SKIPTON INTERNATIONAL

General Terms and Conditions for Limited Company Lending (England and Wales)

May 2026

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THESE GENERAL TERMS AND CONDITIONS OF LENDING GOVERN THE LOAN ADVANCED BY SKIPTON INTERNATIONAL LIMITED (SKIPTON) TO THE BORROWER.

THIS DOCUMENT AND THE MORTGAGE OFFER DOCUMENT ARE TO BE READ TOGETHER AND CONSTRUED AS A SINGLE DOCUMENT.

LEGAL ADVICE SHOULD BE TAKEN.

1 Definitions and Interpretation

1.1 In these General Terms and Conditions of Lending, unless otherwise specified:

Borrower	has the meaning given in the Mortgage Offer Document.
Business Day	means a day (other than Saturdays, Sundays and bank holidays) on which banks are open for normal banking business in Guernsey and London.
Connected Parties	means (as applicable) representatives, office holders, employees, beneficial owners, agents, delegates or sub-contractors.
Data Protection Legislation	means all laws relating to data protection and privacy which from time to time are applicable to Skipton or the Borrower including but not limited to the EU Data Protection Directive (95/46/EC), the Data Protection (Bailiwick of Guernsey) Law, 2017 (the "Data Protection Law)", the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) implementing the Electronic Communications Data Protection Directive Protection Regulation (2016/679/EC) ("GDPR"), including all law and regulations implementing or made under them, any amendment or re-enactment of them and, where applicable, the guidance and codes of practice issued by applicable regulatory bodies.
Duration of the Loan	means the period commencing on drawdown of the Loan and expiring on the date on which the Loan is repaid in full.
Early Redemption	means repayment of the Loan in full prior to the Repayment Date.
Early Repayment Charge Period	means the period set out in the Mortgage Offer Document during which, or the date set out in the Mortgage Offer Document prior to which, Overpayment or Early Redemption of the Loan may incur an early repayment charge as specified in the Mortgage Offer Document.
EEA	means the European Economic Area, which for the purposes of these General Terms and Conditions of Lending includes the United Kingdom and the Bailiwicks of Guernsey and Jersey (as these are all authorised jurisdictions for the purposes of the Data Protection Law)
Encumbrance	means any interest or equity of any person including an option or pre-emption right, security interest, charge, bond, mortgage, pledge, hypothecation, lien, title retention, assignment or other arrangement having a similar effect.
Environment Acts	means the Environmental Protection Act 1990 and the Environment Act 1995 and all other applicable laws, regulations, statutes, legally binding codes of practice and guidance notes or similar as amended from time to time.

Environmental Notice	means any notice issued under sections 78A to 78YC of the Environmental Protection Act 1990 or section 161A of the Water Resources Act 1991 or any other notices issued under the Environment Acts in respect of contamination or pollution relating to the Property or any neighbouring property.
Event of Default	means any of the events set out in clause 10.
Follow on Variable Rate	means a variable rate that is determined by Skipton that may apply from the end of the Early Repayment Charge Period or otherwise in accordance with the Loan Agreement. This rate can go up as well as down, which could affect the mortgage payments and the overall payable amount.
General Terms and Conditions of Lending	means the General Terms and Conditions of Lending set out in this document, as may be amended from time to time.
Green Deal	means the Government scheme for improving energy efficiency of buildings and any successor to that scheme.
Initial Interest Rate	means the interest rate applicable on the Loan from the date of drawdown of the Loan until the end of the Early Repayment Charge Period (if applicable) as set out in the Mortgage Offer Document.
Initial Period	has the meaning given to it in clause 15.1.
Ideal Terms	has the meaning given to it in clause 15.1.
Insolvency Event	means in respect of the relevant person: a) a petition for a bankruptcy order is presented or a bankruptcy order is made against them or they make an application for a bankruptcy order or they are declared or any actions are taken against them with a view to declaring them 'en desastre'; b) they have a preliminary vesting order made in respect of its property; c) a statutory demand is issued against them; d) they stop or suspend payment of any of their debts, or they are unable to pay any of their debts as they fall due; or e) they have entered or have proposed to enter into, any composition or arrangement with, or for, their creditors (including an individual voluntary arrangement) with a view to rescheduling any of their indebtedness; or f) a moratorium is declared in respect of any of their indebtedness; g) saisie proceedings are commenced against it or a

preliminary vesting order is granted against its real property;

h) a resolution is passed or an application is presented to a court for its winding up or they otherwise go into liquidation whether voluntary or compulsorily;

i) an application is presented to Court for the appointment of or they appoint a receiver, administrator, administrative receiver or manager or similar in respect of their assets;

j) some event of equivalent or analogous effect to those listed above occurs in any jurisdiction.

Interest Rate	means, as applicable, the Initial Interest Rate from the date of drawdown of the Loan until the end of the Early Repayment Charge Period (if applicable) and thereafter, the Standard Variable Rate, the Follow on Variable Rate, the Managed Variable Rate or such other rate as may be agreed between Skipton and the Borrower in writing from time to time.
Loan	means the loan granted or to be granted by Skipton to the Borrower as detailed in the Mortgage Offer Document and subject to these General Terms and Conditions of Lending.
Loan Agreement	means the Mortgage Offer Document and these General Terms and Conditions of Lending, which together constitute the agreement between Skipton and the Borrower in relation to the Loan.
Loan Amount	means the amount advanced to the Borrower as set out in the Mortgage Offer Document.
Loan Transfer	has the meaning given to it in clause 6.4.
Managed Variable Rate	means a variable rate that is determined by Skipton that may apply from the end of the Early Repayment Charge Period or otherwise in accordance with the Loan Agreement. This rate can go up as well as down, which could affect the mortgage payments and the overall payable amount.
Mortgage	means a first legal charge over the Property in favour of Skipton governed by English law.
Mortgage Offer Document	means the letter issued by Skipton to the Borrower setting out the offer of, and certain terms of, the Loan to the Borrower, as the same may be amended from time to time by any document issued by Skipton varying the terms of the Loan.
Mortgage Tariff of Charges	means the tariff of charges which applies to the Loan.
Obligor	means a person (other than the Borrower) providing Security to Skipton in respect of the Loan Agreement.

Overpayment	means repayment of the Loan in an amount greater than the contractual amount due and payable in any month, but not an Early Redemption.
Planning Acts	means the 'Planning Acts' as defined in section 336 Town and Country Planning Act 1990 and the Compensation Act 1991 and any other statute of a similar nature, in each case of England and Wales.
Property	has the meaning given in the Mortgage Offer Document.
Renewal Notice	has the meaning given to it in clause 15.1.
Renewal Terms	has the meaning given to it in clause 15.1.
Repayment Date	means the date on which the Loan must be repaid as set out in the Mortgage Offer Document.
Repayment Method	means the option selected by the Borrower and set out in the Mortgage Offer Document, which may be: a) capital and interest repayment; or b) interest only repayment; or c) a combination of both a) and b) as more particularly described in clause 4.
Related Party	means: a) any directors, shareholders or beneficial owners of the Borrower; or b) a spouse or civil partner of any of the directors, shareholders or beneficial owners of the Borrower; c) any person whose relationship to any directors, shareholders or beneficial owners of the Borrower or any Obligor is analogous to that of a spouse or civil partner; or d) any Obligor;
Security	means the item(s) of security granted or to be granted in respect of the Loan, including without limitation, the Mortgage and any cross-collaterisation agreement, guarantees, security interest agreements, debentures or other forms as share security (as applicable), as set out in the Mortgage Offer Document or as may be granted to Skipton in the future, in form and substance satisfactory to Skipton.
Skipton	means Skipton International Limited, registered in Guernsey as a company limited by shares with registration number 30112, having its registered office at Tudor House, The Bordage, St Peter Port, Guernsey, GY1 6DS. Skipton is a wholly owned subsidiary of Skipton Building Society. References to "Skipton" include its successors, assignees

	and transferees and any entity into or with which Skipton may be amalgamated or merged.
Special Conditions	means the special conditions, if any, set out in the Mortgage Offer Document; and
Standard Variable Rate	means a variable rate that is determined by Skipton that may apply from the end of the Early Repayment Charge Period or otherwise in accordance with the Loan Agreement. This rate can go up as well as down, which could affect the mortgage payments and the overall payable amount.
Third Party Security	means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, other than the Security being granted to Skipton.

