

Business loan agreement



Capped Rate only or Capped Rate followed by Variable rate

For lending (not regulated under the Financial Services and Markets Act 2000 and/or under the Consumer Credit Act 1974) to Companies, Sole Traders and Partnerships (including Limited Liability Partnerships) carrying on business in England and Wales and/or Scotland.

Guidance notes

Please write clearly in the white spaces with capital letters or cross the boxes.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

We aim to provide the highest level of customer service possible. However if you experience a problem we will always seek to resolve this as quickly and efficiently as possible.

You can request a copy of our "How to voice your concerns" leaflet from your relationship team, business team or any branch. Our complaint procedures are also on our website www.bankofscotlandbusiness.co.uk/contactus

1 Customer details

We

Bank of Scotland plc

(the "Bank") offer to you, the customer or customers referred to below, a loan on the following terms and conditions.

Where this agreement includes any optional wording (as noted by a box) the wording selected shall apply.

Branch/office name

Branch/office address

Postcode

Customer (if Company or Limited Liability Partnership)

Business name

Registered number

Business address

Postcode

Customer (other than Company or Limited Liability Partnership)

Customer's full name(s)

Continue listing of partners' names on a separate sheet if necessary.

Business trading name

Business address

Postcode

2 Specific terms and conditions

Amount of the loan (excluding any amounts of interest that will be added to the loan if the agreement provides for this)

£

Purpose of the loan

The loan is to be borrowed in:

One amount



The loan must be borrowed on or before:

Unless the Bank agrees otherwise:

- no borrowing may be made until all the conditions mentioned in Clause 2.1 of the Specific Terms and Conditions have been satisfied, and
- you will not be entitled to borrow any amount which has not been borrowed by the agreed date.

The proceeds of the loan are to be credited to:

Account name

Branch sort code

Account number

Amount (if not the amount of the loan)

£

Account name

Branch sort code

Account number

Amount (if not the amount of the loan)

£

If the loan is not borrowed within the period agreed or, as the case may be, on the date agreed, you shall pay to the Bank any costs or losses to the Bank that may arise. These costs and losses are set out in Clause 2.3 of the General Terms and Conditions.

2.1

Preconditions and security

Unless received by the Bank prior to the date on which this agreement is signed by the Bank, the Bank is to receive in form and substance acceptable to the Bank the security (if any) listed in the Security Schedule and the documents, evidence or other requirements of the preconditions (if any) set out in the Preconditions Schedule.

Any security received should be accompanied by such evidence as the Bank may reasonably require to confirm the value of such security and to confirm that such security is fully effective.

2.2

Fees and costs

You shall pay any costs and expenses incurred by the Bank in assessing the loan, in the preparation of this agreement, in the preparation, valuation, taking or release of any guarantee or security at any time given in connection with this agreement and in connection with the revaluation of any such security from time to time. The Bank will provide you with a written estimate of the amount of any such costs and expenses incurred by the Bank during the term of the loan before such costs are incurred.

The following charges shall be paid by you on demand by the Bank. These charges are to be paid even if the loan is not borrowed. If these charges include any estimated costs or fees, such costs or fees are based on the facts known to the Bank at the date the Bank signed this agreement. The actual amount charged to you in respect of these initial costs and expenses may be more or less than the figure(s) quoted.

As mentioned in Clause 2, 3, 5 & 6 of the General Terms and Conditions other costs may arise in connection with the loan including Break Costs as provided in Clause 2.3 of the General Terms and Conditions.

Arrangement fee

£

Security costs

£

Estimated

Actual

Valuation fee

£

Estimated

Actual

2.3

Interest

The rate of interest payable on the loan during the Capped Rate Period will be:

* Delete as appropriate.

Base Rate is currently % per annum

The lower of the following from time to time:

- (a) Base Rate plus % per annum (the "Loan Margin") (the Base Rate plus the Loan Margin being the "Total Interest Rate") and
- (b) The capped rate quoted by the Bank on or around the date the loan is booked (the "Capped Rate")

*for the term of the loan/*until the date falling five (5) years from the date the loan is drawn (the "End of the Capped Rate Period").

If the term of your loan is longer than the Capped Rate Period, then from the End of the Capped Rate, the rate of interest payable on the loan will (unless at any time you request otherwise and the Bank agrees to such request) be:

Base Rate plus % per annum (the "Loan Margin"),

currently % per annum in total (the "Base Rate" plus the Loan Margin being the "Total Interest Rate").

The "Capped Rate Period" means the period starting from (and including) the date on which the loan is booked to (and excluding) the End of the Capped Rate Period.

Your Capped Rate will be confirmed to you prior to booking the loan and will be set out in the Loan Schedule provided to you on or around that date.

2.4

Payment of interest

Please complete only one section. Interest shall be:



paid by you.

The first interest payment date will be:

After that interest will be paid by you:



Monthly



added to the loan.

The first date interest will be added to the loan is:

After that interest will be added to the loan:



Monthly



paid by you until a certain date and then added to the loan.

The first interest payment date will be:

After that interest will be paid by you:



Monthly

The first date interest will be added to the loan is:

After that interest will be added to the loan:



Monthly

Interest will also be payable, or as the case may be, added to the loan on the date of final repayment of the loan. Interest for any particular period is calculated on the number of days in that period and a year of 365 days.

