

Pay as you Grow

Standard Conditions

1 Background and Amendment

You have entered into a bounce back loan agreement (**Agreement**) with Santander UK plc (“**us**” “**we**” “**our**”) and wish to exercise a Pay as you Grow option (**PAYG Option**). The relevant “commercial section” (which sets out how the specific details of your loan will change) together with these standard conditions are the terms which amend your Agreement (**PAYG Amendment Terms**). You should read the PAYG Amendment Terms carefully and if you are in any doubt as to what they mean or how they affect you and/or your business, then you should obtain independent legal advice.

The PAYG Amendment Terms are incorporated by reference into your Agreement and save as amended by the same, the Agreement shall remain in full force and effect. The Agreement shall be read and construed as one document together with the relevant PAYG Amendment Terms and except as specifically amended by them, nothing in the PAYG Terms, shall constitute an amendment, waiver, consent or release of any provision of, or any right or remedy we have under the Agreement, nor prejudice any right or remedy we have under it.

It is important that you are aware that even if you select all or any of the PAYG Options available to you which have the effect of extending the duration of your Agreement, such duration can never exceed 10 years from the date when we advanced your loan to you.

If you have recently made an overpayment and/or changed the date of your Direct Debit, the calculations shown in the PAYG Amendment Terms may not be up to date. You can access full details about your repayments, including your next monthly payment amount, and your total balance outstanding through your online banking.

2 Confirmations

By signing the PAYG Amendment Terms, you confirm that:

- a) any information you have given us as part of the PAYG Option selection and the PAYG Amendment Terms is correct and we can rely on it;
- b) you understand that we will not conduct any form of credit or affordability check and accept no responsibility or duty of care to you for your decision to amend the terms of your Agreement;
- c) there has been no change to your constitution and/or corporate structure from that in place on the date of your Agreement. Further, you agree to advise us fully and promptly as regards any such changes;
- d) you are entitled to disclose information to us about any joint applicant or person named on the Agreement and the PAYG Amendment Terms (if applicable) and that you have consent to act on their behalf. Where there are two or more people named on the Agreement, this declaration applies to each person separately;
- e) you are not in breach of the Agreement and no demand for any payment has been made by us on you;

- f) you are aware that the Agreement and these PAYG Amendment Terms are not regulated by the Financial Services and Markets Act 2000 or the Consumer Credit Act 1974 and so are not subject to the usual consumer protections that apply to business lending and, as such, you will not have the benefit of the protection and remedies that would otherwise be available to you under the Consumer Credit Act 1974;
- g) you are not subject to a debt relief order or an individual voluntary arrangement, an undischarged bankrupt, or have applied for or are in the process of dissolving (including applying for, or having made an application for, or taken any other steps for, a dissolution of) your business (including to strike-off), nor, if you are a partnership, in a voluntary arrangement with your creditors nor in liquidation, or (in Scotland) subject to a debt payment plan, trust deed (whether protected or not) or an undischarged bankrupt; and
- h) You acknowledge that we will enter into the PAYG Amendment Terms with you in full reliance on the confirmations provided in this section 2 and that by signing the PAYG Amendment Terms that you continue to be bound by and to meet the obligations in your Agreement (as amended).

3 PAYG Options and the repayments under your Agreement.

- a) For information purposes only, the rate of interest on your loan remains as set out in the Agreement. For additional clarity, the rate of interest that is charged on your loan shall be a fixed rate of 2.5% per annum.
- b) By exercising a PAYG Option and entering into the relevant PAYG Amendment Terms this will mean that you will pay more interest overall and if you have extended your loan duration, will mean that it takes you longer to repay your loan. If you decide to exercise a PAYG Option for an interest only period or a payment holiday but do not opt to extend your loan duration (or this option is not available to you) then your capital payments will increase for the remainder of your Agreement after either the payment holiday period or the interest only payment period (as applicable) have come to an end.
- c) If you enter into PAYG Amendment Terms for a payment holiday then during such 6-month period, interest will continue to accrue on and be applied to your outstanding loan balance (plus all interest accrued thereon during the payment holiday). Following the end of the payment holiday, your outstanding loan balance together with the accrued interest is to be repaid in accordance with the terms of the Agreement (as amended by the relevant PAYG Amendment Terms or as we may otherwise notify you in writing).
- d) By allowing you to enter into the relevant PAYG Amendment Terms with us, you agree that we are not waiving your obligation to pay any amounts due to us (or which may become due to us) in respect of the loan under the Agreement save in the circumstances we have specifically agreed to under the PAYG Amendment Terms.

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- e) The repayment dates under your Agreement will be unaffected unless we specifically notify you otherwise in writing.
- f) The Total Amount Payable (as defined in your Agreement) and (if applicable) as amended and advised to you if you took out a BBLS top-up to the loan under your Agreement will be deemed amended by increasing the Total Amount Payable to include 'the additional interest amount you will pay' figure as set out in the "commercial section" to the PAYG Amendment Terms. If you take out a number of PAYG Options then the Total Amount Payable figure will be amended each time and so increased to include the additional interest amount figure for each PAYG Amendment Terms you enter into with us.

4 Miscellaneous

- a) Unless otherwise stated, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this document.
- b) The PAYG Amendment Terms are governed by English law and subject to the non-exclusive jurisdiction of the English courts.
- c) We may ask for further information or proof (at our discretion) to verify the identity and/signature of the individual who signs the PAYG Amendment Terms. You agree to co-operate with us fully in this regard and provide any additional information which is required by us to make such a verification.
- d) Terms which are not otherwise defined in these PAYG Amendment Terms shall have the same meaning as given to them in the Agreement.