1.2 In these General Terms and Conditions of Lending:

1.2.1 any capitalised terms not defined in these General Conditions have the meanings given to them in the Mortgage Offer Document;

1.2.2 headings in this document are inserted for convenience only and shall be ignored in construing these General Terms and Conditions of Lending;

1.2.3 unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa;

1.2.4 references to **"General Terms and Conditions of Lending", "clause"** or a **"schedule"** are references to this document or a clause in or schedule to it;

1.2.5 references to statutes and/or statutory provisions shall be construed as referring to such statutes or statutory provisions as respectively replaced, amended, extended or consolidated;

1.2.6 references in the Loan Agreement to any document shall be construed as a reference to such document as may be amended, supplemented, varied, substituted, novated or assigned;

1.2.7 references to any party to the Loan Agreement or any Security shall include a reference to any successor company and permitted assigns and transferees;

1.2.8 references to a document being **"certified"** means certified as a true (and true likeness if a photo is present), complete and up to date copy of the original by a director or secretary of the relevant entity or by a professional person acceptable to Skipton;

1.2.9 any discretion or power which may be exercised or any determination which may be made under the Loan Agreement by Skipton may (unless otherwise provided) be exercised or made in its absolute and unfettered discretion;

1.2.10 the expression **"person"** shall be construed to include references to any individual person, firm, company, partnership, corporation, or any agency of such person; and

1.2.11 any rights which the Borrower and/or any Obligor may have in respect of the 'droit de discussion' and 'droit de division' shall be waived in accordance with clause 17.10. Accordingly, if the Borrower and/or any Obligor comprises more than one person, the

liabilities and obligations of the Borrower and/or any Obligor (as the case may be) under the Loan Agreement will be joint and several, meaning that (without in any way limiting the foregoing and subject to the terms of any personal guarantee):

(i) both or all persons are individually responsible for the terms of the agreement between Skipton and the Borrower and/or any Obligor (as the case may be), including, for example, making any payments due;

(ii) if the terms of the Mortgage Offer Document and/or these General Terms and Conditions of Lending are breached, Skipton can take action against any one or all of the persons comprising the Borrower and/or any Obligor (as the case may be);

(iii) if any notice or communication is given to one Borrower or one Obligor (as the case may be), it is deemed to be given to all persons comprising the Borrower and/or Obligor (as the case may be); and

(iv) any notices, instructions, agreements, consents or information provided by one Borrower or one Obligor is deemed to be given by all persons comprising the Borrower or the Obligor (as the case may be).

2 Advance of the Loan Amount

2.1 The Borrower may draw down the Loan when Skipton has confirmed that the conditions set out in Schedule 1 have been met to Skipton's satisfaction.

2.2 Skipton reserves the right to withdraw the offer of the Loan at its sole discretion at any time prior to drawdown of the Loan.

2.3 Whilst it is not a condition of Skipton making the Loan, Skipton strongly recommends that anyone with liabilities under the Loan Agreement should arrange suitable life insurance cover and any other protection needed in the sum of the Loan for the Duration of the Loan, to assist in the repayment of the Loan in the event of their death during the Duration of the Loan.

2.4 Notwithstanding the covenants in Schedule 3, in circumstances where the borrower subsequently resides in the Property, no further variation to the loan or addition to the Loan Amount shall be permitted.

3 Interest

3.1 Skipton will charge interest on the Loan at the Interest Rate from the day the Loan is advanced to the Borrower until the Loan is paid in full.

3.2 The following terms apply to how Skipton calculates, charges and debits interest:

3.2.1 The interest Skipton charges for each month:

3.2.1.1 will be calculated and charged daily on a sum equal to the Loan on the day the Loan is advanced to the Borrower in the first month and, for each month thereafter, on a sum equal to the Loan on the last day of the previous month; and

3.2.1.2 will be debited to the Borrower's Loan in advance on the day the Loan is advanced to the Borrower in the first month and on the first day of each month thereafter.

3.2.2 Where the Borrower does not make its monthly payment on the day interest for that month is debited to the Borrower's Loan under clause 3.2.1, Skipton will charge the Borrower additional interest for that month on top of that provided for in clause 3.2.1.

That additional interest:

3.2.2.1 will be calculated and charged daily on the interest debited to the Borrower's Loan under clause 3.2.1.2. until the date that interest is paid or the last day of the month (whichever is earlier); and

3.2.2.2 will be debited to the Borrower's Loan on the date that interest is paid or the last day of the month (whichever is earlier).

3.3 Skipton may change the rate of interest charged at any time in order to reasonably reflect the fact that any of the following have occurred or are about to occur, provided that Skipton does not do so for any arbitrary or improper purpose:

3.3.1 any change in the Base Rate of the Bank of England (or any rate that replaces it);

3.3.2 any change in interest rates charged by major banks or financial institutions in the mortgage market;

3.3.3 any change in the cost to Skipton of the money it lends;

3.3.4 any event which requires a change to the interest rate in order to comply with any rate guarantee given by Skipton;

3.3.5 any change in the law, regulation or in any codes of practice applicable to Skipton or the making of a recommendation, requirement or decision made by any court, regulator or similar body;

3.3.6 any re-organization of Skipton's business by it being acquired by or by Skipton acquiring another entity (so that customers with similar categories of agreements can be treated in a similar way);

3.3.7 any event beyond the control of Skipton; and

3.3.8 any other valid reason.

4 Repayment Method

4.1 The Borrower shall repay the Loan by way of the agreed Repayment Method in accordance with the Loan Agreement and the provisions of clause 4.2 and 4.3 as applicable.

4.2 Interest only repayment

4.2.1 Payments of interest will be collected on the date detailed in the Mortgage Offer Document by direct debit through BACs from a UK or Channel Island bank current account designated by the Borrower.

4.2.2 The capital element of the Loan will be repaid in full on the Repayment Date from a source acceptable to Skipton.

4.2.3 Any repayment/s must be made in pounds sterling.

4.3 Capital and Interest

4.3.1 Payments of capital and interest will be collected on the date detailed in the Mortgage Offer Document by direct debit through BACs from a UK or Channel Island bank current account designated by the Borrower.

4.3.2 Any payments made to Skipton will be applied as follows:

4.3.2.1 firstly, towards payments of interest due; and

4.3.2.2 any balance towards reduction of the capital element of the Loan.

4.3.3 Skipton may vary the amount of the monthly payments deducted to reflect the amount outstanding under the Loan, any previous payments paid or unpaid by the Borrower, and the remainder of the Duration of the Loan, with a view to ensuring that the Loan is repaid on the Repayment Date.

4.3.4 Any repayment/s must be made in pounds sterling.

5 Default Interest

5.1 If the amount payable by the Borrower to Skipton, or any part of it, remains unpaid after it becomes due (in this clause, **'the arrears'**) whether the payment has been formally demanded or not, Skipton will, without prejudice to any other right or remedy that Skipton may have, charge, and the Borrower shall pay, interest on the arrears sum at a rate of 2% per month and/or (at the discretion of Skipton) change the rate on the entire outstanding balance. These rates may be amended from time to time by Skipton under advice to the Borrower.

5.2 Interest on the arrears will accrue from day to day and shall be payable on the last Business Day of each month (before and after judgement and notwithstanding the Borrower's insolvency).

