



# Business Lending Terms and Conditions for Variable Rate Loan and Overdraft Facilities

This document contains important information. Please read carefully and retain for future reference.

## Standards of Lending Practice

AIB (NI) adheres to the Standards of Lending Practice for Business Customers which sets standards for banks when dealing with lending for business customers.

The protections of the Standards of Lending Practice apply to businesses/organisations, which at the point of lending:

- have an annual turnover of no more than £6.5 million in its last financial year (exclusive of VAT and other turnover related taxes), and;
- which does not have a complex ownership structure (for example, businesses with overseas, multiple, or layered ownership structures).

You can get more information on the Standards from any branch or from the Lending Standards Board website [www.lendingstandardsboard.org.uk](http://www.lendingstandardsboard.org.uk).

AIB Group (UK) p.l.c. also subscribes to the "Lending Principles for Larger Businesses" which is supported by UK Finance.

## Credit appeals process

If you apply for credit and are declined there is a credible and transparent credit appeals process available to you. All decisions to decline formal applications for credit to business customers are subject to independent assessment. If upheld, the decline decision and reason(s) are communicated to you verbally and in writing. The decline letter signposts alternative sources of finance and advises you how to appeal a lending decision if you are eligible to do so. In the event that you wish to appeal a decision a further independent review will be undertaken.

## Better Business Finance

In addition to our internal credit appeals process support is also available from Better Business Finance [www.betterbusinessfinance.co.uk](http://www.betterbusinessfinance.co.uk).

Better Business Finance provides impartial information and support to business customers looking to raise finance and is supported by UK Finance.

## Contacting Us

You can contact us through our Contact Centre, through our branches, by email and by phone (as set out in your terms and conditions and in our 'Customer Care – our commitment to you' brochure), and through our different helplines (for example, Internet Business Banking). Details of your branch will be provided to you when you open your account.

If your AIB (NI) credit card or any other security feature of the card is lost or stolen or has fallen into the hands of someone who may use it to commit fraud, please contact us immediately on 0044 (0) 28 9033 0099. A customer service adviser is available 24 hours a day.

We have also set up a phone number you can use to report suspicious or fraudulent transactions, no matter what product or service they apply to. The number is 0044 (0) 28 9034 6034. A customer service advisor will be available from 8.30am to 5.00pm. Outside these hours, there will be a recorded answering service. You can leave a message and we will follow it up the next banking day. We will also record the message and add it to our files.

You can also contact us by writing to our head office at AIB(NI), 92 Ann Street, Belfast BT1 3HH.

AIB (NI) is a trade mark of AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## Data Protection Notice - AIB Group (UK) plc Effective 1 January 2020

We respect your trust in us to use, store and share your information. In this notice, we explain how we collect personal information about you, how we use it and how you can interact with us about it.

We try to keep this notice as simple as possible but if you are unfamiliar with our terms, or want more detail on any of the information here, please see our website's Frequently Asked Questions section or our contact details at [aibni.co.uk/data-protection](http://aibni.co.uk/data-protection) or [www.aibgb.co.uk/Data-protection](http://www.aibgb.co.uk/Data-protection). You can also ask for more details at your local branch.

### 1. Who we are

In this notice, 'we', 'us' and 'our' refers to AIB Group (UK) p.l.c. which includes AIB (NI), Allied Irish Bank (GB) and Allied Irish Bank (GB) Savings Direct, and AIB Group which refers to Allied Irish Banks, p.l.c., its subsidiaries, affiliates and their respective parent and subsidiary companies. For more information about our group of companies, please visit [www.aibgroup.com](http://www.aibgroup.com).

We share your information within AIB Group to help us provide our services, comply with regulatory and legal requirements, and improve our products.

### 2. Data Protection Officer

Our Data Protection Officer oversees how we collect, use, share and protect your information to ensure your rights are fulfilled. You can contact our Data Protection Officer at [UKDPO@aib.ie](mailto:UKDPO@aib.ie) or by writing to them at: Data Protection Officer, AIB Group (UK) p.l.c., 92 Ann Street, Belfast, BT1 3HH.

