

## Bounce Back Loan Scheme

# Standard terms and conditions - Term loans

### 1. Making the Loan Available

1.1 No drawing will be permitted:

- (a) until all of the requirements set out in this letter and the Special Conditions have been satisfied to the Bank's satisfaction;
- (b) until the Borrower has completed all of the Bank's "know your customer" and anti-money laundering procedures; and
- (c) if an Event of Default has occurred which has not been waived by the Bank.

1.2 The Bank may withdraw this offer at any time before receiving the Borrower's formal acceptance of this offer, before completion of all required formalities, or before the first drawing.

1.3 Unless the Borrower agrees otherwise, the Bank will provide the Loan on the business day following the Bank's receipt of the signed loan facility letter. If the Loan is not to be fully drawn, the amount requested to be drawn under the Loan will be subject to the Bank's prior agreement.

1.4 If no drawing of the Loan has been made prior to the expiry of six months from the Offer Date this agreement will terminate.

1.5 All sums advanced to the Borrower pursuant to the Loan for a specific purpose (as stated in this letter) shall be held on trust for the Bank until they are used for that purpose.

### 2. Repayment

2.1 The Loan must be repaid as specified in this letter.

2.2 The Bank may debit repayment instalments to any account held by the Borrower with the Bank. The Bank may also debit such other amount(s) as the Bank may notify to the Borrower from time to time is necessary to ensure that the Loan is repaid in full together with interest and other sums accrued by the Expiry Date.

2.3 Notwithstanding any other provision of this letter, any outstanding amount of the Loan shall be repaid in full together with all amounts due, owing or incurred under this letter, on the Expiry Date.

2.4 Any amount repaid or prepaid in respect of the Loan before its Scheduled Repayment Date will be used to repay the Borrower's obligations and liabilities under or in connection with this letter in such order as the Bank shall determine.

2.5 No amount repaid or prepaid in respect of the Loan may be redrawn.

### 3. Early Repayment and Cancellation

The Borrower may repay the whole or any part of the Loan early at any time. The Borrower shall pay all interest accrued after the first 12 months of drawdown in respect of the amount repaid or cancelled on the date of such repayment (or cancellation).

### 4. Events of Default

4.1 The occurrence of any of the following shall be an "Event of Default":

- (a) non-payment of any sum payable by the Borrower to the Bank when due;
- (b) breach by the Borrower of any provisions of this letter;

- (c) the Borrower is in default under the terms of any other borrowing facility (whether or not maintained with the Bank);
- (d) in the opinion of the Bank, control (directly or indirectly) of the Borrower or any owner of the Borrower changes without the prior written consent of the Bank;
- (e) the Borrower disposes of all or substantially all of its business or assets;
- (f) the Borrower admits that it is, or is declared to be or deemed to be, unable to pay its debts when due;
- (g) any steps are taken to wind up or dissolve the Borrower or to appoint a liquidator, trustee, receiver, administrator, trustee in bankruptcy or similar officer to the Borrower or any part of its undertaking or assets;
- (h) the Borrower takes any steps with a view to entering into a voluntary arrangement with its creditors;
- (i) possession is taken over any material assets of the Borrower;
- (j) any court order is made which adversely affects the whole or a material part of the assets of the Borrower;
- (k) there is any change in the identity of the directors or partners (as appropriate) of the Borrower without the prior written consent of the Bank;
- (l) if the Borrower is an individual, that individual dies or ceases to have capacity; or
- (m) in the opinion of the Bank, there occurs any material adverse change in the financial condition of the Borrower after the date of this letter, or the ability of the Borrower to comply with its obligations under this letter, or the ability of the Bank to enforce the terms of this letter (or any related rights or remedies).

4.2 If an Event of Default occurs, the Bank may:

- (a) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under this letter be immediately due and payable, at which time they shall become immediately due and payable;
- (b) declare that all or part of the Loan be payable on demand, at which time that amount shall immediately become payable on demand by the Bank;
- (c) charge a fee to the Borrower representing the cost to the Lender of the additional monitoring of the Borrower and its financial position; and/or
- (d) disclose information about the Borrower and its account to licensed credit reference agencies (which may negatively impact the Borrower's ability to obtain credit in future).

### 5. Payments

- 5.1 All payments under this letter shall be made in sterling, in immediately available funds during normal banking hours.
- 5.2 If any payment is due on a day which is not a Business Day, it shall be made on the next day which is a Business Day. For the purposes of this letter a "Business Day" means any day (other than a Saturday or Sunday or a public holiday in England) on which the Bank's head office is open for business.

