

HSBC UK Bank plc

**Private Banking Mortgage Deed Conditions
(2023 edition)**

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These conditions contain important terms that apply to your Mortgage with us, HSBC UK Bank plc, Private Banking. We recommend you review these terms carefully, alongside the Legal Mortgage that you sign.

1. MEANING OF CERTAIN WORDS

1.1 In the Mortgage:

- 1.1.1 a person includes a body corporate or other legal entity;
- 1.1.2 when we use the singular, that includes the plural and vice versa;
- 1.1.3 when we refer to a law or section of a law, that includes any change or replacement of that law;
- 1.1.4 a reference to the word 'including' or 'includes' means 'including without limitation';
- 1.1.5 when we use the term 'Assets' we mean all assets secured under the Legal Mortgage (including the Property);
- 1.1.6 when we use the term 'Property' we mean the whole or any part of the Property as described in the 'Key Mortgage Details' section of the Legal Mortgage (including all buildings, fixtures and fittings on the Property at any time) and any interest you have in the Property or its sale proceeds;
- 1.1.7 when we use the term 'Legal Mortgage' we mean the legal mortgage document you sign;
- 1.1.8 when we use the term 'Conditions' we mean these Private Banking Mortgage Deed Conditions (2023 edition);
- 1.1.9 when we use the term 'Mortgage' we mean the Legal Mortgage that incorporates these Conditions;
- 1.1.10 when we use the term 'Debt', this has the meaning defined in the 'Key Mortgage Details' section of the Legal Mortgage;
- 1.1.11 if you are providing a mortgage to secure the Debt of another person, when we use the term 'Borrower' we mean all and any such person as defined (if applicable) in the 'Key Mortgage Details' section of the Legal Mortgage;
- 1.1.12 the words 'you', 'your', 'us', 'we' or 'our' have the meaning give to them in the 'Key Mortgage Details' section of the Legal Mortgage;

- 1.1.13 when we use the term 'HSBC Group' we mean HSBC Holdings plc, its subsidiaries (having the meaning in section 1159 of the Companies Act 2006) and any associated and/or affiliated companies;
- 1.1.14 if there is more than one of you, your liabilities to us in the Mortgage will be joint and several. This means we can ask all of you, some of you or just one of you to perform all of your obligations under this Mortgage including paying us the full amount of the Debt;
- 1.1.15 when we use the term 'indemnify' or refer to an 'indemnity' this means that you will fully protect and compensate us and any receiver against losses and liabilities that we may, or any receiver may, incur; and
- 1.1.16 when we refer to a 'receiver' we mean a person who we may appoint under this Mortgage to manage, secure and/or realise of the Assets on our behalf with a view to maximising any realisations for all parties and properly account for any proceeds received.

2. IF YOU OR THE BORROWER ARE A PARTNERSHIP OR TRUSTEES OF A TRUST

- 2.1 If you are a partnership or trustees of a trust, all partners or trustees from time to time shall be jointly and individually responsible under the Mortgage. This means we can ask all of you, some of you or just one of you to pay us the full amount.
- 2.2 If the Borrower is a partnership or trustees of a trust, the Borrower shall include all partners or trustees from time to time.
- 2.3 In relation to clauses 2.1 and 2.2 above, this is the case even if:
- (a) the constitution or name of the partnership or trust changes;
 - (b) you or the Borrower combine with any other person; or
 - (c) the partners or trustees change for any reason, including any death, retirement or addition to any of the partners or trustees.

3. IF YOU ARE A MEMBER OF, OR SHAREHOLDER IN A MANAGEMENT COMPANY OR SIMILAR

You must deposit with us your share or membership certificates for any company you are a member of as a result of owning the Property. You must also provide us with the signed and undated transfer forms (or equivalent). This enables us to make sure that any future purchaser of the Property can become a member of the management company if we enforce our rights relating to the Property.

