PEPPER MONEY

SCOTLAND

MORTGAGE CONDITIONS

2026 (Version 1.0)

This is an important legal document.

If you grant a Standard Security over your Property, you will be legally bound by these Conditions and the other Mortgage Documents.

These Conditions and the other Mortgage Documents comprise all the terms agreed between you and us in connection with the Total Debt. Other information provided by us (including in previous discussions, illustrations, quotations or representations) is superseded by these Mortgage Documents. Accordingly, you must not rely on that superseded information.

You should not grant the Standard Security unless:

- you have read and understood these Conditions and the other Mortgage Documents; and
- you have obtained legal advice from a Legal Adviser and have decided that you wish to be legally bound by these Conditions and the other Mortgage Documents.

If you do not have a Buy-to-Let Mortgage:

This matter (including the Loan and the other Mortgage Documents) is regulated by the Financial Conduct Authority.

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

If you do have a Buy-to-Let Mortgage:

This matter (including the Loan and the other Mortgage Documents) is not regulated by the Financial Conduct Authority.

IF YOU FAIL TO KEEP UP WITH PAYMENTS ON YOUR MORTGAGE YOUR RENTAL PROPERTY MAY BE REPOSSESSED.

We, UK Mortgage Lending Ltd trading as Pepper Money, incorporated under the companies acts, and having our head office at 4 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ, considering that we intend to make loans to be secured by standard securities over land, buildings and any heritable property in Scotland, hereby declare that the said Standard Conditions set out in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, shall apply save to the extent they are varied by the Conditions defined herein

CONDITION: 1 DEFINITIONS

1.1 Words in bold print in these Conditions have the meaning set out below.

1.1.1 **1970 Act** means the Conveyancing and Feudal Reform (Scotland) Act 1970.

1.1.2 **Additional Borrowing** (also known as a further advance) is any sum of money lent by us that is expressly stated in writing to be secured by the Standard Security after the original Loan. Any Additional Borrowing is subject to these Conditions and any variation made at that time. The grant of a Standard Security securing the Loan does not oblige us to make any Additional Borrowing.

1.1.3 **Advance Notice** means an advance notice entered in the Land Register of Scotland under section 56 of the Land Registration etc. (Scotland) Act 2012 to protect the priority of the Standard Security pending registration.

1.1.4 **Bank of England Base Rate** means the rate decided by the Monetary Policy Committee of the Bank of England from time to time as being the Bank of England base rate. If for any reason it is not possible to determine the Bank of England Base Rate we will, acting reasonably, select and apply a comparable rate at that time.

1.1.5 **Borrower** means the person or persons shown as Borrower in the Mortgage Offer and includes their successors in title and permitted assignees.

1.1.6 **Business Day** means any day other than a Saturday, Sunday or bank holiday in Scotland.

1.1.7 **Buy-to-Let Mortgage** means a Mortgage which is stated in the Mortgage Offer to be a Buy-to-Let Mortgage (including a House of Multiple Occupation Mortgage). This will usually be where we have agreed with you on or before the date of the Mortgage Offer that the Property will be rented out to a third party (in accordance with any requirements specified in these Conditions and/or the Mortgage Offer) and will not be occupied by you or a member of your family.

1.1.8 **Calling-Up Notice** means a notice served by us in accordance with section 19 of the 1970 Act requiring repayment of the Total Debt.

1.1.9 **Completion Date** is the date on which we release the money for the Loan to you or to your Legal Adviser (sometimes referred to as the settlement date or date of drawdown).

1.1.10 **Conditions** means the conditions in each paragraph of this document.

1.1.11 **Costs** means all reasonable fees, costs and expenses which we incur in connection with the Mortgage including but not limited to those incurred in:

1.1.11.1 relation to the creation of the Standard Security, including without limitation our Legal Adviser's or Title Insurer's costs and disbursements;

1.1.11.2 recovering all or part of the Total Debt, including without limitation calculating and recovering any money in arrears under the Mortgage;

1.1.11.3 bringing or defending legal proceedings relating to the Total Debt, the Property or any other security for the Total Debt (this applies whether or not you are a party to the proceedings);

1.1.11.4 complying with a remediation notice in respect of the Property served on you or us under the Environmental Protection Act 1990 unless we knowingly caused or allowed the Property to become contaminated when in possession as mortgagee;

1.1.11.5 protecting, preserving or enforcing any security for the Total Debt;

1.1.11.6 providing our consent or approval as required under these Conditions;

1.1.11.7 insuring the Property in accordance with these Conditions;

1.1.11.8 remedying any breach by you of any of your obligations under the Mortgage including your obligations to repair or insure the Property;

1.1.11.9 exercising any of the rights or powers given to us by statute or under these Conditions;

1.1.11.10 complying with any request you make to us (including without limitation a request to supply or copy documents or deeds); and

1.1.11.11 discharging the Standard Security and releasing the Property and/or other assets from our security.

1.1.12 **Early Repayment** is an amount you pay to us in addition to your Monthly Payment and any other amounts then due and payable. You can make an Early Repayment if your Mortgage Offer says that you can do so, but you might have to pay an Early Repayment charge.

1.1.13 **Guarantee** is a guarantee provided by a Guarantor in respect of all or part of the Total Debt, in such form as may be required by us.

1.1.14 **Guarantor** is any person who has agreed to guarantee all or part of the Total Debt and entered into a Guarantee. The Guarantor will also include the personal representatives of the Guarantor if he or she should die. The Guarantor may or may not provide additional security by way of an additional Standard Security over another property. We will provide details of your Mortgage to any Guarantor.

1.1.15 **Heritable Property** means the heritable property (or any part of it) described in the Standard Security. It includes all fixtures and buildings of any kind (including fixtures and buildings added after the Completion Date) and in the case of a House of Multiple Occupation Mortgage it includes each and every Residential Unit.

1.1.16 **Home Report** means the report prepared in respect of a Property in accordance with the Housing (Scotland) Act 2006 (or any replacement legislation), comprising a single survey and valuation, an energy report, and a property questionnaire, together with any update, refresh, supplement or replacement of that report.

1.1.17 **HMO** means a house in multiple occupation, being any property occupied by, or intended to be occupied by, three or more persons who are not all members of the same family and who use the property as their only or main residence and share one or more basic amenities, including any living accommodation requiring a house in multiple occupation licence under the Housing (Scotland) Act 2006 and any amendment, replacement or re-enactment of that Act.

1.1.18 **House of Multiple Occupation Mortgage** or **HMO Mortgage** means a Buy-to-Let Mortgage which is stated in the Mortgage Offer to be a House of Multiple Occupation Mortgage. This will usually be where we have agreed with you on or before the date of the Mortgage Offer that the Property will be rented out to more than one Household (in accordance with any requirements specified in these Conditions and/or the Mortgage Offer) and will not be occupied by you or a member of your Household.

1.1.19 **HMO Licence** means a licence granted by the relevant local authority under Part 5 of the Housing (Scotland) Act 2006 authorising the use and occupation of the Property as a HMO, and includes any renewal, variation, replacement or successor licence.

1.1.20 **Household** means either a single person or members of the same family who live together. A family includes people who are: (a) married or living together; (b) relatives or half-relatives; (c) step-parents or step-children; (d) an employer and certain specified domestic employees; (e) an approved carer and the person receiving the care; and (f) an approved foster carer and a foster child.

1.1.21 **Interest** means interest we charge on your Mortgage at the applicable Interest Rate.

1.1.22 **Interest Period** means the period from the Completion Date until 23:59 hours on the day before the first Payment Date indicated in the Mortgage Offer, and thereafter each period starting at 00:00 hours on a Payment Date and ending at 23:59 hours on the day before the next Payment Date.

1.1.23 **Interest Rate** means at any time in relation to a Loan, the interest rate from time to time applicable pursuant to the Mortgage Documents to that Loan as set out in the relevant Mortgage Offer.

1.1.24 **Land Register** means the Land Register of Scotland maintained by Registers of Scotland under the Land Registration etc. (Scotland) Act 2012.

1.1.25 **Landlord Registration** means registration as a landlord under section 82 of the Antisocial Behaviour etc. (Scotland) Act 2004 with the relevant local authority.

1.1.26 **Lender Managed Rate** is a variable rate of Interest set by us and by reference to which we may, as indicated in the relevant Mortgage Offer, set the Interest Rate on a Mortgage. CONDITION: 10 below provides information on how, and in what circumstances, we may vary the Lender Managed Rate.