6 Early Redemption

6.1 The Borrower may request Early Redemption of the Loan by giving not less than 5 Business Days' notice to Skipton.

6.2 An Early Redemption shall be subject to the following conditions:

6.2.1 Early Redemption of the Loan must be completed in pounds sterling;

6.2.2 a charge may be payable in respect of an Early Redemption, as specified in the Mortgage Offer Document;

6.2.3 the Borrower agrees that the amount payable in respect of the early repayment charge is a genuine pre-estimate of the loss Skipton will suffer as a consequence of the Early Redemption of the Loan;

6.2.4 any amount repaid as part of the Early Redemption may not be re-borrowed by the Borrower; and

6.2.5 prior to accepting any Early Redemption, Skipton reserves the right to request a completed declaration of source of funds form and supporting documentation in connection with the Early Redemption.

6.3 If the Borrower repays the Loan in full, any Overpayment allowance will not apply and any early repayment charge will be calculated based on the full balance of the Loan.

6.4 Skipton may, in its sole discretion, and on such terms and conditions it thinks fit, agree to the transfer of the Loan such that it is in respect of, and secured by a legal charge, bond or other security **"Loan Transfer"**). The Borrower may be required to pay an early repayment charge in respect of the Early Redemption of the Loan in connection with a Loan Transfer but, provided

that the terms and conditions of the Loan Transfer are satisfied within a period of 3 months after such Early Redemption, any applicable early repayment charge paid by the Borrower will be refunded.

6.5 Please refer to the Mortgage Offer Document, and any contract variations agreed by Skipton in writing from time to time or contact Skipton for further information with respect to the Early Redemption or early repayment of the Loan.

7 Overpayment

7.1 The Borrower may make an Overpayment on giving not less than 5 Business Days' notice to Skipton.

7.2 If an Early Repayment Charge Period is not mentioned in the Mortgage Offer Document or if the Early Repayment Charge Period has ended, it can be assumed that there is no charge or penalty for Overpayments.

7.3 Before the end of the Early Repayment Charge Period, the Borrower has the ability to make limited Overpayments of the Loan in each year of the Loan without incurring an early repayment charge, as specified in the Mortgage Offer Document. This facility cannot be rolled over into subsequent years if not used in any one year.

7.4 An Overpayment shall be subject to the following conditions:

7.4.1 Overpayment of the Loan must be completed in pounds sterling;

7.4.2 an early repayment charge may be payable in respect of an Overpayment, as specified in the Mortgage Offer Document;

7.4.3 the Borrower agrees that the amount payable in respect of the early repayment charge is a genuine pre-estimate of the loss Skipton will suffer as a consequence of the overpayment of the Loan;

7.4.4 any amount of Overpayment may not be re-borrowed by the Borrower; and

7.4.5 prior to accepting any Overpayment, Skipton reserves the right to request a completed declaration of source of funds form and supporting documentation in connection with any Overpayment.

7.5 Please refer to the Mortgage Offer Document or contact Skipton for further information with respect to Overpayments.

8 Repayment of the Loan

8.1 The Loan must be repaid on the Repayment Date.

8.2 The Loan will become due and payable prior to the Repayment Date:

8.2.1 if an Event of Default occurs, following which Skipton makes a demand for repayment of the Loan (other than the case of an Event of Default specified in clauses 10.1.5, 10.3.1, 10.3.2 and 10.3.3), in which case the Loan will become due and payable from the date of the demand for repayment (or, in the case of an Event of Default specified in clauses 10.1.5, 10.3.1, 10.3.2 or 10.3.3, from the date such Event of Default occurs);

8.2.2 if as a result of any change in Skipton's circumstances or the laws, rules and regulations under which Skipton is bound it becomes illegal or it ceases to be economically viable

for Skipton to make or to continue to fund the Loan and Skipton notifies the Borrower that the Loan is to be terminated with effect from a specified date, in which case the Loan will become due and payable from the date of termination specified in the notice; or

8.2.3 upon demand by Skipton.

9 Representations, Warranties and Covenants

9.1 The Borrower will fulfil any Special Condition(s) in the time and manner stated.

9.2 The Borrower hereby makes the representations and warranties set out in Schedule 2 to Skipton (and so that each representation and warranty is deemed repeated on each date on which interest is due for payment and at such other intervals as Skipton may specify by notice to the Borrower, in each case by reference to the circumstances then existing).

9.3 The Borrower covenants to Skipton in the terms set out in Schedule 3 for the Duration of the Loan and for so long as the Loan is outstanding.

9.4 If the Borrower does not comply with any of the covenants set out in Schedule 3 (in particular relating to insurance, repair and maintenance and gas and electricity requirements), Skipton may carry out any matter which in its view may be necessary or desirable to protect its interest, at the Borrower's expense.

10 Event of Default

10.1 The following, and the events listed in clauses 10.3.1, 10.3.2 and 10.3.3, shall be 'Events of Default' for the purposes of these General Terms and Conditions of lending. The Loan, and any interest accrued on it, is available solely at Skipton's discretion and is repayable.

10.1.1 if there is a material change in the Borrower's or an Obligor's circumstances since the application for the Loan was made, or any of the information, representation or warranty given in support (whether by the Borrower or an Obligor or by someone on behalf of the Borrower or an Obligor) of the application is or proves to have been when made or becomes inaccurate, untrue, incomplete or misleading;

10.1.2 upon breach by the Borrower or an Obligor of any of the terms of the Loan Agreement (including for the avoidance of doubt any breach of the representations and warranties in Schedule 2 and 3) or any Security;

10.1.3 in the event of any Obligor giving or purporting to give notice to terminate its liability under any guarantee in respect of the Loan;

10.1.4 in the event of any approval, authorisation or consent required either to ensure that the Loan Agreement and the Security are valid, binding and enforceable or to enable the obligations of the Borrower or any Obligor to be performed, ceasing to be in full force and effect or it becoming illegal or unlawful for the Borrower or any Obligor to perform all or any of its obligations under the Loan Agreement or any Security, or any such document not being or ceasing to be legal, valid and binding on the Borrower or any Obligor;

10.1.5 if there is an Insolvency Event in respect of the Borrower or any Obligor;

10.1.6 upon the death of the Borrower or any Obligor (being an individual);

10.1.7 if there is any adverse change occurring in the circumstances, financial position or

prospects of the Borrower or any Obligor which, in Skipton's opinion, is likely materially to affect its ability to perform or comply with its obligations under the Loan Agreement or any Security;

10.1.8 if the Property is located in England or Wales, a notice is served under section 146 of the Law of Property Act 1925 of England and Wales with the aim of forfeiting any lease under which the Property is held and (where the notice requires it) the breach is not remedied within the period stated in the notice period or (if no period is stated) within a reasonable time; or

10.1.9 in the event that the Borrower or any Obligor yields up possession of the Property.

10.2 Skipton may in its discretion waive any Event of Default in whole or in part and subject to any condition it deems appropriate in its discretion, including the provision by the Borrower of additional security to Skipton.

10.3 Without prejudice to the terms of clause 10.1, upon the occurrence of any of the following Events of Default the provisions of clause 10.4 shall apply:

10.3.1 the Borrower consenting to any further legal charge, bond or other Third Party Security or Encumbrance over the Property or other assets being provided as Security without Skipton's prior consent;

10.3.2 the Borrower granting any lease, licence or occupancy agreement in respect of the Property (or any part thereof) without Skipton's prior consent; or

10.3.3 the Borrower altering the number or size of units of accommodation forming part of the Property or the change of use of the Property without Skipton's prior consent.

10.4 In the event of an event specified in clause 10.3 occurring, immediately and without the need for any demand:

10.4.1.1 the rate of interest payable by the Borrower under the Loan will be deemed to convert to Skipton's Standard Variable Rate, the Follow on Variable Rate or the Managed Variable Rate (at Skipton's sole discretion) with effect from and including the date of such Event of Default;

10.4.1.2 the Loan and any interest accrued on it will become immediately due and payable; and

10.4.1.3 the Borrower shall be liable for the immediate payment of any Early Repayment charges and Early Redemption charges payable pursuant to the Mortgage Offer Document.

11 Security

11.1 To secure its obligations to Skipton under the Loan Agreement, the Borrower will provide or will procure that any Obligor will provide the Security to Skipton.

