

Private and Confidential

A N Other
Any Street
Anytown

Danske Bank
Belfast Business Centre
1st Floor
Donegall Square West
Phone: 02890 045000
Website: www.danskebank.co.uk

4 August 2023

IMPORTANT

THE BANK DOES NOT GIVE ANY INVESTMENT, FINANCIAL, TAXATION, LEGAL OR OTHER ADVICE.

THE BORROWER MUST BE SATISFIED THAT THE LOAN FACILITY AND THE RATE OF INTEREST ARE SUITABLE FOR THE BORROWER.

PLEASE ENSURE THAT THE BORROWER UNDERSTANDS THE LOAN TERMS (INCLUDING THE PROVISION THAT THE BANK CAN VARY THE INTEREST RATE THAT APPLIES DURING THE TERM OF THE LOAN.

IN CERTAIN CIRCUMSTANCES WE CAN REPLACE THE INTEREST REFERENCE RATE WITH A DIFFERENT INTEREST REFERENCE RATE – WE WILL, WHERE IT IS POSSIBLE TO DO SO, GIVE YOU NOTICE OF THIS IN WRITING.

NOTE:

THIS IS AN IMPORTANT LEGAL DOCUMENT. ONCE THE BORROWER HAS SIGNED IT THE BORROWER WILL BE BOUND BY ITS TERMS. WE STRONGLY RECOMMEND THAT THE BORROWER OBTAINS ADVICE FROM A SOLICITOR AND AN INDEPENDENT FINANCIAL ADVISER BEFORE THE BORROWER SIGNS THIS DOCUMENT.

Dear **Customer**

I am pleased to advise that, subject to the following conditions Northern Bank Limited trading as Danske Bank (“the Bank”) agrees to advance GBP 10,000 (**ten thousand pounds**) by way of Term Loan (“the Loan”) to **A N Other** (“the Borrower”) to be used to **purchase car**.

The Loan will be repayable over 5 years by monthly instalments of GBP 223.84 subject to the following:

Once during each year (on or about the anniversary of the drawdown of the Loan) until the Loan is repaid in full and as hereinafter provided the Bank will review the amount of the repayment instalments.

The Borrower may approach the Bank at any time and request the Bank to alter the amount of the repayment instalments provided that the term of the Loan does not exceed 5 years and that the Bank will not be obliged to agree to any alteration in the repayment instalments. The Borrower has the option of repaying the outstanding balance including interest and charges at any time during the term of the Loan

Interest

The rate of interest is to be 7.00% (“the Margin”) over Danske Bank Reference Rate (UK) from time to time in force. Danske Bank Reference Rate (UK) is presently 5.25% and is subject to change by the Bank. Danske Bank Reference Rate (UK) is our own interest reference rate that we set ourselves. It will typically align with the Bank of England Bank Rate, but may vary from that rate. You should not expect it to fall below zero even if the Bank of England Bank Rate does. Changes in the Bank’s Reference Rate are advertised in the press and in our branches.

The Bank’s right to vary the Margin

As the Loan is a variable rate loan then the Bank also reserves the right to vary the Margin over Danske Bank Reference Rate (UK) that is applied to the Loan. The Bank will only increase the Margin where one or more of the following circumstances applies:

- If it is of the opinion that there has been a change in the criteria on which the original Margin was based;
- To enable it to maintain the competitiveness of interest rates paid to its depositors or the providers of funds to it;
- To manage margins between interest rates paid to its depositors or the providers of funds to it, in the interests of its business as a whole;
- To reflect changes in costs which it has incurred or in its financial strength;
- If it is reasonable to make the change following a decision or recommendation made by a court, regulatory body or as a result of a change (or anticipated change) in the law or the interpretation of the law.

The Bank may also increase the Margin as set out under the heading “Additional Terms and Conditions.”

Except where the Borrower is a Corporate Opt-out Customer the Bank will give the Borrower at least two months’ notice in writing before the increase takes effect. If the Borrower is a Corporate Opt-out Customer the Bank will give the Borrower at least 30 days’ notice before the increase takes effect. If the Borrower does not

object to the change before the end of the notice period then the Borrower will be deemed to have accepted the change. If the Borrower objects to the change then the Borrower must advise the Bank in writing before the end of the notice period and the Borrower can then end the Loan agreement by repaying the amount outstanding together with interest and charges before the end of the notice period. The Borrower will not have to pay any extra charges if the Loan is repaid before the end of the notice period.