1.1.27 **Legal Adviser** means a solicitor holding a current practising certificate from the Law Society of Scotland.

1.1.28 **Loan** is any sum of money which we lend to you subject to the security created under the Standard Security. It includes each Additional Borrowing and further loans or advances made after the date of the original loan.

1.1.29 **Loan Balance** means the outstanding capital balance of the Loan from time to time (not including any arrears, unpaid Interest or Costs); it comprises part of the Total Debt.

1.1.30 **Month** is a calendar month.

1.1.31 **Monthly Payment** is the amount which you must pay each Month on the Payment Date as set out in CONDITION: 11.

1.1.32 **Mortgage** is the entire legal transaction and terms contemplated by and including the Mortgage Documents.

1.1.33 **Mortgage Documents** means each of: (a) the documents containing terms and conditions of and/or applying to the Standard Security, a Mortgage Offer, the Mortgage Illustration, these Conditions, the Tariff of Mortgage Charges, each Mortgage application form and each declaration relating to such Mortgage application; and (b) each other contract, deed and certificate (including any Guarantee) entered into with us or provided to us to satisfy a requirement of such Mortgage Offer, Standard Security, any Mortgage application or any Condition.

1.1.34 **Mortgage Illustration** means the mortgage illustration accompanying your Mortgage Offer, which sets out the specific terms and features of your chosen mortgage product, including the Interest Rate, your Monthly Payments, the Costs associated with the Mortgage and the total amount payable over the Mortgage Term.

1.1.35 **Mortgage Offer** means our written offer of a Loan to you. Your Mortgage Offer may consist of more than one document.

1.1.36 **Mortgage Term** is, in relation to a Loan, the period of time during which you agree to repay the Loan to us and is shown on the relevant Mortgage Offer.

1.1.37 **Notice of Default** means a notice served by us in accordance with section 21 of the 1970 Act requiring you to remedy a breach of any condition of the Standard Security.

1.1.38 **Other Rights** means any rights to which you may become entitled in respect of the Property for whatever reason, including: (a) compensation or other money received or receivable in respect of damage caused to the Property or because it (or any part of it) has reduced in value, or been compulsorily purchased; (b) any agreement, option or right relating to the Property or its construction, state or condition; (c) any share in or rights of membership in a management company, proprietors' or residents' association relating to the Property; (d) the benefit of any right to obtain the improvement of, or any payment in connection with, any roads, sewers, drains and other services or amenities relating to the Property; (e) any policy providing insurance against any risks including a defect in Title to the Property; (f) any other benefits which you may have or receive in respect of the Property; and (g) any proceeds of any insurance policy taken out in respect of the Property by you in accordance with these Conditions.

1.1.39 **Payment Date** means the day specified as such in the Mortgage Offer (or as varied in accordance with these Conditions). The Welcome Letter will confirm your initial Payment Date and your initial Monthly Payment.

1.1.40 **Planning and Housing Acts** means Acts of the Scottish Parliament or the United Kingdom Parliament or subordinate legislation in force from time to time relating to town and country planning and housing matters in Scotland (including, without limitation, the Town and Country Planning (Scotland) Act 1997 and the Housing (Scotland) Act 1987, the Housing (Scotland) Act 1988, the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2006).

1.1.41 **Planning Permission** means any permission, consent or approval given under the Planning and Housing Acts.

1.1.42 **Private Residential Tenancy** or **PRT** means a tenancy which is a private residential tenancy within the meaning of the Private Housing (Tenancies) (Scotland) Act 2016.

1.1.43 **Property** means the Heritable Property.

1.1.44 **Registers of Scotland** means the executive agency responsible for maintaining the Land Register and other public registers in Scotland.

1.1.45 **Residential Unit** means each unit of residential accommodation permitted to be let to a separate Household under the relevant HMO Licence, or where the Property consists of more than one self-contained dwelling and is not a House of Multiple Occupation, each of those self-contained dwellings.

1.1.46 **Short Assured Tenancy** or **SAT** means a short assured tenancy as defined in the Housing (Scotland) Act 1988 (being a tenancy type only available for tenancies created before 1 December 2017).

1.1.47 **Standard Conditions** means the standard conditions set out in Schedule 3 to the 1970 Act, as amended.

1.1.48 **Standard Security** means the standard security granted by you in our favour over the Property incorporating the Conditions and the Standard Conditions, and securing the Total Debt.

1.1.49 **Tariff of Mortgage Charges** means a list of charges that apply to your Mortgage. A copy of the then current Tariff of Mortgage Charges will be included with the Welcome Letter.

1.1.50 **Title** is the documentary and other evidence that gives you proof of ownership of the Property, including the title sheet maintained in the Land Register.

1.1.51 **Title Insurer** means an insurance company instructed by us to provide Title and related insurance cover for our benefit only in respect of the Loan and/or the Property.

1.1.52 **Total Debt** is all the money you owe us, and any other liabilities or obligations which you have to us, under the Mortgage. It includes: (a) any Additional Borrowing; (b) the Loan Balance; (c) Interest on the Loan and any Additional Borrowing; (d) Interest on any arrears of payments; (e) any money owing to us as a result of you repaying the Loan or part of the Loan early, such as an Early Repayment charge; (f) all Costs and expenses notified to you in respect of the arrangement, assessment and/or investigation of any Loan whether or not it is actually made; (g) all insurance premiums which we have paid on your behalf in the event that you fail to pay them; (h) any other money, Costs, expenses, fees, premiums or additional Interest that may become due and owing by you to us under these Conditions, the Mortgage Offer or by law; and (i) any other financial or non-financial liability or obligation which you have to us from time to time under the Mortgage.

1.1.53 **Transfer** includes an assignation (whether absolute or in security), transfer, creation of trust over or other disposition (in each case, in law or beneficially) of some or all of our rights, title, interests, benefits and obligations in relation to the Mortgage Documents, the Property and/or any other related security. It is explained in more detail in CONDITION: 18.

1.1.54 **Transferee** means anyone who is entitled to exercise any of our rights under the Mortgage and/or any other related security as a result of a Transfer. It is explained in more detail in CONDITION: 18.

1.1.55 **We**, **our** and **us** means UK Mortgage Lending Ltd, t/a Pepper Money (company number 08698121, registered in England and Wales, authorised and regulated by the Financial Conduct Authority under Firm Registration Number 710410), and anyone who at any time in the future is entitled (as legal or beneficial owner) to all or any of the heritable creditor's rights under the Mortgage Documents (including as a result of a Transfer, a merger or consolidation with another person, a takeover and/or a group reorganisation).

1.1.56 **Welcome Letter** means the letter we will send you on or shortly after the Completion Date, which will confirm, among other things, your initial Payment Date and initial Monthly Payment. Please contact us if you have any questions about anything in the Welcome Letter.

1.1.57 **You** or **your** means the Borrower and anyone who takes over your responsibilities for the payment of the Mortgage. If there is more than one Borrower, then all these Conditions and other Mortgage Documents apply equally and separately to each of you. That means each of you is responsible on your own for the Total Debt.

CONDITION: 2 MORTGAGE OFFER

2.1 If we provide you with a Mortgage Offer, it contains instructions on how to accept it. You must follow those instructions if you choose to accept the Mortgage Offer.

2.2 Your Mortgage Offer states the date on which it expires if not accepted by you before that date. You should check your Mortgage Offer to find out how long the offer is valid for, and if you wish to accept the Mortgage Offer, you must do so before its expiration date. Your Mortgage Offer will also state the latest date by which Completion must occur. This means that the Mortgage Offer will expire if we have not settled the Loan and released the money for the Loan by that date. You should check your Mortgage Offer to find out how long you have to complete the Loan.

2.3 You must not alter the Mortgage Offer.

2.4 The Mortgage Offer, the Standard Security and these Conditions are not legally binding between you and us until we make the Loan to you.

2.5 Your Mortgage Offer will set out: (a) any conditions to be fulfilled before you can accept the Mortgage Offer; (b) the circumstances in which (and how) we may withdraw the Mortgage Offer; and (c) the consequences of you not accepting the Mortgage Offer (including any amounts you have paid that are non-refundable).

2.6 You will be responsible for your own Legal Adviser's costs even if you do not go ahead with the Mortgage or if we withdraw the Mortgage Offer.

