

Effective from 1 April 2011

Terms and Conditions for SEPA Direct Debit Collection Service, Great Britain (Corporate Opt-Out)

These Terms and Conditions for SEPA Direct Debit collection service, Great Britain (the “**Terms and Conditions**”) (which are supplemental to Our General Terms and Conditions - Corporate Banking (the “**General Terms**”) which have been separately agreed and accepted by You) apply to the set-up of all Your SEPA Direct Debit collections in euro made through Danske Bank A/S, London Branch as creditor bank.

Any defined terms in these Terms and Conditions will have the same meaning given to them in the General Terms or the Terms and Conditions for Business Online (as the case may be) unless otherwise stated. The Rulebooks will also apply as a supplement to these Terms and Conditions and You must comply with the Requirements (as defined below).

In the case of any conflict between these Terms and Conditions and the General Terms or any other terms and conditions applying to Your Account, these Terms and Conditions shall prevail in relation to the provision of the SEPA Direct Debit collection service only.

These Terms and Conditions apply to SEPA Direct Debit collections that You wish to settle using Your Account with the Bank. Separate terms and conditions (and a different agreement) will apply to SEPA Direct Debit collections that You wish to settle through accounts held with other members of the Danske Bank Group or with other banks.

We will only agree to provide the collection service for SEPA Direct Debit to You where You have accepted the terms of the Access Agreement which gives You access to Business Online. The Access Agreement will state that the Collection Service GB - SEPA Direct Debit module is included. In these Terms and Conditions We will refer to the Access Agreement that enables You to effect Collection Orders as the “Collection Order Agreement.”

Danske Bank is authorised by the Danish Financial Supervisory Authority (Finanstilsynet) and subject to limited regulation by the Financial Services Authority. Details on the extent of our regulation by the Financial Services Authority are available from us on request.

These Terms and Conditions apply irrespective of which Scheme You are registered for.

SEPA Direct Debit is for corporate customers only and in order to be registered, or to continue to be registered, for SEPA Direct Debit with Us, You must have:

- a euro Currency Account with Us; and
- a Collection Order Agreement; and
- a SEPA Creditor ID; and
- where appropriate, an approved facility called a SEPA Direct Debit settlement line.

We have notified You that Our understanding is that You are a Corporate Opt-out Customer (as explained in the separate corporate opt out notification provided to You), and these Terms and Conditions have been provided to You on that basis. If at any stage You believe that You are in fact a consumer, a micro-enterprise or a small charity (as defined in the General Terms), then You should contact Us as soon as reasonably practicable to discuss this so that We can confirm the position with You.

1. Definitions

Collection Order

A Collection Order is an order from You to Us under a Scheme to collect a one-off or recurring amount from the debtor's account. The Collection Order must comply with the format guidelines available at www.danskebank.com/sepadirectdebit. We do not, and We are not obliged to, check or verify the contents of a Collection Order.

EONIA interest rate

The EONIA interest rate (Euro Overnight Index Average) is a reference rate for unsecured interbank lending in the overnight segment of the euro area money market.

EPC

The European Payments Council, which was established in June 2002 to support and promote the creation of SEPA.

Information about the EPC's work and mandate can be found at www.europeanpaymentscouncil.eu.

Mandate

An agreement between You and the debtor that You may collect payments from the debtor's account to Your Account with Us. The Mandate may have different forms and designations, but the basic Mandate contents must always comply with the requirements set out in the Rulebooks and any related requirements set out from time to time by or through the EPC (the “**Requirements**”).

Payment Data

Payment Data is the information You provide to Us which will form the basis of a Collection Order. You must ensure that the correct Payment Data is used in conjunction with a signed and valid Mandate. By Your acceptance of these Terms and Conditions You agree that You will pay all costs, expenses and other losses that the Bank may incur as a result of You providing incorrect Payment Data to Us. Details of the required Payment Data are available in format guidelines at www.danskebank.com/sepadirectdebit.

Payment Date

The date You specify as the “*payment date*” in the Collection Order, being the date on which the debtor's account is to be debited.

PSRs

The Payment Services Regulations 2009 (SI 2009 No. 209) (as from time to time amended, modified, varied or replaced).

