

APPLICATION FORM

FOR A TERM DEPOSIT ACCOUNT WITH HBL BANK UK LIMITED

Terms and Conditions

1. Term Deposit Accounts are, like all other bank accounts held with us, governed by our General Terms and Conditions for Personal/Business Accounts (the "General Account T&C").
2. The provisions set out below relating to Term Deposit Accounts are Specific terms and conditions referred to in clause 2(J) (personal accounts) and clause 2(I) (business accounts) of the General Account T&C. We shall refer to them as the "Term Deposit Conditions".
3. If there is any conflict between the General Account T&C and the Term Deposit Conditions, the Term Deposit Conditions will apply.

Your Agreement to the Term Deposit Conditions

4. By completing and signing the application form below you, our customer, confirm that you have read, understood and agree to these Term Deposit Conditions.

What are the features of Term Deposit Accounts?

5. Term Deposit Accounts are savings accounts with specific start and end dates. An initial deposit (the principal amount) will be paid by our customer into a Term Deposit Account on the start date, and interest will start accruing from the start date.
6. The interest rate payable/earned by our customer on Term Deposit Accounts is higher than that payable on standard deposit accounts because the principal funds are not available for withdrawal by them without penalty (see paragraph 12 and following below) until the end date.
7. In relation to a Term Deposit Account our customers can choose the period of the Term Deposit and how the interest earned is paid.
8. A Term Deposit Account may be opened in GBP, USD or EURO.

The period of the Term Deposit

9. Our customers can choose any one of the following periods: 1 month, 3 months, 6 months, 1 year, 2 years, 3 years or any combination of these periods, for example, 2 years and 3 months.

The payment of interest earned

10. Our customers will receive interest at the end date **or** for term deposits of a year or more they can choose to receive interest at regular intervals within the agreed deposit term. The available intervals are monthly, quarterly, six-monthly and annually.
11. Our customers can choose that interest is either paid into their current account or is capitalised in the Term Deposit Account. When interest is capitalised, this means that the interest earned would be added to and thus increase the principal amount. Future interest would then be earned on the total of the initial deposit/previous capital balance **plus** the capitalised interest. At the end date the initial deposit and all capitalised interest earned will be returned to the customer's current account.

Can our customers withdraw their money before the end of the deposit period?

12. If our customers wish to withdraw funds from a Term Deposit Account before the end date, this is permissible, but they will be charged an Early Withdrawal Penalty.

How is an Early Withdrawal Penalty calculated?

13. The Early Withdrawal Penalty is the **lower** of the results of the following calculations:
 $2\% \times [\text{the initial capital deposit}] \times [\text{the unexpired period of the time deposit}]$ (the "Unexpired Period Calculation")

OR

the amount of interest accrued on the initial deposit (the "Accrued Interest Calculation").

14. For example, a customer has booked a Term Deposit of £10,000 for a 12-month term at an interest rate of 3% gross per annum. The customer wants to break the Term Deposit early after 60 days.

The Unexpired Period Calculation works out as follows:

$$2\% \times £10,000 \times (305/365) = £167.12$$

The Accrued Interest Calculation works out as follows:

$$£10,000 \times 3\% \times (60/365) = £49.32$$

In the above example, the Accrued Interest Calculation of £49.32 is lower than the Unexpired Period Calculation of £167.12, hence the Early Withdrawal Penalty would be £49.32.

15. Please note that for GBP deposits the expired/unexpired portion of the term of the deposit is represented by "Actual/365 Days", but for USD and EURO deposits the expired/unexpired portion of the term of the deposit is represented by "Actual/360 Days".
16. The amount of any Early Withdrawal Penalty will only be deducted from any accrued interest. We will not deduct anything from your initial principal deposit. We will inform you of the amount of the Early Withdrawal Penalty before we process your request and will provide you with the opportunity to withdraw your request.

Date: ____/____/____

The Manager
HBL Bank UK Limited
_____ Branch

Dear Sirs,

Application to Open a Term Deposit Account

I/we request that a Term Deposit Account is opened in my/our name details of which are set out below.

Account number : _____
Account Title: : _____
Initial Deposit Amount : **GBP*/USD/EUR** _____
Period of Deposit : 1 Month / 3 Months / 6 Months / 1 Year / 2 Years / 3 Years
Interest Frequency⁺ : Monthly / Quarterly / Semi-annually / Annually
Capitalise Interest⁺⁺ : YES* / NO
Interest Rate :

I/we confirm that I/we have read, understood and agree to the Term Deposit Conditions set out above.

Signature(s) :

Signature(s) :

Date : _____

* Delete as applicable

⁺ Only available on 1 Year, 2 Years or 3 Years Deposits

⁺⁺ Applicable where you have elected to receive interest on regular intervals

For Bank Use Only

Date Received: ____/____/____

Customer Number: _____

Rate Applied: _____%

Currency of Deposit Account: _____

Processed By (Name): _____

(Signature): _____

Authorised By (Name): _____

(Signature): _____