2.7 You must tell us immediately before we fund the Loan if your circumstances change or if there is a material change in the information you provided us in connection with the Loan. If at any time after we have advanced the Loan to you it becomes evident to us that you did not provide us with true and accurate information, and in circumstances where we would not have made the Mortgage Offer had we been provided with true and accurate information, we may without affecting our other rights under the Mortgage, demand you immediately repay the Total Debt in full.

2.8 When we release any Loan money to you, we do not guarantee that either the price or condition of the Property is reasonable. You may want to consider obtaining a full structural survey (and/or Home Report) to satisfy yourself on these points before the Loan is made.

CONDITION: 3 JOINT BORROWERS

3.1 If there is more than one of you named as the Borrower under the Mortgage Offer: (a) the Mortgage Documents apply to all of you together and each of you individually (joint and several liability). Each of you is individually responsible for complying with the terms of the Mortgage Documents. This means that we can seek any payments due under the Mortgage Documents from all of you together or any of you individually; and (b) unless you tell us to the contrary in writing we may act on instructions, notices or signature of any of you as if given by all of you.

3.2 Where a Borrower does not have an ownership interest in the Property or is not registered as proprietor on the title sheet in the Land Register, the Standard Security will describe the Borrower with the registered title to the Property as the granter. This description is intended purely to identify the registered proprietor and such person is and continues to be a Borrower under the Mortgage.

CONDITION: 4 MORTGAGE DOCUMENTS

4.1 If there is any inconsistency between these Conditions, the Standard Security and the Mortgage Offer, the following order of priority will apply: (a) the Mortgage Offer; (b) the Standard Security; and (c) these Conditions.

4.2 The Conditions incorporate the Standard Conditions. In the event of any conflict between the Standard Conditions and the Conditions, the Conditions shall apply.

CONDITION: 5 YOUR OBLIGATIONS

5.1 During the Mortgage Term you must:

5.1.1 make the Monthly Payments;

5.1.2 comply with your obligations in respect of insuring the Property as set out in CONDITION: 16;

5.1.3 do whatever is required by the Mortgage for as long as any of the Total Debt is unpaid;

5.1.4 do whatever is required by the title deeds and documents affecting the Property and Other Rights and comply with all real burdens, servitudes and conditions of title affecting the Property and all regulations of the local authority or other authority including planning conditions;

5.1.5 complete (properly, without delay and in accordance with applicable building regulations, Planning Permission and other consents) any building work carried out on the Property at the time your Mortgage is granted or at a later date as agreed with us;

5.1.6 allow us or our agents to visit and inspect the Property (subject, except in emergencies, to our providing reasonable advance notice) in order to ensure you have complied with the Conditions or to obtain an assessment of the Property;

5.1.7 keep the Property in good repair (in accordance with Standard Condition 4) as varied by the Standard Security);

5.1.8 (except where the Mortgage is a Buy-to-Let Mortgage) live in and use the Property as your main residence;

5.1.9 (except if permitted by and in accordance with CONDITION: 21, or you have first obtained our advance written consent) not, in respect of the Property: (a) grant or extend a lease, licence to occupy or tenancy; (b) allow anyone to renounce a lease; (c) transfer, convey or dispone it; (d) dispose of it or any interest you have in it; (e) part with or share possession of it or any part of it. We will not be bound by any agreement entered into contrary to the above;

5.1.10 comply fully with Planning and Housing Acts or any other legislation in relation to the Property;

5.1.11 comply fully with any notice from any statutory authority or other governmental entity relating to the Property. In the event that you receive such a notice you must send us a copy without delay and provide to us such information as we reasonably require to monitor your compliance with it. If you receive any compensation arising from any notice you receive, you must pay this compensation to us and we will use it to reduce the outstanding balance of the Loan. You will hold on trust for us any such compensation you receive;

5.1.12 inform us immediately of any increased or new interest you obtain in the Property and provide us with a new Standard Security (if we require it at any time after such notice) over any such new interest;

5.1.13 not make any alterations or additions to the Property or change its use without first obtaining our advance written consent. These works may require Planning Permission and/or building warrant, and you must ensure you comply with any Planning and Housing Acts;

5.1.14 not allow anything to be done to the Property which might increase the cost of insuring it;

5.1.15 not damage the Property or do anything to lessen the value of the Property or Other Rights in any way;

5.1.16 ensure that all taxes, council tax, rates and any other charges are paid promptly in respect of the Property and Other Rights. If we require, you will promptly provide us with copies of all receipts and evidence of such payments within a reasonable time from the date of our request;

5.1.17 not apply for a grant on the Property without first writing to us to obtain our written advance consent;

5.1.18 not take out any other loan secured on the Property or otherwise create or grant any heritable security, standard security, or other security over or grant any rights in the Property, without first getting our advance written consent (see CONDITION: 7);

5.1.19 not sell, convey or dispone the Property or any part of it to any other person, other than in connection with paying off and discharging the Total Debt, without our advance written consent.

5.2 If you are a company, you warrant that you were established for the sole purpose of owning buy-to-let property and you shall ensure that throughout the period from the Completion Date to the end of the Mortgage Term: (a) that the standard industrial classification of economic activities (SIC) in respect of you in the register maintained by the Registrar of Companies is 68100, 68201, 68209 and/or 68320 (and not any other SIC); (b) that you have no employees; (c) that you have no liabilities other than the Total Debt, other liabilities directly connected with your business of owning buy-to-let properties or liabilities required by law; and (d) that you have no other activities other than owning, administering and managing the Property and Other Rights in accordance with the Mortgage Documents (or such other activities as are reasonably incidental to those activities).

5.3 If the Property is less than 10 years old or has been converted into its current use in the last 10 years, it must have the benefit of a home warranty indemnity insurance scheme acceptable to us and the construction must have taken place with full Planning Permission and with local authority building warrant approval and supervision.

5.4 If the Property is sold (either by us or following enforcement of our rights under these Conditions or otherwise) and the sale proceeds after payment of any Costs are less than the Total Debt, you will be responsible for paying the shortfall to us on demand with Interest (even if we have agreed to discharge the Standard Security over the Property in connection with the sale). Your obligations under this Condition will continue even after the Standard Security has been discharged.

5.5 Where the Mortgage is a Buy-to-Let Mortgage, you must have received (and for the Mortgage Term, maintain and comply with the conditions of) all relevant licences and Planning Permission required by your local authority, including an HMO Licence where applicable.

5.6 If you fail to observe any of these obligations, we have the right to enforce our Standard Security over your Property, including by serving a Calling-Up Notice or Notice of Default and thereafter applying to the court for a warrant to exercise our power of sale, and to recover the money we have lent you and other amounts you owe us. If that happens, the sale may not produce enough money to repay and discharge all of the Total Debt. In that case, you will owe us the amount outstanding and Interest on that amount will be charged until full repayment has been made.

CONDITION: 6 OUR POWERS

6.1 If you breach, or fail to fulfil, any of your obligations under your Mortgage, we will be entitled to take such action (including making such payments) as is reasonably necessary to fulfil them on your behalf and/or remedy such breach of, or failure to fulfil, them. You will be responsible for any Costs we reasonably incur in taking such action, in accordance with CONDITION: 20.

6.2 In exercising our powers under Condition 6.1 we may need to enter the Property. If we do so, that does not necessarily mean that we have entered into possession of the Property for the purposes of the 1970 Act. Except in an emergency, we will give you reasonable notice if we intend to enter the Property. We will act reasonably when we use any of our rights.

CONDITION: 7 SUBSEQUENT SECURITIES

7.1 You must not grant, or agree to grant, any standard security, floating charge, or other heritable security over the Property or any part of it in favour of any person other than us (a "Subsequent Security") without first obtaining our prior written consent. A fee will be payable by you for consideration of any such request as set out in the Tariff of Mortgage Charges.

7.2 You must not permit any Subsequent Security to be registered in the Land Register without our prior written consent.

7.3 Where we consent to the grant and registration of a Subsequent Security, the holder of the Subsequent Security must enter into a ranking agreement with us under section 13 of the 1970 Act in a form satisfactory to us, confirming that the Subsequent Security ranks in all respects after and is postponed to our Standard Security (including in respect of all further advances and Additional Borrowings).

7.4 Any Subsequent Security granted in breach of this CONDITION: 7 shall rank after our Standard Security notwithstanding its date of creation or registration and you shall take all steps required by us to execute and register a ranking agreement confirming such postponed ranking.

