

Investec Bank plc

Portfolio Loan Conditions Fifth Edition January 2020
(England and Wales)

This is an important legal document.

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

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



Private Banking



Out of the Ordinary

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Portfolio Loan Conditions

1 What forms the loan agreement you have with us?

What is this agreement made up of?

- The Portfolio Loan Conditions in this document; and
- your Loan Offer.

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

What is the Loan Offer?

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

What are the security documents?

- The documents listed as security documents in your Loan Offer; and
- any other document you or a guarantor or other security-provider enter into, which guarantees the repayment by you of the amount owing under the loan or creates security over the charged assets in our favour.

This will include the charge which creates security over the custody account whose details are set out in the Loan Offer.

If there is a conflict between these Portfolio Loan Conditions and your Loan Offer, your Loan Offer will take priority.

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

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

If you are joint borrowers

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

If you are a trustee of a trust, we won't have recourse to your personal assets.

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

How we'll use some of our rights

This agreement gives us rights to take certain actions in particular circumstances (such as require you to repay the loan in full) and prevents you from doing certain things without our consent.

If we have the right to do something (such as ask you to provide us with additional security) and we choose not to at a particular time or we delay doing this, this won't affect our right to take this action later.

If this agreement or any security document requires you to obtain our consent before you can do something you must obtain our consent in writing. We won't refuse our consent unless we reasonably think that giving it may:

- adversely affect our security under the security documents;
- adversely affect the value of the portfolio assets or any offshore investment bond being taken as security for the loan;
- adversely affect your ability to repay the loan; or
- cause us to incur costs.

What are the portfolio assets?

The cash and securities held from time to time in the custody account whose details are set out in your Loan Offer. This includes any rights in respect of the portfolio assets.

What are the charged assets?

The portfolio assets, any offshore investment bond being taken as security for the loan and any other assets, rights or guarantees given by you, or by a guarantor or other security-provider, which secure repayment of the amount owing under the loan.

What is a security-provider?

- Any person other than you who enters into an agreement to guarantee your repayment of the amount owing under the loan; or
- any person who provides security for your repayment of the amount owing under the loan.

This will include you if you are the holder of the custody account and you sign a custody account charge to create security in our favour over the portfolio assets.

2 Drawing a loan

You can't draw a loan until each of the conditions of drawdown set out in your Loan Offer is satisfied.

You can draw more than one loan under this agreement, but the conditions of drawdown must be satisfied each time you request a drawdown.

If any of the following are set out in your Loan Offer, then you must comply with these requirements when you request a drawdown:

Minimum Initial Drawdown Amount	The first loan you draw under this agreement can't be less than this amount.
Minimum Further Drawdown Amount	Any further loan you draw under this agreement can't be less than this amount.
Initial Drawdown Date	You must draw a loan under this agreement on or before this date.
Last Drawdown Date	You can't draw a loan under this agreement after this date.

You can't re-borrow any amount of the loan which you've repaid.

How to request a drawdown

If you wish to draw a loan, you must send us a drawdown request. Your Loan Offer sets out the form of drawdown request which you must use. We must receive your drawdown request by 11 am at least 2 business days before the date when the loan is to be made.

Once we've received your drawdown request, you can't withdraw it without our consent.

How to complete a drawdown request

Drawdown Date This is the date when the loan is to be made.	This must be a business day.
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Amount This is the amount of the loan.	Your Loan Offer sets out a Borrowing Limit which is the maximum amount we'll agree to lend under this agreement and will also set out the currency in which a loan may be drawn. The amount requested in a drawdown request can't be more than the undrawn amount we've agreed to lend and it must be in the currency we've agreed to lend in.
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How these Portfolio Loan Conditions apply if you borrow more than one loan

If you draw more than one loan under this agreement, we'll consolidate the amount drawn down with any amounts you've previously drawn down and we'll treat the aggregate amount as a single loan.

3 Our right to refuse a drawdown request

The rights we have to refuse a drawdown request differ depending on whether your Loan Offer says we agree to lend on:

- an 'uncommitted and on-demand basis'; or
- a 'term loan basis'.

If we agree to lend on an uncommitted and on-demand basis

We can refuse a drawdown request at any time. We have the right to do this even if, at the time we refuse your drawdown request, you are fully complying with all your obligations under this agreement and the security documents.