4. WHAT YOU AGREE NOT TO DO

- 4.1 Unless we give you prior written consent, you will not:

- 4.1.1 create or allow any type of security to exist over any of the Assets except any created in our favour or unless permitted in any other agreement between you and us;
- 4.1.2 agree to, or give, any licence or tenancy affecting the Property, dispose of, part with possession or share use of the Property; or
- 4.1.3 exercise the powers of leasing the Property conferred by section 99 of the Law of Property Act and of surrendering (giving up) leases conferred by section 100 of the Law of Property Act.

When we say 'our prior written consent' we will not unreasonably withhold consent to a request that you make. You agree that it is reasonable for us to withhold consent to something if, in our reasonable opinion, it might negatively affect:

- the security under the Mortgage or our ability to enforce the Mortgage;
- the value of the Assets;
- our ability to recover the Debt; or
- the value of the Mortgage as an asset to us.

Section 99 and section 100 of the Law of Property Act 1925 give you the right to grant new leases over the Property and to release any party from any lease currently in place at the Property.

You agree not to carry out either of these actions whilst the Mortgage is in place (so as to preserve the value in the Property).

5. YOUR OBLIGATIONS TO US

5.1 Whilst the Mortgage is in place you will:

Insurance

- 5.1.1 keep the Property and (in the case of business premises) any plant and machinery on it insured with a reputable insurer against all usual risks to its full replacement value and in accordance with any specific requirements we have notified to you. We may arrange such insurance at your expense if you don't.
- 5.1.2 send us copies of any policies and premium or other payment receipts if we ask for them.
- 5.1.3 make sure we are noted on your policies of insurance, or if we reasonably require, make sure we are co-insured.
- 5.1.4 comply with all your obligations under the policies of insurance and tell us as soon as possible if you expect to make a claim.

- 5.1.5 not do anything which would adversely affect the insurance or cause an increase in the premium.
- 5.1.6 ensure that all money payable under your policies of insurance are:
- (a) used to make good the relevant loss or damage or paid to us to reduce the Debt, or a combination of both; or
 - (b) if the Mortgage has become enforceable, and we request you to do so, to paid to us reduce the Debt, or a combination of both.

Where we have received the insurance proceeds from you and these have been used to repay the Debt, we will not require you to make any repair to any damaged Asset.

Looking after the Property

- 5.1.7 keep the Property and (in the case of business premises) any plant and machinery on it in good condition. You won't do, or fail to do, anything which in our reasonable opinion may negatively affect:
- (a) the value of the security taken under the Mortgage;
 - (b) the value of the Property and, in the case of business premises, any plant and machinery on it; or
 - (c) our ability to enforce our rights relating to the Property and (in the case of business premises) any plant and machinery on it.

Breaches by you

- 5.1.8 tell us if you breach or are likely to breach any law or regulation affecting any Asset.
- 5.1.9 tell us if you breach the Mortgage or any other agreement between us or if there is any material litigation or similar proceedings which affect you or, if you are part of a wider group of entities, any of your group entities.

Alterations

- 5.1.10 unless we have given you our prior written consent, not:
- (a) pull down or remove the whole, or any part of, any building forming part of the land charged by the Mortgage.
 - (b) remove any of the fixtures or fittings on any land charged by the Mortgage.
 - (c) except to make necessary repairs, or to immediately replace with a better replacement, remove any plant and machinery which belongs to you or you use at the land charged by the Mortgage.

Your use of the Property

- 5.1.11 comply with standards of good management (or farming or husbandry in the case of agricultural use) appropriate for any trade or business you carry on at the Property and any authorised planning use.
- 5.1.12 hold and comply with all authorisations you need for owning or using the Property.
- 5.1.13 tell us immediately if you receive any communication from any public body or authority which affects the Property and at your own cost take such steps to comply or object as we reasonably request.
- 5.1.14 comply with any lease, Commonhold Community Statement, agreement or other regulation which affects your use or possession of the Property.
- 5.1.15 pay all amounts due in respect of the Property when due.

You must supply satisfactory evidence as we may reasonably request to show that you have complied with the requirements in these clauses 5.1.11 to 5.1.15.

