

Investec Bank plc
Mortgage Loan Conditions December 2021
(England and Wales)

This is an important legal document.

Please read and consider these mortgage loan conditions carefully before you sign your Loan Offer.

Keep these mortgage loan conditions together with your other loan documentation in a safe place for future reference.

YOUR PROPERTY IS AT RISK IF YOU DO NOT KEEP UP WITH THE REPAYMENTS ON THE LOAN

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1 What forms the loan agreement you have with us?

What is the loan agreement made up of?

- the Mortgage Loan Conditions in this document;
- your Loan Offer; and
- the Tariff of Mortgage Charges which sets out the fees which apply to the loan.

You also need to provide us with security to secure your repayment of the amount owing under the loan to us. To do this, you (and, if relevant, any guarantor) will need to enter into the security documents.

What is the Loan Offer?

This is the document which sets out the terms on which we provide the loan to you. It's called the 'Loan Offer' or the 'Loan Document'.

What are the security documents?

These are the documents listed in your Loan Offer, and any other document you or a guarantor enter into, which create security over the mortgage assets in our favour for the repayment of the amount owing under the loan. This will include the legal charge which creates security over your mortgage property.

If there is a conflict between these conditions and your Loan Offer, your Loan Offer will apply.

What is meant by "you" and "we"?

- "You" and "your" – the person or persons named in your Loan Offer as the "borrower". This may include a company, limited liability partnership or trustee.
- "We", "us" and "our" – Investec Bank plc and any successors in title, assigns or transferees.

If you are joint borrowers

If there is more than one of you, this agreement applies to all of you together and to each of you individually. This means, for example, that we can ask one of you to make the payments due under the loan and that if any of you break the agreement we may take action against all of you. If we enter into an arrangement with any of you, this will not affect our rights against the rest of you, or your obligations to us.

If you are a trustee of a trust, we will not have recourse to your personal assets.

The initial drawdown of the loan must be requested by your solicitor. In all other circumstances we will accept instructions from one of you unless we require the instruction from all of you, and we notify you of this, or you have told us only to accept instructions from all of you. If any of you tell us about a dispute, we will only follow instructions from all of you.

How we will use some of our rights

This loan agreement gives us rights to take certain actions in particular circumstances (such as require you to repay the loan in full if you do not make payments) and prevents you from doing certain things without our consent.

If we have the right to do something (such as ask you to repay the loan in full if an enforcement event occurs) and we choose not to at a particular time or we delay doing this, this will not affect our right to take this action later.

If this loan agreement requires you to obtain our consent (for example, to the form of a tenancy agreement) before you can do something you must obtain our consent in writing. We will not refuse our consent unless we reasonably think that giving it may:

- adversely affect our security over the mortgage assets;
- adversely affect the value of the mortgage property;
- adversely affect your ability to repay the loan; or
- cause us to incur costs.

What are the mortgage assets?

The mortgage property and any other assets, rights or guarantees given by you or a guarantor which secure repayment of the amount owing under the loan.

What is a guarantor?

This is any person other than you who enters into an agreement to guarantee or provide security for your repayment of the amount owing under the loan.

How these Mortgage Loan Conditions apply if your loan is split into parts

If your loan is split into parts, these conditions apply to each part of the loan.

2 Interest

How we calculate and apply interest

We charge interest each day on the amount we lend to you commencing on the day we advance the loan proceeds (plus any arrangement fees added to the loan, any further advances we make or any further amounts drawn) minus any capital payments you make until you have paid this amount off in full. We call the amount that we charge interest on 'the capital' of the loan.

To calculate the daily interest rate, the annual interest rate is divided by 365 days (even in a leap year). We apply interest to your account each month on your payment date. This amount will be the amount of interest which has accrued each day since your last payment date or, if it is your first payment date, since you drew down the loan. In a leap year, interest will be charged on twenty nine (29) days in February.