11.2 Skipton may from time to time require the Borrower to deliver to Skipton additional items of Security.

12 Costs and Fees

12.1 The Borrower is responsible on a full indemnity basis for and shall pay on demand all fees, charges, expenses (including where applicable and without limitation stamp duty, stamp duty

land tax and land registry registration fees), liabilities and legal and other costs incurred or charged by Skipton, its agents and advisors including, without limitation, legal fees, surveyor fees and other disbursements made in, or incidental to:

12.1.1 the preparation, negotiation, completion, registration, re-registration (if applicable) administration, protection, termination (however it shall occur) and enforcement (including costs of any proceedings) of any of the Security and the Loan and every aspect of it, and the Loan Agreement and the Security documents in connection with the Loan from Skipton to the Borrower and any tenancy/ licence agreements (if applicable) or ancillary work thereto; or

12.1.2 the exercise by Skipton of its rights and powers under the Loan and the Loan Agreement and all Security documents;

in each case together with any taxes as may be payable thereon.

12.2 All fees as quoted in the Mortgage Offer Document are payable in line with the Mortgage Tariff of Charges prevailing at the time.

12.3 Any amount due from the Borrower pursuant to this clause 12 is payable on demand, or will be added to the Loan at the discretion of Skipton.

13 Changes to General Terms and Conditions of Lending

13.1 Skipton may change these General Terms and Conditions of Lending in order to reasonably reflect the fact that any of the following has occurred or is about to occur, provided that Skipton does not do so for any arbitrary or improper purpose:

13.1.1 any material change in conditions in or affecting mortgage markets;

13.1.2 any change in the lending practices of banks and other financial organisations offering similar services (including the terms on which they offer such services);

13.1.3 any change in the law, regulation or in codes of practice or the making of a recommendation, requirement or decision by any court, regulator or similar body;

13.1.4 any change to the systems Skipton uses to manage its accounts, including changes in the technology it uses;

13.1.5 any reorganisation of the business undertaken by Skipton following it being acquired by or by Skipton acquiring another bank or organisation (so that customers with similar categories of agreements can be treated in a similar way);

13.1.6 any event beyond the control of Skipton;

13.1.7 if the substitution of Sterling by any other currency or will result in the opinion of Skipton in a change in money market conditions; and

13.1.8 any other valid reason.

13.2 Skipton will give the Borrower not less than 30 days' written notice of any change effected under clause 13.1 and the amendment shall take effect from the date specified in such notice.

14 Right of Set-Off

14.1 Skipton reserves the right, for the Duration of the Loan, to debit funds from any account held by the Borrower with Skipton and credit them to any account held by the Borrower with

Skipton in settlement of any outstanding debit amount.

14.2 The Borrower will not exercise any right of set-off that it may have in respect of the Loan, now or at any time in the future.

15 Renewal of Initial Terms

15.1 If Skipton has offered certain terms (the **"Initial Terms"**) in respect of the Loan for a limited initial period (the **"Initial Period"**), prior to the expiry of the Initial Period, Skipton may, in its sole discretion, send a notice (the **"Renewal Notice"**) to the Borrower setting out the terms upon which it is willing to renew the Initial Terms applicable to the Loan (the **"Renewal Terms"**). If the Borrower agrees with the Renewal Terms, it will notify Skipton of its agreement in the manner specified in the Renewal Notice. Provided that Skipton receives the Borrower's agreement to the Renewal Terms prior to:

15.1.1 the expiry date of the Initial Period; or

15.1.2 the expiry date of the Renewal Terms (as set out in the Renewal Notice),

then, the Loan will be provided on the Renewal Terms from the 1st day of the following month (being the **"Renewal Date"**):

15.1.3 in the case of clause 15.1.1 above, from the expiry date of the Initial Period; and

15.1.4 in the case of clause 15.1.2 above, from the date which is 3 Business Days following receipt by Skipton of the agreement to the Renewal Terms.

15.1.5 Where the Loan is made on a buy-to-let basis, neither the Borrower nor any Related Party can reside in the security Property from the initial period of drawdown to end of the initial term selection.

15.2 Without prejudice to clause 19, the Renewal Notice may (a) be sent by electronic mail to the electronic mail address provided by the Borrower to Skipton, and (b) require that the Borrower's agreement to the Renewal Terms is provided in electronic format, without any need for the Borrower to sign the Renewal Notice or the Renewal Terms. In such case, Skipton will promptly confirm to the Borrower by letter or email the Renewal Terms and Renewal Date.

15.3 Without prejudice to clauses 1.2.11 and 19.1.1, where two or more people are named in the Mortgage Offer Document as the Borrower, Skipton may send the Renewal Notice to any person named as a borrower. The agreement of any one borrower to the Renewal Terms shall be deemed to be the agreement of all persons comprising the Borrower.

15.4 Should the Borrower select a new product at the renewal date, interest will be calculated and charged in accordance with 3.

16 Data Protection

16.1 All personal data supplied by the Borrower to Skipton will be processed by Skipton in accordance with applicable Data Protection Legislation, the provisions set out in the Loan Agreement (including as set out under these General Terms and Conditions of Lending) and Skipton's Privacy Notice. For further information on how the Borrower's information is used, how Skipton maintains the security of information and the Borrower's rights to access information it holds, please refer to Skipton's Privacy Notice at https://www.skiptoninternational.com/privacy-policy. In this clause 16, the terms "personal data", "processing" and "consent" will have the meanings given to them in the Data Protection Law.

16.2 Where the Borrower is a natural person, they confirm that they have read and understood the

terms of the Privacy Notice.

16.3 Where the Borrower is not a natural person, it represents and warrants that it:

16.3.1 has complied with and will continue to comply with the provisions of the applicable Data Protection Legislation in relation to any personal data that it provides to Skipton;

16.3.2 has authority to provide the personal data to Skipton for the purpose of complying with the terms of the Loan Agreement;

16.3.3 will not transfer any personal data to Skipton without having first ensured that it has all necessary rights to provide the personal data to Skipton. For the purposes of this clause 16.3, "all necessary rights" shall include obtaining all and any necessary consents in order to enable the lawful processing of the personal data, and for ensuring that a record of such consents is maintained. Should such consent be revoked by the data subject, the Borrower is responsible for communicating the fact of such revocation to Skipton; and

16.3.4 has brought the Privacy Notice to the attention of any underlying data subjects whose personal data will be disclosed to Skipton by virtue of the Loan Agreement.

16.4 Where the Borrower provides personal data belonging to a third party to Skipton, the Borrower shall ensure that there is no prohibition or restriction which would prevent or restrict:

16.4.1 the Borrower (and in the case of a corporate Borrower, its Connected Parties) from disclosing or transferring the personal data to Skipton; or

16.4.2 Skipton from disclosing or transferring personal data to its Connected Parties in order to comply with or enforce the terms of the Loan Agreement or provide services ancillary thereto;

16.4.3 Skipton and each of its Connected Parties from processing the personal data for the purposes (the "Purposes") set out in the Privacy Notice from time to time, which are in summary:

16.4.3.1 fulfilling the obligations of Skipton or exercising its rights under the Loan Agreement;

16.4.3.2 providing services to the Borrower ancillary to those provided pursuant to the Loan Agreement, including:

i. maintaining and using relevant IT systems;

ii. conducting quality and risk management reviews; and

iii. updating the Borrower's records to facilitate the provision of services by Skipton to the Borrower;

16.4.3.3 providing the Borrower with information about Skipton and Skipton's range of services for marketing purposes, where permitted to do so;

16.4.3.4 complying with any requirement of law, regulation or of a professional body of which Skipton is a member;

16.4.3.5 detecting and preventing financial crime such as fraud, money laundering, terrorist financing, bribery, corruption, tax evasion or facilitation of tax

evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an ongoing basis in accordance with Skipton's anti-money laundering checks and procedures (**"Regulatory Assessments"**);

16.4.3.6 transferring personal data to competent authorities, courts and bodies in order to comply with law or comply with requests from such regulatory bodies;

16.4.3.7 reporting tax-related information to tax authorities in order to comply with a legal obligation;

16.4.3.8 monitoring and recording calls and electronic communications for quality, business analysis, training, investigation and fraud prevention purposes, for crime detection, prevention, investigation and prosecution, and to enforce or defend Skipton's rights either itself or through third parties with whom Skipton delegates such responsibilities or rights; and

16.4.3.9 retaining personal data (including personal data processed in order to conduct Regulatory Assessments) for as long as required to perform its obligations under the Loan Agreement, to protect its legitimate interests or as required by law.