Interest is calculated on a daily basis on the amount of the loan from time to time outstanding. The loan may include interest, costs and charges added to the loan account in accordance with the terms of this agreement.

If you fail to pay any amount payable under this agreement when due the rate of interest may be increased in accordance with Clause 6.3 of the General Terms and Conditions.

2.5

Repayment

Please cross the appropriate box(es) to indicate how the loan will be repaid.

The loan is repayable in:

<input checked="" type="checkbox"/>	a single principal instalment on the repayment date	Repayment amount £	Repayment date
<input checked="" type="checkbox"/>	consecutive instalments in respect of principal only on the dates and in the amounts set out in the Repayment Schedule. Any amount owing on the final repayment date is to be paid on that date.	Number of instalments	Final repayment date
<input checked="" type="checkbox"/>	consecutive instalments commencing on the first repayment date and ending on the final repayment date. Any amount owing on the final repayment date is to be paid on that date.	First repayment date	Monthly Repayment type (e.g. principal plus interest) <input checked="" type="checkbox"/>
		Repayment amount £	Number of instalments
		Final repayment date	
<input checked="" type="checkbox"/>	consecutive instalments of principal and interest commencing on the first repayment date and ending on the final repayment date. The amounts will vary with changes in interest and the number of days in the charging period.	First repayment date	Monthly <input checked="" type="checkbox"/>
			Number of instalments
		Final repayment date	
<input checked="" type="checkbox"/>	consecutive instalments representing principal and interest. Interest on the loan is calculated with reference to Base Rate (subject to a maximum interest rate during the Capped Rate Period being the Capped Rate). You should note that variations in the Base Rate from the date the loan is booked subject to a maximum interest rate of the Capped Rate during the Capped Rate Period) may affect either or both of the instalment amounts and the term of the loan. Please see Clause 2.4 of the General Terms and Conditions for further details. At the date on which this agreement is signed by the Bank it is expected that final repayment of the loan will be made by the final repayment date.	First repayment date	Monthly <input checked="" type="checkbox"/>
		Repayment amount £	Number of instalments
		Final repayment date	

2.6

Break Costs

If you do not borrow the total amount of the loan on or before the date specified in section 2 of the Specific Terms and Conditions or you make (or are required to make) an early repayment of the loan during the Capped Rate Period, Break Costs calculated by reference to the Relevant Percentage will be payable. Please see Clause 2.3 of the General Terms and Conditions for further details.

The Relevant Percentage for Break Costs is:

%

2.7

Period of offer

This agreement shall come into effect only if the Bank receives from you and finds in order a signed copy of this agreement on or before:

Date

D D M M Y Y

Preconditions Schedule

Security Schedule

Repayment Schedule

Date	Amount £	Date	Amount £

1 Use of Loan Proceeds

- 1.1 You confirm that your intention is to use the loan for the purposes specified in the Specific Terms and Conditions.

2 Payment

- 2.1 You will repay the loan on the dates, and in the manner set out in the Specific Terms and Conditions. If the full amount of the loan is not borrowed the amounts of the instalments detailed will reduce accordingly. You cannot redraw any amount you have paid off.
- 2.2 (a) You may at any time outside of the Capped Rate Period after giving at least 5 business days' notice to the Bank repay the whole or part of the loan early on any date specified for the repayment of an instalment of principal as set in section 2.5 of the Specific Terms and Conditions or on such other date as agreed by the Bank. Unless the whole loan is repaid, each early repayment must be of at least £2000. You cannot redraw any amount you have paid off. Where part of the loan is repaid early, the Bank will decide how to apply the early repayment, either by:
- reducing subsequent repayments proportionately, or
 - applying the early repayment to the then latest scheduled repayment instalments so as to reduce the term of the loan.
- (b) You may not make an early repayment of all or part of the loan during the Capped Rate Period unless the Bank agrees. If the Bank agrees to allow an early repayment, you must pay any amount payable pursuant to Clause 2.3 below and any such early repayment must be on a date specified for the repayment of an instalment of principal as set in section 2.5 of the Specific Terms and Conditions or on such other date as agreed by the Bank. Unless the whole loan is repaid, each early repayment must be of at least £5000. You cannot redraw any amount you have repaid early. Where part of the loan is repaid early, the Bank will decide how to apply the early repayment, either by:
- reducing subsequent repayments proportionately or
 - applying the early repayment to the then latest scheduled repayment instalments so as to reduce the term of the loan.
- 2.3 You agree, that, if
- for any reason you notify the Bank that you will not, and/or subsequently do not, borrow the total amount of the loan on or before the date specified in section 2 of the Specific Terms and Conditions; or
 - on any day during any Capped Rate Period you repay the loan early in whole or in part or are required (pursuant to the terms of this agreement) to repay the loan early
- (the earliest date referred to in (a) or, as the case may be, the date referred to in (b) above being referred to as the "**Break Date**") you will pay to the Bank on demand the Break Costs calculated on the Break Date.

The Bank will certify the Break Costs to you and such certificate will be conclusive in the absence of fraud or manifest error.

