliance at the address below) for a copy of any personal records we hold about them. We may make a charge for this service.

If a banker's reference about the business is requested, we will ask you for your written consent before it is given.

If you have any questions about your personal data held by us, please contact Head of Audit & Compliance, 63 Mark Lane, London EC3R 7NE.

19. Complaint Handling

A copy of our complaints handling policy and procedure is available upon request at any of our branches and is summarised on the notice boards in each of our branches. If you wish to make a complaint please contact your branch who will provide you with a copy of our complaints handling policy and procedure and will inform you of the relevant person to whom your complaint should be directed.

20. Financial Services Compensation Scheme (FSCS)

Habib Allied International Bank plc is a member of the UK Financial Services Compensation Scheme (FSCS). Deposits up to £50,000 denominated in Sterling, Euro and US Dollar made with our offices within the United Kingdom are covered/protected under the Scheme. Further details of the Scheme are available from Financial Services Compensation Scheme Limited, 7th Floor, Lloyds Chambers, 1, Portsohen Street, London E1 8BN. Phone 020 7892 7300.

21. General

We shall not be liable to you for any loss you may suffer if we are prevented from or delayed in providing you with any banking or other services due to strikes, industrial action, failure of supplies or equipment or other causes beyond our reasonable control.

22. Governing Law and Jurisdiction

The laws of England and Wales govern these Terms and Conditions. You and we submit to the exclusive jurisdiction of the Courts of England and Wales. of supplies or equipment or other causes beyond our reasonable control.

Branches

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Autorised and Regulated by the Financial Services Authority