If the Bank decreases the Margin it will do so immediately and notify the Borrower of the change in the next Account statement.

The Bank's right to replace the Interest Reference Rate

In the event of an Interest Reference Rate Replacement Event, the Bank will, where it is possible to do so, give the Borrower at least two months' notice in writing that the Interest Reference Rate will be replaced by the Replacement Interest Reference Rate together with the date it will take effect. The Borrower acknowledges that if the Interest Reference Rate is replaced, this may also impact on the Interest Period, the Lending Margin, the repayment arrangements and any related provisions in this Facility Letter. The Bank will notify the Borrower of any such impacts at the same time as it notifies the Borrower of the Replacement Interest Reference Rate. The Bank does not need the Borrower's consent to introduce the Replacement Interest Reference Rate. If the Borrower objects to the replacement of the Interest Reference Rate with the Replacement Interest Reference Rate then the Borrower must advise the Bank in writing before the end of the notice period and the Borrower can then end the Loan by repaying the Loan together with interest and any outstanding charges before the end of the notice period.

The Bank does not need the Borrower's consent to introduce the Replacement Interest Reference Rate.

Interest on the Loan will be calculated on a day to day basis from the date the Loan is made and will be charged to the Loan **quarterly** in arrears on each of the dates in each year in which the Bank usually charges interest and also on demand by the Bank for repayment of the outstanding balance and on final repayment.

Where cheques or amounts are credited to an overdrawn account, the balance will not take into account these credits until they are cleared.

The Bank reserves the right to increase or decrease the amount of the instalments to take account of any changes which may occur in the Danske Bank Reference Rate (UK) or the rate of interest applicable to the Loan and to ensure as far as possible that the Loan will be repaid over the period specified. The Borrower will be advised of any changes in the instalments which will be effective from the next scheduled instalment date after the Bank has issued the advice.

Instalments shall be effected by automatic transfer from the Borrower's Current Account number **950121 XXXXXXXX** ("the Current Account").

Following any demand by the Bank for repayment of the outstanding balance, interest will continue to accrue on the amount so demanded at the same rate and in the same manner as set out above until payment in full is

received by the Bank. Interest will continue even after a Court Judgement has been obtained.

The interest element will be included in the instalments mentioned above but it is not intended to alter the amount of the instalment each time rates change. Full provision therefore may not have been made.

The Bank may, but without being under any obligation to do so, at any time set off any liability of the Borrower to the Bank against any liability of the Bank to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Facility Letter. If the liabilities to be set off are expressed in different currencies, the Bank may convert either liability using the Danske Bank Exchange Rate (UK) for the purpose of set-off. Any exercise by the Bank of its rights under this clause shall not limit or affect any other rights or remedies available to it under this Facility Letter or otherwise.

No set-off will be allowed against any credit balances which the Borrower may have with the Bank for the purpose of calculating the interest due on the Loan.

Collateral

The Loan is not a Regulated Mortgage Contract as described in the Financial Conduct Authority's Mortgages: Conduct of Business Sourcebook and is not secured by any legal charge / Standard Collateral which, but for this paragraph, would make it a Regulated Mortgage Contract.

The Bank reserves the right from time to time to obtain a Professional Valuation of any property provided as collateral. Such Professional Valuation shall be prepared by a valuer approved by the Bank and conducted at the Borrower's expense.

The Borrower will at all times keep all properties over which collateral has been taken by the Bank in good order and repair. The Bank's officials or agents will have access to inspect such properties at any time provided the Bank has given the Borrower reasonable advance notice of its intention to inspect them. The Borrower will keep the properties and other insurable assets fully insured by an insurer that is regulated by the Financial Conduct Authority.

Charges

An Arrangement Fee of GBP 125 will be debited to the Current Account upon acceptance of this facility.

Without prejudice to the provisions of this Facility Letter under the heading "Default" the Bank reserves the right, in its sole discretion, and in circumstances where the Bank in good faith considers this reasonably necessary, to obtain advice and assistance concerning the business or Affairs of the Borrower from the Bank's internal specialists or from external independent experts. The Bank will advise the Borrower of the reasons why it considers such advice and assistance is required and the Borrower will be responsible for any internal management costs and/or external professional fees. The Borrower will be given 30 days notice of any such

costs and fees before they are debited to the Loan account or the Current Account as the Bank in its sole discretion decides.

