



**Shawbrook
Bank**

**Lending Terms &
Conditions**



Proudly different.

INTERPRETATION

1.

1.1 These words are used in these terms and conditions with the following meanings:

“**Act**” means the Law of Property Act 1925 (or in the case of Northern Ireland, the Conveyancing and Law of Property Act 1881);

“**Associate**” means:

- (a) any person whom the **Lender** suspects, whether on reasonable grounds or not, is engaged with **You** in activity which amounts to **Financial Crime**;
- (b) any person who has given a **Guarantee** or **Security** in relation to **Your** liabilities;
- (c) any person with whom **You** are in partnership;
- (d) where **You** are a person who is entrusted with prominent public functions, other than as a middle-ranking or more junior official, whether in the UK or elsewhere;
 - (i) **Your** spouse or civil partner; or
 - (ii) **Your** child, or a spouse or civil partner of **Your** child; or
 - (iii) **Your** parent; or
 - (iv) **Your Associate**, but in this context, only where that person is known to have joint beneficial ownership of a legal entity or a legal arrangement or any other close business relations with **You**, or is an individual who has sole beneficial ownership of a legal entity or a legal arrangement which is known to have been set up for **Your** benefit;

“**Bank of England Bank Rate**” means the rate decided by the appropriate committee of the Bank of England (or any successor authority) from time to time as being the Bank of England bank rate;

“**Business Day**” means any day which is not a Saturday, Sunday, public holiday or bank holiday in England and Wales;

“**Completion Date**” means the date when the **Loan** (or, as the case may be, any part of it) is released to **You**;

“**Conditions Precedent**” means the conditions precedent set out in the **Offer Letter**;

“**Debt**” means all **Your** liabilities to the **Lender** (including all principal, interest, costs, charges and expenses) owed now and in the future under the **Loan Agreement**;

“**Early Repayment Charge**” means the early repayment charge (if applicable) set out in the **Offer Letter** which is payable in accordance with condition 4 (**Early Repayment**), the relevant periods being calculated from and including the **Completion Date** together with any applicable administration fee specified in the **Offer Letter**;

“**Final Payment Date**” means the **Monthly Payment Date** on which the last of **Your Monthly Payments** will be payable or the end of the **Loan Agreement** term;

“**Financial Crime**” means any conduct which amounts to an offence (or if not carried out in the UK would amount to an offence if it were carried out in the UK) and/or is a breach of economic or trade sanctions and which has generated, or is likely to generate, direct or indirect economic benefit for **You** or an **Associate**, or is likely to directly or indirectly finance terrorism;

“**Guarantee**” means any written guarantee provided by a **Guarantor** from time to time for the purposes of guaranteeing any or all of **Your** obligations under the **Loan Agreement**;

“**Guarantor**” means the person or persons (if any) referred to as the intended guarantor(s) in the **Offer Letter**;

“**Insolvency Event**” means, in relation to any company, that:

- (a) it is (or is deemed by virtue of Section 123 of the Insolvency Act 1986 to be) unable to pay its debts as they fall due or is otherwise insolvent, or admits as such (or in the case of Northern Ireland it is deemed by virtue of Article 480 of the Companies (Northern Ireland) Order 1986 unable to pay its debts as they fall due or is otherwise insolvent, or admits as such);
- (b) a meeting of such company or its directors is convened to consider any resolution, or to make any application or petition, for its winding up, administration or for the appointment of an administrator, or any such resolution is passed;
- (c) an administrator or **Receiver** is appointed or any person gives notice of their intention to seek such appointment, or an application or petition is made for such appointment;
- (d) it becomes subject to a winding up order;

“**Interest Rate**” means the interest rate set out in the **Offer Letter** which may be varied by the **Lender** in accordance with these **Lending Terms and Conditions** and as calculated in accordance with condition 2 (**Interest**) and subject to condition 8 (**Market Disruption**);

“**Lender**” means Shawbrook Bank Limited and any person to whom such lender’s rights under the **Loan Agreement** and/or any **Security Document** and/or any **Guarantee** are transferred, charged or disposed of;

“**Lender’s Website**” means the **Lender’s** website at <https://www.shawbrook.co.uk/shawbrook-base-rate/> or any other website the **Lender** notifies to **You** from time to time;

“**Lending Terms and Conditions**” means the terms and conditions set out in this document as varied from time to time;

“**Loan**” means the principal amount available to **You** as stated in any **Offer Letter** or, as the case may be, the principal amount outstanding of that amount from time to time (including, without double counting, any amount which is: (a) a further advance made from time to time by the **Lender** to **You**; and (b) any **Retentions**);

“**Loan Agreement**” means any agreements entered into between the **Lender** and **You** as borrower, by which the **Lender** agrees to make a **Loan** to **You** and **You** agree to repay the **Loan**, together with interest and charges, on the terms set out in any **Offer Letter**;

“**Margin**” means the amount stated in the **Offer Letter** as the amount by which the **Interest Rate** is to exceed either, as specified in the **Offer Letter**, (a) the higher of (i) the **Shawbrook Base Rate** and (ii) any minimum base rate floor stated in the **Offer Letter** or (b) the **Bank of England Bank Rate**, subject to any adjustment under condition 9 (**Margin Adjustment**);

“**Month**” means a calendar month;

“**Monthly Payment**” means the payment **You** are required to make each **Month** in respect of the **Loan Agreement** and which may be varied under condition 3.3;

“**Monthly Payment Date**” means the monthly anniversary of completion of **Your** mortgage or if different the **Monthly Payment Date** specified in **Your Offer Letter** or otherwise provided to **You** in writing, which may be varied in accordance with conditions 3.4 and 3.5;

INTERPRETATION CONTINUED

“**Mortgagor**” means **You** and also any other person or persons who execute a mortgage by way of legal charge or in the case of Scotland, a standard security, or in the case of Northern Ireland, a mortgage and/or legal charge, or any other form of charge, over the **Property** in favour of the **Lender**;

“**Offer Letter**” means any written letter, by which the **Lender** offers to make a **Loan** available to **You** and which **You** accept by (a) (if specifically requested by the **Lender**) signing and returning the letter to the **Lender** and/or (b) requesting or receiving the release of the **Loan** or any part of it and where your **Loan** is regulated under the Financial Services and Markets Act 2000, your Offer Letter will be headed ‘binding offer letter’;

“**Property**” means the property, or where there are more than one, each of the properties which is or is to be charged or secured to the **Lender** as **Security** for **Your** obligations under the **Loan Agreement**;

“**Receiver**” means a receiver, a receiver and manager or an administrative receiver;