7.5 For the avoidance of doubt, our Standard Security secures the Total Debt including all Additional Borrowings and further advances whether or not any Subsequent Security has been registered, and nothing in any Subsequent Security or ranking agreement shall oblige us to make any further advance or Additional Borrowing.

CONDITION: 8 DEFAULT AND ENFORCEMENT

8.1 For the purpose of this CONDITION: 8, a reference to 'tenant' or 'tenants' shall be deemed to include a tenant under a Private Residential Tenancy, a Short Assured Tenancy or any other form of tenancy subsisting in relation to the Property.

8.2 We may serve a Calling-Up Notice requiring you to repay the Total Debt immediately and in full (and/or serve a Notice of Default requiring you to remedy a breach):

8.2.1 if an amount which equals or exceeds the total of the two most recent Monthly Payments has become due under the Mortgage Documents but is unpaid;

8.2.2 if a sequestration order is awarded against you or any Guarantor (if there is one) or you or a Guarantor otherwise become insolvent or bankrupt or enter into any trust deed for creditors, protected trust deed or other arrangement with or for the benefit of your/their creditors;

8.2.3 if you fail to observe any other material obligation under or requirement of your Mortgage (and, if the breach is capable of remedy, you have failed to remedy the breach within a reasonable time of us requesting you to do so);

8.2.4 if, without our advance written consent, you create any right in respect of, or grant any interest in, the Property in a manner that affects our ability to enforce our rights;

8.2.5 if the Property becomes subject to a compulsory purchase order or if it is acquired or requisitioned by any authority legally entitled to do so;

8.2.6 if the Property or any part of it is damaged and in our reasonable opinion or that of our agents the value of our security is materially lowered;

8.2.7 if the holder of any other heritable security or other person interested in the Property takes proceedings to enforce their security or to realise their interest in it;

8.2.8 if you (or someone on your behalf) gave us incorrect, incomplete or misleading information or failed to give us true, accurate and complete information requested, and that information if properly provided when you applied for or obtained the Loan would have had a significant negative effect on our decision to lend to you;

8.2.9 if you are the only Borrower, you die or if there is more than one Borrower, the last one of you dies;

8.2.10 if any material aspect of the Standard Security, the Mortgage Offer and/or these Conditions ceases to be valid or legally binding on you (including, without limitation, if you are a company, the Standard Security is not duly registered as a charge created by you by the Registrar of Companies on or before the 21st day following the date of creation of the Standard Security);

8.2.11 if you give the Property to us or if you abandon it; or

8.2.12 if you or any Guarantor is a body corporate (the "Body Corporate") and: (a) notice is given of intention to appoint an administrator of the Body Corporate or a receiver of its property; (b) an application to appoint an administrator or a petition is presented for the winding up or dissolution of the Body Corporate; (c) a liquidator or an administrator is appointed; (d) a receiver is appointed over all or a material part of the Body Corporate's assets; (e) the Body Corporate is dissolved or struck off; (f) the Body Corporate ceases to carry on all or a material part of its business; (g) diligence is executed against the Body Corporate's assets; (h) there is any change in the directors or shareholders of the Body Corporate without our prior written consent; (i) the Body Corporate stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due; and/or (j) the value of the Body Corporate's assets is less than its liabilities, taking into account contingent and prospective liabilities.

8.3 Calling-Up Notice and enforcement procedure:

8.3.1 Where the Total Debt has become due and payable (whether by effluxion of time, by service of a Calling-Up Notice, or otherwise), we may, on the expiry of the period specified in the Calling-Up Notice (being not less than two months from the date of service), exercise the rights and remedies available to a heritable creditor under the 1970 Act, including: (a) applying to the court for a warrant to exercise our power of sale under section 24 of the 1970 Act; (b) entering into possession of the Property in accordance with the 1970 Act; (c) carrying out repairs to the Property; (d) letting the Property or any part thereof; and (e) exercising all ancillary powers conferred on a creditor in a standard security by the 1970 Act and the Standard Conditions as varied.

8.3.2 Where you are in breach of any condition of the Standard Security (other than a failure to repay the Total Debt which has been called up), we may serve a Notice of Default under section 21 of the 1970 Act and, if you fail to comply with the Notice of Default within the period specified therein (being not less than one month from the date of service), we may exercise the remedies referred to in Condition 8.3.1.

8.3.3 We may apply to the court for a warrant under section 24 of the 1970 Act to exercise any of the rights referred to in Condition 8.3.1, and you acknowledge that the court may grant such warrant where it is satisfied that the requirements of the 1970 Act have been met.

8.4 At any time or times after we become entitled to exercise our rights of enforcement under the 1970 Act (including after service and expiry of a Calling-Up Notice or Notice of Default), we may do any of the following:

8.4.1 enter into possession of the Property (and take any actions/proceedings necessary to do so) and require you to leave it;

8.4.2 require any tenants, or workmen or others who may be in the possession of the Property to leave it unless they are there with our consent;

8.4.3 exercise all the powers which are given to us as heritable creditor by the 1970 Act and the Standard Conditions as varied;

8.4.4 vary the terms or accept renunciations of leases and grant or renew leases, tenancies or other occupancy rights of the Property, as we reasonably think fit;

8.4.5 arrange and carry out all repairs, works, alterations, demolition, change of use under Planning and Housing Acts, additions, road schemes and developments to the Property and generally to manage the Property as we reasonably think fit (without assuming any legal responsibilities associated with repossessing the Property, and, other than in emergency circumstances, we will give you at least seven (7) days' notice of our intent to enter the Property);

8.4.6 employ and also pay persons for carrying out any of these powers at a price or fee and upon any terms as we reasonably think fit;

8.4.7 let and manage the Property (but this will be at your risk);

8.4.8 put any money which we receive in exercising any of these powers towards any future Monthly Payments that become due or towards other money that may be due or become due from you under these Conditions;

8.4.9 at the time that we enter into possession of the Property, or afterwards, remove, store, sell or deal with any furniture or goods that you may have in the Property and that you have failed or have refused to remove. In exercising this additional power, we will be acting as your agent. Provided we have acted reasonably in exercising this right, we will not be responsible for any loss or damage that may occur, and you will be responsible for our Costs;

8.4.10 (after we have entered into possession of the Property) give up possession if we give notice to you;

8.4.11 retain all sums allowed to us by way of commission or otherwise;

8.4.12 sell the Property as a whole or in lots and sell any part of the Property separately, by private bargain or public auction, and on such terms and conditions as we may reasonably determine; and/or

8.4.13 sell, agree to sell or grant an option over all or part of the Property and any other security for the Total Debt on any terms.

8.5 The money that we receive after we have exercised any of the powers contained in these Conditions (including on any sale of the Property) will be used as follows:

8.5.1 firstly, we will pay all Costs which have been incurred by us in exercising any of our rights under the Mortgage including the sale of the Property or any previous attempts to sell it;

8.5.2 secondly, we will use any remaining money towards repaying and discharging the Total Debt; and

8.5.3 thirdly, if any money remains after the Total Debt has been paid and discharged, we will pay that surplus money to you or, if you are not entitled to it, to the persons who reasonably appear to us to be entitled to it (after making reasonable enquiries). The foregoing is subject to and without prejudice to any order of the court.

8.6 If the Property has been made subject to any heritable security or other encumbrance which ranks prior to or pari passu with our Standard Security, or someone has been granted or has obtained an interest in the Property ahead of our Standard Security, we have the right, at our option, and without an obligation to do so, to buy out the other person's rights at any time: (a) after you fail to cure the problem in the time stated in any notice we give you demanding that you pay the debt secured by such person's interest and obtain a discharge of that interest; or (b) as soon as any powers under that security or interest have come into force. You will be bound by any agreement we reach with the other person; and you will have to pay us back any money we paid in buying out the other person's interest in the Property.

8.7 Our powers contained in the Mortgage are in addition to and are not instead of any other powers and remedies that we have by law or under the 1970 Act. We will not be stopped from exercising any power given to us by law if we have already exercised any powers given in the Mortgage.

8.8 All Costs that we reasonably pay or incur in connection with any rights or powers given to us under this Mortgage in relation to the Property must be repaid by you to us (see CONDITION: 20).

CONDITION: 9 INTEREST

9.1 We will charge you Interest on the Total Debt until it is repaid in full. This applies even if we obtain a court decree against you for payment of some or all of the Total Debt.

9.2 Interest you owe us will accrue on a daily basis and be calculated and charged based on the Total Debt you owe us at the end of the previous day.