Rulebooks

The SEPA B2B Direct Debit Scheme Rulebook and the SEPA Core Direct Debit Scheme Rulebook, each as available on the EPC website and as from time to time amended and updated.

Scheme

The SEPA B2B Direct Debit Scheme and/or the SEPA Core Direct Debit Scheme, as appropriate.

SEPA

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The area where citizens, companies and other actors will be able to make and receive payments in euro within all the EU Member States (and certain other countries), whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.

SEPA B2B Direct Debit

The payment instrument governed by the rules of the SEPA B2B Direct Debit Scheme for making direct payments in euro throughout SEPA from bank accounts to other bank accounts.

SEPA B2B Direct Debit Scheme

The payments scheme for making direct debits across SEPA where both the creditor and the debtor is a Corporate Opt-out Customer, as set out in the SEPA B2B Direct Debit Scheme Rulebook.

SEPA B2B Direct Debit Scheme Rulebook

The Rulebook setting out rules and business standards for the SEPA B2B Direct Debit Scheme.

SEPA Core Direct Debit

The payment instrument governed by the rules of the SEPA Core Direct Debit Scheme for making direct payments in euro throughout SEPA from bank accounts to other bank accounts.

SEPA Core Direct Debit Scheme

The payments scheme for making direct debits across SEPA as set out in the SEPA Core Direct Debit Scheme Rulebook.

SEPA Core Direct Debit Scheme Rulebook

The Rulebook setting out rules and business standards for the SEPA Core Direct Debit Scheme.

SEPA Creditor ID

SEPA Creditor IDs are issued by banks participating in the Schemes. You need a SEPA Creditor ID to submit Collection Orders to Us. We issue SEPA Creditor IDs in compliance with the rules applying to the United Kingdom. Please contact Us if You require more information.

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SEPA Direct Debit

SEPA B2B Direct Debit and/or SEPA Core Direct Debit, as appropriate.

Settlement Date

The date on which, in respect of a SEPA Core Direct Debit or a SEPA B2B Direct Debit, the obligations regarding funds transfer are discharged as between the debtor bank and the creditor bank.

TARGET Day

A TARGET Day is an Inter-Bank Business day identified as such in the calendar of the Trans-European Automated Real-time Gross Settlement Express Transfer System.

Unauthorised Payment

A payment is unauthorised if the debtor claims it is unauthorised and You are unable to present a duly signed, valid Mandate (see Clause 2.2 for information about Mandates and Clause 5 for information about Unauthorised Payments).

2. Registration

SEPA Direct Debit is used to collect euro payments from debtors who have agreed with their bank that an account may be designated to accept SEPA Direct Debit collections.

Please note that the relevant Mandate must specify which account the debtor wants to use for payment of the collection. If the account specified by the debtor is not registered for SEPA Direct Debit, Your Collection Order will be rejected (see Clause 4).

It is Your responsibility to ensure that Collection Orders are submitted only under the Scheme(s) that You have registered under for SEPA Direct Debit. Accordingly, You can submit Collection Orders for both SEPA Core Direct Debit and SEPA B2B Direct Debit only if You are registered for both Schemes.

If We receive Collection Orders for a Scheme that You are not registered for, We will reject those orders.

2.1. Access

When You have entered into a Collection Order Agreement, We can receive Payment Data and submit Your Collection Orders.

Contact Us to enter into a Collection Order Agreement.

2.2. Agreeing Mandates

When a Mandate is agreed between You and the debtor, the debtor must consent to collections being made from its account and transferred to Your Account with Us.

As a minimum, the Mandate must include the Payment Data and other information stipulated in the Rulebooks and any related Requirements. You must collect, process and store data related to all Mandates in accordance with the relevant Requirements

You must, at all times, store the Mandate and any amendments to that Mandate and be able to present the duly signed, valid Mandate (as amended) to Us to serve as the basis of the Collection Orders You submit to Us. If We ask to see the Mandate or any information relating to collections or to a Mandate, You must provide Us with such document or information immediately, and no later than 7 Business Days later. You must retain the Mandate for a minimum of 13 months after the last collection is made under that Mandate, irrespective of whether the Mandate has been cancelled or not. You acknowledge that You are aware that if You do not present a Collection Order under a Mandate for 36 months, You must cancel the Mandate and may no longer present a Collection Order based upon that Mandate.