Unless we can't do so for legal or regulatory reasons, we'll let you know as soon as possible if we decide to refuse a drawdown request and, if you ask us, we'll tell you the main reason for our decision.

If we agree to lend on a term loan basis

We can refuse a drawdown request for any of the following reasons:

- you've not satisfied the conditions of drawdown set out in your Loan Offer or you're not completed the drawdown request correctly;
- the currency requested in the drawdown request isn't readily available to us within a reasonable period before the date when the loan is to be made;
- making the loan would breach any law or regulation which applies to us;
- on the date of the drawdown request or the date when the loan is to be made, an enforcement event has occurred; or
- we reasonably believe that if we made the loan you've requested the LTV under this agreement would exceed

the Maximum LTV Ratio set out in your Loan Offer immediately after the loan is made.

We explain what 'enforcement events' and 'LTV' are later in these Portfolio Loan Conditions.

Unless we can't do so for legal or regulatory reasons, we'll let you know as soon as possible if we decide to refuse a drawdown request for any of the reasons set out above.

4 Our right to cancel any undrawn amount

The rights we have to cancel any undrawn amount differ depending on whether your Loan Offer says we agree to lend on:

- an 'uncommitted and on-demand basis'; or
- a 'term loan basis'.

If we agree to lend on an uncommitted and on-demand basis

We can cancel any undrawn amount under this agreement at any time. We have the right to do this even if, at the time we cancel the undrawn amount, you are fully complying with all your obligations under this agreement and the security documents.

Unless we can't do so for legal or regulatory reasons, we'll let you know as soon as possible if we decide to cancel any undrawn amount and, if you ask us, we'll tell you the main reason for our decision.

If we agree to lend on a term loan basis

We can stop you drawing any further loans, where there has been a material change to the facts and circumstances relating to this agreement. If we do this, we'll then give you reasonable time to demonstrate to us that you (or the relevant security-provider) would still be able to meet your (or their) obligations. In the meantime, you'll be unable to draw further loans.

What is meant by a "material change"?

A material change to the facts and circumstances relating to this agreement occurs if:

- there is a material change to the condition, value or title to any charged asset;
- there is a material change in your circumstances or creditworthiness which is likely to have a material impact on your ability to afford the loan;
- there is a material change in the circumstances or creditworthiness of any security-provider which is likely to have a material impact on their ability to meet their obligations under a security document;
- an event occurs which materially prejudices, or which we reasonably believe will materially prejudice, your ability to meet your obligations under this agreement or any security-provider's ability to meet their obligations under any security document, or our ability to rely on any security document; or
- we discover that either:
 - you have entered into an agreement with another person, or
 - you are in breach of an agreement either with us or with another person,with the result (in either case) that you are unable to comply with any material obligation imposed on you under this agreement or any security document.

If we are satisfied by the outcome of any discussions and, provided all the other conditions of drawdown set out in your Loan Offer and in these Portfolio Loan Conditions have been met, we'll allow you to draw any undrawn amount in accordance with the terms of this agreement. However, if we are still concerned that you would have difficulty meeting your repayment obligations (or any other security-provider would have difficulty complying with their obligations under any of the security documents) if we allowed you to draw further loans, we can cancel any undrawn amount.

We can also cancel any undrawn amount under this agreement at any time if

- your Loan Offer sets out an Initial Drawdown Date and you don't draw a loan under this agreement on or before that date; or
- we are required by any law, regulation or court order to end our relationship with you.

Unless we can't do so for legal or regulatory reasons, we'll let you know as soon as possible if we decide to cancel any undrawn amount for any of the reasons set out above.

We also have the right to cancel any undrawn amount under this agreement if an enforcement event occurs. That right is explained later in these Portfolio Loan Conditions

5 Interest

How we calculate interest

We charge interest on the loan during each interest period at the interest rate set out in your Loan Offer.

What is an interest period?

To calculate interest on the loan, we divide the term of the loan into equal interest periods.

If the period set out in your Loan Offer is 'Quarterly', the interest period will be the equivalent of a calendar quarter which will be 90, 91 or 92 days depending on the quarter in which the first day of the interest period falls. If the period set out in your Loan Offer is 'Monthly', the interest period will be 28, 29, 30 or 31 days depending on the month in which the first day of the interest period falls.