- 5.3 The Borrower shall pay all sums without any set-off or counterclaim and (unless required otherwise by law) free of and without any deduction or withholding. If the Borrower is required by law to make any deduction or withholding from any payment to the Bank then the Borrower will immediately pay to the Bank such additional amount as will result in the Bank receiving the full amount it would have received had no such deduction or withholding been required.
- 5.4 The Bank may without further notice to the Borrower debit any amount due under this letter (whether by repayment, interest, indemnity, fees, transmission or other charges or otherwise) to a current account maintained by the Borrower at the Bank.
- 5.5 All amounts payable under this letter or any related documents shall be deemed to be exclusive of VAT. Where VAT is chargeable, the Borrower shall pay to the Bank an amount equal to the amount of such VAT.

## 6. Interest

- 6.1 The interest which accrues from day to day on the balance of the Loan shall be added to the Loan monthly on the Bank's usual charging date (as at the date of this letter, this is the 5th day of each calendar month, but this date could be changed by the Bank from time to time). This means that the amount of the Loan, on which interest will accrue and be payable, will increase on each such charging date by the amount of interest which is added (unless the Bank advises the Borrower otherwise). The Bank's usual charging date may not be the same as a Scheduled Repayment Date, particularly if repayments are to be made quarterly. All determinations made by the Bank for the purposes of calculation or payment of interest shall be conclusive except in the case of a manifest error.
- 6.2 Throughout this letter, amounts which are to be calculated on a per annum basis shall be calculated on the basis of a year of 365 days and the actual number of days elapsed (and, for the avoidance of doubt, shall be charged for 366 days in a leap year accordingly).

## 7. Charges and Indemnities

- 7.1 The Borrower will pay to the Bank on demand on a full indemnity basis all fees, costs, charges and disbursements (including without limitation professional and legal fees) as and when they are incurred by or on behalf of the Bank in connection with the Borrower and/or the Loan following acceptance of this offer, irrespective of whether or not the Loan or any part of it is drawn, including without limitation in taking steps to obtain repayment of the Loan, enforce any security or otherwise protect the Bank's position ("Enforcement Expenses").
- 7.2 The Borrower shall indemnify the Bank in full against any cost, damage, interest or other liability incurred by the Bank in connection with any Event of Default.

## 8. Information

- 8.1 During the subsistence of this facility the Borrower will supply the Bank with any information it shall reasonably require in connection with the Borrower's affairs.
- 8.2 In addition the Borrower shall supply:
- a copy, in a form consistent with prior years, of the certified annual accounts (audited where appropriate) (in both single Borrower and, where appropriate, consolidated format) as soon as they are available and in any event not more than 180 days from the end of each statutory financial accounting period of the Borrower;
  - management accounts, in a form satisfactory to the Bank, at such times and relating to such periods as the Bank may specify from time to time;
  - all documents and information needed to comply with the Bank's account opening, "know your customer" and anti-money laundering requirements; and
  - on request by the Bank, evidence of the insurance cover held by the Borrower in respect of its business and assets.

- 8.3 Affordability of the Loan has been assessed on the financial information provided at the time of the Borrower's application. Should this information materially change over time the Borrower's ability to make payments in respect of the Loan may be affected.

If the Borrower experiences any changes to its circumstances it must advise the Bank at the earliest opportunity.

- 8.4 Prior to drawdown of the Loan, and periodically after drawdown, the Bank will be required to undertake customer due diligence checks. These checks are required to ensure that the Bank complies with anti-money laundering regulations and other, similar, requirements of the regulatory organisations which supervise and/or monitor the Bank. The Borrower shall promptly provide such information as the Bank may request in connection with such due diligence checks.

## 9. Disclosure

- 9.1 The Borrower consents to the disclosure by the Bank of any information about the Borrower, the Loan, this letter and/or any related documents to:
- any person to whom the Bank has transferred, or proposes to transfer, all or any part of its rights under this letter and to any rating agencies and any advisers to the Bank in connection with such transfer;
  - any person with whom the Bank has entered into, or proposes to enter into, any contractual arrangements in connection with this letter;
  - any affiliate of the Bank or any subsidiary of the Bank from time to time, or any of its or their agents;
  - any insurer who is to or who proposes to provide insurance to the Bank in respect of the Loan; and/or
  - any other person to whom, and to the extent that, such information is required to be disclosed by any applicable law or regulation.
- 9.2 The Bank may disclose information about the Borrower's account(s) to any affiliate of the Bank, their authorised agents and credit reference agencies (including to credit reference agencies where the Small and Medium Sized Business (Credit Information) Regulations 2015 apply) for credit assessment, fraud prevention, processing of transactions, debt recovery and general business purposes and to let the Borrower know of any products or services which may be of interest to the Borrower.
- 9.3 We may also use your name and address for marketing purposes if you have given us permission to do so.
- 9.4 If the Borrower has used any broker or other third party agent in relation to obtaining the Loan, it may request details of any fee paid by the Bank to that party.