9.3 We will use any payments you make to us under the Mortgage in the following way. First, we will use them to pay off the balance of any Monthly Payment arrears (excluding any Interest or charges on that balance). Next, we will use any balance to pay off any Interest, Costs and charges you owe. Finally, we will apply any remaining balance to reduce the Loan, and therefore the Total Debt.

9.4 Interest on the Loan Balance which accrues in any Interest Period shall be due and payable on the next Payment Date as part of your Monthly Payment, or, if earlier, when the Total Debt (inclusive of Interest) is repaid in full.

9.5 Interest which you do not pay when due will be added to the Total Debt, such that Interest will accrue as compound interest.

9.6 The Interest Rate is an annual rate. To calculate the amount of Interest accruing on a daily basis, we divide the amount of the annual Interest by 365, or 366 in a leap year.

9.7 We may change the method of calculating the Interest (including whether it is charged in arrears or advance) to reflect changes in our procedures or systems, where it is reasonable to do so. If we Transfer any or all of our rights under the Mortgage Documents to another person, that person may change such method to reflect their procedures and systems where it is reasonable to do so. However, any change in the way in which Interest is calculated will not materially increase your obligations. We will give you not less than one Month's notice in advance of any change in the method we calculate Interest.

CONDITION: 10 VARIATION OF INTEREST

10.1 The Mortgage Offer will set out the Interest Rate applicable to your Mortgage.

10.2 Where we have agreed in the Mortgage Offer a fixed rate of Interest for any period in respect of any Loan, we will not vary the Interest Rate for that period.

10.3 Where we have agreed in the Mortgage Offer a rate of Interest which is linked to an independently set rate, such as (but not limited to) the Bank of England Base Rate, the Interest Rate will change by reference to the independently set rate at the times, in the manner and on the terms set out in these Conditions.

10.4 Where the Mortgage Offer specifies that the Interest Rate will be calculated by reference to the Lender Managed Rate, this is a variable rate which can be changed by us from time to time. The Lender Managed Rate (and, correspondingly, the Interest Rate) can be changed by us for any of the following reasons by giving you notice: (a) to respond to changes in the Bank of England Base Rate; (b) to respond to an increase in our funding costs in respect of the Mortgage; (c) to respond to an increase (beyond our reasonable control) in our administrative or other costs in providing the Mortgage; (d) to respond proportionately to changes in the law or the decisions of a court or ombudsman; or (e) to meet relevant regulatory requirements. Any change that we make to the Lender Managed Rate under this Condition 10.4 will be proportionate to the circumstances giving rise to the change.

10.5 We will inform you in writing of any change to your Monthly Payment as a consequence of a change in the Interest Rate under Condition 10.3 or 10.4 at least 14 days before such revised Monthly Payment is due.

CONDITION: 11 THE MONTHLY PAYMENT

11.1 You must pay us the Monthly Payment on each Payment Date until such time as you have paid the Total Debt.

11.2 The initial Monthly Payment and initial Payment Date are stated in the Mortgage Offer.

11.3 Subject to CONDITION: 10, the amount of the Monthly Payment will be calculated by us based on the Interest that has accrued on the Loan Balance since the preceding

Payment Date and the payment of capital required so as to ensure the repayment in full of the Loan (and any Interest accruing on it) by the end of the Mortgage Term shown in the Mortgage Offer.

11.4 Unless we agree (or inform you) otherwise, the Monthly Payment will not include, and will not reduce, any part of the Total Debt other than the Loan Balance and Interest that has accrued thereon.

11.5 We will consider, and will not unreasonably withhold our consent for, a request to change the Payment Date. If we consent to the change, we will write to you to tell you: (a) when the changed Payment Date will first come into effect; (b) whether the Interest Period we use to calculate the first Monthly Payment after the change will be longer or (if we agree) shorter than one Month; and (c) how much your Monthly Payment will be for that Month.

11.6 Your Monthly Payment will be calculated assuming each Month is an equal one-twelfth of the year.

11.7 The Monthly Payment may be changed by us from time to time by giving you notice in writing: (a) when there is a change in the Interest Rate or the Mortgage Term; (b) when you have taken any Additional Borrowing; (c) if you have made an Early Repayment; or (d) by agreement with you.

11.8 You should note that if you pay more than your Monthly Payment due on any Payment Date, only that part of the excess amount over any outstanding arrears amounts, Interest, Costs or fees owing to us at the time, will be treated as an Early Repayment which may result in a change to your Monthly Payment. You may not pay less than the Monthly Payment due on any Payment Date, or elect to suspend, delay or take a "payment holiday" as to any such Monthly Payment.

11.9 We may by agreement with you amend the Monthly Payment in order to recover Costs (including, among other items, insurance premiums) or any other part of the Total Debt payable by you under these Conditions where you have not paid them within a reasonable time of us requesting you to do so (or to ensure such amounts are repaid by the end of the Mortgage Term).

11.10 The Monthly Payment (and any excess amount paid) will be applied in accordance with Condition 9.3.

11.11 Any part of a Monthly Payment that you fail to pay on the Payment Date will be arrears, added to the Total Debt, and unless we agree otherwise, must be paid immediately in full.

CONDITION: 12 INTEREST ONLY MORTGAGES

12.1 If your Mortgage Offer specifies that you have an interest only Mortgage or we allow you to pay your Mortgage (or any part of it) on an interest only basis, the Monthly Payments you make during the Mortgage Term will pay accrued Interest on the Loan Balance in an Interest Period only and will not reduce the Total Debt.

12.2 At the end of the Mortgage Term, you will have to repay from your own resources the Total Debt owed to us.

12.3 It is your responsibility to make certain that you can repay the Total Debt at the end of the Mortgage Term. In order to achieve this, you must ensure that you have an adequate repayment strategy in place. It is your responsibility to check that any repayment strategy is adequate to repay the Total Debt at the end of the Mortgage Term.

12.4 You should regularly review your chosen means of repayment to make sure it continues to be suitable and that it is on track and an appropriate means of repayment of the Total Debt at the end of the Mortgage Term.

12.5 If an adequate repayment strategy is not in place, you should inform us as soon as possible and seek independent financial advice.

12.6 You must promptly provide us with evidence when requested that your repayment strategy remains suitable to repay the Total Debt at the end of the Mortgage Term. We may write to you from time to time to remind you to review the adequacy of your repayment strategy.

12.7 If your Total Debt is not paid off at the end of the Mortgage Term, you or we may have to sell the Property to try to repay all or part of the Total Debt and Interest will be charged on the amount outstanding until it is fully paid off.

CONDITION: 13 EARLY REPAYMENT IN FULL

13.1 If you wish, you may repay your Loan in full before the end of your Mortgage Term. If you wish to repay all of your Loan before that date you will need to pay the Total Debt as at the date of repayment (which will include Interest calculated up to the date we receive repayment).

13.2 Your Mortgage Offer will state whether any Early Repayment charge will apply, and if so, how it is calculated.

13.3 We will not grant a discharge of the Standard Security until all money has been received by us to clear the Total Debt.

13.4 If you ask us, we will tell you how much you will need to pay on the date of a full Early Repayment.

CONDITION: 14 PARTIAL EARLY REPAYMENTS

14.1 You may make a partial Early Repayment of your Loan by way of a lump-sum or regular payments in accordance with your Mortgage Offer.

14.2 Your Mortgage Offer will state any conditions that apply to partial Early Repayments, whether any Early Repayment charge will apply, and if so, how it is calculated.

14.3 We will apply partial Early Repayments to the Total Debt in the order set out in Condition 9.3.

CONDITION: 15 MISTAKES

15.1 If we miscalculate the amount payable by you to us or make any other mistake about the Total Debt, this will not affect any of our rights, including our ability to claim the correct amount from you (either before or, subject to Condition 15.2, after the Mortgage has been discharged) with Interest at the Interest Rate until repayment. However, we will act reasonably in exercising our rights and we will seek to agree with you a repayment method which you are able to afford.

15.2 If we discharge your Standard Security in error (because, for example, we miscalculate the amount and/or extent of the Total Debt) we may claim from you any amount still owing. However, we will not be entitled to do this if we do not give you notice in writing within three (3) Months of the date of discharge (unless you were, or your Guarantor was, aware of the mistake at the time of the discharge), or if you can show you have changed your financial position as a result of the error, at a time when you were not aware of it.