Default

Regardless of anything else in this Facility Letter, the Bank will not be under any obligation to make the Loan, and the Loan and interest accrued on the Loan shall become immediately due and payable on demand by the Bank, if any of the following events happen:

- (a) the Borrower does not pay any sum (whether of principal, interest or otherwise) owing under this Facility Letter on the due date for payment;
- (b) the Borrower does not pay any other sum (whether of principal, interest or otherwise) owing to the Bank or any Group Company on the due date for payment;
- (c) The Borrower does not comply with any of the conditions, obligations or covenants, or fails to produce the information required by the Bank (such as annual audited accounts) to test compliance with the conditions, obligations or covenants, contained in this Facility Letter, any guarantee or collateral document or any other agreement between the Borrower and the Bank and the Borrower does not make good that default within seven days after written notice of the default is given by the Bank to the Borrower;
- (d) a distress or execution (or other analogous legal process) is enforced against any of the Borrower's property and is not discharged within seven days or any judgement against the Borrower remains unsatisfied for a period of seven days from the date it is obtained;
- (e) the collateral created by any Mortgage or Charge given by the Borrower becomes enforceable and the holder of that collateral takes steps to enforce it;
- (f) if any indebtedness or obligation of the Borrower for the repayment of monies borrowed from any source shall become due and payable prior to the specified maturity date thereof by reason of default thereunder or is not paid when due;
- (g) the Borrower applies for an interim order under Article 227 of the Insolvency (Northern Ireland) Order 1989 or becomes bankrupt, or proposes to enter into any arrangement or composition for the benefit of his creditors (whether pursuant to any statutory provision or otherwise) or calls a meeting of his creditors in connection with any such arrangement or composition;
- (h) if the Borrower is a company:
 - (i) a petition for the winding-up or administration of the Borrower is presented, or
 - (ii) notice is given or intention to propose a resolution to wind-up the Borrower, or

- (iii) a receiver is appointed over the Borrower's business or property, or
- (iv) any other analogous event occurs.
- (i) the Borrower suspends or ceases, or threatens to suspend or cease, to carry on business or dispose of all or any substantial part of the Borrower's business or (except in the ordinary course or business) assets;
- (j) the Borrower (being an individual) dies or becomes mentally incapacitated;
- (k) the Borrower (or if there is more than one Borrower any one of more of the Borrowers) gives or tries to give, without the Bank's written consent, any mortgage or charge on any property or asset mortgaged or charged to the Bank;
- (l) the Bank reasonably considers that the collateral for the sums owing under this Facility Letter is threatened or at risk;
- (m) in the reasonable opinion of the Bank, the Borrower's circumstances have so changed or its conduct has been such that the Bank has good reason to believe that its lending may be at risk, or such new information has come to light, as would justify the Bank requesting the immediate repayment by the Borrower of the Loan;
- (n) the Borrower gave the Bank any false or misleading information in the application for the Loan;
- (o) if any Guarantor or any third party who has given collateral for the Loan dies during the currency of the Loan or becomes bankrupt or insolvent or enters into any arrangement with his/her or its creditors or withdraws his/her or its Guarantee or any other analogous event occurs.

Transfer and Disclosure of Information

The Bank shall be entitled to disclose to any subsidiary or associate company of the Bank or to the Bank's parent company and its subsidiaries, any information relating to the facilities and any other accounts of the Borrower with the Bank.

Drawdown

The Loan shall be drawn in one amount not later than three months from the date of this Facility Letter (subject to the collateral requirements (if any) of the Bank having previously been completed) and if not so drawn, this offer shall thereupon terminate without prejudice to the Borrower's liability for all fees and costs.

Definitions and Interpretation

If this Facility Letter is addressed to two or more persons (the expression “persons” to include individuals, associations, companies and the partners of a named partnership):

- (a) the expression “the Borrower” will refer to all or any one or more of those persons; and
- (b) the words “you” and “your” will refer to all or any one or more of those persons; and
- (c) each person to whom this Facility Letter is addressed will be liable individually and jointly for all of the obligations of the Borrower under this Facility Letter; and
- (d) the expression “Group Company” will refer to the Bank and any subsidiary or parent company of the Bank and any subsidiary of that parent company

GBP means pounds sterling.