16.5 The Borrower acknowledges that Skipton may need to transfer personal data outside of Guernsey and the EEA where this is necessary to perform its obligations under the Loan Agreement or to provide information to an affiliate or authorised third party in relation to the provision of services under the Loan Agreement. Such transfers will be conducted pursuant to the available data transfer mechanisms under the Data Protection Law.

16.6 Notwithstanding any other provisions contained in the Loan Agreement (including in these General Terms and Conditions of Lending) the Borrower shall, immediately on demand, fully indemnify Skipton and keep Skipton fully and effectively indemnified against all costs, claims, demands, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by it or the indemnities in connection with any failure by the Borrower to comply with the provisions of this clause 16.6 and/or applicable Data Protection Legislation in respect of the processing of the personal data.

17 General

17.1 No warranty by Skipton

In making the Mortgage Offer Document Skipton does not give any warranty as to the purchase price, value or condition of the Property. Skipton advises the Borrower to take independent specialist advice on such matters prior to any commitment to the purchase of the Property.

17.2 Binding Effect

The Loan Agreement is binding on and inures to the benefit of the successors and permitted assigns of Skipton, and the successors of the Borrower.

17.3 Payments

All payments to be made by the Borrower under the Loan Agreement shall be made in pound sterling (cleared funds) and without set off, counterclaim, deduction or withholding,

including for or on account of tax unless the Borrower is required by law to make such a payment subject to the deduction or withholding of tax, in which case the sum payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, Skipton receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

17.4 Assignment and Transfer

17.4.1 Skipton may sell, assign or transfer Skipton's rights and obligations under the Loan Agreement, including the Loan and any Security held by Skipton, to anyone at any time without the consent of the Borrower or any Obligor. If Skipton sells or transfers any or all of its rights, benefits or obligations the rights and obligations of the Borrower or any Obligor hereunder will stay exactly the same but the Borrower and any Obligor will be bound to any person or organisation to whom Skipton may sell or transfer and that person or organisation will have all Skipton's rights and powers and Skipton will be released from its obligations so far as these are assumed by that person or organisation.

17.4.2 Notwithstanding the provisions of clause 16, Skipton may disclose without the consent of the Borrower or any Obligor to any actual or potential assignee, transferee, chargee, sub-participant or other contracting or interested party any information which any such person would reasonably be expected to be given in the circumstances, including information contained in the application for the Loan, supporting documentation provided by the Borrower or the Obligor, information or documents relating to the Loan or Security and the history and conduct of the Loan.

17.4.3 The Borrower may not assign any of its rights or transfer its obligations under the Loan Agreement and the Security.

17.5 Skipton's Certificates

Skipton's certificates and any determinations given or made by Skipton as to the amounts payable by the Borrower under the Loan Agreement and any Security are conclusive and binding on the Borrower in the absence of manifest error.

17.6 Severability and Release

If any part of the Loan Agreement becomes invalid or unenforceable in any way under any law, the validity of the remaining terms shall not in any way be affected or impaired. If any invalid or unenforceable term would not be invalid or unenforceable if its form or effect were modified in any way, it shall be deemed to have such modified form or effect so long as Skipton consents thereto. If any term hereof is unenforceable against any one or more of the Borrower(s) or Obligor(s) none of the rest of the Borrower(s) or Obligor(s) will be released from their obligations of the Loan Agreement from Skipton.

17.7 Waiver of Rights

If Skipton waives any part of the Loan Agreement, whether in writing or by some other means (for example agrees for any given period of time to amend terms), such waiver will not constitute a complete waiver of the Borrower or any Obligor's obligations or liabilities, nor shall it mean that Skipton forgoes any rights or interest, but rather that Skipton agrees to a temporary suspension of its application for the given agreed period of time. Furthermore any waiver will not restrict the ability of Skipton from taking action against the Borrower or any

Obligor for breach of the Loan Agreement.

17.8 Remedies Cumulative

The rights, powers and remedies provided in the Loan Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

17.9 Regulatory

17.9.1 Nothing in the Loan Agreement shall be construed as Skipton carrying on any activity which is regulated in the United Kingdom and Skipton is not required to take any action or accede to any request of the Borrower under the Loan Agreement to the extent that such action or accession may cause Skipton to be carrying on an activity which is regulated in the United Kingdom

17.9.2 This agreement is not a "regulated agreement" for the purposes of the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022.

Droit de Discussion and Droit de Division

17.10 The Borrower hereby abandons and shall procure that any Obligor(s) hereby abandon all and any rights which it may have under the existing or future laws of the Bailiwick of Guernsey including but not limited to those in respect of the Droit de Discussion to require Skipton to first take proceedings against any other party before issuing any demand or action against the Borrower or the Obligor (as the case may be) in respect of his liability herein contained and all and any rights in respect of the Droit de Division to require Skipton to recover all or any part of any liability from any other person.

Negative Pledge

17.11 The Borrower covenants with Skipton that the Borrower shall not at any prior written consent:

17.11.1 create, purport to create or permit to subsist, any Third Party Security or other third party interest on, or in relation to any of its assets other than the Security being granted to Skipton; or

17.11.2 sell, assign, transfer, part with possession or otherwise dispose of any of its assets in the Borrower or any of the Borrower's interests in those assets including the shares in the (or purport to do so); or

17.11.3 permit the sale, transfer or disposal of the legal or beneficial ownership of any shares in the Borrower.

18 Conflicts

These General Terms and Conditions of Lending should be read in conjunction with the Mortgage Offer Document; if there is doubt between the two, the Mortgage Offer Document shall take precedence.

19 Notices

19.1 Notices under the Loan Agreement must be in writing and may be delivered personally or sent by e-mail or post, and will be deemed to be received:

19.1.1 by the Borrower:

19.1.1.1 if delivered personally: on the day of delivery if it is a Business Day in the place which it is delivered, or otherwise at the start of the next Business Day;

19.1.1.2 if sent by pre-paid post to the Borrower's last known address in the Bailiwick of Guernsey, Bailiwick of Jersey or the United Kingdom: at midday on the second Business Day following posting;

19.1.1.3 if sent by pre-paid airmail to the Borrower's last known address outside the Bailiwick of Guernsey, Bailiwick of Jersey or the United Kingdom: at midday on the fifth day after posting;

19.1.1.4 if sent by email to the Borrower's last known e-mail address: at the time of transmission;

19.1.2 by Skipton: only upon actual receipt by Skipton at its place of business at: Tudor House,

The Bordage, St Peter Port, Guernsey, GY1 6DS

Marked for the attention of: the Mortgage Department

provided always and notwithstanding any provision to the contrary, whether in these General Terms and Conditions of Lending or in the Mortgage Offer Document, any other communications from Skipton may be sent to the Borrower by electronic means, including without limitation by electronic mail to the address provided by the Borrower to Skipton, which may or may not be sent by an encrypted method, in which event any commitment given by the Borrower in electronic format, including without limitation electronic mail or in a document or scanned image attached to or included within an electronic communication will be binding, including any scanned image of the Mortgage Offer Document (or other documents) bearing the Borrower's signature.

19.2 Any notice from Skipton is effective despite the death, dissolution or liquidation of the Borrower.

19.3 If there is more than one Borrower, a notice served on any one Borrower is binding on all the persons comprising the Borrower.