For the purposes of this agreement:

"**Break Costs**" means the break cost charge equal to the Relevant Percentage multiplied by the Relevant Loan Amount;

"**Relevant Loan Amount**" means:

- the total amount of your loan that for any reason you do not borrow in full on or before the date specified in section 2 of the Specific Terms and Conditions; and/or
- the total amount of your loan that you repay or are required to repay (pursuant to the terms of this agreement) prior to any agreed repayment date during the Capped Rate Period; and

"**Relevant Percentage**" means the relevant percentage set out in Section 2.6 of the Specific Terms and Conditions with respect to the Break Costs calculations.

- 2.4 The Bank may (but is under no obligation) at any time after giving you at least 30 days' written notice vary the repayment instalment amount to reflect any change in the rate of interest applicable to the loan, (subject to the Capped Rate during the Capped Rate Period set out in Section 2.3 of the Specific Terms and Conditions).
- The Bank may, if changes in the rate of interest applicable to the loan are not taken into account by variations in the repayment instalment amount or if for any reason any amount remains owing to the Bank on the anticipated final repayment date, require you to continue the repayment instalments as set out in the Specific Terms and Conditions until such time as all amounts owing under and in connection with this agreement have been repaid in full.
- 2.5 Without prejudice to the Bank's rights expressed in Clause 6.1 of the General Terms and Conditions, if you fail to pay an instalment in full and on time, and any part of that amount has not been paid by the time the Bank calculates your next instalment amount, the Bank may (at its discretion):
- increase the amount of that next instalment and each of your remaining regular instalments proportionately to ensure that the full balance of the loan is repaid within the agreed term;
 - extend the term of the loan; or
 - increase the amount of your final instalment.
- 2.6 The Bank will apply any payments it receives from you against any interest before any other amounts on your account, including the outstanding principal of the loan. This will not apply to payments made specifically for fees and/or charges or where the Bank collects the interest and principal that make up your repayment from separate accounts.
- 2.7 All payments to be made by you shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

3 Increased Costs and Changes in Circumstances

- 3.1 In running its business the Bank and any holding company of the Bank each has to comply with certain regulations and requirements laid down by regulatory and other official organisations or bodies as well as the law generally. The rate of interest quoted in the Specific Terms and Conditions has been set in the light of how this affects the cost (to the Bank and any such holding company) of the Bank funding, agreeing to make or of making the loan available at the time the Bank signed this agreement. If, as a result of any new laws, regulations or requirements or any changes in existing ones, such cost is increased the Bank may increase the rate of interest charged on the loan to compensate for that extra cost. The Bank will advise you in writing within 30 days of such increase taking effect. However, during the Capped Rate Period, no such increase will exceed the agreed Capped Rate set out in Section 2.3 of the Specific Terms and Conditions.
- 3.2 The Base Rate may change from time to time. If so, the Bank will tell you about the change by putting notices in a selection of national newspapers, and its branches within three business days of the change. The Bank will also update its website and interest rate helpline within three business days of a Base Rate change taking effect.
- 3.3 Although the Base Rate may change from time to time, the maximum interest rate payable on the loan will during the Capped Rate Period be the agreed Capped Rate set out in Section 2.3 of the Specific Terms and Conditions.
- 3.4 (a) The Bank can change any term of this agreement at any time:
- if the change is to your advantage;
 - to reflect changes in law, codes of practice which apply to the Bank or the way the Bank is regulated; or
 - to reflect any changes the Bank makes to its systems or processes.
- but the interest rate charged will not during the Capped Rate Period exceed the Capped Rate.
- (b) If Clause 3 (a) above permits the Bank to make any change, the Bank will tell you personally at least 30 days before the Bank makes a change to your disadvantage (other than a change to the Base Rate, which will be made in accordance with Clause 3.2 above). If you close or change your account within 60 days of the Bank telling you about this change and repay the outstanding balance of the loan, the Bank will not charge you extra to do so. Where this is during the Capped Rate Period, any costs and losses to the Bank arising under Clause 2.3 above will be payable.
- (c) The Bank can make any other changes straight away by telling you personally or by putting notices in a selection of national newspapers, in its branches or on its website within the next 30 days.
- (d) When the Bank tells you personally about a change it will do so by letter, email, text, statement inserts or messages or in any other way which is sent to you individually.

4 Representations

- 4.1 You represent that:
- all action required or necessary to authorise the execution of this agreement and the performance of your obligations under and in connection with this agreement has been taken and neither the execution of this agreement nor the performance of your obligations will constitute or result in any breach of any agreement, law, requirement or regulation,
 - no material litigation, administrative or judicial proceedings are presently pending or threatened against you or your business or on your ability to meet your obligations under or in connection with this agreement or any security document given in connection with this agreement,
 - there has been no material adverse change in the financial condition of your business since the date of the financial statement received by the Bank prior to the date on which this agreement is signed by the Bank, and
 - no Event of Default (as described in Clause 6.1 below) has occurred and is continuing or will occur as the result of a borrowing under this agreement and no circumstance has occurred which, with the giving of notice or the passing of time, could become or cause an Event of Default.
- 4.2 You shall be deemed to repeat the above representations on each day (with reference to the facts and circumstances then existing) prior to borrowing the loan and thereafter until all amounts payable to the Bank under this agreement have been paid.

