

There are two Internet Banking facilities for Offshore Customers and the one used by the customer will depend on which account the customer holds and the bank the account is held with. The following Internet Banking Terms and Conditions will apply to the Internet Banking facility for Offshore Customers with a Flexible Plus Current Account or an Instant Access Savings Account (both accounts held with Bank of Scotland plc).

The following Internet Banking Terms and Conditions (as amended at the end) will apply to the Internet Banking facility for accounts held with Lloyds TSB Offshore Limited.

Internet Banking Terms and Conditions

1. Definitions

In these terms and conditions which shall be governed by Scots law:- 'Account' means any account(s) held by the Bank in the name of the Customer, whether in single or joint names other than specific types of accounts that cannot be used in conjunction with the Service details of which the Bank will provide to the Customer on request.

'Application' means the application in respect of Internet Banking available from the Websites or (as the case may be) the application form overleaf.

'Bank' means Bank of Scotland plc and its successors and assignees.

'Customer' means an individual, partnership, company, local authority, or other body corporate, trust or unincorporated association or entity which has accepted these terms and conditions for the provision of the Service. Where the Customer is more than one person or entity the liability of each to the Bank shall be joint and several.

'Nominated User' means a person or persons permitted to use the Service on behalf of the Customer which shall be:

- (a) the person or persons so named in the Application; and
- (b) any person or persons notified to the Bank pursuant to Clause 5 below; and
- (c) such other person or persons who may replace the persons referred to in (a) and (b) above from time to time at the sole discretion of the Customer, subject to the Customer notifying the Bank in writing prior to the replacement.

'Offshore Customer' means Customers with Accounts held by Bank of Scotland branches in Jersey and/or Isle of Man.

'On-Line Help' means the help files accessed from the Websites that assist users in the use of the Service, as amended from time to time by the Bank.

'Secured Input' means the procedures which the Bank may advise the Customer or any Nominated User of from time to time to enable use of the Service which shall include without limitation a user identification code.

'Service' means the Internet Banking service provided by the Bank that enables the Customer to obtain access to information and give instructions to the Bank via the Websites or via telephone and thereby:-

- (a) obtain information on any Account including transactions and standing instructions;
- (b) transfer funds to and from any Account (subject to any account restrictions agreed separately with the Customer);
- (c) instruct transfers to third parties' accounts; and
- (d) use the other facilities which the Bank may from time to time incorporate into the Service; all to the extent that the Service permits from time to time.

'Websites' means the websites through which the Service may be accessed as notified to the Customer from time to time, which may constitute computer server equipment and programs owned and operated by the Bank and or the Bank's business partners.

2. Terms and Conditions

These terms and conditions are subject to the operating terms and conditions relating to the Account(s) as previously notified by the Bank. Subject to Clause 4 below, in the event of a conflict, the operating terms and conditions relating to the Accounts will apply. The Bank may vary these terms and conditions at any time by giving to the Customer not less than 30 days notice of any change to these terms and conditions, save where the change needs to be made sooner to protect the security of the Service or the Account or where the change is dictated by circumstances beyond the Bank's control. If the change is clearly to the detriment of the Customer the Bank will notify the Customer personally and ignore the 30 days' notice period which applies to termination of the Service. Changes to these terms and conditions will be made to:

- (a) reflect a change in market conditions, good banking practice or legislation;
- (b) reflect a development or change in the services or facilities the Bank provides; or
- (c) to ensure the good management or competitiveness of the Bank's business.

Changes may be notified either in writing or by way of a broadcast message appearing on the Service noticeboard or posted on the Bank's public website or by e-mail to the most recent e-mail address held on the Bank's records (if held).

By accessing the Service, Customers and Nominated Users are deemed to accept the Terms and Conditions applicable from time to time to the Service.

3. Telephone

By accepting these terms and conditions the Customer and any Nominated User will be able to access the Service via one of the Bank's designated telephone banking services. The Bank may record telephone calls made by the Customer or any Nominated User to the Bank so that the Bank has a record of instructions given to it. The Bank may also listen to such calls to help it improve the quality of its service.