Interest Reference Rate means the Danske Bank Reference Rate (UK) or any Replacement Interest Reference Rate as defined in the section entitled “The Bank’s right to replace the Interest Reference Rate” in this Facility Letter.

Interest Reference Rate Replacement Event means in relation to the Interest Reference Rate:

- (a) the methodology, formula or other means of determining the Interest Reference Rate has, in the opinion of the Bank, materially changed;
- (b) (i) (A) the Bank as administrator of the Interest Reference Rate or its supervisor publicly announces that the Bank is insolvent; or
 - (i) (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative regulatory or judicial body which reasonably confirms that the Bank as administrator of the Interest Reference Rate is insolvent;
 - (ii) the Bank as administrator of the Interest Reference Rate publicly announces that it has ceased or will cease to provide the Interest Reference Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Interest Reference Rate;
 - (iii) the supervisor of the Bank as administrator of the Interest Reference Rate publicly announces that such Interest Reference Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the Bank as administrator of the Interest Reference Rate or its supervisor announces that the Interest Reference Rate may no longer be used; or
- (c) the Bank as administrator of the Interest Reference Rate determines that the Interest Reference Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Bank) temporary; or

- (ii) that Interest Reference Rate is calculated in accordance with any such policy or arrangement for a period no less than 1 month; or
- (d) in the opinion of the Bank, the Interest Reference Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them or any working group or committee sponsored by, or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Interest Reference Rate Event means the interest reference rate which is:

- (a) formally designated, nominated or recommended as a replacement benchmark rate of interest by:
 - (i) the Bank as administrator of the Interest Reference Rate; or
 - (ii) any Nominating Body,
 and if replacements have, at the relevant time, been formally designated, nominated, or recommended by both (i) and (ii) above, the Replacement Interest Reference Rate will be the rate set by the Nominating Body; or
- (b) in the opinion of the Bank, an appropriate successor to the Interest Reference Rate.

Words importing one gender will include all other genders. Words importing the singular will also include the plural and words importing the plural will also include the singular.

Notices and Demands

Any notice or demand by the Bank under this Facility Letter may be signed by any manager or official of the Bank. It will be treated as having been received by the Borrower:

- (a) if delivered by hand or if sent by prepaid letter to the Borrower's address (as stated at the beginning of this Facility Letter or as otherwise notified to the Bank in writing from time to time) or at the Borrower's latest address known to the Bank; or
- (b) if sent by telex or facsimile to the last known telex or facsimile number for this address

A notice or demand will be treated as having been effectively served on the Borrower:

- (a) if delivered by hand, at the time of being left at the Borrower's address (as stated at the beginning of this Facility Letter or as otherwise notified to the Bank in writing from time to time) or at the Borrower's latest address known to the Bank; or
- (b) if sent by first class prepaid letter to an address in the United Kingdom, at the earlier of the time of delivery or 10.00 am on the date after posting; or
- (c) if sent by telex or facsimile, at the time of transmission; or
- (d) in any other case, 72 hours from the time of dispatch

Partial Invalidity

Each provision in this Facility Letter can be separated from each other provision. If at any time any provision of this Facility Letter becomes invalid, illegal or unenforceable, this will not affect any of the other provisions.

The offered facility must be accepted within one month and drawn down within three months from the date of this Facility Letter otherwise the offer will lapse. To accept this offer the Borrower is required to sign the enclosed duplicate copy of the letter and return to:

Belfast Business Centre
1st Floor
Donegall Square West
Belfast
BT1 6JS

Law

This Facility Letter is governed by the laws of Northern Ireland.

Note:

It is important that the Borrower fully understands the consequences of accepting this facility and we strongly recommend that the Borrower takes independent advice before accepting the facility or signing any documents.

Please take time to read this letter carefully and do not hesitate to discuss with the Bank anything the Borrower is not sure about.

Yours sincerely

Name

Name

Title

Title

Payment Authority

I/We authorise the Bank to debit current account number 950121 XXXXXXXX with the amount of the

60 instalments.

Dated

Signed

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Declaration for exemption relating to businesses

(articles 60C and 60O of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001)

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 doubt 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.

**Delete as appropriate*

I/We, the undersigned, accept the offer set out in the enclosed duplicate letter on the terms and conditions mentioned in that letter and I/we agree (where there is more than one of us, jointly and individually) to carry out all of the obligations set out in that letter to be carried out by me/us.

Dated

Signed

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Example