Types of interest rate

Your Loan Offer will set out whether your interest rate is fixed or variable, how long it lasts for and what interest rate replaces it if it changes.

What variable rates are there?

If the interest rate is a variable rate, it will track either the Bank of England Bank Rate (or any rate which replaces it) or the lender base rate, plus a margin.

The interest rate on the loan will not fall below the margin. Other than as set out in your Loan Offer, we will not change the margin during the loan term unless we agree this with you.

What is the lender base rate?

This is Investec Bank plc's Base Rate or, if we transfer your loan to another party, it will be the base lending rate of that party. The Investec Bank plc Base Rate is a variable rate which we set and can decide to change although it typically tracks the Bank of England Bank Rate.

When we will not change the interest rate

We will not change an interest rate during a fixed rate period.

When we can change the interest rate

If the interest is linked to the lender base rate

We can change the lender base rate at any time to respond proportionately to:

- a change in the Bank of England Bank Rate; or
- a change in our funding costs; or
- a change in law or regulation or a decision by a court, regulator, ombudsman or government that we have to follow.

If we change the lender base rate to track a change to the Bank of England Bank Rate or we decrease the interest rate for any other reasons, we will make this change immediately and tell you the new interest rate and the new amount of your regular payment at least 10 business days before your next payment. If we increase the interest rate other than for a change to the Bank of England Bank Rate, we will give you at least 30 days' notice before we do this.

If the interest rate is linked to the Bank of England Bank Rate

We will change the interest rate on your loan to reflect any changes to the Bank of England Bank Rate. We will apply any changes to your loan immediately and tell you the new interest rate and the new amount of your regular payment at least 10 business days before your next payment date.

3 Your payments

What and when you must pay

You must make all the payments set out in your Loan Offer and pay off the full amount owing by the end of the loan term.

What is the full amount owing?

This is everything you owe us under the loan agreement. At any particular time, the amount owing will include:

- The amount we lend to you at the start of the loan term (plus any arrangement fees added to the loan, any further advances we make or any further amounts drawn) minus any capital payments you make which reduce the capital of the loan;
- any interest you owe on the amount we lend to you;
- any fees you have to pay us as set out in the Tariff of Mortgage Charges;
- any early repayment charge you incur;
- any expenses you have to pay us; and
- any amounts due to us but which you haven't paid.

If your loan is split into different parts, this applies to each part.

You must make all payments under the loan agreement in pounds sterling. If you make a payment in another currency, we will convert the amount received into its equivalent in pounds sterling at the exchange rate determined by us at the time we process the payment. This may result in you paying less than you are obliged to pay in pounds sterling.

Any payments you make will be treated as received by us only when we receive the payment in cleared funds. If we receive the payment in another currency, the payment will only be treated as received once we have converted the payment into pounds sterling.

You must make all payments without deducting any tax. If you are required by law to deduct tax, you must increase the amount of your payments so that we receive the full amount after any tax has been deducted.

If you have to make regular payments under your Loan Offer, you must make them by the payment date. We will tell you what the payment date is when you first draw the loan.

Your first monthly payment may be higher or lower depending on the day on which your loan is drawn and when your first payment date is. Your first payment amount may therefore be different to subsequent payments.

The term of your loan is set out in your Loan Offer. The term begins when the loan (or any part of it) is first drawn and ends on the date that your final payment is due.

Your final payment date may change if you request us to change the payment date of your loan.

You can ask us to change your payment date after you make your first regular payment. We will change it to the date you request unless we can't for operational reasons. We'll tell you when the new payment date will apply when you make the request (this will usually be at least 14 days after you ask us).

If there are any changes to your final payment we will notify you of the revised final payment date.

If your payment date is on a day which is not a business day it will not be due until the next business day.

What is a business day?

Monday to Friday excluding public holidays in England.