5 Undertakings

- Prior to drawdown of the loan and thereafter until all amounts payable to the Bank under this agreement have been paid:
- 5.1 you shall not:
- without the Bank's consent create or allow to be in place any mortgage, charge or other security interest or encumbrance over the whole or any part of your business or any of the property, income or other assets of your business or enter into any transaction which in the Bank's opinion has a similar effect, or factor or assign any debts,
 - sell, lease or otherwise dispose or attempt to dispose of the whole or any part of your business or any of the property, income or other assets of your business other than for a full and fair value (save that no such sale, lease or other disposal may be made or entered into (i) if it would breach the terms of any security document given to the Bank, or (ii) in respect of any undertaking, property, revenue or asset over which the Bank then has a fixed charge or fixed security interest),
 - significantly change the nature of your business as it is now conducted, or

- (d) in the case of a Company or a Limited Liability Partnership, allow any subsidiary to do any of the above,
- 5.2 you shall promptly provide the Bank with copies of any financial information that the Bank may from time to time reasonably request, including but not limited to:
- copies of your financial statement within 180 days of the end of each financial year, and
 - copies of your periodic management accounts at such intervals as the Bank may require in a form acceptable to the Bank within 30 days of the end of the period to which they relate. The Bank may at its option require such management accounts to incorporate an age-analysis of debtors, a schedule of all tenancies (if any) of any property held by the Bank as security at the date of the accounts, and/or a breakdown of stock in trade,
- 5.3 you shall maintain with reputable underwriters or insurance companies adequate insurance on and over your business and the assets of your business, such insurance to be against such risks and to the extent usual for persons carrying on a business such as that carried on by you and, from time to time upon the request of the Bank, you shall furnish the Bank with evidence of such insurance,
- 5.4 if you have taken out a general insurance policy in connection with the loan, the Bank will hold any money the Bank receives in relation to the insurance (including any claims payments paid to the Bank by the insurer) in its capacity as a bank approved by the Prudential Regulation Authority and the Financial Conduct Authority, rather than as a trustee for you (or in Scotland as an agent for you), and the Financial Conduct Authority's client money rules do not apply to the money so held. Any insurance benefits the Bank receives from your insurance company, relating to the repayment of the loan, will be used towards paying off what you owe in this agreement,
- 5.5 if the ratio of the loan to the value of the security given to the Bank is at any time higher than that applicable on the date this agreement was signed by the Bank and unless any specific requirement is set out in any Additional Terms and Conditions added to this agreement (which requirement shall take precedence over this Clause) you agree promptly to:-
- reduce the loan (in accordance with Clause 2 above including paying any Break Costs required under Clause 2.3), or
 - provide the Bank with additional security acceptable to the Bank, and
 - provide such evidence as the Bank may from time to time require to confirm the value of such security and to confirm that the security remains effective.

The Bank may have the security given to it revalued at any time during the term of the loan where, for example, the Bank needs to meet any regulatory requirements or to check that the value continues to be adequate security for repayment of the loan. You will pay the cost incurred by the Bank (acting reasonably) for each revaluation.

6 Default and Termination

- 6.1 The events listed in (a) to (j) of this Clause 6.1 are called "Events of Default". As soon as an Event of Default happens or at any time thereafter, by giving notice to you, the Bank may cancel any obligations it has to lend money to you and may also make the loan become repayable on demand. When the loan is repayable on demand, you must repay the loan to the Bank together with all interest which has accrued on the loan and any other amounts (including the Break Costs set out in Clause 2.3) owing under or in connection with this agreement as soon as the Bank requests you to pay these amounts. The Bank may do this at the time the loan becomes repayable on demand or at any later time.

Events of Default

- you fail to pay when due any indebtedness owed by you to the Bank,
- you fail to comply with any other obligation or undertaking to the Bank, or with the terms of this agreement or any other agreement with the Bank, or an event of default arises in connection with any other agreement with the Bank,
- you fail to pay when due any indebtedness owed by you to another creditor or any of your creditors changes (or obtains the right to change) the original date on which that indebtedness is or was due to be paid to an earlier date as a result of your failure to comply with obligations in connection with that indebtedness,
- any representation or statement made by you to the Bank, whether or not in connection with this agreement, proves to have been incorrect or inaccurate when made or deemed made,
- any guarantee, other security or other document or arrangement relied upon by the Bank in connection with the loan ceases to be continuing or ceases to remain fully effective or notice of discontinuance is received by the Bank or if the Bank reasonably believes that the effectiveness of any such document or arrangement is in doubt or if any provision of such document or arrangement is not complied with for any reason or any favourable tax treatment afforded to any pension policy or to any life policy held by or charged to the Bank ceases to be available,
- in the case of a Company or a Limited Liability Partnership:
 - any person with a legal claim takes possession or a receiver, administrator, custodian, trustee, liquidator or similar official is appointed of the whole or any part of your business or of any of the assets of your business or an administration application is presented or made for the making of an administration order or a notice of intention to appoint an administrator is issued by you or your directors or (in the case of a Limited Liability Partnership) your members or by the holder of a qualifying floating charge or notice