Development of land

- 5.1.16 unless we have given you our prior written consent, not:
 - (a) carry out or allow any development that requires planning permission.
 - (b) change or allow a change of authorised planning use.
 - (c) negotiate, settle or waive any claim for loss, damage or compensation affecting the Property.
 - (d) apply for any grant or do anything which may result in the Property being subject to a statutory charge.

Access

- 5.1.17 give us, and any person we authorise, access, unless in the case of an emergency, at all reasonable times and on reasonable notice, to the Property including to value it at your expense.

Restrictions on registration and no proprietary interests

- 5.1.18 unless we have given you our prior written consent, make sure that no person other than you will be registered as proprietor of the Property.
- 5.1.19 ensure that, other than with our prior written consent, no person becomes entitled to a proprietary right or interest which may adversely affect the value of the Property.

You will give us title documents

5.1.20 if we ask you, deposit with us documents showing that you own the Assets.

Further assistance you will provide

5.1.21 if we ask you, fully co-operate with us and do what we reasonably ask you to do:

- (a) in connection with:
 - (i) any interest conferred or intended to be conferred on us by; or
 - (ii) any of our rights, powers or remedies under, the Mortgage.
- (b) to create, perfect or protect any security intended to be created by the Mortgage,
- (c) to maintain or enhance the value of the Assets.
- (d) to enable us to sell or dispose of the Assets.

When we say 'reasonably ask' you agree that it is reasonable for us to ask you to do something that would, in our reasonable opinion assist with the preservation of our security under the Mortgage or the value of the Mortgage or our ability to recover the Debt.

What does it mean to 'perfect' security?

When security is taken over an asset, the lender may need to ensure certain legal requirements are satisfied to ensure that the security can be enforced. For example, forms may need to be filed with UK Companies House and/or the Land Registry. Once the legal requirements have been satisfied, the security is deemed to be 'perfected'.

6. WHEN WE CAN ENFORCE THE MORTGAGE

6.1 This Mortgage will become enforceable if any of these events occur:

- 6.1.1 any of the Debt is not paid or discharged when due;
- 6.1.2 any of you breach any of your material obligations under the Mortgage;
- 6.1.3 any of you or the Borrower enter into, or seek to propose, any composition or voluntary arrangement with creditors or scheme of arrangement of, or restructuring plan relating to, any of your or the Borrower's affairs;

- 6.1.4 any of you or the Borrower are unable, or admit to being unable, to pay debts as they fall due or suspend, or threaten to suspend, payment of debts;
 - 6.1.5 an act, whether by any of you or another person, which either amounts to, or could directly result in, a formal step being taken for a moratorium and/or the receivership, administration, bankruptcy, liquidation, dissolution, sequestration or analogous proceedings of, or in respect of, any of you or the Borrower;
 - 6.1.6 any action is taken or any court order is made which adversely affects the whole or a material part of the Property;
 - 6.1.7 any event jeopardises all or any part of the security created by the Mortgage;
 - 6.1.8 any other guarantee or security in respect of the Debt or any Asset becomes enforceable;
 - 6.1.9 any other event occurs which has been agreed by you and us as an event which makes the Mortgage enforceable.
- 6.2 You agree that any of the Debt is due and payable to us on demand, unless we have agreed otherwise.

7. OUR RIGHT TO APPOINT A RECEIVER

- 7.1 We may appoint one or more persons to be a receiver of any Asset if you ask us to or at any time after the Mortgage becomes enforceable.
- 7.2 We can remove any person appointed to be a receiver under the Mortgage and, if we want to, appoint a replacement receiver.
- 7.3 If there is more than one receiver at the same time, each of them will be separately entitled to exercise all the powers conferred on a receiver, unless the document appointing them confirms otherwise.
- 7.4 Any receiver will be your agent and you will be responsible for their acts, defaults and remuneration at such rate as we agree with the receiver without the restriction in section 109(6) of the Law of Property Act 1925.

What is section 109(6) of the Law of Property Act 1925?

This section of the Law of Property Act 1925 limits the amount of remuneration and expenses that a receiver can retain from the monies received from any Asset to which they are appointed to an amount not exceeding 5% of the total amount of all money collected when enforcing security.