Changes to your regular payments

Sometimes we may need to change the amount of your regular payments to take account of the following:

- changes to the interest rate on your loan;
- any amounts you have not paid to us because you have deducted tax from your payments;
- we recalculate the amount of interest you owe us;
- you make a further drawdown on the loan; or
- any early repayments you make.

If we do this, we will tell you the new amount of your regular payment at least 10 business days before the first payment date that it will apply to. If you are making regular payments of capital and interest the new regular payment amount will ensure you pay off the capital of the loan by the end of the loan term. If you are making regular payments of interest only, the new regular payment will ensure you pay off the interest we add to your account on the payment date.

In some circumstances (for example, if you are struggling to keep up with your payments) we may put in place a payment arrangement with you for a period of time. For example, we may allow you to pay less each month for a period of time. If we do, this will not affect the amount of your regular payments and so you will fall behind. This will not affect the rights we have to require you to repay the loan immediately.

4 If your Loan Offer says that you will owe us an amount at the end of the loan term

What you must do

You must put in place a repayment strategy to repay any amount owing at the end of the loan term.

You must review your repayment strategy regularly to check that it will still do this and let us know if you change it or you think it may not be sufficient to repay the amount you will owe us.

You must provide us promptly with information we reasonably ask for about your repayment strategy and whether it will repay the amount you will owe us.

What if your repayment strategy is insufficient?

If we reasonably believe that your repayment strategy will not give you enough money to repay the amount you will owe us at the end of the loan term we'll give you time to change it and work with you to put in place an alternative strategy.

5 Fees and expenses

You must pay us when we ask you any fees set out in the Tariff of Mortgage Charges which you incur during the loan term and any expenses we or a receiver reasonably incur for administering and, if necessary, enforcing the loan and in connection with our security over the mortgage assets.

Any fees we charge will not be more than a reasonable estimate of the average costs we incur for providing each service. This will include a share of our internal costs (such as for offices, computer systems and our employees' time) and the costs we pay to other people.

When can we change our fees?

We may reduce or remove a fee set out in the Tariff of Mortgage Charges at any time for any reason. We may also increase our fees (or introduce a new fee) for any of the following reasons:

- to respond proportionately to a change in (or a change we know will happen to) our costs;
- to reflect a reasonable estimate of the average costs we incur if we introduce a new service or start charging for a service which was free or that we didn't pass on all our costs for; or
- to respond proportionately to a change in law or regulation or a decision by a court, regulator, ombudsman or government that we have to follow.

If we increase a fee or introduce a new fee, we will tell you at least 30 days before this change takes effect.

What expenses might we incur?

Our expenses cover the costs we pay to third parties and a reasonable estimate of our costs. We aren't able to set out all the expenses we might reasonably incur during the loan term but these will include, for example, costs for:

- recovering all or part of the amount owing under the loan;
- protecting, preserving or enforcing any security over the mortgage assets or taking these steps in relation to the assets themselves;
- bringing or defending legal proceedings about the amount owing, the loan or the mortgage assets;
- remedying any breach by you or any guarantor of your respective obligations under this agreement or the security documents (for example, if we incur costs for insuring or repairing the mortgage property because you have not done this); or
- exercising any of our rights under this agreement or the security documents (for example, the valuer's costs if we choose to value the mortgage property).

6 Confirmations

You confirm on the date you sign the Loan Offer (and any security documents) and each day there is an amount owing under the loan (including, if relevant, when you ask to draw down a further amount) that:

- you have full power and authority to enter into this loan agreement, give us instructions and comply with your obligations;
- if you are a trustee:
 - you (and any other person who signs the Loan Offer) are the only trustees of the trust;
 - you have a right to be indemnified out of the assets of the trust for all obligations and liabilities you incur under this loan agreement and the security documents; and
 - no corporate actions or legal proceedings have been taken to wind up or terminate the trust or your appointment as a trustee;
- if you are a company, LLP or trustee (in which case, where applicable, you confirm the following in relation to the trust):
 - you are duly incorporated and validly existing under the laws of your jurisdiction of incorporation;
 - you have taken all necessary actions to authorise your entry into this loan agreement and any security documents;
 - the loan agreement and security documents (and the obligations on you) do not, and will not, breach any law or regulation which applies to you or those documents, your constitutional documents (for example, articles of association, partnership agreement or trust deed) or any other agreement you have entered into;
 - the loan agreement and security documents are and will be valid, binding and enforceable in accordance with their terms; and
 - you have not entered into any corporate restructure, merger, migration or other similar arrangement;
- there are no actual or threatened disputes, legal proceedings or enforcement processes, or breaches of agreements, affecting you, which could have a significant effect on your ability to make payments under this loan agreement or to perform your other obligations under this agreement or any security document;
- you have and will have full title to the mortgage property free from all security except the security created by the security documents;
- no security exists over the mortgage assets other than the security created by the security documents unless you have our consent to this; and
- no enforcement event has occurred or might reasonably occur if you draw down the loan.

7 Your information obligations

If we ask for it, you must give us the information we reasonably request about your income, assets and liabilities. If you are a trustee, you must also provide this information about the trust.

You must also give us any other information we reasonably request from time to time so that we can check you meet your obligations under this agreement or the security documents or if we need to comply with our legal or regulatory requirements.

You must let us know if any of the information you provided to us before or after we gave you the loan was incorrect or has significantly changed (for example, if your earnings are much lower than when you applied). You must also let us know if any of the confirmations in this agreement are no longer correct.

If you are a trustee, corporate or LLP

You must also allow us and our advisers access to your premises on reasonable notice and at reasonable times to view your accounts and records and to take copies of this information as we reasonably require.

If you are a trustee, you must provide us with copies of documents you send to the beneficiaries of the trust and, if you are a corporate trustee, to your shareholders and creditors, if we ask for them.

8 General obligations

If you are a trustee

You must not deal with your trust's assets in a way which is likely to result in the total value of the trust's assets, at any time, becoming less than the total of the amount owing under the loan and all of the trust's other liabilities (including any prospective and contingent liabilities).

When we calculate the value of your trust's assets and liabilities, we will convert all amounts into pounds sterling using our standard exchange rates at the time we carry out the calculation.

Unless you have our consent, you must not:

- carry on any business other than owning, letting and managing the mortgage property if the mortgage property is the trust's only asset when you enter into this loan agreement;
- transfer, let or dispose of any of the assets of the trust other than in accordance with the ordinary administration of the trust;
- incur or allow to be outstanding any debt other than this loan or another debt secured under one of the security documents;
- provide or allow to be outstanding any form of credit, guarantee or indemnity for another person or assume any liability on behalf of another person; and
- waive any right you have to be indemnified out of the assets of the trust.

9 General obligations

As long as there remains an amount owing under the loan we can have the mortgage property revalued. We will only do this if it is reasonable (for example, to check that the mortgage property continues to be adequate security for the loan or to comply with any legal or regulatory requirements). If we do, we'll tell you why and let you know about any expenses we incur.

We will provide you with at least 7 days' notice before a valuation occurs and you will arrange for us to have access during reasonable hours of the day.

Any valuation we obtain will be for our purposes only and you will not be able to rely on it.

10 Using and letting the mortgage property

What you must do

If you do not have a buy-to-let loan, you must live in the mortgage property unless we agree that you can let it or use it for another purpose.

If you have a buy-to-let loan, you must let the mortgage property under a tenancy agreement.

What is a buy-to-let loan?

A loan where you have told us you will or intend to let the mortgage property to other people for a residential purpose. If you have a buy-to-let loan, the Loan Offer will state this.

Requirements of the tenancy agreement

Who you can and cannot let the mortgage property to

Who you cannot let the mortgage property to

Without our prior consent you must not let the mortgage property to or allow it to be occupied by:

- multiple individuals under separate tenancy agreements;
- an individual who is in receipt of housing benefits (or similar benefits);
- an individual who is entitled to claim diplomatic immunity; or
- a local authority or housing association.