## 10. Environmental Undertakings

- 10.1 The Bank reserves the right to instruct independent environmental specialists, acceptable to the Bank, to undertake any tests, enquiries or other investigations and to produce such reports, to be addressed to the Bank, which in the opinion of the Bank in its sole discretion are considered as being necessary in connection with the Loan.
- 10.2 The Borrower shall indemnify the Bank in full against any cost, damage, interest or other liability incurred by the Bank in connection with this letter, as a result of the operation of any law, statute, derivative legislation, treaty, regulation, directive, code or other measure of a relevant jurisdiction imposed by any government, statutory or regulatory body with regard to the pollution or protection of the environment or to the protection of human health or the health of other living organisms supported by the environment. The Borrower shall indemnify the Bank whether or not the relevant cost, damage, interest or other liability has been the subject of legal proceedings.

This indemnity extends to all matters past, present and future and extends to the costs of obtaining any expert reports that the Bank considers is or are required.

10.3 The Borrower undertakes to ensure that all environmental and operational permits and authorities required for the purpose of carrying out the Borrower's business are obtained and maintained, to provide these to the Bank as requested, and to advise the Bank of any government or statutory regulatory body's intention not to renew, or to revoke, any necessary permits and authorities.

## 11. Notices

11.1 All notices to be sent pursuant to this letter must be in writing and sent by hand or by facsimile and/or first class post to the Borrower or the Bank (as the case may be) at the address shown at the head of this letter (or such new address as may be notified by one party to the other party).

11.2 If an email address is specified in this letter for the Bank and/or the Borrower, notices may also be served on that party by email.

11.3 Notices by facsimile or email shall be deemed to be received on the day on which they are transmitted if sent before 5.00pm (London time) on a Business Day, or otherwise at 9.00am (London time) on the next Business Day, and in any event provided that evidence of transmission is received and additionally, in the case of any email sent to the Bank, when receipt of that email is acknowledged by the Bank. Notices sent by hand shall be deemed to be received on the day they are delivered (if that day is a Business Day) if delivered before 5.00pm (London time) or otherwise on the next Business Day. Notices sent by first class post provided they are correctly addressed and stamped shall be deemed to be delivered on the second Business Day following the day on which they are posted.

11.4 Notices sent to or received by any person comprising the Borrower (including any trustee or partner) shall be deemed to be sent to or received by all persons comprising the Borrower and reference to the Borrower shall be a reference to each and all persons comprising the Borrower.

## 12. Set-Off

12.1 The Bank may (but shall not be obliged to) at any time:

- (a) set off any obligation which is due and payable by the Borrower and unpaid or any contingent obligation from the Borrower against any obligation (whether or not matured) owed by the Bank to the Borrower, regardless of the place of payment, booking branch or currency of either obligation; and/or
- (b) combine the Borrower's accounts.

12.2 Unless an Event of Default has occurred which has not been waived by the Bank, the Bank shall provide reasonable notice to the Borrower prior to exercising its rights of set-off.

## 13. Negative Undertakings

The Borrower will not, whilst the Loan or any part of it remains to be paid:

- (a) create, extend or permit to subsist any mortgage, charge, pledge, lien, encumbrance or security interest whatsoever over the whole or any part of its undertaking or assets, present or future, including uncalled capital;
- (b) dispose of the whole or any substantial part of its business or assets;
- (c) make any material change in the nature of its business;
- (d) borrow money from anyone other than the Bank;
- (e) give a guarantee to anyone other than the Bank; or
- (f) amend, vary or replace any of its constitutional documents, governing documents, trust deed or partnership deed (as appropriate),

in each case without the prior written consent of the Bank.

## 14. Positive Undertakings

The Borrower will, whilst the Loan or any part of it remains to be repaid:

- (a) deliver or procure the delivery of all deeds and documents and do or procure the doing of all acts and things as are necessary or which the Bank may require to perfect or protect its rights under this letter or any related security or guarantee;
- (b) comply with all laws and regulations that apply to it;
- (c) keep the assets it needs to carry out its business in good condition;
- (d) keep its business and assets insured at all times with reputable insurers against risks that are usual for the type of business the Borrower operates or against risks for which the Bank requires that insurance be held;
- (e) pay its taxes as they fall due; and
- (f) comply with the Bank's ethical policy (which is available on the Bank's website).