4. Joint Accounts

The Service may be used in connection with joint Accounts provided that all Account holders consent to operation of the Account via the Service (whether or not any of them wish to take advantage of the Service themselves) by a single Account holder and that any single Account holder to a joint Account may validly give instructions via the Service to the Bank in accordance with Clause 5. Any consent given pursuant to this Clause 4 shall supersede any other existing arrangements that may apply to the operation of such joint Account.

5. Security

To enable the Customer to use the Service the Bank will notify the Customer or any Nominated User from time to time of its Secured Input. A Customer may inform the Bank, in writing, of the name(s) of any additional persons that are to become Nominated Users and, as appropriate, the relevant authority levels for each of those persons. The Bank will then notify that Nominated User of any changes to the Secured Input that may be necessary. A Customer may by informing the Bank set new or replacement authority levels for any Nominated User acting on its behalf and may set different authority levels for different Nominated Users. The Customer must notify the Bank in writing of the removal of any Nominated User's authority. Neither the Customer nor any Nominated User shall disclose to nor allow anyone else use of or access to its Secured Input. The Customer shall take all reasonable precautions (including where appropriate implementing and maintaining adequate security measures) to ensure that the Secured Input remains secret and confidential to the Customer and any Nominated User and that the Secured Input is not disclosed to anyone else. Should the Customer suspect that the Secured Input has become known to an unauthorised person or suspects any misuse of or breach of confidentiality or secrecy in respect of the Secured Input the Customer shall

immediately contact the Bank. In any event the Secured Input passwords shall be changed at least once every twelve consecutive calendar months. The Customer and any Nominated User shall comply promptly with all changes or requests for changes to its Secured Input whenever so notified or requested by the Bank.

6. Acting on Customer Instructions

The Bank is irrevocably and unconditionally authorised by the Customer to act on all instructions (in whatever form) received in respect of the Customer's Account via the Service and to debit and credit the relevant Account with the amount of all transactions initiated through the Service.

The Customer acknowledges that the supply of the Secured Input when contacting the Bank via the Service is sufficient evidence for the Bank to assume that it is dealing with the Customer without the Bank being required to make any further enquiry or need to verify such authority or instruction and the Bank may act on such authority or instruction or purported authority or purported instruction accordingly. Once the Customer has told the Bank of any misuse of or breach of confidentiality or secrecy in respect of the Secured Input the Bank will take steps to prevent the Secured Input being used to access any Account. Until the Bank has been told of this, the Customer will be responsible for any authority or instruction given using the Customer's Secured Input, even it was not given by the Customer or a Nominated User. The Bank will not be liable for having acted on such instructions. Normally, the Bank will pay back into the appropriate Account the amount of any payments the Bank makes after the Customer or a Nominated User has informed it of any security problems. However, if the Bank can show that the Customer or a Nominated User has acted fraudulently or has been grossly negligent the Customer may be responsible for all payments made by the Bank and all losses on the Account. Instructions received via the Service will only be accepted by the Bank when the Customer has the right to use the Service and this has not been withdrawn or suspended for any reason. Provision of the Service will not entitle the Customer to overdraw any Account if borrowing arrangements have not been made with the Bank or to overdraw in excess of any limit agreed by the Bank.

The Customer acknowledges that notwithstanding anything stated in this Clause 6, the Bank reserves the right to withdraw the Service if it has any suspicion that the Secured Input has or may have been disclosed to any unauthorised person or if it has reasonable grounds to believe that the Service is being used illegally or fraudulently. The Customer further acknowledges that in exceptional circumstances the Bank may at any time until further notice withdraw or suspend the operation of the Service but will promptly notify the Customer of any such withdrawal or suspension.

7. Customer Obligations

When using the Service the Customer shall at its own expense provide and maintain facilities suitable for gaining access to the Service and shall be responsible for ensuring that these meet any requirements specified by the Bank from time to time. If the Customer is using the Service for business purposes, it shall make suitable contingency arrangements including back up procedures in accordance with any good industry practice applicable to the Customer to cover system or operating failures or suspension or withdrawal of the Service. The Customer shall comply with the requirements and directions of the On-Line Help, use the Service only for the purposes specified in the On-Line Help, and ensure that all instructions given are clear, correct and complete.