The first interest period for the loan starts on the day we make the loan and it lasts for the period set out in your Loan Offer (i.e. Quarterly or Monthly).

Each subsequent interest period starts on the first day after the prior interest period.

If the last day of an interest period falls on a day which isn't a business day, that interest period will instead end on the next business day.

If your Loan Offer sets out a Final Repayment Date, then an interest period which would otherwise extend beyond that date will instead end on the Final Repayment Date.

We also divide the time when an overdue amount is outstanding into interest periods, in order to calculate interest on the overdue amount. We explain this further below.

Interest is calculated on a daily basis which depending on the days in the interest period will result in different payment amounts for each interest period. To calculate the daily interest rate, we apply the following conventions:

Currency of loan	Day count convention
Sterling	Annual interest rate is divided by 365 days (even in a leap year).
Euro	Annual interest rate is divided by 360 days.
US Dollar	Annual interest rate is divided by 360 days.
Other currencies	Any appropriate day count convention we reasonably choose

In a leap year, interest will be charged on twenty nine (29) days in February.

Types of interest rate

Your interest rate is a variable rate and your Loan Offer says whether it'll track the lender base rate, LIBOR or EURIBOR, plus a margin.

What if the rate being tracked is less than zero?

The interest rate on the loan may vary, but it will never go below the margin set out in your Loan Offer. This means that if and for so long as the lender base rate, LIBOR or EURIBOR (as applicable) falls to less than zero, you will pay interest on the loan at a rate equal to the margin.

Example:

If your Loan Offer says we charge interest on the loan at a margin over EURIBOR and at the time when we calculate EURIBOR, it is -0.400%, then we will treat EURIBOR as if it were 0% for that interest period. This means interest will be calculated at a rate equal to the margin during that interest period.

We explain below when we'll use a different interest rate and when we may change this agreement to use an alternative reference rate.

Other than as set out in your Loan Offer, we'll only change the margin during the loan term if:

- we agree this with you; or
- your interest rate is linked to LIBOR or EURIBOR and we're making an adjustment to your interest rate in order to allow for the use of an alternative reference rate. Our rights to make changes to this agreement to allow for an alternative reference rate to be used are explained further below.

If the interest is linked to the lender base rate

What is the lender base rate?

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

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

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

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

If the interest rate is linked to LIBOR

For each interest period, we calculate LIBOR as of 11 am on the first day of that interest period for the currency of the loan and for a period equal in length to that interest period.

What is LIBOR?

This is the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters.

If that page or service ceases to be available, we may specify another page or service displaying that rate after consulting with you.

If LIBOR isn't available for a period equal in length to the interest period of the loan, then we apply the following calculation. We calculate:

- LIBOR for the longest period for which it is available which is less than the length of the interest period of the loan; and
- LIBOR for the shortest period for which it is available which exceeds the length of that interest period,

in each case, as of 11 am on the first day of that interest period for the currency of the loan, and then we calculate the rate which results from interpolating on a linear basis between those two rates.

If the interest rate is linked to EURIBOR

For each interest period, we calculate EURIBOR as of 11 am, Brussels time, on the first day of that interest period for euro and for a period equal in length to that interest period.

What is EURIBOR?

This is the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters.

If that page or service ceases to be available, we may specify another page or service displaying that rate after consulting with you.

If EURIBOR isn't available for a period equal in length to the interest period of the loan, then we apply the following calculation. We calculate:

- EURIBOR for the longest period for which it is available which is less than the length of the interest period of the loan; and
- EURIBOR for the shortest period for which it is available which exceeds the length of that interest period,

in each case, as of 11 am, Brussels time, on the first day of that interest period for euro, and then we calculate the rate which results from interpolating on a linear basis between those two rates.

Changing the loan agreement to use an alternative reference rate

What is a reference rate?

This is a rate used to calculate interest which we do not set and which comes from a publicly available source. For example, LIBOR and EURIBOR are both reference rates.

Where your interest rate is linked to LIBOR or EURIBOR, we may need to make changes to this agreement to allow for an alternative reference rate to be used to calculate your interest rate. We'll only do this where we reasonably believe that the reference rate used to calculate interest under this agreement is no longer appropriate because one of the following events has occurred:

- there is a substantial change to the way your reference rate is calculated;
- the administrator of your reference rate becomes insolvent or it announces that it will stop providing your reference rate, and there is no successor to provide it;
- an official body announces that your reference rate will be discontinued or may no longer be used; or
- we reasonably believe that it is generally accepted by banks and financial institutions in the UK that your reference rate is no longer appropriate for the purposes of calculating interest on portfolio loans.