15.3 Your receipt of a letter from us saying the Total Debt has been repaid and/or discharged in full will not prevent you from being personally liable if it is later found that the amount and/or extent of the Total Debt was understated by mistake. However, we will act reasonably in exercising our rights.

15.4 Your continued liability under Conditions 15.1 to 15.3 does not affect any legal rights which you have as a result of the Total Debt being understated.

CONDITION: 16 INSURANCE COVER

16.1 You must arrange for the Property to be insured and kept insured with a reputable insurance company against loss or damage by any of the risks which comprehensive buildings insurance in the United Kingdom normally covers (including, without limitation, fire, storm, flood, landslip, subsidence and heave). The initial sum insured must not be less than the full reinstatement value of the Property (as recommended in a professional mortgage valuation or Home Report) together with architects', surveyors' and other professional fees, demolition costs, debris removal costs, and any costs associated with meeting any building regulations or governmental requirements. The sum insured must be on an index-linked basis, so that the sum insured tracks the full reinstatement value of the Property taking into account inflation. You will be responsible for paying any excess in the event you make any claim under the insurance.

16.2 You are responsible for paying the premiums and other insurance charges when due.

16.3 The insurance must be in force: (a) if you are getting the Mortgage in connection with your purchase of the Property, from the Completion Date (or such earlier date as risk passes to you); or (b) otherwise (such as if you are re-mortgaging), on or before the Completion Date.

16.4 You must provide to your Legal Adviser (acting on our behalf), at least five (5) Business Days prior to the Completion Date, a copy of the buildings insurance policy complying with these Conditions together with written evidence that the premium has been paid.

16.5 If: (a) you do not make and maintain the insurance arrangements required by this CONDITION: 16; (b) you do not make sure the required insurance premiums are paid; (c) you do not provide us with written evidence on request that the required insurance arrangements are being maintained and the premiums are being paid, and a copy of the insurance policies; or (d) any of the events set out in Condition 8.2 have occurred; we may (but are not required to) insure the Property for such amount and on such terms as we may reasonably decide. Any such insurance premiums we pay will be treated as Costs and shall be payable by you. The cost of the premiums will be added to your Total Debt together with any Costs we incur in administering the insurance. Any insurance we arrange under this provision shall be solely for our benefit and will not cover your interest in the Property. We may retain any sums we receive, whether as commission or otherwise, from the insurance company providing the insurance and we shall not be required to account to you unless required by law to do so.

16.6 You must not do anything or omit to do anything which might prejudicially affect any insurance policy affecting the Property or breach any of its terms, or allow any such action or omission to occur.

16.7 You are responsible for telling your insurers about any changes in circumstances which may affect your insurance cover.

16.8 You must tell us (as soon as possible and in any event within 10 Business Days) of any circumstances preventing or likely to prevent you from being entitled to make a claim under any insurance policy related to the Property.

16.9 If a claim is made under any insurance policy we may, acting reasonably, negotiate all the details and settle claims with the insurers, and you must do anything reasonably necessary to enable us to do this.

16.10 Insurers will be entitled to pay any money receivable under any insurance policy you put in place to us instead of to you and when doing so, satisfy their obligations to you. We may use the proceeds to pay our related Costs and apply the balance pursuant to Condition 16.11.

16.11 Money paid as a result of any buildings insurance claim (paid to either you or us) must be used, at your option, either to repay part of your Total Debt or to repair or rebuild the Property unless it is not reasonably practicable to do so.

16.12 If payment is made directly to you, this money must be held by you on trust for us (i.e. on our behalf) and kept separate from your own funds.

16.13 You must put in place, maintain and comply with all of the terms of any other insurance policies we require in the Mortgage Offer that you take out. If you fail to pay the premiums for and maintain such insurance, we may do so and the amount of the premiums will be treated as Costs, and any further Costs we reasonably incur shall be recoverable under the Mortgage. We will have the right to settle any insurance claim made under such insurance policy on reasonable terms.

CONDITION: 17 GUARANTORS

17.1 The Mortgage Offer will specify if you are required to provide one or more Guarantors for your Mortgage.

CONDITION: 18 TRANSFER OF THE MORTGAGE (ASSIGNATION)

18.1 We may at any time, without your consent and without giving you notice, Transfer (by assignation or otherwise) all or any of our rights, title, interest, benefits and obligations under the Mortgage Documents and the Standard Security to any person (a Transferee). Upon any such Transfer, the Transferee will be entitled to exercise all or any of our rights under the Mortgage Documents as if the Transferee were named in these Conditions as "we", "our" or "us".

18.2 Any Transferee shall have the benefit of and be entitled to rely upon each of your obligations, undertakings and warranties contained in the Mortgage Documents to the same extent as us.

18.3 You will, if reasonably required by us, sign and deliver any deed, assignation, certificate or other document and take any other action which we may reasonably require to give effect to any Transfer and to vest the Standard Security and the benefit of the Mortgage Documents in the Transferee.

18.4 We will notify you of any Transfer as soon as reasonably practicable, and will inform you of the identity of the Transferee and any change to the address for payment or correspondence.

18.5 In connection with such a Transfer you agree that:

18.5.1 we may disclose any information relating to you, the Mortgage or the related security, the Property, any supporting documentation, the history and conduct of your account, the results of any statistical, monitoring or quality analysis activity that we may have carried out on your account from time to time, and any other relevant information, to any person or entity that does, or we believe wishes to, (a) enter into a Transfer, with us, (b) fund or otherwise be involved in or evaluate a Transfer, (c) purchase or evaluate a purchase or funding of a purchase of all or part of our business, or otherwise be involved in any such purchase, and (d) any prior holder of the Loan or Mortgage or any rights therein. We may provide the information at any time and from time to time, on, prior to or after any actual or potential Transfer; and

18.5.2 unless the terms of the Transfer state otherwise, the person to whom we transfer all or some of our rights under the Mortgage Documents will be able as Transferee to exercise the relevant transferred rights and powers that we could exercise before the Transfer, including, without limitation, the right to change the Tariff of Mortgage Charges and the setting of variable interest rates (if any) that may be different from those charged or set by us (or any previous Transferee).

18.6 Your rights and obligations under the Mortgage Documents are personal to you and may not be transferred to anyone else.

CONDITION: 19 OTHER RIGHTS AND POWER OF ATTORNEY

19.1 You assign and transfer to us (to the extent permitted by law and to the extent not already assigned by the Standard Security) all Other Rights in relation to the Property. You will hold on trust for us any Other Rights which cannot be assigned at law.

19.2 You irrevocably appoint us (and any Transferee) as your attorney to: (a) execute, sign and deliver any deed, document or notice which you are obliged to execute, sign or deliver under the Mortgage Documents but have failed to do so within a reasonable time of being asked; (b) exercise on your behalf any of the Other Rights; and (c) do all things necessary to give effect to any Transfer under CONDITION: 18 or any sale under CONDITION: 8. This power of attorney is granted by you to secure an obligation owed to us and is therefore irrevocable.

CONDITION: 20 COSTS AND FEES

20.1 We are entitled under these Conditions to recover from you any Costs incurred by us.

20.1.1 you must pay them to us when we ask you to do so in the written notice we give you;

20.1.2 you must pay them to us in full; and

20.1.3 if you do not pay them to us within a reasonable time of us requesting you to do so, they will be added to the Total Debt and Interest may be charged on them from the date we asked you to make payment.

20.2 We will tell you about our current fees and costs in our Tariff of Mortgage Charges.

20.3 We can change the fees we charge at any time. Changes may include the abolition of, or amendment to existing fees, or the introduction of new fees and may be made if we reasonably believe that the change is needed for any of the following reasons:

20.3.1 to proportionately reflect legitimate changes in the costs (including tax) we incur in providing the service, or carrying out the function, to which the fee relates;

20.3.2 to meet relevant regulatory requirements; or

20.3.3 to reflect new (or changes to) any statements or codes of practice designed to enhance consumer protection.

20.4 Any change that we make to our fees will be proportionate to the circumstances giving rise to the change.

20.5 Where we introduce new fees, or increase existing fees, we will tell you about the change, not less than 30 days before it takes effect, as follows:

20.5.1 by letter; and

20.5.2 by sending you a copy of our revised Tariff of Mortgage Charges.

20.6 A change which abolishes a fee, or reduces the amount of an existing fee, may be introduced with immediate effect and we will tell you about the change by letter and by sending you a copy of our revised Tariff of Mortgage Charges as soon as practicable after the change is made.