19.4 The date on the duplicate of the notice retained by Skipton is conclusive proof of date of posting.

19.5 All communications under or in connection with the Loan Agreement must be in English. All documents provided under or in connection with the Loan Agreement must be:

19.5.1 in English; or

19.5.2 if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

20 Jurisdiction and Governing Law

20.1 The Loan Agreement shall be governed by and construed in accordance with the laws of the Island of Guernsey and the Borrower and Skipton hereby irrevocably agree for the exclusive benefit of Skipton to submit to the courts of the Island of Guernsey who are to have exclusive jurisdiction to settle any disputes which arise out of or in connection with the Loan Agreement or any matter arising in respect of or in relation to either of them.

20.2 The Mortgage shall be governed by and construed in accordance with the laws of England and Wales and the courts of England and Wales shall have non-exclusive jurisdiction in respect of disputes arising under the Mortgage.

Schedule 1 – Conditions to Drawdown

Completion, execution and/or delivery as may be appropriate of the following in form and substance satisfactory to Skipton:

1 Loan and Security Documents

1.1 signed Mortgage Offer Document;

1.2 signed and completed Security documents;

1.3 all share certificates and blank share transfers relating to the Security, if applicable;

1.4 signed notices relating to the Security, if applicable;

1.5 if requested by Skipton, a cross-collateralisation agreement in form and substance acceptable to Skipton;

1.6 any other documents or matters required by Skipton in connection with the Loan Agreement and any Security;

2 Property

2.1 a report on title in respect of the Property satisfactory to Skipton from Skipton's legal advisors showing among other things that all necessary searches and enquires have been made and that the Borrower will at the date of advance of the Loan have good and marketable title to the Property;

2.2 a surveyor's report from a surveyor acceptable to Skipton (which may be an automated valuation model, a RICS surveyor or otherwise) and addressed to Skipton as to the condition and value of the Property (including reinstatement value);

2.3 a copy of the Buildings Insurance policy including cover for subsidence and insuring the Property against, amongst other things, fire, damage or loss arising from the acts or omissions of the tenant for the full replacement value of the Property (including a reinstatement value at least equal to the amount recommended by Skipton's surveyor) and confirmation that Skipton's interest is noted as mortgagee on the relevant policy;

2.4 if requested by Skipton and if the Property is, or will be on the date of drawdown of the Loan, subject to a tenancy agreement, a copy of the tenancy agreement executed by the tenant (or a draft of the proposed tenancy agreement, as applicable) pursuant to which the Property is to be occupied. Any such tenancy agreement must;

(a) include (where the Property is to be let on an assured shorthold tenancy) evidence of service of a "Ground 2 Notice" on the tenant of any such occupational lease;

(b) comply with the Property Letting requirements, which are available from Skipton upon request;

(c) contain terms setting out, amongst other things, the amount of rent payable, the term of the proposed lease, and additional suitable covenants regarding maintenance and repair of the Property, and any other terms requested by Skipton from time to time

2.5 evidence of compliance with an appropriate tenancy deposit scheme;

2.6 if applicable, where the Property is leasehold, evidence of the landlord's (and any superior landlord's) consent to (i) the Mortgage being granted by the Borrower over the Property and (ii) if applicable, the assignment of the Property to the Borrower or Obliger (as the case may be)

2.7 if applicable, signed occupancy forms in respect of all adult occupiers at the Property;

2.8 any other reports or surveys in respect of the Property that Skipton deems prudent in the circumstances;

2.9 a rent authority letter to each tenant of the Property in a form satisfactory to Skipton and an undertaking from t solicitors to serve the same;

2.10 priority searches of HM Land Registry in favour of Skipton against the Property in respect of the Mortgage showing no adverse entries and giving not less than 20 Business Days' priority beyond the drawdown;

2.11 current and clear bankruptcy, land charges, insolvency, litigation, company and such other searches in respect of each Borrower and Obligor, as Skipton shall require.

2.12 Skipton having received from the Borrower or confirmation that Skipton's solicitors have received from the Borrower and are holding (or have received an undertaking from the Borrower's solicitor to deal with the same):

(a) All title deeds (including occupational leases and tenancies) relating to the Property or an undertaking from the Borrower's solicitor to provide the same following registration of Skipton's Mortgage over the Property;

(b) All necessary HM Land Registry application forms, duly completed, together with the applicable HM Land Registry fees, in relation to the:

(i) transfer of the Property to the Borrower or the Obligor (as the case may be);

(ii) discharge of any pre-existing security affecting that Property; and

(iii) grant of the first-ranking Mortgage to Skipton (including a form to note the obligation to make further advances, a form to register the restriction in form P contained in the Mortgage and a form for disclosable overriding interests if applicable),

(c) if applicable, a signed and completed stamp duty, stamp duty land tax (SDLT) or land transaction tax return in respect of any such tax payable in connection with the transfer of the Property to the Borrower or Obligor (as the case may be), together with payment of that stamp duty land tax or land transaction tax or an undertaking from the Borrower's solicitors to submit and pay the same on drawdown and to provide a copy of the SDLT5 certificate (England) or WRA certificate (Wales) to Skipton's solicitors.

(d) an undertaking from the Borrower's solicitors to use all reasonable endeavours to deal with any requisitions raised by the Land Registry in connection with the registration of the Property, the Mortgage or any other applicable Security at the Land Registry;

(e) where the HM Land Registry applications are not being submitted by Skipton's solicitors, an undertaking from the Borrower's solicitors to register the transfer of the Property to the Borrower, the discharge any pre-existing security affecting that Property and

the grant of the Mortgage to Skipton over the Property at the Land Registry and to use all reasonable endeavours to deal with any requisitions raised by the Land Registry in connection with those registrations.

3 Mandates and Instructions

3.1 completed direct debit from the Borrower's UK bank account;

3.2 completed mandate for an account of the Borrower at Skipton;

4 In relation to a corporate Borrower or Obligor

4.1 a certified copy of the memorandum and articles of incorporation or association or other constitutional documents of the Borrower and Obligor, including the current register of directors, secretaries, members, beneficial owners and charges and authorised signatory list (with specimen signatures) and a certificate from an officer of the Borrower and Obligor confirming the documents are accurate and up-to-date;

4.2 a certified copy of the Certificate of Incorporation or registration of the Borrower and Obligor (and any certificates of change of name) and a certificate of good standing of the Borrower and Obligor;

4.3 duly passed resolutions of the board of directors of the Borrower and Obligor approving the terms of the Loan Agreement and any Security, confirming that they are in the commercial interests of the Borrower and authorising their execution on behalf of the Borrower or Obligor by one or more persons (in such form as shall be approved by Skipton);

4.4 a copy of any power of attorney under which the Borrower or Obligor may execute the Security;

4.5 such other resolutions, alterations to the constitutional documents and other acts required by Skipton to create, perfect, register or complete the Security;

4.6 a legal opinion from Skipton's legal advisors on, amongst other things, the capacity of the Borrower or Obligor to enter into the Loan Agreement and the Security, as applicable;

4.7 current and clear bankruptcy, land charges, insolvency, litigation, company and such other searches in respect of each Borrower and Obligor, as Skipton shall require; and,

4.8 any other documents relating to the Borrower and Obligor that Skipton shall reasonably require for "client onboarding" or otherwise.

5 In relation to a corporate trustee Borrower or Obligor

5.1 a certificate of incumbency with specimen signatures of all officers of the corporate trustee;

5.2 a certified copy of the memorandum and articles of incorporation or association or other constitutional documents of the corporate trustee including the current register of directors, secretaries, members, beneficial owners and charges and authorised signatory list (with specimen signatures) and a certificate from an officer of the Borrower and Obligor confirming the documents are accurate and up-to-date;

5.3 a certified copy of the certificate of incorporation or registration of the trustee;

5.4 a certified copy of the documents constituting the trust, instruments of appointment of trustee, amending instruments and any ancillary documents relating to the trust;

5.5 resolutions of the trustee approving the terms of the Loan Agreement and any Security, confirming that they are in the commercial interests of the trust and authorising their execution on behalf of the trustee by one or more persons;

5.6 a legal opinion from Skipton's legal advisors on, amongst other things, the capacity of the trustee to enter into the Loan Agreement and the Security, as applicable;

5.7 current and clear bankruptcy, land charges, insolvency, litigation, company and such other searches in respect of each corporate trustee of the Borrower and Obligor, as Skipton shall require.