When you need our consent

You must obtain our consent if you want to let the mortgage property to or allow it to be occupied by yourself or another close family member (such as your spouse or partner, sibling, child, grandparent or grandchild).

You do not need our consent to let the mortgage property to, or to allow it to be occupied by, any other person (including a company).

The type of tenancy agreement

If letting to an individual:

- you must enter into an assured shorthold tenancy or if the annual rent is more than £100,000 (or any amount which replaces it under legislation) you may enter into a tenancy which is not an assured shorthold tenancy as long as it allows you to obtain vacant possession on terms that are no less onerous than an assured shorthold tenancy.

If letting to someone other than an individual:

- you must obtain our consent to the form of tenancy.

Subletting

If letting to an individual:

- you must obtain our consent.

If letting to someone other than an individual:

- you must obtain our consent.

Other requirements

All lettings must:

- be for residential purposes only;
- be for the full market rental value;
- not give the tenant any statutory rights to occupy the mortgage property at the end of the letting; and
- not allow the tenant to automatically renew the tenancy agreement.

Other obligations if you let the mortgage property If you let the mortgage property you must:

- ensure the tenant(s) carry out their obligations under the tenancy agreement;
- ensure the tenant's deposit is held in an authorised tenancy deposit scheme, if required;
- comply with all legal requirements which relate to the letting and apply to you as a landlord; and
- provide us with any information we reasonably ask for about your lettings (including, for example, the tenancy agreement(s) you enter into and any notices).

If you are a trustee

You must not occupy the mortgage property yourself.

Changing the use of the mortgage property

You must obtain our consent if you want to use the mortgage property for anything other than a residential purpose or another use that we have previously agreed with you. You must also obtain our consent if you have a buy-to-let loan and you want to live in the mortgage property or if you have a non buy-to-let loan but you want to let the mortgage property.

11 Insuring the mortgage property

What you must do

You must maintain insurance on the mortgage property at all times and pay all of the premiums on time.

What if the mortgage property is leasehold?

You may not be able to insure it if your landlord is obliged to do this. In this case, you must do all you reasonably can to ensure that your landlord insures it and that it covers what we need it to.

You must provide us with a copy of the insurance policy and proof that it is still in force if we ask for this. If we reasonably think the insurance policy is not adequate, you must improve the cover in the way we ask you.

What the insurance policy must cover

The policy must cover the mortgage property against any risks we tell you about and for the full cost of reinstating and rebuilding it to its original form if something happened to it. This amount must be "index linked" so that it changes over time to take account of inflation.

What we can do

We may insure the mortgage property if:

- you do not insure it;
- we reasonably think the insurance policy that is in place is not adequate and you have not improved it when asked; or
- you do not provide us with details of the insurance when we ask you.

If we do this, we will decide on the policy terms, including who the insurer will be, what risks are covered and the amount of the cover.

The insurance we take out may only be to cover our interests and we will not be obliged to cover your interests.

Terms which apply if you or we insure the mortgage property

You must not do anything to invalidate the insurance or make it more expensive or difficult to insure the mortgage property.

You must tell us immediately about any significant damage to the mortgage property which could mean you need to make a claim under the insurance policy.

If the insurance policy allows us to, we will have a right to negotiate with the insurer and settle a claim on reasonable terms. If it does not, you will not settle a claim without our consent.

You may use any money you or we receive from an insurance claim:

- to repair or rebuild the mortgage property;
- for the purpose the claim was made; or
- to repay part or all of amount owing.

You will hold any money you receive from an insurance claim on "trust" for us until it is used. This means that you will hold the money for our benefit until it is used.

12 Loan to value

The LTV for your loan must not exceed the maximum LTV at any time during the loan term.

What is the LTV and maximum LTV?

The LTV is the value of the loan expressed as a percentage of the value of the mortgage property being taken as security under the loan.