This limit will not apply to a receiver appointed by us in relation to any Asset.

8. NO LIABILITY AS MORTGAGEE IN POSSESSION

- 8.1 We will not, and no receiver will, be liable to account as mortgagee in possession in respect of all or any of the Assets or be liable for any loss upon realisation or for any neglect or default (unless wilful) of any nature whatsoever in connection with all or any of the Assets.
- 8.2 You may not take proceedings against any of our officers, employees or agents in respect of any claim you may have against us or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Mortgage and any of our officers, employees or agents may rely on this clause.

9. POWERS OF RECEIVER

- 9.1 Any receiver may (on behalf of the receiver or you) in addition to the powers given to receivers by the Insolvency Act 1986 and the Law of Property Act 1925:

- 9.1.1 sell, grant or accept a surrender or variation of a lease of, or otherwise dispose of, or deal with, all or any of the Assets (including disposing of fixtures and fittings separately from the premises to which they are fixed) in such a way and on such terms and conditions and for such consideration as the receiver thinks fit.
- 9.1.2 take possession of and get in, all or any of the Assets and any plant and machinery including making you leave the Property.
- 9.1.3 take, defend or participate in any proceedings (including arbitration proceedings) or make any arrangement or compromise between you and any person relating to any of the Assets.
- 9.1.4 carry on, manage, develop, reconstruct, combine or diversify any business (including farming) that has been carried at any time on the Property.
- 9.1.5 carry out or complete any improvement, development or repairs to the Property.
- 9.1.6 appoint managers, officers, servants, workmen, nominees, agents and advisers.
- 9.1.7 without affecting the indemnity in clause 17, arrange with any insurer any policy of insurance.
- 9.1.8 delegate by power of attorney, or in any other manner, to any person we approve in writing, all or any of the receiver's rights or powers under the Mortgage.
- 9.1.9 purchase, lease or otherwise acquire any interest in any of your assets.
- 9.1.10 apply for (in the name of a nominee or otherwise) any licence, consent or permit the receiver thinks desirable.
- 9.1.11 make such elections for VAT purposes as the receiver thinks appropriate.

- 9.1.12 borrow money for any purpose and provide security over the Assets in support of such borrowing (including if we consent, security which ranks ahead of the security under the Mortgage) on such terms as the receiver thinks fit.
- 9.1.13 exercise any powers we would be able to exercise under the Mortgage or the receiver would have if it was the absolute legal and beneficial owner of the Assets.
- 9.1.14 remove, store, preserve, sell or otherwise deal with any furniture, goods, vehicles, plant or machinery or produce, crops or animals which you fail or refuse to remove from the Property and (in so far as allowed by law) applying any sale proceeds or income derived from such assets to the Debt.
- 9.1.15 represent you as a member of any management company or Commonhold Association.
- 9.1.16 make any payments (including the payment of rent, service and other charges or other money payable under a lease, Commonhold Community Statement or otherwise).
- 9.1.17 do such other acts and things as the receiver may consider incidental or necessary to the exercise of its rights or powers under the Mortgage or law (including signing any deed or other document).

The Insolvency Act 1986 and the Law of Property Act 1925 set out the powers that a receiver has under law to deal with the Property and any money that it receives when enforcing any security over the Property. The powers in clause 9 above are in addition to any rights or powers that a receiver has under the law.

10. THE ORDER OF APPLICATION OF MONIES

- 10.1 All monies received, recovered or realised by the receiver or (on any exercise by us of our enforcement powers under the Mortgage) us, will be applied in the following order, subject to claims having priority to the security created by the Mortgage:
 - 10.1.1 in payment of all costs, charges and expenses of (a) the appointment of the receiver and (b) the exercise of all or any of the powers of the receiver or us
 - 10.1.2 in payment of remuneration to the receiver.
 - 10.1.3 in payment to us of the Debt.
 - 10.1.4 in payment of any surplus to you or any other person entitled to it.

and the provisions of section 109(6) and (8) of the Law of Property Act 1925, which relate to the application of money received, shall be varied accordingly.