We automatically assume that a valid Mandate exists; therefore, it is Your responsibility to check the Collection Orders You submit. We are not bound by that Mandate.

It is also Your responsibility to ensure that You submit only Collection Orders that You are authorised to submit under the relevant Mandate.

2.3. Pre-notifications

You must advise the debtor in advance of each collection. Unless otherwise agreed between You and the debtor, this

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pre-notification must be given by You to the debtor at least 14 calendar days prior to each collection.

If You fail to give the required pre-notification to the debtor before submitting the related Collection Order, You will be regarded as having breached the Mandate and these Terms and Conditions. If the debtor requests a refund of a collection because the debtor claims that You failed to meet Your pre-notification obligations, We will ask You to provide documentation to prove that You met your pre-notification obligations. If You fail to do so, the amount of the collection will be refunded and Your Account will be debited with the relevant payment amount.

2.4. Submission of Payment Data

We must receive Payment Data for Collection Orders from You in accordance with the cut-off times specified in the tables below. If We do not receive Payment Data in accordance with those cut-off times, We will reject the Collection Order.

Please note that different cut-off times may apply to SEPA B2B Direct Debits and SEPA Core Direct Debits. Cut-off times may also differ depending on whether the Collection Orders are one-off, or are recurring, collections.

Every time that You submit Payment Data to Us, You warrant that it is correct and You indemnify Us fully against any losses We may incur if that Payment Data was incorrect and We acted upon it.

2.5 Issuing SEPA Creditor IDs

You need a SEPA Creditor ID to submit Collection Orders via SEPA Direct Debit. The SEPA Creditor ID may be issued by another bank in SEPA.

You should contact Us to be issued with a SEPA Creditor ID.

3. Receiving a payment

We receive Your Collection Order (based on the Mandate agreed between You and the debtor) and submit this Collection Order to the debtor's bank. Upon receipt of the Collection Order by Us, We do not (and are not obliged to) check whether the contents of the Collection Order are in

accordance with the Mandate agreed between You and the debtor.

It is Your responsibility to ensure that the Payment Data in the Collection Order You submit to Us is always correct and that the related Mandate has been accepted by the debtor.

When the payment has been effected, it will appear on Your list of entries. However, in the meantime the Collection Order may have been refused, rejected or returned (see Clause 4), or have been refunded (see Clause 5).

4. Refusal, Rejection and/or Return of a Collection Order

4.1. The debtor refuses a Collection Order

The debtor may refuse a collection, without needing to provide justification, by instructing its bank not to pay the collection. An instruction to refuse must be made before the Settlement Date. You will be notified of the refusal via Business Online.

4.2. The debtor bank rejects a Collection Order

The debtor's bank may reject a Collection Order prior to the Settlement Date. This may be for any one of several reasons, including technical reasons, the debtor's account being closed, the debtor being deceased or dissolved, the debtor's account not being designated to accept collections, the application of Regulation 79 of the PSRs or the debtor instructing the debtor bank to reject the Collection Order. You will be notified of the rejection via Business Online.

4.3. The debtor bank returns a Collection Order after payment has been affected

SEPA Core Direct Debits

In the case of SEPA Core Direct Debits, the debtor's bank may also seek the return of a collection for up to five TARGET Days after the Settlement Date for that collection.

SEPA B2B Direct Debits

In the case of SEPA B2B Direct Debits, the debtor's bank may seek the return of a collection for up to two TARGET Days after the Settlement Date. The return request may be

due to a number of reasons, including technical reasons, the debtor's account being closed, the debtor being dissolved or deceased, the account not being designated to accept collections, the application of Regulation 79 of the PSRs or the debtor instructing the debtor bank to reject the Collection Order.

If the debtor's bank has specified a reason for the return, this reason will be set out in Business Online.