If there is a maximum LTV, this amount will be set out in your Loan Offer.

If we reasonably believe that the LTV exceeds the maximum LTV, we will stop you from drawing any further amounts under the loan and we may:

- require you to reduce the amount owing so that the LTV is less than the maximum LTV; or
- require you to provide additional security for the amount owing under the loan.

If we require you to take either of these actions, we will give you a reasonable amount of notice to do that. When we monitor the LTV, we consider all values in sterling. If we receive a valuation in a currency other than sterling we will convert this amount to sterling using our standard exchange rate.

13 When we can require you to repay the loan immediately

We may require you to repay the full amount owing immediately if any of the following occur (we call these 'enforcement events'). Your Loan Offer will set out the period when an early repayment charge might apply to your loan. If an enforcement event occurs during this period you will also need to pay us an early repayment charge:

- you fall behind with your payments by an amount equal to at least 2 regular payments;
- you exceed the borrowing limit if you have a revolving loan;
- you do not make any mandatory capital repayments by the date set out in your Loan Offer;
- you have not paid the full amount owing under the loan by the end of the loan term;
- you or any guarantor do not pay any amount owed to us under another agreement when it is due and fail to do so within a reasonable time of being asked to do so;
- you or a guarantor have seriously or persistently breached this agreement or a security document and the breach cannot be fixed or, if it can, it hasn't been fixed within a reasonable time of us asking;
- you or any guarantor have failed to provide any information we have the right to ask for under this agreement or a security document;

- you or any guarantor gave us false, inaccurate or misleading information or failed to provide us with relevant information and we reasonably believe this would have made a significant difference to our decision to lend to you or let you draw part or all of the loan or to the amount or terms of the loan;
- you transfer, let, grant a trust over or create a new interest in the whole or any part of the mortgage property without our consent;
- any part of the mortgage assets become subject to a compulsory purchase or other action by the government, local authority or other similar body;
- any part of the mortgage assets are destroyed or damaged and, taking into account any insurance proceeds, we reasonably believe that they will no longer provide adequate security for the amount owing under the loan;
- we reasonably believe that you or any guarantor are involved in fraud or any other serious criminal activity;
- you let the mortgage property but in a way that does not comply with the requirements for the tenancy agreement we have set out above;
- another person takes possession of any of your property or possessions because you have not paid a debt you owe and we reasonably believe you will not be able to pay us what you owe under the loan as a result;
- another person gives notice that they will take possession, appoint a receiver or exercise a power of sale in relation to any of your or a guarantor's property or enforce any security that you or a guarantor have given to them;
- an order for bankruptcy, liquidation or administration is made against you or any guarantor or another person proposes that one of these orders should be made against you or any guarantor or you or any guarantor propose to enter into a voluntary arrangement with any of your creditors;
- you (or, if there is more than one of you, the last remaining borrower) or any guarantor die;
- there is a defect in your or your guarantor's title to the mortgage assets or the security documents are no longer binding or in full force;
- anything happens that results in us having the right to enforce our security under a security document;
- we are required by any law, regulation or court order to end our relationship with you.

Additional enforcement events if you are a trustee (whether an individual or corporate)

- the trust ends or any legal proceedings are started to terminate the trust;
- the value of the trust's assets become less than its liabilities (taking into account contingent or prospective liabilities);
- there is a breach or change to the terms of the trust which we reasonably believe might adversely affect your ability to comply with your obligations under the loan agreement or

security documents, the security over the mortgage assets or any right of indemnity you have against the assets of the trust;

- you cease to be a trustee of the trust or an additional trustee is appointed, without our consent;
- where you become the sole trustee of the trust and you are not a corporate;

Additional enforcement events if you are a corporate (including if you are a corporate trustee)