- of appointment of an administrator is filed by any person with the court or a judgment, decree or diligence is made or granted against you,
- proceedings are commenced or a petition is presented or an order is made or a resolution is passed for your winding up or you are or become insolvent,
 - you stop or threaten to stop payment of your debts generally or you are deemed by law unable to pay your debts or you or your directors or (in the case of a Limited Liability Partnership) your members convene or become obliged to convene a meeting of shareholders, members or creditors with a view to winding up or an application is made in connection with a moratorium or a proposal to creditors for a voluntary arrangement is made by you or you take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness,
 - the persons who now control you cease to have such control, or
 - any of the events set out in this Clause 6.1(f) occur in relation to any parent or subsidiary or any guarantor of or provider of security for the loan or, in the case of any individual that provides any guarantee or other security for the loan, a petition is presented for a bankruptcy or sequestration order against any such individual or any such individual dies or becomes incapable of managing his or her affairs by reason of mental disorder, or any action is taken in any jurisdiction which is similar or analogous to any of these events in respect of you or any of the aforementioned parties,
- (g) in all other cases:
- any person with a legal claim takes possession or a receiver, administrator, judicial factor, interim trustee, trustee in sequestration or similar official is appointed of the whole or any part of your business or of any of your business assets or an application or a petition is presented or made for either an administration or a bankruptcy order against you or a judgment, decree or diligence is made or granted against you,
 - a petition is presented or an order is made for your winding up (if you are a partnership) or you resolve either to cease trading or to wind up your business in any way or dissolve such business for any reason,
 - you stop or threaten to stop payment of your debts generally or you are deemed by law unable to pay your debts or an application is made in connection with a moratorium or a proposal to creditors for a voluntary arrangement by you or you take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness,
 - you die or become incapable of managing and administering your property and affairs by reason of mental disorder or (if you are a partnership) there is any change in the membership of the partnership, or
 - any of the events set out in this Clause 6.1(g) occur in relation to any guarantor of or provider of security for the loan or any action is taken in any jurisdiction which is similar or analogous to any of these events in respect of you or any guarantor of or provider of security,
 - you cease or threaten to cease to carry on your business in the normal course or you fail to maintain or breach any franchise, licence or right necessary to conduct your business or breach any legislation relating to your business, including but not limited to any applicable environmental protection laws,
 - you fail or have failed to disclose to the Bank any important information that is relevant to the loan or the security required or you undertake or are subject to any action or occurrence which the Bank reasonably believes could place at risk the payment of any amount owing to the Bank, or
 - you do not have a servicing account.

- 6.2 If any Event of Default happens or anything happens that might reasonably be expected to lead to an Event of Default, you shall inform the Bank immediately.
- 6.3 If any amount payable in respect of this agreement is not paid when due (including any amount payable under this Clause 6) we may require you to pay interest on that amount at the default rate from the date on which the amount was due until it is paid to the Bank (whether before or after judgment). Interest, if unpaid, may be added to the amount in default at monthly intervals. The default rate shall be the rate determined by the Bank to be 3% per annum higher than the rate of interest specified in the Specific Terms and Conditions that would normally apply.
- 6.4 You shall indemnify the Bank against any costs incurred or losses reasonably sustained by the Bank as the result of any Event of Default happening or any failure by you to pay any amount demanded by the Bank as a result of an Event of Default.
- 6.5 You shall also pay any costs and expenses reasonably incurred by the Bank in enforcing or perfecting any security for the loan and in enforcing or preserving its rights under this agreement.

7 Other

- 7.1 This agreement (and any non-contractual obligations arising out of or in connection with this agreement) shall be construed and have effect in accordance with the applicable law and is subject to the jurisdiction of the Courts in the jurisdiction of the applicable law. The applicable law will be the laws of England and Wales or the laws of Scotland; it will be the governing law

of the country in which the branch or office of the Bank given at the heading of this agreement is situated on the date this agreement is signed by the Bank. The Bank may take action against you in any other jurisdiction where proceedings may be lawfully commenced.