If we make changes to this agreement to allow for an alternative reference rate to be used, we'll make sure they are reasonable and proportionate and are limited to:

- updating this agreement to allow the alternative reference rate to be used for calculating your interest rate;
- making changes to this agreement to reflect any practices which generally apply in the financial markets if the alternative reference rate is used there;
- explaining any alternative arrangements we'll use if the alternative reference rate becomes unavailable or is affected by a disruption in the financial markets; and
- ensuring any adjustment to your interest rate by using the alternative reference rate means that any impact to your regular payments will be kept to a minimum.

The alternative reference rate we use instead of LIBOR or EURIBOR will be the nearest equivalent lending rate we reasonably select, taking account of:

- whether a rate is nominated or recommended as a replacement for your reference rate by an official body; and
- whether we reasonably believe that a rate is generally accepted by banks and financial institutions in the UK as an appropriate replacement for your reference rate.

If we make an adjustment to your interest rate to reduce or eliminate the extent to which you would be paying more or

less interest as a result of using the alternative reference rate instead of LIBOR or EURIBOR, we'll take account of:

- whether a method of calculating an adjustment to interest rates is nominated or recommended by an official body; and
- whether we reasonably believe that a method for calculating an adjustment to interest rates is generally accepted by banks and financial institutions in the UK.

We'll tell you about any changes we make to this agreement to allow for an alternative reference rate to be used at least 30 days before the change takes effect, unless we have to make the change more quickly because of a change in law or regulation or a decision by a court, regulator, ombudsman or government that we have to follow.

Our right to charge interest on overdue amounts

We may charge interest on any overdue amount at the same interest rate which would have been payable if the overdue amount had been a loan under this agreement in the currency of the overdue amount for successive interest periods, each of a duration reasonably chosen by us. You must pay any interest on an overdue amount immediately when we ask you to.

What is an overdue amount?

This is any sum you are due to pay under this agreement or any security document, but haven't paid.

If you haven't paid any interest which arises on an overdue amount, we'll add that interest to the overdue amount at the end of each interest period, chosen by us, and charge interest on the combined sum, but we can still ask you to pay the interest immediately.

6 Your payments

The amount of interest which accrues during each interest period on the amount we lend to you is payable on the first day of the next interest period. You must pay the interest you owe us on that date.

If your Loan Offer sets out a Final Repayment Date, you must pay off the full amount owing by that date.

You must make all other payments set out in your Loan Offer.

What is the full amount owing?

This is everything you owe us under this agreement and any security documents.

At any particular time, the amount owing will include:

- the amount we lend to you when we make a loan to you, minus any capital payments you make which reduce the capital of the loan;
- any interest you owe on the amount we lend to you;
- any early repayment charge you incur;
- any fees, costs and expenses you have to pay us; and
- any amounts due to us but which you haven't paid.

You must make all payments under this agreement and the security documents in the currency which applies to that

payment under this agreement or the security documents. If you make a payment in another currency, we'll convert the amount received into its equivalent in the currency it should have been paid in at the exchange rate determined by us at the time we process the payment. This may result in you paying less than you are obliged to pay.

Any payments you make will be treated as received by us only when we receive the payment in cleared funds. If we receive the payment in another currency, the payment will only be treated as received once we've converted the payment into the currency it should have been paid in under this agreement.

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

If the date for any payment is a day which isn't a business day it won't be due until the next business day.

What is a business day?

Monday to Friday excluding public holidays in England.

7 Early repayment and cancellation

You can repay the loan early or cancel the undrawn amount under this agreement, either fully or partially, at any time, but you can only do so in the way described below.

How to make an early repayment

Tell us in advance	You must tell us when and how much you are going to pay at least 5 business days before making an early repayment. Once you've let us know, you must make the early repayment as you've told us, unless you obtain our consent to change the date or amount.
Interest and fees	If you make an early repayment, you must pay us: <ul style="list-style-type: none"> • any interest you owe on the capital amount of the loan being repaid; • any early repayment charge you incur; and • any fees, costs and expenses you have to pay us.
Break costs	Where your interest rate is linked to LIBOR or EURIBOR, if you make an early repayment on a day other than the first day of an interest period, you must pay us any break costs which apply to that payment. We explain what 'break costs' are further below.