- you or your guarantor are or are deemed to be unable to pay your debts as they fall due under applicable law;
- you or your guarantor suspend or threaten to suspend making payments on your debts;
- due to actual or anticipated financial difficulties you or your guarantor commence negotiations with one or more of your creditors with a view to rescheduling some of your debts;
- the value of your or your guarantor's assets become less than its liabilities (taking into account contingent or prospective liabilities);
- a moratorium is declared over any of your or your guarantor's debts;
- any corporate action, legal proceedings or other procedure is initiated or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), bankruptcy or sequestration of you or your guarantor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of you or your guarantor or the appointment of a nominee or supervisor in connection with any such composition, compromise, assignment or arrangement;
 - (iii) the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, trustee in bankruptcy, compulsory manager, nominee, supervisor, judicial factor or other similar officer over you, your guarantor or any of your respective assets; or
 - (iv) the enforcement of any security over any of your or your guarantor's assets (including our security under any security document), or any analogous procedure is taken in another country.
- any expropriation, attachment, sequestration or other process or any analogous process in another country occurs in relation to your or your guarantor's assets;
- you or your guarantor suspend or cease to carry on all or a material part of your business (or you threaten to do so);
- there is a change to the control of your or your guarantor's company;
- any of your or your guarantor's directors, officers or partners no longer have the right to enter or remain in the UK.

You must let us know if you become aware that any of these enforcement events have arisen.

14 Other rights we have if an enforcement event occurs

If we have the right to require you to repay the full amount owing immediately, we may also or instead do any of the following:

- investigate or instruct an adviser (such as an accountant or valuer) to investigate your financial position and you will respond to any reasonable requests made for information;
- cancel any undrawn amounts set out in your Loan Offer;
- enforce our security over the mortgage assets if we have the right to do so under the relevant security documents;
- propose changes to the loan agreement; or
- exercise our right of set-off (which we explain below).

If we obtain a court order requiring you to pay us the amount owing, you will incur interest on the amount owing at the interest rate which applies to your loan both before and after we obtain a court order.

You have been granted a loan as a UK resident (unless we have agreed otherwise).

If you are a UK resident when you are granted the loan and at any point during the term of the loan you no longer reside in the UK, you must notify us. We may:

- obtain a legal opinion from solicitors in your new jurisdiction of residence on the regulatory status of our lending activities. We will pass on our reasonable costs of obtaining this opinion to you;
- be unable to continue to lend to you where it is unfeasible due to the laws which apply in the place you now reside; and
- therefore ask you to repay the loan and if we do so, you must repay the loan to us immediately.

If we are permitted to continue to lend to you, you may not be able to request any changes to the terms of your loan agreement.

15 Our right of set-off

If an enforcement event occurs, we can use any money you have in an account with us to pay any part of the amount owing under the loan. This is our right of set-off.

If you have a loan in joint names, we can use our right of set-off against any money you hold in an account in any of your names individually or joint names.

If we use our set-off right, we may:

- use money you have in a fixed term deposit or bond;
- convert money you hold in a currency other than sterling into sterling using the relevant exchange rate at the time we do this; or
- take money out of an account you have with us even if you have asked us to use it for a specific purpose (for example, to make a future payment).

We won't use our right of set-off against money we've been legally instructed (for example, by a court order) to hold in your account for someone else, or to pay to someone else, but we will use our right against any other money in the account unless we can't do so for legal reasons.

If you are a trustee, we will only use our right of set-off against money you hold in an account in the same capacity and for the same beneficiary.

We may use our right of set-off without telling you in advance if we reasonably believe that this would lead to you taking steps to prevent us exercising our rights, in which case we will let you know as soon as possible of the action we've taken. Otherwise we will give you 5 business days' notice before we use this right.

16 Transferring the loan

You cannot transfer or let another party take over your rights and obligations under this agreement or the security documents.

We may transfer all or any of our rights and obligations under the loan agreement (and any related security documents) to another party without your consent. If we do this, the party we make the transfer to will have the same rights and obligations as us and the transfer will not reduce your rights and obligations.