### 3. How we collect information about you

We collect personal information from you, for example when you open an account; make a deposit; apply for products and services; use your credit or debit card; complete transactions; or look for advice. We also collect information through our website, apps, social media, discussion forums, market research and CCTV footage. We will sometimes record phone conversations and we will always let you know when we do this.

We may collect information to identify you through voice, facial or fingerprint (biometric data) recognition technology. We always ask for your consent to do this.

Our websites use 'cookie' technology. A cookie is a little piece of text that our server places on your device when you visit any of our websites or apps. They help us make the sites work better for you.

When you apply to us for products and services, and during the time you use these, we carry out information searches and verify your identity. We do this by sending and receiving information about you to and from third parties including credit reference agencies and fraud prevention agencies. We and these agencies may keep records of our searches whether or not the product or service goes ahead.

#### 4. How we keep your information safe

We protect your information with security measures under the laws that apply and we meet international standards. We keep our computers, files and buildings secure.

When you contact us to ask about your information, we may ask you to identify yourself. This is to help protect your information

#### 5. How long we keep your information

To meet our legal and regulatory obligations, we hold your information while you are a customer and for a period of time after that. We do not hold it for longer than necessary.

#### 6. Meeting our legal and regulatory obligations

To use your information lawfully, we rely on one or more of the following legal bases:

- performance of a contract;
- legal obligation;
- protecting the vital interests of you or others;
- public interest;
- our legitimate interests; and
- your consent.

To meet our regulatory and legal obligations, we collect some of your personal information, verify it, keep it up to date through regular checks, and delete it once we no longer have to keep it. We may also gather information about you from third parties to help us meet our obligations. If you do not provide the information we need, or help us keep it up to date, we may not be able to provide you with our products and services.

#### 7. Consent

Sometimes we need your consent to use your personal information. With direct marketing for example, we need your consent to make you aware of products and services which may be of interest to you. We may do this by phone, post, email, text or through other digital media.

You can decide how much direct marketing you want to accept when you apply for new products and services. If we ever contact you to get your feedback on ways to improve our products and services, you have the choice to opt out.

When we use sensitive personal information about you, such as medical or biometric data, we ask for your consent. Before you give your consent, we tell you what information we collect and what we use it for. You can remove your consent at any time by contacting us.

#### 8. How we use your information

We use information about you to:

- provide relevant products and services;
- identify ways we can improve our products and services;
- maintain and monitor your products and services;
- protect both our interests;
- meet our legal and regulatory obligations; and

- decide and recommend how our products and services might be suitable for you.

To provide our products and services under the terms and conditions we agree between us, we need to collect and use personal information about you. If you do not provide this personal information, we may not be able to provide you with our products and services.

We analyse the information that we collect on you through your use of our products and services and on our social media, apps and websites. This helps us understand your financial behaviour, how we interact with you and our position in a market place. Examples of how we use this information includes helping protect you and others from financial crime, offering you products and services and personalising your experience.

We may report trends we see to third parties. These trend reports may include information about activity on devices, for example mobile phones, ATMs and self-service kiosks, or card spend in particular regions or industries. When we prepare these reports, we group customers' information and remove any names. We do not share information in these reports that can identify you as a customer, such as your name, or account details.

We sometimes use technology to help us make decisions automatically. For example, when you apply for a loan online. Before we make a decision, we automatically score the information you give us, any information we already hold about you, and any information we may get from other sources.

#### 9. Your information and third parties

Sometimes we share your information with third parties.

For example to:

- provide products, services and information;
- analyse information;
- research your experiences dealing with us;
- collect debts;
- sell your debts;
- sell whole or part of our business;
- prevent financial crime;
- help trace, investigate and recover funds on your behalf;
- trace information; and
- protect both our interests.