If We receive a valid request for a refusal, rejection or return of a collection which has been credited to Your Account then We will debit Your Account with the amount of that collection. We may charge a fee as set out in Our Tariff and Cut-Off Times Table for processing refusals, rejections or returns.

5. Refund of payments

5.1. The debtor requests a refund

The debtor bank may, on behalf of the debtor, request a refund of a collection.

Such a refund may trigger interest rate compensation based on the EONIA interest rate to the debtor bank. Accordingly, Your Account will be debited with the original transaction amount plus any accrued interest (in a total amount).

Authorised payments

SEPA Core Direct Debits

The debtor may request its bank to refund an authorised SEPA Core Direct Debit payment within eight weeks of the Payment Date.

Authorised payments cannot be refunded once the eight week period after the Payment Date has elapsed.

If We receive a request for refund of an authorised payment within eight weeks of the Payment Date, the amount will be debited from Your Account and returned to the debtor – the transaction will appear on Your list of entries. We are entitled to debit Your Account in this manner even if it would result in Your Account becoming

overdrawn. If, in the intervening period, You have closed Your Account, You agree that You will remain liable to Us for the amount of such a refund and that We may institute debt recovery proceedings against You.

SEPA B2B Direct Debits

Authorised payments collected via SEPA B2B Direct Debit cannot be the subject of a refund claim. We are obliged to comply with an inquiry request, as set out in the B2B Direct Debit Scheme Rulebook, concerning a collection which has been credited to Your Account.

Unauthorised Payments

SEPA Core Direct Debits

If the debtor believes that a payment is unauthorised, it may request – via its own bank – that We refund the SEPA Core Direct Debit payment. The debtor has up to 13 months after the Payment Date to make such a request.

SEPA B2B Direct Debits

If the debtor believes that a payment is unauthorised, it may request – via its own bank – that We refund a payment made under the SEPA B2B Direct Debit Scheme, depending on its agreement with its bank. Under the terms of the SEPA B2B Direct Debit Scheme, the debtor has up to 13 months after the Payment Date to make such a request.

We may charge a fee as set out in Our Tariff and Cut-Off Times Table for processing such requests.

5.2. Your responsibility in connection with the refund of an Unauthorised Payment

When We receive a request from the debtor for a refund of an Unauthorised Payment under the SEPA B2B Direct Debit Scheme, We will ask You to present a duly signed, valid Mandate within seven Business Days. If You are unable to do so, We will debit the amount from Your Account and refund the payment to the debtor's bank. Apart from this provision, refunds for unauthorised transactions fall outside the scope of the SEPA B2B Direct Debit Scheme.

When We receive a request for a refund of an Unauthorised Payment under the SEPA Core Direct Debit

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Scheme, an inquiry will be initiated under the SEPA Core Direct Debit Scheme Rulebook. If it appears to Us, acting reasonably, that You

- (a) have failed to comply with the terms of the Mandate agreed with the debtor or
- (b) cannot produce the Mandate agreed with the debtor or
- (c) failed to pre-notify the debtor as required under Clause 2.3 above or
- (d) have failed to comply with the relevant Requirements in respect of the payment,

then We will debit Your Account with the amount of the payment and refund the payment to the debtor's bank. This is without prejudice to Our rights set out in Clauses 6 and 7 below.

If We decide not to provide a refund this does not relieve You of any responsibility You have to resolve any issues in respect of the disputed Collection with the debtor, nor does the payment of a refund by Us prejudice the outcome of such a dispute.

Should the debtor's request turn out to be justified, We reserve the right to collect any fees related to the processing of the request and return of the payment, forwarding of vouchers, etc., in accordance with Our Tariff and Cut-Off Times Table. If We debit an amount from Your Account as part of a refund in respect of an Unauthorised Payment, that debit will appear on Your list of entries. We are entitled to debit Your Account in this manner even if it would result in Your Account becoming overdrawn. If, in the intervening period, You have closed Your Account, You agree that You will remain liable to Us for the amount of such a refund and that We may institute debt recovery proceedings against You.

6. Termination of the Agreement

6.1. Termination of the Collection Order Agreement by You

You may terminate Your Collection Order Agreement in writing at any time. If You terminate the Collection Order Agreement, We will delete all future Collection Orders placed but not yet submitted to the debtor's bank.