“**Regulatory Requirement**” means any obligation (a) that the **Lender** has to comply with any law or regulation (including the Financial Services and Markets Act 2000 and any rules made by the Financial Conduct Authority or other regulatory body), or as a result of a decision by a court, ombudsman or similar body; or (b) under any industry guidance or codes of practice which the **Lender** follows;

“**Related Rights**” means any sums which may be or become payable in respect of the **Property** or any damage or injury to it or depreciation to it and the benefit of any other obligation, security, right or indemnity affecting or concerning the **Property**;

“**Retention**” means any part of the **Loan** which is retained by the **Lender** on the **Completion Date** until the **Conditions Precedent** have been satisfied;

“**Security**” means any charge, mortgage or other security (or, in the case of Scotland, a standard security) over the **Property** which is referred to in the **Loan Agreement and/or Guarantee** together with any other mortgage, security or standard security which is given by **You** and/or any **Mortgagor** to the **Lender** during the term of the **Loan**;

“**Security Document**” means each document entered by **You**, a **Guarantor** or a **Mortgagor** which evidences or constitutes the **Security**;

“**Shawbrook Base Rate**” or “**SBR**” means the rate calculated by the **Lender** in accordance with the “Shawbrook Base Rate Calculation” section of the Offer Letter (where applicable) and published by the **Lender** from time to time as being the “Shawbrook Base Rate” and which is available on the **Lender’s Website**;

“**Tariff of Charges**” means the **Lender’s** tariff of charges enclosed with the **Offer Letter**, as may be amended from time to time;

“**Termination Event**” means any event stated as being such in condition 7 (**Termination**);

“**VAT**” means value added tax imposed by the Value Added Tax Act 1994 and any other tax of a similar fiscal nature substituted for, or levied in addition to, such tax whether imposed in the United Kingdom or elsewhere;

“**Year**” means a calendar year; and

“**You**” means the person or each of the persons named in the **Offer Letter** who enters into a **Loan Agreement** with us and “**Your**” shall be interpreted accordingly.

- 1.2 In these **Lending Terms and Conditions**, where the singular is used it will include the plural and where the plural is used it will include the singular.
- 1.3 Where there are two or more of **You** or any **Mortgagor** or **Guarantor**, each of **You** and any **Mortgagor** or **Guarantor** (as the case may be) are liable for the whole of the obligations under the **Loan Agreement** or **Security** or **Guarantee** and if **You** break any of the obligations the **Lender** may enforce the terms of the **Loan Agreement** and any **Security** and any **Guarantee** against all or any of **You**, all or any **Mortgagor** and all or any **Guarantor** (as the case may be).
- 1.4 Terms not defined in these **Lending Terms and Conditions** shall have the meaning given to them in the **Offer Letter**, **Security Document** or **Guarantee** (as the case may be).
- 1.5 Where there is any conflict between the **Offer Letter**, **Security Document** or **Guarantee** and the **Lending Terms and Conditions**, then the **Offer Letter**, **Security Document** or **Guarantee** (as the case may be) shall take priority.
- 1.6 References to any acts or statutes shall be read and construed to mean such acts or statutes as amended or re-enacted from time to time.
- 1.7 The expressions “**includes**” and “**including**” do not limit the meaning of any other words.
- 1.8 References to “**us**”, “**we**” or “**our**” are references to the **Lender**.
- 1.9 A reference in these terms and conditions to an agreement shall be a reference to that agreement as amended, supplemented, varied, substituted and/or replaced from time to time.

INTEREST

2.
 - 2.1 Interest will accrue daily at the **Interest Rate** on the unpaid balance of the **Loan** and will be charged on a monthly compounded basis. This means that the **Lender** will add interest to **Your Loan** once a month.
 - 2.2 If **Your Interest Rate** is based on the **Shawbrook Base Rate**, and the **Shawbrook Base Rate** changes:
 - (a) the **Lender** will publish the new **Shawbrook Base Rate** on the **Lender’s Website**;
 - (b) any change in the **Interest Rate** will take effect when the **Lender** changes the **Shawbrook Base Rate** and the change will be immediately reflected in the **Interest Rate** charged on **Your Loan**; and
 - (c) the change to **Your Monthly Payment** as a result of such a change in **Interest Rate** will be notified to you in accordance with condition 3.3.
 - 2.3 Interest in respect of each subsequent **Month** will be payable in arrears on each **Monthly Payment Date**.
 - 2.4 Save as set out in 2.5, interest will also be charged and debited to **Your** account, at the **Interest Rate** from time to time, both before and after any judgment, on a monthly compounded basis, on any amount, including interest, which is not paid on the date when it is due to be paid, from the due date up to the date of actual payment.
 - 2.5 Interest will not be charged on default charges as set out in the **Tariff of Charges**.
 - 2.6 The **Lender** reserves the right at any time to vary the **Interest Rate** in a way which is favourable to **You**. Subject to condition 2.2, it will give **You** not less than 10 days’ written notice of any variation to the **Interest Rate**.

PAYMENTS

3.