## 15. No Waiver

No failure or delay by the Bank in exercising any right, power or remedy available to it under this letter shall impair the same or operate as a waiver of the same, nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided in this letter are cumulative and not exhaustive of any rights and remedies provided by law.

## 16. Further Assurance

The Borrower shall execute all such documents and do all such things as may be required by the Bank to give effect to or render valid or enforceable this letter or any Security Document or any provision of them or as evidence of such validity or enforceability of or approval of this letter.

## 17. Partnerships, charities, trusts, etc.

17.1 If the Borrower is a partnership or a trust then the Borrower must notify the Bank if a new partner joins the partnership or if a new trustee is appointed.

17.2 If the Borrower is a charity, the Bank may request at any time (and the Borrower must promptly provide) copies of the governing documents of the charity and/or copies of any advice given to the trustees in connection with the exercise of the charity's powers to borrow.

## 18. Jurisdiction

This letter is governed by English law and the Borrower submits to the non-exclusive jurisdiction of the English courts.

## 19. Unlawfulness

If the Bank considers that any payment or utilisation of the Loan is, or may be, unlawful, then the Bank shall be entitled to refuse such payment and/or, at the Bank's discretion, require repayment of the whole of the Loan and the Bank may, by notice in writing in such circumstances, cancel this facility.

## 20. European Union, etc.

If the United Kingdom's relationship with the European Union changes, or the currency of the United Kingdom or any country within the United Kingdom changes, or there is a change to the composition of the United Kingdom, this letter will, to the extent the Bank (acting reasonably) specifies to be necessary, be amended to reflect the relevant change and otherwise to comply with any generally accepted conventions and market practice following such change.

## 21. Sanctions and Bribery

21.1 The Borrower will not directly or indirectly use the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds to any person:

- (a) to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target of sanctions; or

(b) in any other manner that would result in a violation of sanctions by any person (including any person participating in the Loan, whether as underwriter, advisor, investor or otherwise).

21.2 The Borrower shall not directly or indirectly use the proceeds of the Loan for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

## 22. General

22.1 The Bank may, without the consent of the Borrower, assign, transfer, or otherwise dispose of the whole or any part of its rights or benefits under this letter. The Borrower shall not assign, transfer or otherwise dispose of all or any part of its rights, benefits or obligations under this letter.

22.2 Without prejudice to the Bank's right to assign pursuant to the above clause, the terms of this letter are not intended to confer any rights on any person not being a party to this letter and for the purposes of the Contracts (Rights of Third Parties) Act 1999 no third party consent shall be required to any variation or termination of the terms of this letter.

22.3 The Bank's certificate of any sum due from the Borrower under the terms of this letter shall (apart from obvious mistakes) be conclusive.

22.4 The Bank's standard terms and conditions for bank accounts from time to time are published separately and will govern the operation of the Borrower's accounts with the Bank. If there is any conflict or inconsistency between those terms and any provision of this letter, the relevant provision of this letter shall prevail.

22.5 The Borrower authorises the Bank to accept without any further enquiry any instructions in connection with the Loan signed in accordance with the Bank's usual form of mandate.

22.6 The covenants, undertakings, representations, obligations and liabilities of the Borrower under or in connection with this letter are joint and several

covenants, undertakings, representations, obligations and liabilities of each person comprising the Borrower. Accordingly, without limitation, a breach by one of the persons comprising the Borrower shall constitute a breach by the Borrower (and all such persons).

22.7 To the extent (if any) that any person comprising the Borrower is deemed liable under or in connection with this letter as surety only and not as primary obligor, such liability shall not be affected or discharged by reason of any time or indulgence granted by, variation, release, discharge or exchange agreed by or failure to exercise or enforce rights by the Bank, any change in constitution of or intermediate discharge of obligations by the Borrower, or by any other act, event, omission or matter which, but for this provision, would operate to offer any legal or equitable defence for or impair or discharge such person's obligations as surety.

22.8 The Bank shall be entitled to rely on any notice or communication from any person comprising the Borrower and any such notice or communication shall be binding on all persons comprising the Borrower and the Borrower shall be deemed bound by such notice or communication accordingly.

22.9 This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.

22.10 When interpreting this letter:

- (a) references to "including" shall be construed without limitation;
- (b) references to a "person" shall include a natural person, a corporate and any other legal entity;
- (c) references to statutes or regulations are as updated from time to time; and
- (d) references to the singular include the plural.

## Please Call 03457 213 213\* if you would like to receive this information in an alternative format such as large print, audio or Braille

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No.121885). The Co-operative Bank, Platform, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No.990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. subscribes to the Standards of Lending Practice which are monitored by the Lending Standards Board.

Information correct as at 13/05/2020.

\*Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls may be monitored or recorded for security and training purposes.