In order to process your application we will supply your personal information to credit reference agencies (CRAs) and they will give us information about you, such as about your financial history. We do this to assess creditworthiness and product suitability, check your identity, manage your account, trace and recover debts and prevent criminal activity.

We will also continue to exchange information about you with CRAs on an ongoing basis, including about your settled accounts and any debts not fully repaid on time. CRAs will share your information with other organisations. Your data will also be linked to the data of your spouse, any joint applicants or other financial associates.

The personal information we have collected from you will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment.

Further details of the CRA's and fraud prevention agencies, and how they process your information can be found at our websites.

We expect these third parties to have the same levels of information protection that we have.

We also have to share information with third parties to meet any applicable law, regulation or lawful request. When we believe we have been given false or misleading information, or we suspect criminal activity we must record this and tell law enforcement agencies, which may be either in or outside the UK.

### 10. International transfers of data

We may transfer your personal information outside of the European Economic Area (EEA) to help us provide your products and services. We expect the same standard of data protection is applied outside of the EEA to these transfers and the use of the information, to ensure your rights are protected.

### 11. Your personal information rights

You will find information about your rights, when they apply and our responsibility to you on our website's Frequently Asked Questions section.

You can exercise your rights by calling into a branch, using our social media channels, phoning or writing to us. Further information and our contact details are available on our websites at [aibni.co.uk/data-protection](http://aibni.co.uk/data-protection) or [www.aibgb.co.uk/Data-protection](http://www.aibgb.co.uk/Data-protection)

We can help you with:

*Accessing your personal information:* You can ask us for a copy of the personal information we hold. You can ask us about how we collect, share and use your personal information.

*Updating and correcting your personal details.*

*Removing consent:* You can change your mind wherever you give us your consent, such as for direct marketing, or using your sensitive information, such as medical or biometric data.

*Restricting and objecting:* You may have the right to restrict or object to us using your personal information or using automated decision making.

*Deleting your information (your right to be forgotten).* You may ask us to delete your personal information.

*Moving your information (your right to Portability).* Where possible we can share a digital copy of your information directly with you or another organisation.

When you contact us to ask about your information, we may ask you to identify yourself. This is to help protect your information.

We generally do not charge you when you contact us to ask about your information.

### 12. Making a complaint

If you have a complaint about the use of your personal information, please let a member of staff in your branch (or service outlet) know, giving them the opportunity to put things right as quickly as possible. If you wish to make a complaint you may do so in person, by telephone, in writing and by email. Please be assured that all complaints received will be fully investigated. You can register a complaint through our contact centre, our branches, our Website, by phone, by email or in person at your branch. We ask that you supply as much information as possible to help our staff resolve your complaint quickly.

You can also contact the Information Commissioner's Office at [www.ico.org.uk](http://www.ico.org.uk)

### 13. Updates to this notice

We will make changes to this notice from time to time, particularly when we change how we use your information, and change our technology and products.

You can always find an up-to-date version of this notice on our website at [aibni.co.uk/data-protection](http://aibni.co.uk/data-protection) or [www.aibgb.co.uk/Data-protection](http://www.aibgb.co.uk/Data-protection). You will also find a copy on display at your local branch, or you can ask us for a copy.

### Making a Complaint

If at any time you are dissatisfied with our service please let a member of staff in your branch know, giving them the opportunity to put things right as quickly as possible. If you wish to make a complaint you may do so in person, by telephone, in writing and by email. Please be assured that all complaints received will be fully investigated.

You can register a complaint through our contact centre, our branches, our website, by phone, by email or in person at your branch. We ask that you supply as much information as possible to help our staff resolve your complaint quickly. We ask that you provide the following information:

- your name, address, Sort Code and Account Number;
- a summary of your complaint; and
- if feasible, any relevant documentation.