Amount	If your Loan Offer sets out a Minimum Prepayment Amount, any early repayment you make which only pays off part of the amount owing under the loan must reduce the capital amount of the loan by at least the Minimum Prepayment Amount.
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How to cancel the undrawn amount

If you ask us at least 5 business days in advance to cancel the whole or part of the undrawn amount under this agreement, we'll cancel it on the date you tell us to.

Once we've received your request to cancel any of the undrawn amount, you can't withdraw your request without our consent.

8 Fees, costs and expenses you have to pay

What fees do we charge?

Your Loan Offer sets out the fees we'll charge and when you have to pay them. You must pay us those fees when they are due to be paid.

Paying our increased costs following a change in law or regulation

Our costs for providing the loan to you under this agreement may increase if there is a change in law or regulation in the future. If that happens, we'll tell you the amount of the increased cost we reasonably believe we (or any of our group companies) have incurred and you must pay us that amount promptly when we ask you.

What are increased costs?

Any of the following amounts we (or any of our group companies) incur:

- a reduction in the rate of our return under this agreement or on our overall capital (or the overall capital of any of our group companies);
- an additional or increased cost; or
- a reduction of any amount due and payable under this agreement or any security document,

but only:

- (i) to the extent the amount can reasonably be attributed to us:
 - agreeing to lend to you under this agreement; or
 - funding or performing our obligations under this agreement or any security document; and
- (ii) where it results from:
 - any new law or regulation being introduced;
 - an existing law or regulation being changed;
 - a change being made to the way any law or regulation is interpreted, administered or applied; or
 - complying with any new law or regulation.

Paying break costs for payments not made on the first day of an interest period

We may fund our portfolio lending to borrowers generally by entering into funding arrangements on an interbank market (or with other financial institutions) which match the length of interest periods under those portfolio loans.

Where your interest rate is linked to LIBOR or EURIBOR, break costs may apply if you make a payment on a day other than the first day of an interest period.

If you pay us all or any part of the loan or overdue amount on a day other than the first day of the interest period for that loan or overdue amount, we'll tell you the break costs attributable to that payment and you must pay us those break costs promptly when we ask you (even if we haven't entered into matched funding arrangements for that specific loan or overdue amount).

You won't have to pay break costs if your interest rate is linked to the lender base rate.

What are break costs?

The amount (if any) by which:

- the interest we should have received for the period from the date when you paid us all or any part of the loan or overdue amount to the first day of the next interest period for that loan or overdue amount, if instead you had paid it to us on the first day of the next interest period;

exceeds:

- the amount which we would be able to obtain by placing an amount equal to the principal amount or overdue amount received by us on deposit with a leading bank for a period starting on the business day following receipt or recovery and ending on the first day of the next interest period.

Reimbursing us for the cost of taxes and duties

If we reasonably believe we've incurred or will incur a cost because of any tax relating to this agreement or any security document, we'll tell you the amount of that cost and you must pay us that amount promptly when we ask you.

You must also pay us promptly when we ask you any cost we incur because of any stamp duty (or any registration or similar tax) relating to this agreement or any security document.

This includes any penalty or interest we have to pay for failing to pay any tax or duty on time.

We won't ask you to reimburse us for any tax we are assessed on in the UK which is calculated on the basis of our income.

Compensating us for converting currencies

We may incur a cost if we have to convert a sum due by you, or convert a court order or arbitration award relating to that sum, from one currency into another in order to:

- make a claim against you;
- file a proof in your insolvency proceedings; or
- obtain or enforce a court order or arbitration award.

This includes any shortfall which arises because the exchange rate which we used to convert the sum into the other currency is different from the rate which applies when we are paid that sum.

If that happens, we'll tell you the amount of the cost we reasonably believe we've incurred and you must pay us that amount promptly when we ask you.

If a law in any country gives you the right to pay us a sum in a different currency from the one which applies under this agreement, you agree to give up that right.