The Customer shall let the Bank know immediately if it becomes aware of any failure

to receive or delay in receiving any authorisations or instructions through the Service, or any payment or transfer of funds made or to be made pursuant to such authorisations or instructions, or any known or suspected error or fraud in or affecting the sending or receiving of any such authorisations or instructions or payment or transfer of funds, or any known or suspected error affecting the user data, or any programming error, defect or corruption of any such authorisations or instructions. A Customer shall use its reasonable endeavours to assist the Bank in any remedial steps proposed by the Bank in relation to any such failure, delay, error, defect or corruption. The Customer shall not delete, amend or alter in any way any proprietary notices, trademarks or service marks appearing on any materials furnished to it in connection with these terms and conditions or the Service. It is up to the Customer to check the Service and the Bank's public website regularly for any notices applicable to the Customer.

8. Financial Information available via the Service

The financial information available by means of this Service is for reference purposes only as all transactions may not have been updated in the Bank's books. The timing of processing may vary depending on whether the transactions are processed manually or electronically and some transactions will be updated immediately while others will not be processed until after the close of business.

This may result in the information available to Customers via the Service not reflecting transactions in the Bank's hands which have yet to be processed. Similarly, items showing on screen may not yet have been checked for validity or approved for payment and may not be credited or debited to the Account on the subsequent completion of the Bank's checking procedures. Whilst the Bank shall use reasonable endeavours to ensure that all financial information available through the Service is regularly reviewed and is accurate, the Bank shall not be liable for any loss incurred or damage suffered by the Customer by reason or in consequence of any such financial information not being complete, accurate or up to date. In view of the contents of this Clause 8 and without prejudice to these terms and conditions the Bank reserves the right and is hereby authorised (where in its reasonable opinion it is necessary or appropriate to do so for the proper management of the Accounts) to reverse any transaction entry (including in respect of unpaid cheques) and make the necessary adjustments to the Accounts.

The records that the Bank from time to time maintains of authorisations and instructions received and payments and transfers of funds and any transactions effected by the Customer or any of its Nominated Users or the Bank in connection with the Service shall, to the extent of such records and in the absence of mistake, error or oversight, be conclusive proof and evidence of such authorisation, instructions, payments, transfers and transactions and their respective constituents and the times at which they were sent, received or effected.

9. Charges

The Bank reserves the right to charge the Customer a fee for the right to use the Service. The Bank may introduce such fee or vary the basis of any existing fee by giving to the Customer not less than 30 days personal notice.

10. Proprietary Information

The documentation and information supplied to the Customer and any Nominated User in connection with the Service, including without limit the Secure Input (the "Proprietary Information") is the confidential information of the Bank. The copyright, service marks, trade marks and all other intellectual property rights in the Proprietary Information wherever in the world enforceable shall at all times remain vested in the Bank or, if the terms of any contract the Bank has with any licensor otherwise

specify, in such licensor. The Customer shall take all reasonable steps to protect the Proprietary Information and shall notify the Bank if it becomes aware of any breach of any of the Bank's intellectual property rights in the Proprietary Information. The Customer acknowledges that it does not own any right of copyright or other intellectual property rights in the Proprietary Information.

The Customer shall not take copies, transfer, sell, lease, rent, make available to third parties or charge or otherwise deal with the Proprietary Information. If the Customer accesses the Service from a country outside the United Kingdom, the Customer shall be responsible for complying with the laws and regulations of that country.

11. No warranty

The Bank does not warrant that the use of the Services will meet the Customer's requirements or that the operation of Service will be uninterrupted or error free. If the Customer is a company or otherwise acting for the purposes of its trade, business or profession, then except as expressly set out in these Terms and Conditions all conditions, warranties, terms and undertakings express or implied, statutory or otherwise, in respect of the provision of the Service or otherwise are hereby excluded.