- 7.2 No delay or omission by the Bank in exercising any of its rights hereunder shall operate or be construed as a waiver, nor shall any single or partial exercise of any such right prevent any other or further exercise of any other right.
- 7.3 If the loan is to be borrowed, or if any payment becomes due from you, on a day which is not a business day then the amount concerned will be borrowed or, as the case may be, will become payable on the next business day.
- 7.4 The Bank may use any credit balance there may be on any of your accounts held with the Bank towards payment of any amounts owed by you to the Bank under this agreement without notifying you beforehand, whether such credit balances are in sterling or any other currency or are deposited for fixed or determinable periods.
- 7.5 Unless otherwise agreed by the Bank you shall at all times during the term of this agreement keep a servicing account with the Bank and all amounts from time to time due to the Bank under this agreement may be debited to that account. The Bank recommends that you make sure you have enough funds to meet all such payments as they become due. If you do not maintain such an account with the Bank, the Bank may (without prejudice to its rights under Clause 6.1 above) add to your loan account any interest that is to be paid by you but which is not paid on the date it is due for payment. The Bank may charge interest on any amount so added to the loan account.
- 7.6 Any security given to the Bank (whether given before the date on which this agreement is signed by the Bank or at any time in the future and whether or not specified in this agreement) shall, unless otherwise agreed by the Bank, be security not only for the loan but also for all other moneys and liabilities whether certain or contingent at any time due, owing or incurred by you to the Bank.
- 7.7 The Bank may sell, assign, transfer, securitise or otherwise dispose of in any manner its rights or obligations under this agreement to any other person, or enter into transactions which have the effect of transferring the economic or credit risks and/ or rewards of the Bank under this agreement with any other person. You will promptly execute any documents that the Bank may reasonably require to give effect to any such assignment, assignation, transfer, securitisation or other disposal. You may not assign, transfer or otherwise dispose of any of your rights, obligations or benefits under this agreement.
- 7.8 In the event of, or in connection or contemplation of, a proposed sale, assignment, securitisation, transfer or other disposal of risks and/ or rewards of the loan (or part of it), or sale, assignment, transfer, securitisation or other disposal of any of the Bank's rights under this agreement the Bank may disclose information about you, your finances and this agreement to any potential purchaser, assignee, transferee, counterparty to an agreement transferring risks and/ or rewards, rating agencies, listing authorities, their and our advisers, and any other person to whom the Bank may deem it necessary to disclose such information in relation to any proposed sale, securitisation, transfer, assignment or transfer of risks and/ or rewards.
- 7.9 You understand that the Bank can disclose information about you, your finances and this agreement to any person providing any security for any of your obligations, and that they can give us information about you.
- 7.10 This agreement and all communications from you to the Bank in connection with this agreement and the loan (all of which are to be sent in writing to the Bank) shall, in the case of a Company or Limited Liability Partnership, be signed on your behalf either in accordance with the mandate given by you to the Bank, or if requested by the Bank, in accordance with a specific resolution of your Board of Directors/Members, or in the case of a partnership, shall be signed by all partners unless otherwise agreed by the Bank, or in all other cases, shall be signed in accordance with the mandate given by you to the Bank.
- 7.11 Any change to this agreement other than the changes to be made by the Bank as provided in this agreement must be made in writing and be signed by the contracting parties.
- 7.12 If the loan is available to more than one person, each and every undertaking and liability of all of you under and in connection with this agreement shall be joint and several and references to you shall mean any one or more of you. Therefore each of you is jointly and separately responsible for complying with the terms and conditions of this agreement and for repaying all the liabilities under this agreement and not just a share of them. The Bank may take action against all or any one of you.
- 7.13 This agreement is for the benefit of the contracting parties only and shall not confer any benefit on or be enforceable by a third party.
- 7.14 The Specific Terms and Conditions and General Terms and Conditions together with any Additional Terms and Conditions and the rate of interest payable on the loan (the Total Interest Rate) set out in the Loan Schedule shall be read and construed as one agreement.
- 7.15 In this agreement the following terms shall have the following meanings:
- "Additional Terms and Conditions"** means the Additional Terms and Conditions (if any) attached to this agreement.
- the **"Bank"** includes its successors and assigns.
- "Base Rate"** means the official bank rate from time to time of Bank of England (or any rate at any time replacing that rate) which will be displayed in the Bank's branch where your account is held and on the Bank's website, currently: www.bankofscotlandbusiness.co.uk/contactus, and may be varied (either up or down) by the Bank of England at any time.

a **"business day"** means a day other than a Saturday or a Sunday on which banks in the jurisdiction of the applicable law are open for normal business.

"control" shall have the meaning given to it in section 1124 of the Corporation Tax Act 2010 or any amendment to or restatement of that Act for the time being in force.

"current account" means your main business current account with the Bank.

"financial statement" means at any particular time the latest balance sheet and profit and loss account of your business together with the notes to both. You must ensure they are audited or signed by an independent accountant if required by law or if reasonably required by the Bank. You must also ensure that, unless the Bank allows otherwise (the Bank will not unreasonably withhold or delay its permission), they are prepared on the same basis and (except to the extent necessary to reflect any changes in generally accepted accounting principles) in accordance with the same accounting principles as the latest such balance sheet and profit and loss account received by the Bank prior to the date on which this agreement is signed by the Bank.

"loan" means, at any particular time, the total amount which may be borrowed by you under this agreement or, if appropriate, the total amount which has been debited to the loan account and remains outstanding at such time. The loan may, at any time, include any interest, costs and charges added to the loan account in accordance with this agreement.

"Loan Schedule" means the loan schedule that will be provided to you by the Bank on or around the date the loan is booked.

"month" means a calendar month.

"parent" and **"subsidiary"** shall have respectively the meaning given to parent undertaking and subsidiary undertaking in Section 1162 of the Companies Act 2006 or any amendment to or restatement of that Act for the time being in force. During any period in which you do not have a **subsidiary**, all references to your **subsidiaries** shall be ignored and the relevant text read and construed accordingly.

"servicing account" means an account through which the Bank channels your and the Bank's payments under this agreement. You may use your current account with the Bank as your servicing account.

"your business" shall include, in the case of a Company or a Limited Liability Partnership, the business of your subsidiaries.

References to the **"loan being booked"** or **"booking the loan"** mean the final agreement between you and the Bank in respect of the interest rate applicable to the loan.