Reimbursing our costs if you breach this agreement

We may incur a cost if:

- an enforcement event occurs (which we explain below);
- you don't pay us an amount under this agreement or any security document on the date that payment is due;

- we make arrangements to provide a loan you've requested in a drawdown request, but the loan isn't made because of any term of this agreement; or
- you tell us you are going to repay all or part of the loan early, but don't repay it as you've told us.

If that happens, we'll tell you the amount of the cost we reasonably believe we've incurred and you must pay us that amount promptly when we ask you.

Paying our expenses for making this agreement

You must pay us promptly when we ask you any costs and expenses we reasonably incur relating to the negotiation, preparation, printing and signing of this agreement, any security document and any other related document.

This includes any legal fees (and any value added tax on those fees).

Paying our expenses for amending this agreement

If you ask us to or need us to:

- amend this agreement or any security document;
- give our consent under this agreement or any security document; or
- waive any breach of this agreement or any security document,

you must pay us promptly when we ask you any costs and expenses we reasonably incur relating to that amendment, consent or waiver.

This includes any legal fees (and any value added tax on those fees).

Paying our expenses for enforcing and preserving our rights

You must pay us promptly when we ask you any costs and expenses we or a receiver reasonably incur for enforcing or preserving our rights under this agreement or any security document.

This includes, for example, costs for:

- recovering all or part of the amount owing under the loan;
- protecting, preserving or enforcing any security over the charged assets or taking these steps in relation to the assets themselves;
- bringing or defending legal proceedings about the amount owing, the loan or the charged assets;
- remedying any breach by you or any security-provider of your respective obligations under this agreement or the security documents; or
- exercising any of our rights under this agreement or the security documents.

Telling you about costs and expenses you have to pay

If we ask you to pay a cost or expense under this agreement, we'll explain our calculation of the cost or expense in reasonable detail, if you ask, but we won't disclose any information we reasonably consider to be confidential.

9 Confirmations

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

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

10 Your information obligations

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

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

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

If you are a trustee, company or LLP

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

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

11 General obligations

You must comply with the terms of your Loan Offer and the security documents.

Your Loan Offer sets out the purpose for which the loan may be used. You must only use the loan for this purpose.

If you are a trustee

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

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

Unless you have our consent, you mustn't:

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

12 Valuing the portfolio assets and any offshore investment bond

We can have the portfolio assets and any offshore investment bond being taken as security for the loan valued at any time when there is an amount owing or an undrawn amount under this agreement. We may do this, for example, to check that the portfolio assets or any offshore investment bond continue to be adequate security for the loan or to comply with any legal or regulatory requirements.

We don't have to tell you when a valuation occurs. Any valuation of the portfolio assets or any offshore investment bond we obtain will be for our purposes only and you won't be able to rely on it.

13 Loan to value

What is the LTV?

The LTV is the full amount owing under this agreement expressed as a percentage of the total value of the portfolio assets and any offshore investment bond being taken as security for the loan.

If we reasonably believe that the LTV exceeds the following levels set out in your Loan Offer, we may take the certain actions:

LTV ratio	Action we may take
The Margin Call Ratio	<p>We may require you, within 2 business days of us asking:</p> <ul style="list-style-type: none"> to reduce the amount owing; or to provide additional portfolio assets as security for the amount owing, <p>so that the LTV is less than the Margin Call Ratio.</p>
The Close-Out Ratio	<p>We may require you, within 1 business day of us asking, to reduce the amount owing by any amount we tell you to.</p>

If you make a payment to reduce the amount owing because the LTV exceeds the Margin Call Ratio or the Close-Out Ratio, you must also pay us at the same time:

- any interest you owe on the capital amount of the loan being repaid;
- any early repayment charge you incur;
- any break costs which apply if:
 - the payment is made on a day other than the first day of an interest period; and
 - your interest rate is linked to LIBOR or EURIBOR; and
- any other fees, costs and expenses you have to pay us.

When we monitor the LTV, we consider all values in sterling. If we receive a valuation in a currency other than sterling we'll convert this amount to sterling using our standard exchange rate. If sterling isn't the currency of the loan, we'll calculate

the sterling equivalent of the full amount owing using our standard exchange rate.

14 When we can require you to repay the loan immediately

The rights we have to require you to repay the loan immediately differ depending on whether your Loan Offer says we agree to lend on:

- an 'uncommitted and on-demand basis'; or
- a 'term loan basis'.