12. Liability

Subject to any terms implied by law or by the rules of any regulatory body and which cannot be excluded, the Bank shall not be liable in contract, tort (including negligence), delict or otherwise:

- (a) for the fraud of the Customer or Nominated User;
 - (b) for any downtime, unavailability, failure, malfunction, distortion or interruption to the Service, whether caused by a failure in the Websites, or any communications means or otherwise;
 - (c) for any omission, error, discrepancy, ambiguity in any Customer or Nominated User instructions, for any failure by the Customer or Nominated User to use the Service in accordance with these terms and conditions, the On-Line Help or any other instructions provided by the Bank from time to time (whether in writing, electronically or orally) or any misuse or abuse of the Service by the Customer or any neglect or default by the Customer or any loss or damage caused or suffered by the Customer's equipment as a result of being connected to the Service;
 - (d) for indirect or consequential loss or damage or loss of profit, opportunity, goodwill, or for loss of or damage to data or for secondary or indirect loss or damage or for damage to for loss of anticipated savings;
 - (e) for force majeure, including, without limitation, industrial disputes, any act or omission by any third party or the revocation of any licence held by the Bank in connection with the Service or any other act or omission outside of the Bank's control; and
 - (f) for any loss or damage incurred by the Customer through use of financial information available through the Service, whether or not such information is current.
- Nothing in these Conditions shall limit the Bank's liability to the Customer for fraud by the Bank or for death or personal injury resulting from its negligence or that of its employees or agents.

The Customer shall be responsible for any such loss which may be incurred by the Bank as a consequence of any material breach by the Customer of these terms and conditions and the Customer will indemnify the Bank against any claims made against the Bank for recompense for such loss and any costs incurred by the Bank in connection with such claim.

13. Termination

These terms and conditions between the Bank and the Customer may be terminated by either party giving to the other not less than 30 days' prior written notice at any time. The Bank may terminate access to the Service immediately by written notice in the event that:-

- (a) the Customer or any third party takes steps to wind up, dissolve or submit a petition for bankruptcy relating to the Customer; or
- (b) the Customer is insolvent or makes any arrangement or composition with its creditors; or
- (c) a liquidator, trustee, receiver, administrator, administrative receiver or similar officer is appointed over the undertaking or assets of the Customer; or
- (d) any creditor executes diligence against the Customer, whether effectual or not, or any distress or execution is levied or enforced against the Customer or any garnishee order is made and served; or
- (e) the Customer materially breaches these terms and conditions.

Termination shall be without prejudice to all accrued rights, remedies and obligations and to the provisions of Clauses 10 and 12 which shall continue in full force and effect.

14. General

These terms and conditions are personal to the Customer and none of the rights, benefits or obligations hereunder may be assigned or sub-contracted either in whole or in part by the Customer. The waiver by the Bank of a breach or default of any of the provisions of these terms and conditions by the Customer shall not be construed as a waiver of any succeeding breach of the same or any other provisions nor shall any delay or omission on the part of the Bank to exercise or avail itself of any right, power or privilege that it has or may have under these terms and conditions operate as a waiver of any breach or default by the Customer.

15. Notices

All notices given to the Bank in connection with these terms and conditions must be in writing and sent to the Customer's Account holding Branch marked for the attention of the manager or to eCommerce, Citymark, 150 Fountainbridge, Edinburgh, EH3 9PE, by ordinary (first class) post or facsimile transmission. Any notice, which is sent (a) by ordinary (first class) post, shall be deemed to have been served 2 working days after the time of posting or (b) by facsimile transmission, shall be deemed to have been served when transmitted, if transmitted during working hours and otherwise on the next working day after transmission.

All notices given to the Customer by the Bank in connection with these terms and conditions (save as expressly stated otherwise in these terms and conditions) shall be in writing or sent by e-mail to the most recent e-mail address held on the Bank's records (if held) or by way of a broadcast message appearing on the Service noticeboard or posted on the Bank's public website. Any notice sent in writing shall be sent to the Customer at the latest address held on the Bank's records by ordinary (first class) post. Any notice sent in writing shall be deemed to have been served 2 working days after the time of posting. Any notice given to the Customer by the Bank by e-mail shall be deemed served when it has left the Bank's premises. Any notice given to the Customer by way of a broadcast message appearing on the broadcast noticeboard or posted on the Bank's public website shall be deemed served at the time it appears or (as the case may be) is posted.

If you are an Offshore Customer please see the notice to Offshore Customers below.

16. Unenforceable provisions

In the event that any provision of these terms and conditions is held unenforceable, it will not affect the validity and enforceability of the remaining provisions and will be replaced by the enforceable provision that comes the closest to the intention underlying the unenforceable provision.

17. Jurisdiction

The parties hereby accept the non-exclusive Jurisdiction of the Court of Session in Scotland.