- 3.1 On each **Monthly Payment Date**, **You** must make a **Monthly Payment** of the amount stated in the **Offer Letter**, or such amount as is varied in accordance with the **Offer Letter** and/or these **Lending Terms and Conditions** and which the **Lender** may notify to **You** from time to time. If **Your** mortgage is a regulated bridging loan facility, **Your Monthly Payment** will be nil and **You** will make a single repayment of all sums outstanding including the **Loan** balance, interest, fees and charges, on the **Final Payment Date**.
- 3.2 **Monthly Payments** shall be payable by direct debit unless the **Lender** agrees otherwise. Punctual payment is essential. If **You** miss any payments under the direct debit arrangement the **Lender** may ask **You** to provide it with a continuous payment authority so that it can collect **Monthly Payments** automatically from **Your** bank account using the debit card **You** nominate for this purpose. In this event the **Lender** will agree with **You** in writing the amounts and dates on which it will use its continuous payment authority and provide **You** with written information about how **You** can cancel it. The **Lender** will only ever take payments at the times and in the amounts previously agreed with **You**.
- 3.3 The **Lender** will calculate the **Monthly Payments** and, in the event of a change in the **Interest Rate**, or the accrual of additional interest or charges under condition 2 (**Interest**) or condition 5 (**Fees and Expenses**), or **You** making a partial early repayment, the **Lender** will, by giving **You** at least 10 days written notice, recalculate the **Monthly Payments** so as to ensure, so far as reasonably practicable, that **You** pay the interest as it accrues each **Month** and that (subject to condition 3.4 and 3.5 and any provisions of **Your Offer Letter**) the **Loan** is repaid within the time agreed. As the **Monthly Payment Date** is typically set as the monthly anniversary of completion of **Your** mortgage any change to the **Interest Rate** under condition 2 will not necessarily coincide with **Your Monthly Payment Date**.
- 3.4 The **Lender** may change the **Monthly Payment Date** by giving **You** 3 months prior notice in writing. It will only exercise this right where it is reasonable for it to do so for technological or operational reasons.
- 3.5 **You** may ask the **Lender** to consider making a change to **Your Monthly Payment Date**. Any such request must be made in writing to be received by us at least 14 days before any such change may take effect. The change must not result in a **Monthly Payment** being missed. Any change will be made with effect from the month following the month the request was received. A one off interest adjustment will be made which must be paid before the revised repayment date. For the avoidance of doubt, this does not apply where **Your Loan** is a regulated bridging loan facility which only requires a single repayment of all sums outstanding at the end of the mortgage term.
- 3.6 **You** will pay any unpaid balance of the **Loan**, together with all accrued but unpaid interest and fees and charges and any other amounts payable under the **Loan Agreement** on the **Final Payment Date**.
- 3.7 When **You** have repaid all amounts owed by **You** under the **Debt**, the **Lender** will remove the **Security** from the **Property** or, where the **Property** is located in Scotland, will sign and deliver to **You** a discharge of its standard security, subject to payment by **You** of all fees payable in accordance with the **Tariff of Charges**.
- 3.8 If **You** fail, following request by us, to provide any information which we reasonably require under the terms of **Your Loan Agreement**, any **Security Document** or any **Regulatory Requirement** or if we suspect or become aware of the fact that **You** or an **Associate** are engaged in **Financial Crime**, without notification to **You** or giving any reason, the **Lender** may:
 - (a) decline to accept any payment made by **You** under **Your Loan Agreement**, including a **Monthly Payment**; or
 - (b) suspend any payment arrangements; or
 - (c) hold any payment made in a suspense account unallocated against **Your Loan**.

EARLY REPAYMENT

4.

- 4.1 Subject to the **Lender's** rights as fully set out in condition 3.8 to decline payment, suspend payment arrangements or hold any payment unallocated in a suspense account for the reasons set out in condition 3.8, **You** may repay the **Loan**, or part of it, early. Following **Your** request, the **Lender** will provide a settlement statement without delay.
- 4.2 If the **Loan** or any part of it is repaid early, whether by **You** or in the event of the **Lender** exercising its power of sale, **You** must, at the same time, pay any **Early Repayment Charge** which applies.
- 4.3 If **You** repay the **Loan** in full, **You** must, at the same time, also pay all interest accrued up to date when **You** repay the **Loan** and **You** must also pay all other sums due and payable under the **Loan Agreement**.
- 4.4 The **Loan Agreement** does not allow **You** to borrow the **Loan**, or any part of it, again once **You** have repaid it.

FEES AND EXPENSES

5.

- 5.1 Subject to the **Lender's** rights as fully set out in condition 3.8 to decline payment, suspend payment arrangements or hold any payment unallocated in a suspense account for the reasons set out in condition 3.8:
 - (a) **You** will pay the **Lender** the fees set out in the **Offer Letter** together with any applicable **VAT**.
 - (b) **You** will pay the **Lender's** charges as set out in the **Tariff of Charges**, as amended and notified to **You** from time to time in accordance with condition 5.2.
 - (c) **You** further agree to pay all other reasonable costs, charges and expenses (including legal, valuation, surveyor's and other out-of-pocket fees).
- 5.2 The **Lender** may change any of its charges set out in the **Tariff of Charges** if there is a change (or if the **Lender** reasonably expects a change) in:
 - (a) the cost which the **Lender** incurs in carrying out the activity for which the charge is made;
 - (b) **Regulatory Requirements**.

If the **Lender** is going to carry out an activity for which the charge has changed since it last sent **You** a copy of the **Tariff of Charges**, it will tell **You** what the new charge is before carrying out the activity.

WITHDRAWAL OF THE OFFER AND SUSPENDING PAYOUT OF THE LOAN

6.

The **Lender** reserves the right to withdraw the offer contained in the **Offer Letter** at any time prior to the **Completion Date** in the event that:

- 6.1 the **Lender** discovers fraud, misrepresentation or non-disclosure of material information in relation to **Your** application for a **Loan**;
- 6.2 the legal title to the **Property** is defective and is not capable of rectification prior to the **Completion Date**;
- 6.3 the **Lender** would otherwise not obtain an enforceable or sufficient **Security** for the **Loan** on the **Completion Date**;
- 6.4 the **Lender** suspects or becomes aware of the fact that the **Property**, or any payment made by **You** or any person on **Your** behalf and required by these **Lending Terms and Conditions** (including **Monthly Payments**) represents, or suspects that any future payment made by **You** or any person on **Your** behalf and required these **Lending Terms and Conditions**, may represent, directly or indirectly, the proceeds of **Financial Crime** or if the **Lender** suspects or become aware of the fact that **You** or an **Associate** are engaged in **Financial Crime**;
- 6.5 **You** fail, following request by the **Lender**, to provide any documentation or information which the **Lender** reasonably requires under the terms of **Your Loan Agreement**, any **Security Document** or any **Regulatory Requirement**;
- 6.6 any other matter comes to the **Lender's** attention which amounts to a material change to the facts and circumstances relating to the basis on which the **Offer Letter** was issued, including any change affecting the condition or value of the **Property** or any change to **Your** circumstances which may adversely affect **Your** ability to repay the **Loan**.

TERMINATION

7.