If we agree to lend on an uncommitted and on-demand basis

We may require you to repay the full amount owing immediately at any time. We have the right to do this even if, at the time we tell you to repay the full amount owing, you are fully complying with all your obligations under this agreement and the security documents.

Unless we can't do so for legal or regulatory reasons, we'll tell you the main reason for our decision to require you to repay the full amount owing, if you ask us.

If we agree to lend on a term loan basis

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

- you fall behind in paying any interest, fees, costs or expenses under this agreement or a security document and fail to make up the missed payments within a reasonable time of being asked to do so;
- you exceed the Borrowing Limit set out in your Loan Offer;
- we tell you that the LTV exceeds the Margin Call Ratio and you don't:
 - reduce the amount owing and pay the interest and the fees, costs and expenses you have to pay us; or
 - provide additional portfolio assets as security for the amount owing under the loan,

so that the LTV is less than the Margin Call Ratio, within 2 business days being asked to do so;

- we tell you that the LTV exceeds the Close-Out Ratio and you don't reduce the amount owing by the amount we tell you to and pay the interest and the fees, costs and expenses you have to pay us, within 1 business day being asked to do so;
- you haven't paid the full amount owing under the loan by the Final Repayment Date;
- any security-provider (other than you) doesn't pay any amount owed to us under a security document when it is due and fails to do so within a reasonable time of being asked to do so;

- you or any security-provider don't pay any amount owed to us under another agreement when it is due and fail to do so within a reasonable time of being asked to do so;
- you or any security-provider have seriously or persistently breached this agreement or a security document and the breach can't be fixed or, if it can, it hasn't been fixed within a reasonable time of us asking;
- you or any security-provider have failed to provide any information we have the right to ask for under this agreement or a security document;
- you or any security-provider gave us false, inaccurate or misleading information or failed to provide us with relevant information and we reasonably believe this would have made a significant difference to our decision to lend to you or let you draw part or all of the loan or to the amount or terms of the loan;
- we reasonably believe that you or any security-provider are involved in fraud or any other serious criminal activity;
- another person takes possession of any of your property or possessions because you haven't paid a debt you owe and we reasonably believe you won't be able to pay us what you owe under the loan as a result;
- another person gives notice that they will take possession, appoint a receiver or exercise a power of sale in relation to any of your or a security-provider's property or enforce any security that you or any security-provider have given to them;
- an order for bankruptcy, liquidation or administration is made against you or any security-provider or another person proposes that one of these orders should be made against you or any security-provider or you or any security-provider propose to enter into a voluntary arrangement with any of your creditors, or any similar procedure is taken in another country;
- you (or, if there is more than one of you, the last remaining borrower) or any security-provider die or no longer have the right to enter or remain in the UK;
- there is a defect in your or any security-provider's title to the charged assets or the security documents are no longer binding or in full force or no longer constitute a first priority security;
- anything happens that results in us having the right to enforce our security under a security document;
- we are required by any law, regulation or court order to end our relationship with you;

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

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

your ability to comply with your obligations under this agreement or the security documents, the security over the charged assets or any right of reimbursement you have against the assets of the trust;

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

Additional enforcement events if you are a company or LLP (including if you are a corporate trustee) or if any security-provider is a company or LLP

- you or the security-provider are or are deemed to be unable to pay your or their debts as they fall due under applicable law;
- you or the security-provider suspend or threaten to suspend making payments on your or their debts;
- due to actual or anticipated financial difficulties you or the security-provider commence negotiations with one or more of creditors with a view to rescheduling some of your or their debts;
- the value of your or the security-provider's assets become less than your or their liabilities (taking into account contingent or prospective liabilities);
- a moratorium is declared over any of your or the security-provider's debts;
- any corporate action, legal proceedings or other procedure is initiated or step is taken in relation to:
 - the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), bankruptcy or sequestration of you or the security-provider;
 - a composition, compromise, assignment or arrangement with any creditor of you or the security-provider or the appointment of a nominee or supervisor in connection with any such composition, compromise, assignment or arrangement;
 - the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, trustee in bankruptcy, compulsory manager, nominee, supervisor, judicial factor or other similar officer over you, the security-provider or any of your or their respective assets; or
 - the enforcement of any security over any of your or the security-provider's assets (including our security under any security document),or any similar procedure is taken in another country;
- any expropriation, attachment, sequestration or other process or any similar process in another country occurs in relation to your or the security-provider's assets;

- you or the security-provider suspend or cease to carry on all or a material part of your or their business (or you or they threaten to do so);
- there is a change to the control of you or the security-provider;
- any of your or any security-provider's directors, officers or members no longer have the right to enter or remain in the UK.