- 7.16 The Bank will not be liable for any loss, damage, interruption, delay or non-performance in connection with this agreement to the extent that it is caused by events which are beyond the Bank's reasonable control which may include for example explosion, terrorism, war, riot or other civil disturbance or failure or interruption of any electronic communications system caused by someone else.
- 7.17 If you do not pay the Bank what you owe under this agreement and the Bank does not require you to pay interest on that amount at the default rate pursuant to Clause 6.3 above and the Bank obtains judgment against you in a court, the Bank may continue to charge interest on the judgment amount at the rate specified in Section 2.3 of the Specific Terms and Conditions of this agreement.
- 7.18 If any term or provision in this agreement shall in whole or in part be held to any extent to be invalid, void, illegal or unenforceable under any enactment or rule of law, that term or provision shall to that extent be deemed not to form part of this agreement and the enforceability of the remainder of this agreement shall not be affected.
- 7.19 You may at any time substitute any property charged to the Bank with alternative property if the alternative property has a value at least equal to the value of the property to be released. When the Bank is satisfied that the alternative security is fully effective, it will discharge the security being substituted.

Complaints

We'll always make every effort to meet the high standards we've set ourselves, but if you ever feel we've fallen short of what you expect, or are dissatisfied in any other way, then please tell us. If you wish to make a complaint please contact your Relationship Manager or anyone in your Relationship Manager's team.

If you are dissatisfied with the way we have handled your complaint or if it has been over 8 weeks since you first raised your complaint with us, you may be able to refer your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is an impartial service set up to resolve disputes between eligible complainants and financial services firms.

You can contact the Financial Ombudsman Service by telephone on 0800 023 4 567 (calls to this number are free on mobiles and landlines) or 0300 123 9 123 (calls cost no more than to 01 and 02 numbers) or writing to them at Financial Ombudsman Service, Exchange Tower, London E14 9SR. Further information can be found on the Financial Ombudsman Service website, www.financial-ombudsman.org.uk.

Contacting the Financial Ombudsman Service will not affect your legal rights.

This information does not form part of your product conditions.

5.1 Use of Business Information

When businesses apply for, or hold, products or services provided by us, we may acquire and process information relating to the business as well as personal data of individuals associated with the business. More information about how we use business information is available at www.bankofscotland.co.uk/businessprivacy

5.2 Privacy Notice

Who looks after your personal information

Your personal information will be held by Bank of Scotland plc which is part of the Lloyds Banking Group. More information on the Group can be found at www.lloydsbankinggroup.com

How we use your personal information

We will use your personal information:

- to provide products and services, manage your relationship with us and comply with any laws or regulations we are subject to (for example the laws that prevent financial crime or the regulatory requirements governing the products we offer).
- for other purposes including improving our services, exercising our rights in relation to agreements and contracts and identifying products and services that may be of interest.

To support us with the above we analyse information we know about you and how you use our products and services, including some automated decision making. You can find out more about how we do this, and in what circumstances you can ask us to stop, in our full privacy notice.

Who we share your personal information with

Your personal information will be shared within Lloyds Banking Group and other companies that provide services to you or us, so that we and any other companies in our Group can look after your relationship with us. By sharing this information it enables us to better understand our customers' needs, run accounts and policies, and provide products and services efficiently. This processing may include activities which take place outside of the European Economic Area. If this is the case we will ensure appropriate safeguards are in place to protect your personal information. You can find out more about how we share your personal information with credit reference agencies below and can access more information about how else we share your information in our full privacy notice.

Where we collect your personal information from

We will collect personal information about you from a number of sources including:

- information given to us on application forms, when you talk to us in branch, over the phone or through the device you use and when new services are requested.
- from analysis of how you operate our products and services, including the frequency, nature, location, origin and recipients of any payments.
- from or through other organisations (for example card associations, credit reference agencies, insurance companies, retailers, comparison websites, social media and fraud prevention agencies).
- in certain circumstances we may also use information about health or criminal convictions but we will only do this where allowed by law or if you give us your consent.

You can find out more about where we collect personal information about you from in our full privacy notice.

Do you have to give us your personal information

We may be required by law, or as a consequence of any contractual relationship we have, to collect certain personal information. Failure to provide this information may prevent or delay us fulfilling these obligations or performing services.

What rights you have over your personal information

The law gives you a number of rights in relation to your personal information including:

- the right to access the personal information we have about you. This includes information from application forms, statements, correspondence and call recordings.
- the right to get us to correct personal information that is wrong or incomplete.
- in certain circumstances, the right to ask us to stop using or delete your personal information.

- from 25 May 2018 you will have the right to receive any personal information we have collected from you in an easily re-usable format when it's processed on certain grounds, such as consent or for contractual reasons. You can also ask us to pass this information on to another organisation.

You can find out more about these rights and how you can exercise them in our full privacy notice.

Other individuals you have financial links with

We may also collect personal information about other individuals who you have a financial link with. This may include people who you have joint accounts or policies with such as your partner/spouse, dependents, beneficiaries or people you have commercial links to, for example other directors or officers of your company.

We will collect this information to assess any applications, provide the services requested and to carry out credit reference and fraud prevention checks. You can find out more about how we process personal information about individuals with whom you have a financial link in our full privacy notice.

How we use credit reference agencies

In order to process your application we may supply your personal information to credit reference agencies (CRAs) including how you use our products and services and they will give us information about you, such as about your financial history. We do this to assess creditworthiness and product suitability, check your identity, manage your account, trace and recover debts and prevent criminal activity.

