

ANNEX**PEXA****APPLICATION**

This Annex to the RTGS Account Mandate Terms and Conditions (the ***Terms and Conditions***) applies where the Account Holder is a member of the PEXA System.

1 DEFINITIONS

In this Annex, except where the context otherwise requires:

- 1.1 terms defined in the Terms and Conditions or any other Annex have the same meaning; and
- 1.2 the following expressions shall have the following meanings:

“PEXA Email Instruction”	means an email instruction given or appearing to have been given to the Bank by two authorised signatories of PEXA;
“PEXA”	means Digital Completion UK Ltd;
“PEXA Random Number”	means a number on the PEXA Random Numbers List;
“PEXA Random Numbers List”	means a random numbers list, supplied by the Bank to PEXA for the purpose of authenticating PEXA Email Instructions; and
“PEXA System”	means the deferred net settlement payment scheme operated by PEXA.

2 OPENING AND OPERATION OF ACCOUNTS

[No additional provisions]

3 ACCOUNT HOLDER'S AUTHORITY TO THE BANK

3.1 Subject to the Terms and Conditions, and in addition to the authorities granted and requests made to the Bank in the Terms and Conditions, the Account Holder authorises and requests the Bank:

- (a) to act upon instructions which may be received via authenticated SWIFT message from PEXA or other means agreed with the Account Holder or PEXA to transfer funds to or from the Accounts for the purpose of settling the PEXA System; or
- (b) in a contingency situation and provided the Bank has agreed to permit PEXA to give instructions via email, to act upon PEXA Email Instructions which are received by the Bank from PEXA, including, but not limited to, PEXA Email Instructions to transfer funds from the Accounts.

3.2 In a contingency situation and with the Bank's permission, unless otherwise notified by the Bank to PEXA, the instructions given pursuant to paragraph 3.1.2 above shall be valid only if sent in a PEXA Email Instruction, provided such PEXA Email Instruction:

- (a) is in a form approved by PEXA and the Bank;
- (b) bears a PEXA Random Number which is the next unused PEXA Random Number on the PEXA Random Numbers List; and
- (c) is received via encrypted email.

4 PEXA EMAIL INSTRUCTIONS

4.1 Where the Bank considers that there is any doubt regarding whether a PEXA Email Instruction is genuine, the Bank may, in its discretion, refuse to give effect to that PEXA Email Instruction. In the case of such refusal the Bank agrees to use its reasonable endeavours to notify PEXA of such refusal and the reasons for it.

4.2 The Account Holder understands that email is not a secure method of communication and that messages so delivered may be intercepted, lost, destroyed, corrupted or delayed in transmission.

4.3 The Account Holder hereby agrees that:

- (a) neither the Bank, nor any of its representatives or agents shall incur any liability or be responsible for any Loss, that may arise as a result of the Bank giving effect, or failing to give effect, to any PEXA Email Instruction, except to the extent that such Loss is shown to be attributable to wilful default or reckless disregard of the Bank's obligations on the part of the Bank or its representatives and agents; and
- (b) it shall on demand indemnify the Bank and keep the Bank indemnified

against any Loss suffered or incurred by the Bank as a result of it acting upon any PEXA Email Instruction which is not a genuine instruction emanating from two authorised signatories of PEXA, or which contains any error or is intercepted, lost, destroyed, corrupted or delayed or otherwise distorted or altered during the course of transmission except to the extent that such Loss is shown to be attributable to wilful default or reckless disregard of the Bank's obligations on the part of the Bank or its representatives and agents.

5 ACCOUNT HOLDER UNDERTAKINGS

[No additional provisions]

6 POSITION OF THE BANK

[No additional provisions]

7 PAYMENTS AND DELIVERIES

[No additional provisions]

8 DEFAULT

- 8.1 In addition to the Events of Default specified in clause 8 of the Terms and Conditions, an Event of Default shall also be treated as having occurred if (a) the credit balance of the relevant Account is insufficient to enable settlement of the Account Holder's obligations in the PEXA System at the time designated for such settlement, and that aggregate credit balance remains insufficient for one hour after such time and (b) the Bank serves a Default Notice.

9 DISABLEMENT AND TERMINATION OF ACCOUNTS; SET-OFF

[No additional provisions]

10 INTEREST

[No additional provisions]

11 DEFAULT INTEREST AND CHARGES

[No additional provisions]

12 SUMS DENOMINATED IN DIFFERENT CURRENCIES

[No additional provisions]

13 OTHER ARRANGEMENTS

[No additional provisions]

14 VARIATION AND WAIVER

[No additional provisions]

15 CONFIDENTIALITY

- 15.1 Notwithstanding clause 15 of the Terms and Conditions, the Account

Holder hereby consents to the disclosure by the Bank to PEXA of account balances and actual and anticipated payments and receipts.

16 ASSIGNMENT AND OTHER DEALINGS

[No additional provisions]

17 SINGLE AGREEMENT; ENTIRE MANDATE

[No additional provisions]

18 NOTICES

[No additional provisions]

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

[No additional provisions]

20 GOVERNING LAW

[No additional provisions]

21 JURISDICTION

[No additional provisions]

22 AGENT FOR SERVICE OF PROCESS

[No additional provisions]