What does the disapplication of these laws mean for me?

These sections set out how any insurance money received in respect of the Property and/or any remuneration of a receiver shall apply in priority to other payments when this Mortgage is enforced.

These provisions will not apply to this Mortgage and all monies will be applied in the order set out in clause 10 above.

11. THE POWER OF ATTORNEY YOU GRANT US

Each of you, by way of security, irrevocably appoint us, any receiver and anyone we transfer our rights and/or obligations to under the Mortgage to act on your behalf as your attorney and take any steps that we consider necessary in connection with (i) any interest conferred or intended to be conferred on us by or (ii) any of our rights, powers or remedies under, the Mortgage and you ratify, or agree to ratify, and confirm whatever an attorney does under this clause.

12. WE HAVE POWERS OF RECEIVER, STATUTORY POWERS AND OTHER RIGHTS

12.1 We may exercise any right or power conferred upon a receiver (whether under the Mortgage or otherwise) at any time after the Mortgage has become enforceable whether or not a receiver has been appointed.

12.2 At any time after the Mortgage becomes enforceable and whether or not we are in possession of any of the Assets:

12.2.1 we will have the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and we can exercise these rights free from the restrictions contained in sections 103 and 109.

12.2.2 we can exercise the powers of leasing, agreeing to lease and accepting surrenders conferred by sections 99 and 100 of the Law of Property Act 1925 and we won't need to comply with any of the restrictions in those sections.

12.2.3 we can ask you to repay the Debt immediately, if we have not already done so.

12.3 We may exercise any right or power under this Mortgage without prior notice to you.

What does this statute mean for me?

This means that, once the security is enforceable, we do not need any other permissions from you to deal with and sell the Property and that the additional legal protections in these statutes in relation to the sale or leasing of property do not apply.

13. DELEGATION

We can delegate to any person all or any of our rights or powers.

14. WE CAN REDEEM PRIOR INTERESTS

We can redeem any prior interest in the Assets or arrange the transfer of it to us and settle and pass the accounts to any third party concerned. We can do this at any time after the Mortgage has become enforceable, or after any power given by any interest having priority to the security created by the Mortgage has become exercisable.

15. CONSOLIDATION

The restriction on the right of consolidating mortgages contained in section 93 of the Law of Property Act 1925 will not apply to the Mortgage.

What does this statute mean for me?

As this statute does not apply this means we can refuse to release the security over part of the Assets until the Debt is paid in full.

We will only release the security over the Assets once the Debt is paid in full.

16. OUR POWER TO REMEDY

We may (but we don't have to) do all things which in our reasonable opinion are required to remedy any breach by you of the Mortgage.

17. INDEMNITY

17.1 You must indemnify us and any receiver on demand against any costs, losses or liabilities we or any receiver incur:

17.1.1 because of a breach by you, or where there is more than one of you, any of you of the Mortgage;

17.1.2 in exercising any powers or purported powers under or in connection with the Mortgage.

What does indemnify mean?

'Indemnify' means that you will fully protect and compensate us and any receiver and against losses and liabilities that we may, or any receiver may, incur.

18. PROTECTION OF PURCHASERS

- 18.1 No purchaser or other person dealing with us or a receiver or any delegate needs to:
- 18.1.1 ask whether any power or authority being exercised has arisen and is exercisable or be concerned with any notice suggesting otherwise;
 - 18.1.2 see whether any authority or delegation has lapsed or been revoked; or
 - 18.1.3 ask how any money they pay is going to be used.

19. COSTS AND EXPENSES

- 19.1 If we think we might, or if we have to, enforce, administer or preserve our rights under, the Mortgage or have to investigate any breach of the Mortgage, you will promptly on demand pay us on a full indemnity basis our costs and expenses (including legal fees) associated with us taking such action.
- 19.2 We will charge you interest at the rate which applies to the Debt or (where no other rate of interest is agreed in relation to any Debt) at a rate of 3% per year above our applicable Private Banking base rate (as such base rate may change, and whenever such base rate is less than zero it shall be deemed to be zero) from the date of demand until the date on which you make the payment, if you fail to pay us in accordance with our demand.