20.7 Interest will be charged on fees from the date they fall due.

CONDITION: 21 BUY-TO-LET MORTGAGES AND TENANCY CONDITIONS

21.1 This CONDITION: 21 will only apply if your Mortgage Offer states that you have a Buy-to-Let Mortgage.

21.2 For the purpose of this CONDITION: 21, a reference to "letting" or "tenancy" includes any arrangement under which a third party occupies or has the right to occupy the Property or any part of it, and a reference to a “Holiday Let” means any short-term let of the Property (or any part of it) which falls within the definition of “short-term let” in article 3 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 (as amended from time to time) and which is excluded from being a private residential tenancy by virtue of paragraph 6 of Schedule 1 to the Private Housing (Tenancies) (Scotland) Act 2016.

21.3 You must let the Property (including any Residential Unit) on a tenancy agreement to an acceptable tenant, who is capable of paying the rent when it falls due, within three (3) Months of the Completion Date of the Loan and neither you nor any member of your Household may occupy the Property. Each time the Property ceases to be let, you will re-let the Property on a tenancy agreement to an acceptable tenant, as soon as possible. Subject to Condition 21.4, you may only let the Property under one of the following types of tenancy:

21.3.1 a PRT; or

21.3.2 a SAT,

and subject always to the transitional and saving provisions of the Private Housing (Tenancies) (Scotland) Act 2016. You must not grant, enter into or permit any other form of occupancy arrangement (including any common law lease, assured tenancy, or any arrangement which does not comply with the above) without our prior written consent.

21.4 Where the Mortgage Offer expressly permits the Property to be used as a Holiday Let, you may (as an alternative to letting on a PRT or SAT under Condition 21.3) let the Property as a Holiday Let, subject to the following:

21.4.1 A Holiday Let is excluded from the private residential tenancy regime under paragraph 6 of Schedule 1 to the Private Housing (Tenancies) (Scotland) Act 2016 and will take effect as a common law letting.

21.4.2 Each Holiday Let must be in writing and on terms which are acceptable to us. You must provide us with a copy of any Holiday Let agreement on request.

21.4.3 Each Holiday Let must specify a rent or charge which is consistent with the open market rate for comparable short-term let accommodation in the locality and must not contain any term which is inconsistent with or which purports to override the Mortgage Documents or the Standard Security.

21.4.4 You must comply in all respects with Condition 21.9 and must not permit any Holiday Let to proceed unless and until you hold a valid short-term let licence as required by that Condition.

21.4.5 You must comply with any conditions or restrictions relating to Holiday Lets specified in the Mortgage Offer, including (without limitation) any restriction on the maximum number of days in any calendar year for which the Property may be used as a Holiday Let, any requirement to maintain a minimum level of occupancy on a PRT or SAT basis, and any requirement to notify us before commencing or ceasing Holiday Lets.

21.4.6 You must comply with all statutory, legal and regulatory requirements in force from time to time in connection with the use of the Property as a Holiday Let, including (without limitation) any planning permission or planning consent required by the local authority, any requirements applicable within a short-term let control area designated under the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021, and any applicable fire safety, gas safety, electrical safety and energy performance certificate requirements.

21.4.7 You must not use or permit the Property to be used as a Holiday Let unless the Mortgage Offer expressly permits this. If the Mortgage Offer is silent on the use of the Property as a Holiday Let, or if the consent to Holiday Lets in the Mortgage Offer is withdrawn or varied by us in accordance with its terms, you must let the Property only in accordance with Condition 21.3.

21.5 Any agreement to let the Property must: (a) be in writing; (b) comply in all respects with the requirements of the Private Housing (Tenancies) (Scotland) Act 2016 (for PRTs) or the Housing (Scotland) Act 1988 (for SATs) or, in the case of a Holiday Let, the requirements of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 and any other applicable legislation; (c) not contain any term which is inconsistent with or which purports to override the Mortgage Documents or the Standard Security; (d) specify a rent which is consistent with the open market rental value of the Property; and (e) be on terms which are acceptable to us (and you must provide us with a copy of any tenancy agreement or Holiday Let agreement on request).

21.6 Where you receive a tenancy deposit from any tenant in connection with a PRT or SAT, you must: (a) within 30 working days of receiving the deposit, pay it into a tenancy deposit scheme approved under the Tenancy Deposit Schemes (Scotland) Regulations 2011 (the approved schemes being: SafeDeposits Scotland, Letting Protection Service Scotland, and mydeposits Scotland); (b) provide the tenant with the prescribed information required by those Regulations within 30 working days of receiving the deposit; and (c) comply in all other respects with the Tenancy Deposit Schemes (Scotland) Regulations 2011. Failure to comply may result in a penalty order under the Tenancy Deposit Schemes (Scotland) Regulations 2011 and may constitute a breach of these Conditions.

21.7 Where the Property is let on a PRT or SAT, you must: (a) prior to the Completion Date (or, where the Mortgage is being entered into after you have already acquired the Property, within such period as may be specified in the Mortgage Offer), be registered as a landlord under section 82 of the Antisocial Behaviour etc. (Scotland) Act 2004 with the local authority in whose area the Property is situated; (b) maintain your Landlord Registration throughout the Mortgage Term and for so long as the Property is let on a PRT or SAT; (c) comply with all conditions and requirements of your Landlord Registration; (d) provide us with evidence of your Landlord Registration on request; and (e) notify us immediately if your Landlord Registration is refused, revoked or lapses. Failure to maintain a valid Landlord Registration while the Property is let on a PRT or SAT is a criminal offence under the 2004 Act and will constitute a breach of these Conditions.

21.8 Where the Mortgage is a House of Multiple Occupation Mortgage: (a) you must hold a valid HMO Licence under Part 5 of the Housing (Scotland) Act 2006 and the Civic Government (Scotland) Act 1982 for the Property at all times during the Mortgage Term; (b) you must comply with all conditions attached to the HMO Licence, including any conditions relating to maximum occupancy, fire safety, and the physical standards of the Property; (c) you must not permit the number of occupants or Households at the Property to exceed the maximum specified in the HMO Licence; (d) you must provide us with a copy of the HMO Licence (and any renewal or variation thereof) on request; (e) you must notify us immediately if the HMO Licence is refused, revoked, varied or lapses or if any enforcement action is taken by the local authority in connection with the Property; and (f) you must apply for renewal of the HMO Licence in good time before its expiry.

21.9 Where the Property is used as a Holiday Let: (a) you must hold a valid short-term let licence under Part 1 of the Civic Government (Scotland) Act 1982, as applied by the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 (as amended from time to time), for the Property at all times during which the Property is used as a Holiday Let; (b) you must ensure that the short-term let licence is of the correct type for the use being made of the Property (and, where the Property is not your only or principal home, the licence must be for secondary letting); (c) you must comply with all mandatory conditions set out in Schedule 3 to the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, and with any standard conditions and further conditions attached to the short-term let licence by the licensing authority, including (without limitation) any conditions relating to maximum occupancy, fire safety, gas safety, electrical safety, water safety, and the display of prescribed information; (d) you must not permit the number of guests at the Property to exceed the maximum specified in the short-term let licence; (e) you must ensure that all listings, advertisements and offers for the Property as a Holiday Let include the short-term let licence number, and (where required) a valid Energy Performance Certificate rating, and are consistent with the terms of the licence; (f) you must maintain valid buildings insurance for the Property and valid public liability insurance for the duration of each Holiday Let, in each case as required by the mandatory licence conditions; (g) you must provide us with a copy of the short-term let licence (and any renewal, variation, or transfer thereof) on request; (h) you must notify us immediately if the short-term let licence is refused, revoked, suspended, varied or lapses, or if any enforcement action is taken by the local authority in connection with the Property; (i) you must apply for renewal of the short-term let licence in good time before its expiry; and (j) where the Property is situated within a short-term let control area designated under the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021, you must ensure that the necessary planning permission is in force before any Holiday Let proceeds. Failure to hold a valid short-term let licence while operating a Holiday Let is a criminal offence under section 7(1) of the Civic Government (Scotland) Act 1982 and will constitute a breach of these Conditions.

21.10 The following are unacceptable as tenants for the Property:

21.10.1 you or your family members or Household or a Guarantor or a Guarantor's Household;

21.10.2 multiple tenancies or Occupation Contracts (including for the avoidance of doubt Houses of Multiple Occupation unless expressly permitted by us);

21.10.3 your employee; and

21.10.4 people who have claimed or could claim diplomatic immunity.