- 7.1 The **Lender** may, at any time after the occurrence of any of the **Termination Events** set out in condition 7.2 below:
 - (a) demand immediate repayment of the unpaid balance of the **Loan**, together with any accrued but unpaid interest and any other amounts then payable under the **Loan Agreement**;
 - (b) withdraw the availability of the **Loan** or any undrawn part of the **Loan**; and/or
 - (c) enforce any **Security** for **Your** obligations under the **Loan Agreement**.
- 7.2 Each of the following is a **Termination Event**:
 - (a) any written representation or warranty made by or on behalf of **You** or by any **Guarantor** or **Mortgagor** in connection with the **Loan Agreement** is or proves to have been materially incorrect or misleading;
 - (b) **You** fail, or any **Mortgagor** or **Guarantor** fails, following request by the **Lender**, to provide any documentation or information which the **Lender** reasonably requires under the terms of **Your Loan Agreement**, any **Security Document** or any **Regulatory Requirement**;
 - (c) **You** have failed to make or are otherwise in arrears by two or more **Monthly Payments** which amounts remain outstanding;
 - (d) **You** materially or persistently breach, or any **Guarantor** or **Mortgagor** breaches, any undertaking or other obligation owed to the **Lender** under the **Loan Agreement**, any **Guarantee** and/or any **Security Document** and **You**, or any **Guarantor** or **Mortgagor** has failed to remedy the breach within a reasonable time of the **Lender** requesting **You**, any **Guarantor** or **Mortgagor** to do so;
 - (e) **You** enter into a formal arrangement with, or grant a trust deed for the benefit of, **Your** creditors;
 - (f) The **Lender** suspects or becomes aware of the fact that **You** are engaged either alone, or together with an **Associate**, in **Financial Crime**;
 - (g) any **Guarantor** or **Mortgagor** enters into a formal arrangement with, or grants a trust deed for the benefit of, its creditors;
 - (h) **You** or any **Guarantor** or **Mortgagor** is (in the case of an individual) made bankrupt or (in the case of a company) suffers an **Insolvency Event** or (in either case) is made subject to any equivalent or analogous proceedings or events under the law of any jurisdiction to which **You** or any **Guarantor** or **Mortgagor** is subject;
 - (i) **You** or any **Guarantor** or **Mortgagor** (in the case of an individual) dies or becomes mentally incapacitated or (in the case of a company) ceases to exist or is struck off the register of companies for any reason;
 - (j) any part of or interest which **You** or any **Guarantor** or **Mortgagor** has in the **Property** is compulsorily purchased or is expropriated;
 - (k) **You** change the beneficial ownership of the **Security** without the **Lender's** prior written consent;
 - (l) where **You**, any **Guarantor** and/or any **Mortgagor** is a company, if the legal or beneficial ownership of the shares in such company changes without the **Lender's** prior written consent;
 - (m) **You** or any **Guarantor** or **Mortgagor** cease to be resident in the United Kingdom.
- 7.3 **You**, any **Guarantor** and/or any **Mortgagor**, as applicable, must pay the **Debt** whether or not the proceeds on realisation of the **Property** or any other **Security** for it are sufficient or are likely to be sufficient to repay the **Debt**.

CHANGES TO AND REPLACEMENT OF REFERENCE RATES

8.

8.1 If **Your Interest Rate** is based on the **Bank of England Base Rate** or the **Shawbrook Base Rate** (which, as detailed in the "Shawbrook Base Rate Calculation" section of the **Offer Letter** (where applicable), is calculated taking into account the **Bank of England Bank Rate**) and, in the **Lender's** opinion, one of the following events has occurred:

- (a) there is, or is likely to be at a future time, a material change to the methodology, formula or other means of determining the **Bank of England Bank Rate**;
- (b) an official body announces that the **Bank of England Bank Rate** has been or will be discontinued or may no longer be used; or
- (c) it is generally accepted in the UK mortgage industry that the **Bank of England Bank Rate** is no longer appropriate for the purposes of calculating interest on loans,

the **Lender** may, without **Your** consent, having given **You** not less than 30 days' prior written notice (unless the **Lender** has to make the change more quickly because of a change in **Regulatory Requirements** in which event the **Lender** will notify **You** as soon as practicable prior to such changes taking effect), modify, amend or supplement any term of the **Offer Letter**, these **Lending Terms and Conditions** or any other document **You** have entered into in connection with the **Loan Agreement** solely for the purpose of providing for the use of a successor or replacement benchmark rate to the Bank of England Bank Rate or an alternative basis for determining interest to replace the **Bank of England Bank Rate** selected by the **Lender** and to allow that replacement benchmark or alternative basis to be used for calculating the **Interest Rate** (including any consequential changes required to enable that replacement benchmark or alternative basis to be used for the purposes of calculating interest under the **Loan Agreement** or any other document **You** have entered into in connection with the **Loan Agreement**).

8.2 If **Your Interest Rate** is based on the **Shawbrook Base Rate** and:

- (a) an official body announces that rates or benchmarks determined internally by lenders, such as the **Shawbrook Base Rate**, may no longer be used (or the **Lender** reasonably determines that such rates may no longer be used) for setting the **Interest Rate** on the **Loan**; or
- (b) an official body announces that another benchmark rate must be used,

the **Lender** may, without **Your** consent, having given **You** not less than 30 days' prior written notice (unless the **Lender** has to make the change more quickly because of a change in **Regulatory Requirements** in which event the **Lender** will notify **You** as soon as practicable prior to such changes taking effect), modify, amend or supplement any term of the **Offer Letter**, these **Lending Terms and Conditions** or any other document **You** have entered into in connection with the **Loan Agreement** solely for the purpose of providing for the use of a successor or replacement benchmark rate to the **Shawbrook Base Rate** or an alternative basis for determining interest to replace the **Shawbrook Base Rate** selected by the **Lender** and to allow that replacement benchmark or alternative basis to be used for calculating the **Interest Rate** (including any consequential changes required to enable that replacement benchmark or alternative basis to be used for the purposes of calculating interest under the **Loan Agreement** or any other document **You** have entered into in connection with the **Loan Agreement**).

MARGIN ADJUSTMENT

9.

- 9.1 Where **Your Offer Letter** provides for it, the **Lender** may, if it is reasonable to do so, increase or decrease the **Margin** for any of the reasons set out in condition 9.2 below, up to a maximum of 2% per annum above the initial **Margin** stated in the **Offer Letter**.
- 9.2 Any such variation will be exercised in a reasonable and proportionate way, to: (a) take account of (i) a material adverse change in (A) the value of the **Security** (for example, because of the way in which the **Property** is used or occupied) or (B) the financial condition or credit risk of **You**, a **Mortgagor** or **Guarantor** or (ii) a change in law, decisions, determination, requirement or guidance of any regulatory authority which regulates the **Lender's** business or any applicable codes of practice; or (b) ensure the **Lender's** business operates in a prudent and effective manner.
- 9.3 The **Lender** will give **You** reasonable advance notice of any change in the **Margin**.

ELECTIONS IN RESPECT OF VAT

10.

- 10.1 **You** agree that, except where required by law or with the prior written consent of the **Lender**, **You** will not, and will procure that no other person will, exercise on or after the date of the **Offer Letter** any option or right to elect or discretion which may now or at any time be available to **You** or any other person:
- (a) to waive exemption in relation to any **Property** (including, without limitation, any such election made pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994) or any supplies for **VAT** purposes made by **You** of or in respect of such **Property**; or
 - (b) which would otherwise result in **VAT** being chargeable on any supply for **VAT** purposes made by **You** of or in respect of any **Property**.
- 10.2 References in conditions 10.1(a) and 10.1(b) above to **You** shall be deemed at any time when **You** are a member of a group of companies for the purposes of sections 43 to 43C (inclusive) of the Value Added Tax Act 1994 to include a reference to the representative member of such group of companies at such time.

CONDITIONS OF THE SECURITY

11.