Telling us an enforcement event has occurred

You must let us know if you become aware that any enforcement event has occurred.

15 Our right to take enforcement action

If an enforcement event occurs, we may do any of the following:

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

Where your Loan Offer says that we agree to lend on an uncommitted and on-demand basis, we may also take any of those actions if we've told you to immediately repay the full amount owing and you haven't done so.

If we obtain a court order requiring you to pay us the amount owing, you'll incur interest on the amount owing at the interest rate which applies under this agreement both before and after we obtain a court order.

16 Our right to convert amounts into another currency

If an enforcement event occurs, we may convert into sterling any amount owing by you under this agreement in another currency using our standard exchange rate at the time we do this. If we do this, your interest rate will then track the lender base rate, plus the margin set out in your Loan Offer.

Where your Loan Offer says that we agree to lend on an uncommitted and on-demand basis, we may also do this if we've told you to immediately repay the full amount owing and you haven't done so.

If we do this, we'll tell you the amount you have to pay in sterling. We'll also tell you any costs we reasonably believe we've incurred in converting the sum into sterling and you must pay us those costs immediately when we ask you.

If a law in any country gives you the right to pay us the sum we've converted into sterling in another currency, you agree to give up that right.

17 Our right of set-off

We can use any money you have in an account with us to pay any part of the amount owing under the loan if:

- an enforcement event occurs; or
- where your Loan Offer says that we agree to lend on an uncommitted and on-demand basis, we've told you to immediately repay the full amount owing and you haven't done so.

This is our 'right of set-off'.

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

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

- use money you have in a fixed term deposit or bond;
- convert money you hold in another currency into the currency of the amount owing under the loan using our standard exchange rate at the time we do this; or
- take money out of an account you have with us even if you've asked us to use it for a specific purpose (for example, to make a future payment).

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

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

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

18 Transferring the loan

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

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

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

19 Tax

You'll be responsible for:

- notifying us within 30 days of your tax residence and tax status, any changes to either and any other related additional information requested by us;
- understanding the tax consequences of any products or services taken from us for which we take no liability, as we don't provide tax advice;
- obtaining your own professional advice in relation to your tax affairs and providing us with copies of any tax advice or other relevant documents, if requested by us; and
- complying with your worldwide tax obligations including the submission of returns, settlement of your liabilities and any other required tax disclosures.

Where applicable, to comply with our legal and regulatory obligations, we may need to:

- disclose certain information to relevant authorities in relation to your account(s) and your banking relationship with us; and
- take any other action required under any applicable laws or regulations.

20 Changing the loan agreement

We've set out elsewhere in this agreement how and when we can change the interest rate in connection with the loan or change the terms of this agreement to allow for an alternative reference rate to be used.

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

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

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

21 How you and we contact each other and provide notices

You can contact us:

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

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

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

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

When you and we will be treated as receiving a notice

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

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

22 Appointing a service agent

If your Loan Offer sets out the name and address of a Service Agent:

- you appoint that person to act as your agent to receive notices and for the service of legal documents in relation to any proceedings in the English courts in connection with this agreement and any security documents;
- any notice received by the Service Agent and any legal document served on them will be effective even if they fail to tell you about the notice or legal document; and
- if the Service Agent is unable to act as your agent for any reason, you must promptly tell us and appoint another person, who meets our reasonable requirements, to act as your agent.

23 The law and courts which apply to the loan agreement

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

If there is a dispute, you or we may bring legal proceedings in the English courts. You and we may also bring legal

proceedings in another part of the United Kingdom if you live there.

24 Other important conditions

Additional assistance we might ask you to give us

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

Rights of third parties

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

Taxes and costs

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

Liability

We won't be liable to you for any loss you suffer if:

- we can't provide a service or fulfil an obligation under this agreement for a reason that is beyond our reasonable control; or
- we decide to refuse a drawdown request or stop you drawing any further loans in accordance with the terms of this agreement.