What is our Private Banking base rate?

This is the underlying rate we (HSBC UK Bank plc, Private Banking) use to set the amounts we charge on amounts owing to us. Our base rates usually track interest rates set by central banks. For example, for pounds sterling our base rate is the Bank of England base rate. Details of our current base rates are available on request.

20. ADDITIONAL SECURITY, RIGHTS AND REMEDIES

- 20.1 The Mortgage is in addition to and independent of any other guarantee or security which we may have now, or may take in the future from you, from the Borrower or from anyone else for any of the Debt.
- 20.2 Our rights and remedies under the Mortgage are in addition to, and not in substitution for, any rights or remedies provided by law.
- 20.3 This Mortgage will continue until we confirm to you that it is released in writing.

21. EFFECTIVENESS OF SECURITY

21.1 The security created under the Mortgage and your obligations under it shall remain in full force and effect until we discharge it in writing even if any of the following or any other matter or thing occurs:

21.1.1 any of you, the Borrower or any other person:

- (a) lacks capacity, power or authority or is subject to any insolvency or similar proceedings;
- (b) undergoes a change in members or status (legal or otherwise);

21.1.2 we:

- (i) accept intermediate payment or discharge in whole or in part of the Debt;
- (ii) make any new facility available to any of you or the Borrower or extend, increase, amend, renew or otherwise vary or waive the Debt or the terms of any facility or the Mortgage in any case, however fundamentally and whether or not resulting in the Debt or the Mortgage becoming more onerous;
- (iii) take any action (or do not take any action) against any of you, the Borrower or any other person in respect of any assets which you or the Borrower or any other person might hold;
- (iv) agree to release any other guarantee or security or to enter into a payment plan with any of you, the Borrower or any other person;
- (v) grant time, waiver or consent to any of you, the Borrower or any other person;
- (vi) transfer any of our rights under the Mortgage or the Debt;
- (vii) do, or fail to do, anything which might affect the enforceability of the Mortgage;
- (viii) take any other security for the Debt;

21.1.3 any other agreement or security granted by any of you, the Borrower or any other person is not enforceable.

21.1.4 will continue if you, the Borrower and/or any other person are subject to any bankruptcy, insolvency or similar proceedings.

21.1.5 (where there is more than one of you signing up to the Mortgage) will continue as if all of you had validly signed and delivered it, even if any of you have not.

21.2 You waive any right you may have of first requiring us to proceed against or enforce any other rights or security or claim payment from any person before claiming from you under the Mortgage.

21.3 Until the Debt has been unconditionally and irrevocably paid and discharged in full and no further Debt is capable of being outstanding you will not exercise any rights which you may have as a result of performing your obligations under the Mortgage:

21.3.1 to be indemnified by the Borrower or any other party providing security under the Mortgage;

21.3.2 to claim any contribution from the Borrower or any other party providing security under the Mortgage;

21.3.3 to take the benefit of any of our rights under the Mortgage or of any other guarantee or security taken by us pursuant to, or in connection with, the Mortgage;

21.3.4 to bring legal or other proceedings for an order requiring the Borrower or any other party providing security under the Mortgage to make any payment, or perform any obligation, in respect of which any guarantee, undertaking or indemnity has been given by the Borrower or any other party providing security under the Mortgage;

21.3.5 to exercise any rights of set-off against the Borrower or any other party providing security under the Mortgage;

21.3.6 to claim or prove as a creditor of the Borrower or any other party providing security under the Mortgage in competition to us.

If you receive any benefit, payment or distribution in relation to such rights you shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to us under or in connection with the Mortgage to be repaid in full on trust for us and you shall promptly pay or transfer it to us.

21.4 You must indemnify us for any loss we incur as a result of any legal limitation, disability or lack of capacity or authority affecting the Borrower (or any person purporting to act on their behalf) whose Debt you gave the Mortgage in respect of. We will only look to enforce this obligation by realisation of the Assets.