- 11.1 The **Mortgagor** will keep the **Property** in good repair to the reasonable satisfaction of the **Lender**.
- 11.2 The **Mortgagor** will not do anything which will devalue the **Property** or jeopardise the interest of the **Mortgagor** or that of the **Lender** in the **Property**.
- 11.3 The **Mortgagor** will not omit to do anything which a reasonable owner might reasonably be expected to do, including discharging all rates, taxes, rents and other outgoings and impositions which may be payable in respect of the **Property**, the omission of which could result in a third party claim or will devalue the **Property** or jeopardise the interest of the **Mortgagor** or that of the **Lender** in the **Property**.
- 11.4 The **Mortgagor** will not without the prior written consent of the **Lender** mortgage, charge, grant any further standard security over or part with possession of the whole or any part of the **Property** or register or cause or permit to be registered under the Land Registration Acts any person or persons as proprietor or proprietors of the **Property** not already so registered or where the **Property** is located in Scotland, register or cause or permit any person or persons to register in the Land Register any interest in the **Property** not already so registered.

- 11.5 The **Mortgagor** will not let or grant a licence or tenancy in respect of the **Property**, or any part of it (nor agree to do so), without the prior written consent of the **Lender** (which will not be unreasonably withheld).
- 11.6 Where the **Property** is subject to a licence or tenancy the **Mortgagor** will not agree to any change in the terms of such licence or tenancy, nor agree to its termination, nor to any assignment or assignation or under letting of it, without the prior written consent of the **Lender** (which will not unreasonably be withheld).
- 11.7 Where the **Property** is subject to a prior legal charge or prior ranking standard security, to comply with the conditions contained in that prior charge or standard security and on receipt immediately give to the **Lender** a copy of any notice or demand from any persons who has a charge or standard security over the **Property**.
- 11.8 Upon receipt immediately give to the **Lender** a copy of any notice or demand received from; (i) a person exercising a right over the **Property** or claiming an interest in it (ii) a person acting with statutory authority and any notice or demand given or made by the **Mortgagor** or any person in order to obtain new or increased interest in the **Property** (eg a longer lease) or in any building of which the **Property** forms part.
- 11.9 The **Mortgagor** will comply with all applicable legal requirements, title burdens and conditions relating to the **Property** (including those contained in any lease under which the **Property** is held).
- 11.10 The **Mortgagor** will promptly inform the **Lender** of any notice or proposal given or made by any governmental agency, authority or other body which may adversely affect the value of the **Property** or which threatens the interest of the **Mortgagor** or the interest of the **Lender** in the **Property**.
- 11.11 The **Mortgagor** will, if, at any time, the **Lender** has reasonable cause for concern about the **Property**, or as the **Lender** may reasonably require for the purposes of correspondence or negotiation in relation to such a notice or proposal as is referred to in Condition 11.10 above, permit the **Lender** or anyone acting on the instructions of the **Lender** (including, without limitation, a valuer working on behalf of the **Lender**), to enter and inspect the **Property** on reasonable notice and at any reasonable time otherwise than in the case of an emergency in which case the **Lender** shall be allowed immediate access to examine the **Property**, and the **Lender** will not thereby become a mortgagee in possession or in the case of Scotland a heritable creditor in possession.
- 11.12 The **Mortgagor** will not make any material or structural changes to the **Property**, or apply for or implement any planning or other permission from any third party for such changes (save for any development permitted under The Town and Country Planning (General Permitted Development) Order 1995 or in the case of Northern Ireland, the Planning (General Development) Order (NI) 1993), nor enter into any agreement under Section 106 of the Town and Country Planning Act 1990 (or in the case of Northern Ireland, the Planning (NI) Order 1991) or any other similar statutory agreement, nor change the use of the **Property**, without the **Lender's** prior written consent (which will not be unreasonably withheld).
- 11.13 The **Mortgagor** will ensure that the **Property** is insured at all times with a reputable insurance company or reputable underwriters, in the names of the **Mortgagor** and the **Lender** as co-insured (or in the name of the **Mortgagor** with the interest of the **Lender** noted on the policy), against fire and all other usual risks to the full reinstatement value (including the cost of demolition and professional fees) and will immediately notify the **Lender** if the **Property** ceases to be insured for any reason or in the event that circumstances arise which affect or may affect the validity of any insurance policy relating to the **Property**.
- 11.14 The **Mortgagor** will ensure at all times that the insurance required by condition 11.13 above will not be invalidated for failure to pay any premium due without the insurer first giving to the **Lender** not less than 14 days' written notice.
- 11.15 The **Mortgagor** will promptly, upon request by the **Lender**, produce to the **Lender** a copy or sufficient extract of every insurance policy relating to the **Property**, together with the premium receipts or other evidence of the payment thereof.
- 11.16 All proceeds of insurance in respect of the **Property** will be used in or towards reinstatement of the **Property** or in or towards repayment of any sums owed to the **Lender** under any **Loan Agreement**. Any money the **Mortgagor** receives under the insurance policy shall be treated as being held and shall be held by the **Mortgagor** for us as trustee until it has been used for reinstatement or repayment.
- 11.17 If there is any breach of the obligations of the **Mortgagor** under the **Loan Agreement** and/or the relevant **Security Documents**, the **Lender** may (without any obligation to do so) carry out such works, or take such other action or steps as the **Lender** acting reasonably considers appropriate to remedy the breach and/or to protect its interest in the **Property**.
- 11.18 The **Mortgagor** will pay on demand all reasonable costs, charges and expenses reasonably and properly incurred by the **Lender** in connection with the rightful preservation, protection or enforcement of the **Lender's** rights under the **Security**.
- 11.19 If any part or interest of the **Mortgagor** in the **Property** is compulsorily purchased or is expropriated, any payment received will be used, at the option of the **Lender**, in or towards payment of monies due from **You** to the **Lender**.
- 11.20 If the **Lender** or a **Receiver** takes possession of the **Property**, the **Mortgagor** must, when required, remove all of its furniture and other belongings. The **Lender** and/or any **Receiver** appointed by the **Lender** under Section 101 of the **Act** (or in the case of Northern Ireland, Section 19 of the **Act**) may (each as agent for and on behalf of the **Mortgagor** and at the expense of the **Mortgagor**) at any time after the **Security** has become enforceable remove, store, preserve, sell or otherwise dispose of any furniture or other items at or in the **Property** which are not charged by the **Security**. The **Mortgagor** must reimburse the **Lender** for all reasonable expenses of dealing with the **Mortgagor's** furniture and goods.
- 11.21 The **Lender** and any **Receiver** will have the right to set off any proceeds of sale under Condition 11.20 above against any sums due under any **Loan Agreement**. The **Lender** and any **Receiver** will promptly account to the **Mortgagor** for any net proceeds of any such sale (after payment of reasonable and proper removal, storage and preservation costs and the costs of the sale).
- 11.22 The obligations of the **Mortgagor** under the **Loan Agreement** and/or the **Security** will not be affected by **Your** or any **Mortgagor's** incapacity or by any amendments, supplements or variations to the **Loan** or by any unenforceability, illegality, frustration or invalidity of any obligation of any person under the **Security**, to the intent that the **Mortgagor's** obligations under the **Loan Agreement** and/or the **Security** shall remain in full force, as if there were no unenforceability, illegality or invalidity to the extent permitted by law. If there is more than one **Security**, each **Security** is distinct from any other **Security** and will continue in force until the **Lender** releases or discharges it. No **Security** will be discharged or otherwise affected by any invalidity or lack of enforceability or irregularity or defect in any other **Security**.
- 11.23 The **Mortgagor** must not exercise any of the powers reserved to a mortgagor by Sections 99 and 100 of the **Act** (or in the case of Northern Ireland, Section 18 of the **Act**) (relating to powers to grant or accept surrenders of leases) unless the **Mortgagor** has the **Lender's** prior written consent (not to be unreasonably withheld).