Collection Orders that You have asked Us to effect for up to 20 calendar days into the future and which have been submitted to the debtor bank, will remain active.

The termination will take effect on the next Business Day after receipt by Us of Your notice of termination. We will return payments received, to the respective debtor, after the 20 calendar day period has elapsed or if Your euro Currency Account has been closed.

6.2. Termination of the Collection Order Agreement by Us

Subject to Clause 7 below, We can terminate Your Collection Order Agreement by giving at least 30 days' notice in writing.

7. Grounds for termination by Us without notice

This collection service for SEPA Direct Debit will no longer be available to You, and We will prevent You from using this collection service for SEPA Direct Debit without giving You any notice, if any of the following circumstances has arisen:

- Your euro Currency Account is closed or has been stopped or
- Your Business Online Agreement or Collection Order Agreement has ended or been terminated or
- You no longer hold a SEPA Creditor ID or
- We have withdrawn Your Direct Debit settlement line or
- You have breached any of these Terms and Conditions or
- We are satisfied that You have misused a Scheme and/or have failed to comply with the Rulebooks or
- We are reasonably satisfied, on the basis of credible evidence, that You have effected or proposed to effect one or more SEPA Direct Debits with intent to defraud any person or
- Your SEPA Creditor ID permits You to collect SEPA Direct Debits under the SEPA B2B Direct Debit Scheme and Your status changes so that You are no longer a Corporate Opt-out Customer. In this case We will contact You before cancelling the collection service for SEPA Direct Debit.

If the collection service for SEPA Direct Debit is terminated pursuant to this Clause 7, all incoming payments will be returned to the debtor bank.

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8. Fees and Service Charges

Information about fees and service charges for SEPA Direct Debit is available from Your Account Manager.

9. Changes to these Terms and Conditions

We may change these Terms and Conditions in accordance with Clause 22 of the General Terms.

Copies of the General Terms and any Special Terms and Conditions which apply to an Account or Service may be accessed and viewed via Our Website or obtained by asking for a copy from Your Account Manager.

This publication is also available in Braille, in large print, on tape and on disk. Speak to Your Account Manager for details.

Cut-off times for SEPA Direct Debit Collection Service, Great Britain

Scheme	Type of SEPA Direct Debit	Cut-off Time
Core	One-off	Due Date minus 5 TARGET days minus 1 calendar day at 22.00 CET/CEST
	First	
	Recurring	Due Date minus 2 TARGET days minus 1 calendar day at 22.00 CET/CEST
Final		
B2B	One-off	Due Date minus 1 TARGET day minus 1 calendar day at 22.00 CET/CEST
	First	
	Recurring	
	Final	

Special cut-off times apply if certain information in the debtor mandate has been changed

Scheme	Debtor Mandate Change	Cut-off Time
Core	<ul style="list-style-type: none"> Mandate reference SEPA Direct Debit creditor identifier Creditor name Debtor's account [within the same bank] 	Due Date minus 2 TARGET days minus 1 calendar day at 22.00 CET/CEST
	Debtor's account [to another bank]	Due Date minus 5 TARGET days minus 1 calendar day at 22.00 CET/CEST
B2B	<ul style="list-style-type: none"> Mandate reference SEPA Direct Debit creditor identifier Creditor name Debtor's account [within the same bank] 	Due Date minus 1 TARGET day minus 1 calendar day at 22.00 CET/CEST
	Debtor's account [to another bank]	

Notes

CET is central European time

CEST is central European summer time (which starts on the last Sunday in March and ends on the last Sunday in October)

Example of "cut-off time"

You want to send the first of a recurring series of SEPA Core Direct Debits. You must therefore adhere to the following cut-off time:

Due Date minus 5 TARGET days minus 1 calendar day at 22.00 CET

If the due date is 17 November 2010, You should calculate the cut-off time as follows:

17 November - 5 TARGET days = 10 November 2010
 10 November - 1 calendar day = 9 November 2010

The cut-off time is therefore 9 November 2010 at 22.00 CET.