5.8 Any other documents that Skipton shall reasonably require for "client onboarding" or otherwise

6 Other

6.1 such other authorisations, documents, resolutions, alterations to the constitutional documents of the Borrower and Obligor and other acts required by Skipton to create, perfect, register or complete the Loan Agreement and Security or in connection the performance of the matters contemplated by the Loan Agreement and Security;

6.2 evidence that any pre-existing security over the Property or any other assets that Skipton is taking security over in respect of the Loan has been, or will be, discharged on the drawdown date;

6.3 receipt of all information required by Skipton to enable it to comply with all "know your customer" or similar identification procedures under all appliable laws and regulations, including proof of funds (as applicable) in respect of each Borrower and Obligor in such form as is satisfactory to Skipton.

7 Fees

payment of Skipton's legal and other costs, fees (including its arrangement fees) and charges in respect of the preparation, negotiation and completion (and registration where necessary) of this Loan and the Security, of such amount to be notified by Skipton to the Borrower.

8 Special Conditions

evidence of satisfaction of the Special Conditions of the offer outlined within the Mortgage Offer Document which are required to be satisfied prior to drawdown of the Loan.

Schedule 2 – Representations and Warranties

The Borrower represents and warrants to Skipton that:

Corporate Capacity

1 the Borrower is duly incorporated and validly existing under the law of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted;

2 the Borrower has full power and authority to borrow the Loan and to enter into, deliver and perform the obligations under the Loan Agreement and Security and has taken all necessary action and obtained all requisite authorisations to duly authorise their execution and performance;

3 the Loan Agreement and the Security constitute the legal and binding obligations of the Borrower enforceable in accordance with their respective terms;

4 the Borrower's execution of its borrowing, the performance of its obligations and the exercise of any of the Borrower's rights under the Loan Agreement and the Security do not and will not:

4.1 infringe any law applicable to it

4.2 be in contravention of the Borrower's constitutional documents;

4.3 not cause any borrowing, securing or similar limit binding on the Borrower to be exceeded;

4.3 not cause any borrowing, securing or similar limit binding on the Borrower to be exceeded;

4.4 result in any breach of any agreement or obligation binding on the Borrower or any of the Borrower's assets; or

4.5 result in the existence of, nor oblige the Borrower to create, any Encumbrance (other than in favour of Skipton) over the Borrower's assets, present or future;

No Prior Security etc.

5 the Mortgage has or will have first ranking priority and there are no Encumbrances or prior ranking security affecting the Property or any other of the assets of the Borrower other than those (if any) specified in the Mortgage Offer Document;

Litigation etc.

6 no Event of Default or potential Event of Default has occurred and is continuing;

7 there are no legal or other proceedings (including any Insolvency Event) pending or threatened before any court, tribunal, commission or other regulatory authority involving the Borrower or any of its officers or assets nor to the best of the Borrower's knowledge do any circumstances exist that are likely to give rise to any such proceedings;

Works to Property

8 all works undertaken or to be undertaken in respect of the Property have been or in the case of ongoing or future works shall be carried out in compliance with the terms of all required licences, approvals and consents issued by the relevant authorities, landlord (if applicable) and all applicable laws and regulations (including environmental laws and regulations);

Title to Property

9 the Borrower is, or will be on drawdown, the sole legal and beneficial owner of, and has good unencumbered and marketable title to the Property, and such property has been acquired for good and valuable consideration, and not at an undervalue;

Security over Company Shares

10 where the Security to be provided to Skipton includes security ('Share Security') to be granted by the Borrower or an Obligor over shares in the Borrower or any other company (the 'Collateral') :

10.1 subject only to the Share Security in favour of Skipton, it shall procure that the Obligor is and will remain the sole legal and beneficial owner of the Collateral;

10.2 subject only to the Share Security in favour of Skipton, the Collateral is free from any encumbrance, security interest, lien, charge, set-off right or otherwise;

10.3 the Borrower and/or Obligor (as the case may be) duly incorporated and validly existing under the laws of their place of registration or incorporation with power and authority to conduct its activities and to enter into, perform and deliver the Share Security and that it has taken all necessary corporate action as may be required to authorise it to enter into, perform and deliver, and to create any security interest under the Share Security;

10.4 there are no proceedings or claims presently in progress, pending or threatened against the Borrower or the Obligor before any court, tribunal or arbitration or other authority, which might by itself or together with any other such proceedings or claims affect the business, assets or condition of the Borrower or affect the ability of the Borrower or the Obligor to observe its obligations under the Share Security;

10.5 neither the Borrower nor the Obligor is unable to pay its debts when they fall due or is otherwise insolvent for the purposes of applicable law and will not become so as a result of entering into the Share Security;

10.6 the Collateral is fully paid up and there are no moneys or liabilities outstanding or payable in relation thereto;

10.7 the Collateral is not subject to any options to purchase, warrants, pre-emption or similar rights;

10.8 the Collateral constitute the entire issued share capital of the Borrower or other company over which security has been taken;

10.9 the obligations arising under the Share Security constitute legal, valid and binding obligations of the Obligor, enforceable in accordance with their respective terms;

10.10 the execution, delivery and performance by the Obligor of the Share Security does not, and will not breach or cause a default under or in any other way conflict with:

(i) any terms of the Borrower and/or s memorandum and articles of incorporation or other constitutional documents; and

(ii) any agreement or other instrument binding on the Borrower and/or the Obligor or any of their assets;

10.11 no governmental or regulatory approval, filing or registration is required in order to give Skipton the full benefit of a first ranking security interest over the Collateral;

10.12 any security interest duly created under the Share Security will be recognised as a first ranking right of security over the Collateral by way of security for the Loan in any insolvency of the Borrower and/or Obligor;

10.13 all resolutions, approvals required by the directors or shareholders of the Borrower and/or Obligor (as the case may be) in order for the Obligor to create any security interest under the Share Security have been duly passed, given or obtained;

10.14 save as provided in the Share Security or the Loan Agreement, there are no restrictions imposed by the Borrower upon the voting rights attaching to, or upon the transferability of, the Shares;

10.15 the Borrower shall procure that the board of directors of the Borrower, will upon the request of Skipton, forthwith register Skipton and any purchasers of the Collateral as shareholders of the Borrower and issue share certificates in respect thereof;

10.16 it shall procure that the Obligor shall not sell, transfer, assign, deal or otherwise dispose of the Collateral or the benefit of the Obligator's interest in the Collateral or to agree to do the same without the prior written consent of Skipton;

10.17 it shall procure that the Obligor shall not assign or otherwise create any security interest, charge, lien, right of set off or other encumbrance affecting the Collateral without the prior written consent of Skipton;

10.18 it shall and shall procure that the Obligor shall promptly pay all calls, instalments or other payments due from time to time in respect of the Collateral and if it fails to do so, Skipton may elect to make such payments on behalf of the Obligor. Any payments made by Skipton shall be repayable on demand by the Obligor to Skipton together with all costs and expenses incurred by Skipton;

10.19 it shall not and shall procure that the Obligor shall not do or cause or permit to be done anything which in Skipton's reasonable opinion may in any way adversely affect any security interest or interests created pursuant to the Share Security or Loan Agreement or prejudice the value of the security created, and without limitation it shall procure that without the prior consent of Skipton:

(i) no further shares or other securities are issued by the Borrower to any person; and

(ii) no change is made to the memorandum or articles of incorporation of the Borrower or to the terms of issue of, or any rights attaching to, any of the Collateral;

10.20 it shall and shall procure that the Obligor shall promptly to give to Skipton copies of any notices or other communication received by it with respect to the Collateral;

10.21 it shall and shall procure that the Obligor shall promptly to provide, or procure the provision of, such operational, financial and other information relating to the Borrower as Skipton may from time to time require;

10.22 it shall procure that the Obligor shall remain liable to observe and perform all of the other conditions and obligations assumed by it or which a shareholder of the Borrower is bound in respect of any of the Collateral; and

10.23 Skipton shall not be required to perform or fulfil any obligation of Obligor in respect of the Collateral or to make any payment, or to make any enquiry as to the nature and sufficiency of any payment received by it or the Obligor, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been entitled or to which it may be entitled to under the Share Security or the Loan Agreement at any time or times.