INFORMATION

- 12.
- 12.1 Any information and documents that **You** provide to the **Lender** must be true and accurate to the best of **Your** knowledge, information and belief and **You** must not withhold information from the **Lender** that the **Lender** would reasonably expect to be given in connection with **your Loan Agreement**.
- 12.2 **You** must provide the **Lender** with any information or documentation relating to **You**, any **Guarantor**, any **Mortgagor** or the **Property** as we may require (acting reasonably) promptly following request.

THE LENDER'S RIGHTS IN RELATION TO THE SECURITY AND THE PROPERTY

13.

- 13.1 The **Lender's** right to take possession of the **Property** arises as soon as the relevant **Security Documents** are executed. Although this right arises at this time, the **Lender** will not exercise it until the **Debt** (or any part thereof) has become repayable.
- 13.2 The **Lender's** power to sell the **Property** and to appoint a **Receiver** shall immediately become exercisable when the **Debt** (or any part thereof) has become repayable.
- 13.3 The **Lender's** power to sell the **Property** is free from the restrictions in Section 103 of the **Act** (or in the case of Northern Ireland, Section 20 of the **Act**). Conditions 13.1 to 13.3 do not apply where the **Property** is located in Scotland in which case the **Lender's** rights to enter into possession and/or sell the **Property** are regulated by the Conveyancing and Feudal Reform (Scotland) Act 1970.
- 13.4 The **Lender's** power to recover the **Debt** extends to granting leases on the **Property** either in the **Lender's** own name or in the **Mortgagor's** name on any terms the **Lender** reasonably chooses, including selling a lease at a discount, or paying a tenant any amount the **Lender** chooses to give up a lease. The **Lender's** statutory power of leasing shall be extended so that the **Lender** is authorised to lease and make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options as the **Lender** shall think expedient, without the need to observe any of the provisions of Sections 99 and 100 of the **Act** (or in the case of Northern Ireland, Section 18 of the **Act**) (relating to powers to grant or accept surrenders of leases). The **Lender** may make a reasonable periodic management charge in the event that the **Property** is let by the **Lender** pursuant to this condition or has been let by the **Mortgagor** when the **Lender** takes possession of the **Property**.
- 13.5 Entry into possession of the **Property** does not make the **Lender** or the **Receiver** liable to account as mortgagee in possession or in the case of Scotland, heritable creditor in possession and neither the **Lender** nor the **Receiver** has to account to the **Mortgagor** for any money they do not actually receive.
- 13.6 Once the **Lender** has taken possession of the **Property**, the **Lender** or the **Receiver** have the power to give up possession, temporarily or permanently, at any time.
- 13.7 If **You** have more than one **Loan** with the **Lender**, note that Section 93 of the **Act** (or in the case of Northern Ireland, Section 17 of the **Act**) does not apply. If **You** have more than one **Property** mortgaged to the **Lender** or, in Scotland, **You** have granted standard securities over more than one **Property** in favour of the **Lender** and **You** want to pay off just one of **Your Loans**, the **Lender** has the right to refuse to redeem the mortgages or discharge the standard securities separately, and to insist that **You** pay off all of the **Loans**, before redeeming any of them.
- 13.8 If the **Property** has been mortgaged in a way that gives someone else a first claim on it or someone has a prior interest or standard security, the **Lender** has the right to buy out the other person's interest. The **Lender** may do so at any time:
- (a) after giving **You** notice demanding payment of the **Debt** (or any part thereof); or
 - (b) as soon as any powers under the prior claim or interest have come into operation, and the **Mortgagor** will be bound by any agreement the **Lender** reaches with that other person.
- 13.9 The **Lender's** right to sell the **Property** exists from the date of **Your Loan Agreement**. Anyone buying the **Property** or dealing with the **Lender** or any **Receiver** will receive the same protection (specifically, sections 104 and 107 of the **Act** (or in the case of Northern Ireland, sections 21 and 22 of the **Act**)) as if they were buying the **Property** from or dealing with the mortgagee. No one dealing with the **Lender** or any **Receiver** needs to inquire whether the **Lender** or the **Receiver** is exercising its rights properly.
- 13.10 The **Mortgagor** will deposit with the **Lender**, and the **Lender** will be entitled to retain and hold during the term of the **Loan**, all deeds and documents of title relating to the **Property**.

LENDER'S RIGHT TO APPOINT A RECEIVER

14.

- 14.1 The **Lender** has the right to appoint a **Receiver** to manage the **Property**. The **Lender** must make the appointment in writing. The **Receiver** must not be an employee of the **Lender** and can be anyone else the **Lender** chooses. The **Lender** has the right to decide what the **Receiver** will be paid and to change the **Receiver** at any time and to appoint another one, at the **Lender's** reasonable discretion.
- 14.2 The **Receiver** will act as the **Mortgagor's** agent. The **Mortgagor** alone will be responsible for:
- (a) paying the **Receiver's** reasonable and proper fees;
 - (b) anything the **Receiver** does, or fails to do, as an agent acting on the **Mortgagor's** behalf.

THE RECEIVER'S POWERS

15.