22. TERMINATION OF THE MORTGAGE

22.1 If you gave the Mortgage to secure the Debt of another person or persons named as the Borrower in the Key Mortgage Details of the Mortgage, you, or where there is more than one of you, any of you may give us three months' written notice to terminate the continuation of the Mortgage.

- 22.2 If any of you serve notice under clause 22.1 above, all of you will be liable to pay us:
- 22.2.1 all amounts owed to us by the Borrower in relation to the Debt on the last day of the notice period; and
 - 22.2.2 any additional amounts you are required to pay to us under the terms of the Mortgage whether incurred before or after the expiry date of such notice.
- 22.3 Even if you cancel this Mortgage you will still be obliged to pay us the amounts specified above.

23. NEW ACCOUNTS

- 23.1 We may open a new account or accounts for you if we receive notice of any subsequent charge or other interest affecting any of your assets or a termination notice under clause 22 above.
- 23.2 If we do not open a new account then (unless we tell you in writing otherwise) any payment received by us after the date of the notice, will be treated as being paid into a new account and not in reduction of the Debt.
- 23.3 We may, if we decide in our reasonable discretion, credit any payment we receive to a suspense account where it will remain for as long as we decide without reducing the Debt.

Why do we need the right to apply payments to a new account?

Accepting partial payments from you and/or the Borrower can limit our ability to claim for the remainder of what we are entitled to under this Mortgage. Crediting these payments to a new account can help protect us against this risk.

24. PAYMENTS MADE BY YOU

- 24.1 You must make all payments without any deduction or withholding.
- 24.2 You will promptly pay to us additional sums that will make the net sum received by us equal to the full sum payable, had there been no deduction or withholding, if you are required by law to make any deduction or withholding from a payment.
- 24.3 You waive any present or future right of set off you have in respect of the Debt or payments under or in connection with the Mortgage.

25. CALCULATIONS AND CERTIFICATES

Any rate or amount under the Mortgage or in relation to the Debt that we certify or define will, unless there is a manifest error, be conclusive evidence of the relevant matter.

26. CURRENCY CONVERSION

- 26.1 Payments to us should be made in the currency in which they are due. If we receive any money which is in a different currency or if we need to convert any of the Debt or any order, judgment or award given in relation to a payment due from you into a different currency, we may convert this at our prevailing exchange rate. You must indemnify us on demand against any costs or losses that we incur because of that conversion.
- 26.2 You waive any rights you may have in any jurisdiction to pay any amount to us in a different currency or currency unit to the currency in which such amount is payable.

What is our prevailing rate of exchange?

This is the rate we (HSBC UK Bank plc, Private Banking) use to convert payments to and from currencies other than the currency of your payment. It's based on the foreign currency market for each currency we offer so changes constantly. The rate will depend on the size of the payment and whether we are buying currency (because you are receiving a payment) or selling currency (because you are making a payment).

27. ARRANGEMENTS WITH OTHERS

We may grant time, vary, release or make any other arrangement in respect of the Debt or any security or guarantee in respect of it. It will not affect the Mortgage or your liability for the Debt.

28. SET-OFF

We may use any money you have in any account with us (except for trust accounts (unless you are entering into this Mortgage as trustee(s)), client accounts or joint accounts held with anyone who has not entered into this Mortgage) to pay off any amount owed to us under this Mortgage.

29. RELEASE OF THE MORTGAGE

- 29.1 We shall at your request and cost do whatever is necessary to release and reassign to you our rights under the Mortgage and the Assets from the security created under the Mortgage once the Debt has been unconditionally and irrevocably paid and discharged in full and no further Debt is capable of being outstanding.
- 29.2 Any release of the Mortgage or any Asset from the Mortgage is conditional upon any payment or security received by us in respect of the Debt not being avoided, reduced or ordered to be refunded under any law relating to insolvency. We shall be entitled to recover from you the value or amount of any security or payment avoided, reduced or ordered to be refunded as if such release had not occurred.

30. TRANSFER OF RIGHTS

- 30.1 You can't transfer any of your rights and obligations under the Mortgage or Debt without our prior written consent.
- 30.2 We can transfer any of our rights and obligations under the Mortgage or Debt to anyone. You agree to sign any additional documents that are required to carry out any such transfer, as soon as possible after we ask.