21.11 You must not permit any tenant to sub-let or assign their tenancy of the Property (or any part of it) to any person, or share or part with possession or allow other adults to live in the Property or allow them to acquire any right or interest in the Property or the right to occupy it.

21.12 You must:

21.12.1 manage all tenancies in a professional and business-like manner and in accordance with the requirements of the Private Housing (Tenancies) (Scotland) Act 2016 or (as applicable) the Housing (Scotland) Act 1988 or, in the case of a Holiday Let, in accordance with the requirements of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 and the terms of the short-term let licence;

21.12.2 ensure that tenants pay their rent when due and, in the case of a Holiday Let, ensure that guests pay the agreed charge when due;

21.12.3 take reasonable and timely enforcement action against tenants who fail to pay rent or who are otherwise in breach of their tenancy or (in the case of a Holiday Let) against guests who fail to pay the agreed charge or who are otherwise in breach of the Holiday Let agreement;

21.12.4 not agree to any variation of a tenancy or Holiday Let agreement without our prior written consent where such variation would be materially adverse to our interests; and

21.12.5 punctually comply with your obligations under any tenancy agreement.

21.13 You must comply with all statutory, legal or regulatory requirements in force from time to time with respect to the Property and/or your letting of it in the manner agreed.

21.14 You must hold, maintain and comply with the requirements of all licences, registrations or other authorisations necessary relating to the letting of the Property in the manner agreed under any Planning and Housing Acts, including (for the avoidance of doubt) any short-term let licence required under the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022.

CONDITION: 22 OCCUPIER CONSENT AND OCCUPANCY RIGHTS

22.1 Where any person other than the Borrower has or may have occupancy rights in respect of the Property under the Matrimonial Homes (Family Protection) (Scotland) Act 1981, the Civil Partnership Act 2004, we may require that person (a "Qualifying Occupier") to consent to the Standard Security and postpone their occupancy rights to it before Completion by signing the Standard Security as a consenter and delivering to us a consent and postponement (in a form acceptable to us).

22.2 We may require you to obtain and deliver to us a consent and postponement (in a form acceptable to us) from any Qualifying Occupier at any time during the Mortgage Term if we become aware that a person has acquired occupancy rights in respect of the Property after the Completion Date.

22.3 If you live in the Property, You must notify us immediately if:

22.3.1 you marry or enter into a civil partnership;

22.3.2 any person acquires occupancy rights in respect of the Property under the Family Law (Scotland) Act 2006; or

22.3.3 any person who is not a Borrower takes up residence in the Property.

CONDITION: 23 LAND REGISTRATION

23.1 The Standard Security must be registered in the Land Register of Scotland maintained by Registers of Scotland in order to be effective as a real right in security over the Property.

23.2 Prior to Completion, your Legal Adviser must (on our behalf) apply for an Advance Notice under section 56 of the Land Registration etc. (Scotland) Act 2012 in respect of the Standard Security. The Advance Notice protects our priority pending registration of the Standard Security. You must ensure that the application for registration of the Standard Security is submitted to Registers of Scotland within the protected period of the Advance Notice (being 35 days from the date of entry of the Advance Notice in the Land Register).

23.3 You must do all things necessary to procure the registration of the Standard Security in the Land Register within the protected period of the Advance Notice. You will be responsible for all registration dues and Costs associated with registration.

23.4 If, for any reason, the Standard Security is not registered within the protected period of the Advance Notice, you must promptly inform us and take all steps required by us (including the application for a further Advance Notice and re-execution of the Standard Security if necessary) to procure registration.

23.5 Upon registration, the Standard Security will be noted on your title sheet in the Land Register as an entry in the securities section, and we will be disclosed as the heritable creditor.

CONDITION: 24 INFORMATION ABOUT YOU AND YOUR MORTGAGE ACCOUNT

24.1 Without prejudice to the declaration in, or provided in connection with, any Mortgage application, by entering into the Standard Security, you consent to us passing on any information or documents held by us or provided by you in relation to your application for any Loan, the Mortgage, the Mortgage Documents, the Property and any related security held by us or the conduct of your Mortgage to:

24.1.1 any actual or proposed Transferee under CONDITION: 18;

24.1.2 any actual or proposed provider of funds for any Loan or any person involved with such actual or proposed provision;

24.1.3 any party with whom we or our agents have, or are considering entering into, a contractual agreement in relation to the Mortgage;

24.1.4 credit reference and rating agencies;

24.1.5 fraud prevention data sharing schemes and databases or other fraud prevention agencies and systems;

24.1.6 any other party who it may be necessary to inform in connection with any contemplated litigation against you or professionals employed in relation to the Mortgage;

24.1.7 any of our subsidiary, holding, or associated companies or agents;

24.1.8 any professional advisers of any persons referred to in paragraphs 24.1.1 to 24.1.7 above; and

24.1.9 any other person we are required or permitted to provide such information to by law.

24.2 If you instruct a Legal Adviser, you allow them to tell us about anything they know or learn about you or your affairs which may be relevant to our decision to lend to you. This applies to any information, whether learnt before or while acting for you on the Mortgage.

CONDITION: 25 PAYMENT DIFFICULTIES

25.1 If you are having difficulty keeping up with your Monthly Payments, you should contact us as soon as possible. We will consider what arrangements can be made, taking account of your individual circumstances and in accordance with applicable regulatory requirements, before taking enforcement action under CONDITION: 8.

CONDITION: 26 NOTICES

26.1 If we have to serve on you a letter or personal notice or other document under this Mortgage it will be in writing and sent to your registered address or other last known address by second class post (or if we choose by first class post or by private delivery).

26.2 If we send a notice in the post, you are deemed to have received it three (3) Business Days after we have posted it.

26.3 If there is more than one of you, then if you share the same address, we will send a single copy of the notice addressed to each of you. If you have different addresses, we will send a copy of the notice to each address.

26.4 You must promptly provide us with an updated address which we can use to contact you in the event you change your registered address, whether as a result of us taking possession of the Property or otherwise.

26.5 If you wish to contact us regarding your Mortgage, please refer to our website or your most recent Mortgage statement for our contact details.

CONDITION: 27 COMPLAINTS

27.1 If you wish to make a complaint, please contact us by phone or in writing. For our contact details, please refer to our website or your most recent Mortgage statement.

27.2 If you are not satisfied with the outcome of, or how we handle, your complaint, you may, subject to being eligible, be able to refer it to the Financial Ombudsman Service (Website: www.financial-ombudsman.org.uk Phone: 0800 023 4657 Address: Financial Ombudsman Service, Exchange Tower, London E14 9SR).

CONDITION: 28 LEGISLATION

28.1 Any reference in these Conditions to any Act of Parliament, Act of the Scottish Parliament, statutory instrument or other legislation shall be construed as a reference to that legislation as amended, extended, re-enacted or consolidated from time to time and to any subordinate legislation made under it.

CONDITION: 29 GOVERNING LAW AND JURISDICTION

29.1 These Conditions, the Standard Security and the Mortgage Documents (and any non-contractual obligations arising out of or in connection with them) are governed by and shall be construed in accordance with the law of Scotland.

29.2 You irrevocably submit to the exclusive jurisdiction of the Scottish courts (being the Court of Session and/or the Sheriff Court having jurisdiction) in relation to any dispute or claim arising out of or in connection with the Mortgage Documents (including any dispute relating to any non-contractual obligations arising out of or in connection with the Mortgage Documents).

29.3 Nothing in this CONDITION: 29 shall limit our right to bring proceedings against you in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.

CONDITION: 30 CHANGES TO TERMS AND CONDITIONS

30.1 We may change the terms and conditions applying to your Mortgage in a manner that we reasonably consider is not to your disadvantage:

30.1.1 to respond proportionately to:

30.1.1.1 a change in the law, regulation or codes of practice; and/or

30.1.1.2 a recommendation, requirement or decision by a court, ombudsman, regulator or equivalent body; and/or

30.1.2 to reflect changes in the manner in which we manage (or the systems we use to manage) mortgages and/or related services.

30.2 Unless the change is to ensure compliance with applicable law or regulation (in which case we may make it immediately), we will give you at least one (1) Month's written notice of any change under this CONDITION: 30.

CONDITION: 31 NO RIGHT TO SET-OFF

31.1 You must pay all sums that you owe to us totally, free and clear without any set-off, counterclaim, deduction or withholding of any kind, save as may be required by law.