- 15.1 The **Receiver** will have all of the powers of a **Receiver** appointed under the **Act**.
- 15.2 Without prejudice to the general words of condition 15.1, the **Receiver** will have the power to do the following in connection with the **Property** in such manner as he sees fit:
- (a) receive any money due in respect of the **Property** or any right or claim connected with it;
 - (b) enter into and take legal possession;
 - (c) to sell the **Property** or any part of it;
 - (d) carry out building work, repairs and maintenance work and obtain planning permissions, building regulation approvals and any other consents or licences;
 - (e) if the **Property** is leasehold, agree to change the terms of the lease, or surrender it, and/or arrange a new lease (and in the case of a new lease, the **Lender's Security** for the mortgage will automatically transfer to the new lease and the **Receiver** may arrange whatever formal legal charge on it the **Lender** requires);
 - (f) grant any leases, licences or other rights as the **Receiver** shall think fit;
 - (g) make any arrangements or compromises the **Receiver** thinks fit;
 - (h) appoint, employ, pay and dismiss staff, contractors and agents;
 - (i) sell any of the fixtures, on their own or together with the **Property**;
 - (j) insure the **Property** for such amounts and against such risks and through such agency as the **Receiver** shall think fit;

- (k) exercise all powers and authorities as the **Lender** shall think fit to confer (and the **Lender** may confer any powers and authorities which the **Lender** could give if the **Lender** was the absolute owner of the **Property**);
- (l) generally manage the **Property** and do anything else (whether similar or not to any of the above) which may be reasonably considered to be incidental or conducive to anything which a **Receiver** can lawfully perform as the **Mortgagor's** agent or which the **Lender** has the right to do, whether under the **Loan Agreement**, the **Security Documents** or otherwise;
- (m) take any proceedings in **Your** name or otherwise as may seem expedient;
- (n) remove, store and/or sell any chattels at the **Property** and account to **You** for the proceeds of those chattels less the costs of removal, storage and sale.

15.3 The **Receiver** does not have the authority to do anything the **Lender** specifically excludes in writing.

15.4 Any net proceeds arising from the exercise of the **Receiver's** powers shall, subject to any prior ranking claims, be used to pay in the following order:

- (a) first, the amount of all costs, interest, charges, fees and expenses reasonably and properly incurred and payments reasonably and properly made by the **Receiver** in connection with his appointment and the exercise of his powers;
- (b) second, the reasonable and proper remuneration of the **Receiver**;
- (c) third, all other sums secured by the **Security Documents** with any payments received being allocated first towards paying off the balance of any payment shortfall (excluding Interest or charges);
- (d) fourth, the claims of those entitled to any surplus.

14.5 Sections 109(6) and (8) of the **Act** (or in the case of Northern Ireland, Section 24(6) of the Act) (relating to the fees of a **Receiver**) shall not apply.

LENDER HAS THE SAME POWERS AS A RECEIVER

16.

The **Receiver's** powers do not affect any of the **Lender's**, **Yours**, a **Guarantor's** or a **Mortgagor's** own rights under the **Loan Agreement**, any **Guarantee** or **Security Document**. The **Lender** has all the same powers as a **Receiver**, whether or not the **Lender** has appointed one.

POWER OF ATTORNEY

17.

17.1 By way of continuing security, each **Mortgagor** gives the **Lender** (acting through its solicitor where appropriate) and (and (save where the **Property** is located in Scotland) as separate appointment the **Receiver**) an irrevocable power of attorney to act in such **Mortgagor's** name and on its behalf either separately or jointly to do everything which the attorney considers necessary or desirable to:

- (a) carry out or fulfil any obligation imposed on the **Mortgagor** by the **Loan Agreement** and/or the **Security Document** (including the execution and delivery of any deeds, charges, assignments, assignments, notices or other security and any transfers of the **Security**); and/or
- (b) enable the **Lender** or any **Receiver** to exercise any of the rights, powers and authorities conferred on them pursuant to the **Loan Agreement** and/or the **Security Document** or by law (including, after this **Security** becomes enforceable, the exercise of any right of a legal or beneficial owner of the **Security**); and/or
- (c) if required, sign, execute and deliver and otherwise effect, do or make any deed, assurance, agreement, instrument or act which **You** or any **Mortgagor** ought to execute or do under or in connection with **Your Loan** or **Security Document** (as the case may be); and/or
- (d) initial any amendment which may need to be made to any **Security Document** and **Loan Agreement** or any associated document or to correct any mistake in such documentation (including those relating to the name of any **Mortgagor**, the **Property** address, the **Property's** title numbers), provided the amendment does not adversely affect the **Mortgagor's** rights and/or
- (e) to do anything else which is proper and the **Lender** or the **Receiver** considers to be appropriate in connection with the exercise of any of the **Lender's** or their powers.

17.2 The **Lender** shall not be liable for anything done under this power of attorney under these **Lending Terms and Conditions** if it has used reasonable care in exercising or delegating the power.

SPECIFIC PROVISIONS IN RESPECT OF COMPANIES

18.

If any of **You**, any **Guarantor** and/or any **Mortgagor** is a company **You** and they warrant and agree that such company is now, and will throughout the term of the **Loan** be, a limited liability company duly incorporated and validly existing in England and Wales or Scotland or Northern Ireland and that it has taken all necessary corporate action in connection with the **Loan** and the **Security** and that the obligations on its part contained in the **Loan Agreement**, **Guarantee** or **Security Document** (as the case may be) constitute valid and legally binding obligations on it.

WAIVERS AND REMEDIES CUMULATIVE

19.

- 19.1 Any delay in the exercise or non-exercise of any right of the **Lender** is not a waiver of that right.
- 19.2 The **Lender's** rights under any **Loan Agreement**, under any **Guarantee** and under any **Security** can only be waived by express and specific written notification from the **Lender** to **You** or to the **Mortgagor** or to the **Guarantor**, as applicable.

TRANSFER OF RIGHTS AND OBLIGATION

20.

- 20.1 **You** or any **Mortgagor** or **Guarantor** may not assign **Your** or their rights under the **Loan Agreement**, **Security** or **Guarantee**.
- 20.2 The **Lender** may at any time and from time to time transfer, charge or assign its rights and/or obligations under the **Loan Agreement** and/or the **Security** and/or the **Guarantee**, and to the extent necessary **You** and any **Mortgagor** or **Guarantor** hereby give consent to such action being taken by the **Lender** in the future. Any transfer, charge assignment or assignment of the **Lender's** rights and/or obligations under the **Loan Agreement** and/or the **Security** and/or the **Guarantee** will not reduce **Your** (or their) rights or increase **Your** (or their) liability. Under the terms of the transfer, charge assignment or assignment, a transferee of the **Security** will be able to exercise all of the rights, powers and remedies which the **Lender** could exercise before the transfer, charge or disposal.
- 20.3 If **Your Interest Rate** is based on the **Shawbrook Base Rate**, in the event that the **Lender's** rights and/or obligations under the **Loan Agreement** are transferred, charged or assigned, the person to whom the **Lender's** rights and/or obligations under the **Loan Agreement** are transferred, charge, or assigned may use such reasonably equivalent rate in place of the **Shawbrook Base Rate** and will give **You** at least 30 days' written notice of this change. This new rate will become the **Shawbrook Base Rate** and may be varied in accordance with this condition.