Lloyds TSB Offshore Limited and Internet Banking. The above Internet Banking Terms and Conditions, referred to below as "conditions" apply to the Service when used with Lloyds TSB Offshore Limited accounts, with the following changes. The headings and condition numbers used in the following list correspond to the headings and condition numbers in the above Internet Banking Terms and Conditions. :

1. Definitions

The governing law "Scots law" is deleted and replaced with "Jersey law".

The definition "'Bank' means Bank of Scotland plc" is deleted and replaced with: "Bank" means Lloyds TSB Offshore Limited", and references in the conditions to "Bank" are references to Lloyds TSB Offshore Limited.

The definition of 'Customer' is amended so that the following is deleted: "'Customer" means an individual, partnership, company, local authority, or other body corporate, trust or unincorporated association or entity" and is replaced with: "'Customer" means a personal individual customer".

Nominated User is not available to the Service with Lloyds TSB Offshore Limited and the definition of 'Nominated User' is deleted and all references in the conditions to Nominated User are deleted.

Definition of "Offshore Customer" is amended so that it reads as follows: "'Offshore Customer" means Customers with accounts held with Lloyds TSB Offshore Limited".

3. Telephone

Condition 3 is deleted and is replaced with "Customers with Lloyds TSB Offshore Limited accounts are not automatically registered for Telephone Banking. A separate application for this service must be made. Please call +44 (0)1534 613500 to apply for Telephone Banking on your Lloyds TSB Offshore Limited Account

15. Notices

The name and address for notices in condition 15, "Bank of Scotland plc, eCommerce, Citymark, 150 Fountainbridge, Edinburgh, EH3 9PE", is deleted and is replaced with: "Lloyds TSB Offshore Limited, Evergreen House, 43 Circular Road, Douglas, Isle of Man, British Isles".

17. Jurisdiction

In condition 17, "the non-exclusive Jurisdiction of the Court of Session in Scotland" is deleted and is replaced with "the non-exclusive Royal Court of Jersey"

Notice to Offshore Customers

Bank of Scotland plc. Registered in Scotland No. SC327000. Registered Office: The Mound, Edinburgh EH1 1YZ.

Bank of Scotland plc is regulated by the Jersey Financial Services Commission to carry on deposit-taking business under the Banking Business (Jersey) Law 1991 and licensed by the Isle of Man Financial Supervision Commission to conduct banking business. Bank of Scotland plc is authorised and regulated by the UK Financial Services Authority.

Bank of Scotland International is a registered business name in Jersey and the Isle of Man for Lloyds TSB Offshore Limited.

Lloyds TSB Offshore Limited. Registered Office: PO Box 160, 25 New Street, St. Helier, Jersey JE4 8RG. Registered in Jersey, number 4029. Regulated by the Jersey Financial Services Commission.

The Isle of Man branch of Lloyds TSB Offshore Limited is licensed by the Isle of Man Financial Supervision Commission to take deposits and carry on investment business and is registered with the Insurance and Pensions Authority in respect of General Business. Business Address: PO Box 111, Peveril Buildings, Peveril Square, Douglas, Isle of Man IM99 1JJ.

Would you like more information?

For more information from Bank of Scotland plc please telephone us on: 0845 306 0020† (Lines are open 24 hours a day, 7 days a week)

You can also find us at: www.bankofscotland.co.uk

We are committed to meeting the needs of all our customers. If you have a hearing or speech impairment, you can use Tynetalk whenever you contact us, or contact us using Textphone on 08457 626 993 (lines open 9am - 5pm, 7 days a week). For visually impaired customers, we can provide documents in large print, Braille or on audio cassette. Please speak to your Relationship Manager.

† Telephone calls may be recorded for security purposes and may be monitored under our quality control procedures. Calls from a BT landline cost a maximum of 4p per minute. The cost of calls from other phone providers may vary (correct at time of printing)

For more information from Lloyds TSB Offshore Limited please telephone us on: +44 (0)1534 848521 (Lines are open 9.00am to 5pm weekdays and 24 hours at weekends. Telephone calls may be recorded for security purposes and may be monitored under our quality control procedures.)

You can also find us at: www.bankofscotlandinternational.com

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