We may share information about you and your loan (including information about this agreement, the security documents, your mortgage property and the conduct of your account) with potential or actual transferees and their advisers and anyone else we reasonably need to in order to complete the transfer, as long as they keep this information confidential in the same way we do.

17 Tax

You will be responsible for:

- notifying us within 30 days of your tax residence and tax status, any changes to either and any other related additional information requested by us;
- understanding the tax consequences of any products or services taken from us for which we take no liability, as we do not provide tax advice;
- obtaining your own professional advice in relation to your tax affairs and providing us with copies of any tax advice or other relevant documents, if requested by us;
- complying with your worldwide tax obligations including the submission of returns, settlement of your liabilities and any other required tax disclosures; and
- Where applicable, to comply with our legal and regulatory obligations, we may need to:
- disclose certain information to relevant authorities in relation to your account(s) and your banking relationship with us; and
- take any other action required under any applicable laws or regulations.

18 Changing this loan agreement

We have set out elsewhere in this loan agreement how and when we can change your regular payments, the interest rate and our fees in connection with the loan.

We may also change any other term of this loan agreement for any of the following reasons:

- to comply with a change in law or regulation or a decision by a court, regulator, ombudsman or government that we have to follow; or
- for any other reason as long as we reasonably think the change is not to your disadvantage – for example, to introduce a new service or facility, to improve an existing one or to make reasonable changes to the way we look after your account as a result of changes in the banking system or the systems we use.

We will tell you about any changes that we reasonably think are to your disadvantage at least 30 days before the change takes effect. For any other changes we may make them immediately but we will tell you about them within 30 days.

19 How we contact each other and provide notices

You can contact us:

- by telephone using your private banker's telephone number on a business day during our usual business hours;
- by writing to us by post or email; or
- using any other method we tell you about from time to time.

We will contact you by post, telephone, email, text message or through our online and mobile banking service using the most recent contact details we hold for you. We will use these details to send you statements, notices and other correspondence so you must tell us if your contact details change.

If the loan is in joint names, we will send one notice to all of you using the contact details we hold for the first named borrower unless you tell us otherwise.

We will only communicate with each other in English. Telephone calls may be monitored and recorded for quality control and training purposes and if we need to check any instructions you give us.

When you and we will be treated as receiving a notice
The following table sets out when you and we will treat each other as receiving a notice. The timeframe differs depending on the method used to send the notice.

Notice sent by	Delivery method	When it will be treated as received
Us	Courier	At the time of delivery
Us	Post	One day after it would typically be delivered in the ordinary course of post
Us	Telephone	At the time we speak to you
Us	Email, Text Message or SMS	At the time we send it
You	Post or courier	At the time we receive it, if this is during normal business hours.
You	Email	At the start of the next business day, if we receive it outside normal business hours

20 The law and courts which apply to this loan agreement

The loan and our dealings with you before you entered into this loan agreement are governed by the laws of England and Wales.

If there is a dispute, you or we may bring legal proceedings in the English courts. You and we may also bring legal proceedings in another part of the United Kingdom if you live or the mortgage assets are held there.

21 Other important conditions

Additional assistance we might ask you to give us

You agree to sign any document or to provide some other assistance we ask you to if we think it's necessary to protect our security over the mortgage assets or to give full effect to the loan agreement or the security documents. We'll always agree an appropriate timeframe with you for this. You also agree to pay any reasonable expenses in connection with preparing these documents.

Rights of third parties

The Contracts (Rights of Third Parties) Act 1999 does not apply to this loan agreement. This means that only you and we (and anyone that we transfer our rights and obligations to) can rely on this loan agreement.

Taxes and costs

There may be other taxes or costs you incur with this loan that we do not impose and you do not pay through us.

Liability

We will not be liable to you for any loss you suffer if we can't provide a service or fulfil an obligation under this agreement for a reason that is beyond our reasonable control.