We may also continue to exchange information about you with CRAs on an ongoing basis, including about your settled accounts and any debts not fully repaid on time, information on funds going into the account, the balance on the account and, if you borrow, details of your repayments or whether you repay in full and on time. CRAs will share your information with other organisations, for example other organisations you ask to provide you with products and services. Your data will also be linked to the data of any joint applicants or other financial associates as explained above.

You can find out more about the identities of the CRAs, and the ways in which they use and share personal information, in our full privacy notice.

How we use fraud prevention agencies

The personal information we have collected from you and anyone you have a financial link with may be shared with fraud prevention agencies who will use it to prevent fraud and money laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found in our full privacy notice.

How we share personal information about insurance products

If you apply to us for insurance, we may pass your details to the relevant insurer and their agents. If a claim is made, any personal information given to us, or to the insurer, may be put onto a register of claims and shared with other insurers to prevent fraudulent claims.

Our full privacy notice

It is important that you understand how the personal information you give us will be used. Therefore, we strongly advise that you read our full privacy notice, which you can find at www.bankofscotland.co.uk/businessprivacy or you can ask us for a copy.

How you can contact us

If you have any questions or require more information about how we use your personal information please speak to your usual bank contact or email the data privacy team at CBDataPrivacy@LloydsBanking.com

If you feel we have not answered your question Lloyds Banking Group has a Group Data Privacy Officer, who you can contact on 0345 721 3141 (+44 131 337 4218 from outside the UK) and tell us you want to speak to our Data Privacy Officer.

Version Control

This notice was last updated in January 2018.

Only applicable if you are a sole trader or a partnership of two or three partners or an unincorporated body)

I am/We are entering this agreement wholly or predominantly for the purposes of a business carried on by me/us or intended to be carried on by me/us.

I/We understand that I/We will not have the benefit of the protection and remedies that would be available to me/us under the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I/We understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the lender and the borrower is unfair to the borrower.

I am/We are aware that, if I am/We are in any doubts as to the consequences of the agreement not being regulated by the Financial Services and Markets Act 2000 or the Consumer Credit Act 1974, then I/We should seek independent legal advice.

By signing and returning this agreement:

- (a) you acknowledge having received, read and understood a copy of this agreement and agree to the Specific Terms and Conditions and to the General Terms and Conditions set out above and to the attached Additional

Terms and Conditions form numbered

(together with the Total Interest Rate set out in the Loan Schedule, "the agreement"), you acknowledge that this agreement comprises all the terms currently applicable to the loan and that no representation made in good faith, warranty or undertaking has been made by the Bank in connection with the loan which is not set out in this agreement, and you acknowledge that in deciding to enter into this agreement and to proceed with any transaction or project for which the loan has been sought you have not received or relied upon any advice given by the Bank.

- (b) (if you are a sole trader or a partnership of two or three partners or an unincorporated body), you also acknowledge that you have made a declaration for exemption relating to businesses as set out above.

This agreement creates legal obligations and therefore before signing we recommend that you consider getting independent advice. This may help you in understanding the potential consequences in the event that things go wrong.

Please note that if (a) for any reason you do not borrow the loan in full on or before the date specified in section 2 of the Specific Terms and Conditions or, (b) for any reason, you repay early or are required to repay early, the loan or any part of the loan during the Capped Rate Period, you will have to pay break costs in accordance with Clause 2 (Payment) of the General Terms and Conditions and will have to pay the Bank its costs and losses in accordance with this agreement. Break Costs can result in a substantial sum being due from you to the Bank. Please refer to the Product Profile and the Loan Schedule which should be read in conjunction with this agreement, but which (except as specified in Clause 7.14 of the General Terms and Conditions) do not form part of this agreement.

Signed for and on behalf of the customer by:

Director/Member/Authorised signatory name (delete as appropriate)

Signature

Date

Director/Member/Authorised signatory name (delete as appropriate)

Signature

Date

Pursuant to a Resolution of the board.

This will be either the date of the account mandate, if an appropriate resolution is contained therein, or the date of a specific resolution passed in respect of this agreement.

Signed by:

Print name

Signature

Date

Print name

Signature

Date

Print name

Signature

Date

Print name

Signature

Date

If you are unhappy with any of the conditions relating to your requested lending, please do not sign the document, but instead speak to your Relationship Manager. If you are still unhappy you can appeal to our Independent Appeals Team to review your case within 30 days of this letter. You can find further details about the process on our website at www.bankofscotlandbusiness.co.uk/business-finance/lending-support/appeals-process.

You can't use this process to appeal the proposed costs of agreed lending, such as interest rates, fees and costs, or our standard terms and conditions. If you do appeal our lending condition(s), then this could delay how long it takes for us to put your new lending facility in place, although we aim to deal with 90% of all appeals within 30 days of receipt.

For bank use only

Signed for and on behalf of the Bank by: Manager/Authorised name

Manager/Authorised signatory

Date

Please contact us if you'd like this in Braille, large print or on audio tape.

www.bankofscotlandbusiness.co.uk

We accept calls made via Text Relay. Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Bank of Scotland plc, Registered in Scotland SC327000. Registered Office: The Mound, Edinburgh EH1 1YZ.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 169628.

We adhere to The Standards of Lending Practice, which are monitored and enforced by the LSB www.lendingstandardsboard.org.uk