TAXES

21.

All payments due from **You**, any **Mortgagor** and/or any **Guarantor** to the **Lender** shall be free and without deduction of tax unless there is a legal requirement to make such deduction or withholding of tax, in which case the amount due shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the **Lender** receives a net amount equal to the amount it would have received had no such deduction or withholding been made.

SEVERABILITY

22.

If any of the terms or conditions of the **Loan Agreement** or the **Security** or **Guarantee** is or becomes invalid or unenforceable under any law, the validity of the other terms and conditions will not be affected or impaired in any way.

NOTICES AND OTHER MATTERS

23.

23.1 Every notice, request, demand or other communication under the **Loan Agreement** or the **Security** or **Guarantee** will:

- (a) be in writing delivered personally or by first-class prepaid letter;
- (b) be deemed to have been received,
 - (i) on the day after it was delivered, if delivered to or left at the last known address of the person to whom it is addressed;
 - (ii) on the second **Business Day** after posting.

23.2 The **Lender** will send any communication to **You** at **Your** address as stated in the **Offer Letter**, any communication to the **Guarantor** at his address as stated in the **Guarantee**, any communication to the **Mortgagor** at his address as stated in the **Security**, or to such other address as may be notified to the **Lender** from time to time by **You** or by the **Guarantor** or by the **Mortgagor** (as the case may be). If **You** or any **Mortgagor** or **Guarantor** as an individual die, then any notice, request, demand or other communication under the **Loan Agreement** or **Security** or **Guarantee** sent under this condition 23 will constitute a proper notice or demand to the deceased and his executors and personal representatives until the **Lender** receives an Office Copy of the Grant of Probate or the Will or Letters of Administration or a certificate of confirmation of the estate of the deceased.

23.3 Where the **Property** is located in Scotland, conditions 23.1 and 23.2 are subject to the qualification that any notices or other communications under the security will be served in accordance with the requirements, if applicable, of the Conveyancing and Feudal Reform (Scotland) Act 1970.

23.4 **You**, the **Guarantor** and the **Mortgagor** must send any communication to: Lutea House, Warley Hill Business Park, The Drive, Brentwood, Essex CM13 3BE or to such other address as may be notified by the **Lender** from time to time to **You** or to the **Guarantor** or to the **Mortgagor** (as the case may be).

FURTHER ASSURANCES

24.

You agree and each **Guarantor** and each **Mortgagor** agrees that **You** and they will co-operate fully with the **Lender** in doing such further acts and executing such documents as may be necessary or desirable to give full effect to the **Loan Agreement**, the **Security**, the **Guarantee** and/or any **Related Rights**.

APPLICATION OF PAYMENTS

25.

If at any time the **Lender** receives a payment which is insufficient to discharge all of the amount then due, such that there is a payment shortfall, the **Lender** will allocate that payment first towards paying off the balance of the payment shortfall (excluding any interest or charges on that balance).

USE OF YOUR LOAN

26.

26.1 Where the purpose, or part of the purpose, of the **Loan** is to pay off existing unsecured credit accounts and **You** have provided the **Lender** with details of those accounts the **Lender** may, at its reasonable discretion, either (a) pay, on **Your** behalf, the relevant amounts to the persons to whom **You** owe money, or (b) direct **You** to pay the relevant amounts to the persons to whom **You** owe money (and **You** agree to promptly comply with any such direction from the **Lender**). **You** acknowledge that the **Loan Agreement** or any part of it is not made under pre-existing or contemplated future arrangements between the **Lender** and any supplier of goods or services and is not subject to any other restrictions concerning its use.

26.2 Where the purpose, or part of the purpose, of the **Loan** is to redeem an existing loan secured on the **Property** as a second charge or second ranking standard security, the **Lender** will obtain an up to date redemption figure before completion of the **Loan Agreement**. To ensure any repayments that may have become due since the redemption figure was issued are settled, the **Lender** will add an additional monthly payment in the amount it is repaying to **Your** existing lender. If **You** have continued making repayments on **Your** existing loan account since the redemption figure was issued, this may result in surplus credit on **Your** account with **Your** existing lender. Any surplus credit on **Your** account should be refunded back to **You** by **Your** existing lender in accordance with their usual processes and procedures.

FINANCIAL CRIME

27.

27.1 The **Lender** may take any action to meet any **Regulatory Requirement** relating to or in connection with the detection, investigation and prevention of **Financial Crime**.

27.2 To the extent permissible by law, the **Lender** shall not be liable to **You** or any other party in respect of any loss (however it arose) that was suffered or incurred by **You** or any other party, and that may have been caused in whole or in part in connection with the undertaking of activities by the **Lender** in compliance with any **Regulatory Requirement** relating to or in connection with the detection, investigation and prevention of **Financial Crime**.

FURTHER ADVANCES

28.

The **Lender** may from time to time, at its absolute discretion, lend further advances of money to **You** upon the same (or, as the case may be, modified) terms, as agreed in writing at such time between **You**, each **Guarantor**, each **Mortgagor** and the **Lender**.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

29.

No person other than a party to these **Lending Terms and Conditions** may enforce any rights under them or under any other agreement made in connection with the **Security** by virtue of the Contracts (Rights of Third Parties) Act 1999. A party to these **Lending Terms and Conditions** includes anyone that the **Lender** transfers its rights to under condition 20 or anyone that the **Lender** appoints under these **Lending Terms and Conditions** as **Receiver**. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

GOVERNING LAW

30.

30.1 The **Loan Agreement**, any **Guarantees** and the **Security Documents** are governed by English law, except where the **Property** is located in Scotland in which case they are governed by Scots Law and except where the **Property** is located in Northern Ireland in which case they are governed by Northern Ireland law.

30.2 **You** and each **Guarantor** and each **Mortgagor** agree to submit to the non exclusive jurisdiction of the Courts of England and Wales, except where the **Property** is located in Scotland in which case **You** and each **Guarantor** and each **Mortgagor** agree to submit to the non exclusive jurisdiction of the Courts of Scotland and except where the **Property** is located in Northern Ireland in which case **You** and each **Guarantor** and each **Mortgagor** agree to submit to the non exclusive jurisdiction of the Courts of Northern Ireland.

VARIATIONS

31.

We may vary these **Lending Terms and Conditions** to take account of any change in law, decision, determination or guidance of any regulatory authority which regulates our lending business. We will give you no less than 30 days' written notice in the event of such change.