Provision of Information

11 all information provided by or on behalf of the Borrower to Skipton for the purpose of obtaining the Loan was true, complete and accurate and not misleading in all material respects at the time it was provided and remains so at the date of the Loan Agreement;

Financial Statements

12 the most recent financial statements (if any) provided by or on behalf of the Borrower to

Skipton was prepared in accordance with UK GAAP (or similar accounting principles) and give a true and fair view of the financial state of affairs of the Borrower and disclose all liabilities and unrealised or expected losses of the Borrower during the relevant accounting period ;

13 since the date to which the most recent financial statements (if any) provided to Skipton were prepared, the Borrower has not incurred (other than in the ordinary course of trading) any material liability (actual or contingent) and there has been no material adverse change in the business, assets, financial condition, trading position or prospects of the Borrower;

14 the Borrower has and shall continue to file all statutory filings required to be made with the registrar of companies and all such other relevant bodies within the required timeframes;.

Obligors

15 each Obligor has the necessary ability and/or power and authority to execute and observe its obligations under the Security (as applicable) all of which constitute its valid and binding obligations and no Obligor is or would be in breach of any laws applicable to it or contractual arrangement of whatsoever nature by reason of its execution and performance of the Security

16 Conduct and Corporate Filings etc

the Borrower:

16.1 carries on its business in the normal course, in accordance with all applicable laws and regulations, and remains validly incorporated, in existence and duly registered under its relevant laws of the jurisdiction it is incorporated in;

16.2 is solvent and able to pay its debts as they fall due and has made and all filings on or before their date with, and obtained all authorisation from, the registrar of companies (or equivalent), regulatory, governmental or similar body, or the taxation authority of the competent jurisdiction and will continue to make all such filings promptly as and when they fall due;

Non-regulated Loan

17 the Borrower understands and accepts that:

17.1 in providing the Loan, Skipton shall not be construed as carrying on any activity which is regulated in the United Kingdom and Skipton will not be required to take any action or accede to any request of the Borrower to the extent that such action or accession may cause Skipton to be carrying on an activity which is regulated in the United Kingdom; and

17.2 the Loan agreement is not a "regulated agreement" for the purposes of the Lending, Credit and Finance (Balliwick of Guernsey) Law 2022.

Schedule 3 – Property covenants

The Borrower covenants to Skipton that:

1. the Borrower will, or will procure that the Obligor will insure and keep insured the Property (or where the Property is leasehold and insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps the Property insured or, if and to the extent that the landlord does not do so, the Borrower or the Obligor (as applicable) will itself insure and keep insured the Property) against loss or damage by fire, flood, subsidence, loss of rent for a period of at least 3 years and any other risks and perils as a

reasonably prudent person would insure against or as shall reasonably be required by Skipton with a reputable insurer on terms appropriate for a property that is let ad as are reasonably acceptable to Skipton, for a sum insured to cover the full reinstatement value of the Property (being at least such sum as Skipton shall specify), with Skipton's interest noted;

2 the Borrower will promptly provide to Skipton a copy of the insurance policy in respect of the Property upon Skipton's request at any time (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease);

3 the Borrower will pay or procure that all premiums in respect of the Property insurance promptly and shall ensure that the Borrower, the Obligor or any tenants or occupiers at the Property shall not do or omit to do or permit to be done or omitted any act or thing that may invalidate or otherwise prejudice the insurance policy for the Property.

4 the Borrower will, or will procure that, all monies payable or received by the Borrower or Obligor under any insurance for the Property shall be paid immediately to Skipton or if not paid directly to Skipton be held, pending such payment, by the Borrower or the Obligor on trust for the benefit of Skipton;

5 where the Property is leasehold, the Borrower shall or shall procure that all rents and other sums due from time to time under the applicable lease are paid duly and punctually;

6 the Borrower shall pay or shall procure payment of all rates, taxes, duties, assessments and other outgoings relating to or imposed on the Property or on its occupier as they fall due;

7 the Borrower will, or will procure that the relevant Obligor will, put and maintain the Property (including all fixtures and fittings) in good and substantial repair and condition and will not allow the Property to lapse into a state of disrepair;

8 the Borrower shall not or will procure that the relevant Obliger shall not without the prior written consent of Skipton make or permit to be made any alterations to the Property;

9 the Borrower will, or will procure that the relevant Obligor will, ensure that the electrical and gas installations at the Property meet all current regulatory requirements and that all necessary certificates are obtained and renewed when necessary;

10 the Borrower will procure that if any furnishings are let or otherwise left at the Property during any tenancy, they fully comply with all fire and safety regulations;

11 the Borrower will not, and will procure that the relevant Obligor will not, allow any Encumbrance to be created over, nor sell lease or otherwise part with possession or occupation of the Property or any interest in the Property without the prior consent of Skipton;

12 any occupation of the Property by a tenant will be subject to an assured shorthold tenancy agreement, in a form that complies with Property Letting requirements, which are available from Skipton upon request, and otherwise in accordance with the requirements of the Loan Agreement, Security and all other applicable laws and regulations. The Borrower must provide a copy of any tenancy agreements to which the Property is subject upon request by Skipton;

13 any tenancy agreement to which the Property is subject must contain:

13.1 clauses setting out, amongst other things, the amount of rent payable, provision for its periodic review, the term of the proposed lease, the right of re-entry by the Borrower or the relevant Obligor in the event of non-payment of rent or breach of covenant, and additional suitable covenants regarding maintenance and repair of the Property. No

premium shall be payable by the tenant or licensee;

13.2 clauses ensuring that the tenant or licensee is aware of Skipton's interest in the Property and deferring to all of Skipton's rights in the event of enforcement of the Mortgage; and

13.3 any other terms requested by Skipton from time to time.

14 the Borrower will do and cause to be done all things necessary or expedient for the protection, enforcement or maintenance of any rights or interest of Skipton in the Property, including, amongst other things, the right to enter and take possession of security upon default;

15 the Borrower must not enter or allow a tenant of the property to enter into any Green Deal finance arrangement without the written agreement of Skipton and must:

15.1 comply with the Planning Acts and the Environment Acts;

15.2 comply promptly with any notice or order under the Planning Acts or Environment Acts (unless reasonably requested by Skipton to act otherwise);

15.3 give full particulars in writing to Skipton within seven days of receipt of any notice, order or proposal for a notice or order under the Planning Acts or Environment Acts and, where requested, produce the notice, order or proposal to Skipton;

15.4 make, or join with Skipton in making, at the Borrower's own expense such objections or representations against or about any notice, order or proposal under the Planning Acts or Environment Acts as Skipton reasonably requests;

15.5 not create any circumstances which could lead to the issue of an Environmental Notice;

15.6 immediately notify Skipton in writing if the Borrower becomes aware of any circumstances which may lead to the issue of an Environmental Notice or if an Environmental Notice is issued, and in either case provide written details of the steps the Borrower intends to take to remedy those circumstances or comply with the Environmental Notice; and

16 the Borrower will satisfy the Special Conditions of the offer outlined within the Mortgage Offer Document in form and substance satisfactory to Skipton (to the extent not satisfied as a condition to drawdown of the Loan).

SKIPTON
INTERNATIONAL

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

PO BOX 509, TUDOR HOUSE, THE BORDAGE,
ST PETER PORT, GUERNSEY, GY1 6DS, GREAT BRITAIN

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