When we say 'transfer' we mean any sale, assignment, novation and/or transfer and when we say '**rights and obligations**' we mean any rights, benefits and/or obligations.

31. SHARING OF INFORMATION

- 31.1 We will treat all information we hold about you in accordance with our Privacy Policy for Private Banking Clients which you should have received a copy of. If you would like a further copy of the Privacy Policy for Private Banking Clients please let us know and we will provide it to you or you can access it on our public website.
- 31.2 Each of you consent to us sharing any information about any of you, the Mortgage, the Assets or the Debt with:
- 31.2.1 the Borrower;
 - 31.2.2 any person that we might transfer or have transferred, our rights to under the Mortgage or the Debt;
 - 31.2.3 any person that we might contract with or have contracted with in connection with this Mortgage or the Debt;
 - 31.2.4 any company within the HSBC Group being HSBC Holdings plc and its subsidiary companies from time to time or any of their agents;
 - 31.2.5 any rating agency so it can carry on its normal rating activities;
 - 31.2.6 any person that we have to share that information with in connection with any litigation or similar proceedings;
 - 31.2.7 any person that we are required or requested to share that information with by any court, regulatory authority or similar body, the rules of any stock exchange or under any applicable law or regulation;
 - 31.2.8 any insurer who is or who proposes to provide insurance to us in respect of a Debt;

31.2.9 any person that we think it is necessary or desirable to for the purpose of protecting, protecting or enforcing the security under this Mortgage; and

31.2.10 any affiliates or professional advisers of any of the above persons.

32. THE MORTGAGE

32.1 If any part of the Mortgage is unenforceable, invalid, unlawful or void in any relevant jurisdiction, then that part will be separated from the rest of the Mortgage in respect of the relevant jurisdiction. The rest of the Mortgage will continue to be valid and enforceable.

32.2 If the Mortgage becomes unenforceable or otherwise ineffective against any one or more of you, none of the rest of you will be released from your responsibilities under this Deed.

32.3 This Deed remains continuing security against you, and if there is more than one of you, each of you, and if you are an individual, your personal representative, until it is released.

33. NOTICES

Communication by post

33.1 If we send a letter to you, at your last known address or registered office, the letter will be deemed to be received at 12pm two business days after it is posted. In the Mortgage 'business day' means any day other than a Saturday, Sunday or public holiday in the United Kingdom, where we, as a bank, are open for business.

Communication by electronic channel

33.2 If we send an email to any of you or use a platform or other electronic channel, the email will be deemed to be received at the time it is sent or, as applicable, at the time the notice or demand is notified to you on the relevant platform or electronic channel.

Deemed notice

33.3 It is your responsibility to notify us in writing of your change in postal or email address. If you fail to do so we will continue contacting you at your previous postal or email address and you will be deemed to have received such correspondence from us.

33.4 If there is more than one of you, if any of you receive a letter or an email from us, you will all have been deemed to have received the notice or information given in that letter or email.

34. COUNTERPARTS

The Legal Mortgage may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Legal Mortgage.

35. THIRD PARTY RIGHTS

- 35.1 Unless expressly provided to the contrary in the Mortgage, a person who is not a party to the Mortgage has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of the Mortgage.
- 35.2 The consent of any person who is not a party to the Mortgage is not required to rescind or vary the Mortgage at any time.

What does this statute mean for me?

The Contracts (Rights of Third Parties) Act 1999 gives powers to third parties in specific circumstances to enforce terms under contracts even if they are not a party to that contract.

Under the Mortgage, unless we specifically say otherwise, no third party can claim any rights or take any benefits from the terms of the Mortgage.

36. GOVERNING LAW & JURISDICTION

- 36.1 English law governs the Mortgage, its interpretation and any non-contractual obligation arising from or connected with it.
- 36.2 We and each of you submit to the non-exclusive jurisdiction of the courts of England and Wales in relation to all matters (including non-contractual) arising from or in connection with the Mortgage.