We value your feedback and will try to resolve your complaint as soon as possible. In the event that your complaint cannot be resolved to your satisfaction you may have the right to refer the matter to the Financial Ombudsman Service. You must refer your complaint to the Financial Ombudsman Service within six months from the date of our final response letter. You can contact them at:

Financial Ombudsman Service Exchange  
Tower London E14 9SR

Telephones: 0800 023 4567 +44 20 7964 1000 (for calls from outside the UK)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### Important Information

All the information contained in these terms and conditions is correct at the time of printing. If there are any further changes to your terms and conditions which are to your detriment we will communicate these changes to you two months before the changes become effective.

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# Section I - Introduction, interpretation and Definitions

## Introduction

1.1.0 This booklet sets out the general terms and conditions governing variable rate lending and other facilities provided to customers by AIB Group (UK) p.l.c. (the “Bank” which expression shall, where the context so permits, include its successors, assigns, chargees, transferees or sub-participants) where the facilities invoke all or any of the terms and conditions set out herein. AIB Group comprises Allied Irish Banks, p.l.c. its subsidiaries and associated companies from time to time, including AIB Group (UK) p.l.c.

1.1.1 Facilities provided by the Bank include, for example, the following:

- (i) **overdraft:** usually short term facilities for working capital where the account balance shows fluctuations between debit and credit; credit lines are classified as overdraft facilities which may be used for working capital only for business or farming purposes;
- (ii) **loan:** facilities with customised repayment options; as stated in the Loan Facility Letter or facilities intended for a specific purpose repayable by regular repayments within a period as stated in the Loan Facility Letter;
- (iii) **bank guarantees and documentary credits, bonds and indemnities and any other contingent obligations** provided by the Bank to third parties on behalf of customers.

The above examples are not intended to be exhaustive and the terms and conditions set out in this booklet may be invoked to apply to other facilities.

1.1.2 Other specific terms and conditions may apply to facilities in accordance with the relevant facility letter or other agreement in writing between the Bank and the Borrower and to the extent (if any) that the specific terms and conditions conflict with the general terms and conditions set out in this booklet, then the specific terms and conditions will apply.

For the purpose of clarity, it should be noted that unless a new facility is sanctioned to renew, replace or restructure existing facilities, the existing facilities will continue to be subject to the terms and conditions on which they were sanctioned, subject to clause 1.1.3 below.

1.1.3 The Bank may from time to time change, vary or supplement the terms and conditions set out in this booklet and all facilities will be governed by the then changed terms and conditions. If the change is to the Borrower’s detriment we will notify the Borrower of it at least two months before the changes become effective (unless, by law or regulation, we are able to give the Borrower shorter notice). Unless we hear otherwise from the Borrower during the notice period, we will assume that the Borrower is happy to accept the amended terms and conditions. At any time up to two months from the date of the notice the Borrower may, without notice, switch or close the account to which the facility attaches without having to pay any extra charges or interest for doing this, subject to the Borrower immediately repaying all amounts outstanding.

## Interpretation

1.1.4 In this booklet unless the context otherwise requires:

- (i) references to sections and clauses refer to the relevant sections and clauses of this booklet;

- (ii) where the context so permits the singular includes the plural and vice versa;
- (iii) the headings or marginal titles used in this booklet are for ease of reference only and will not affect the construction or interpretation thereof;
- (iv) A “business day” means a day (excluding Saturday, Sunday and Northern Ireland bank and public holidays) on which the Bank’s branches are generally open for business in Northern Ireland. Any payment which would be due and payable on a non-business day, or on the 29th, 30th or 31st day of a calendar month which does not include that date, will be deemed due and payable on the nearest business day which the Bank deems appropriate;
- (v) references to “Customer” are deemed to include “Borrower”;
- (vi) references to any statutory provision, or to any order or regulation includes a reference to that provision, order or regulation as extended, modified, replaced or re-enacted from time to time;
- (vii) “Group” means the Borrower, every Holding Company and Subsidiary of the Borrower for the time being (if any) and every Subsidiary of every such Holding Company for the time being (if any);
- (viii) “Holding and Subsidiary Company” means a holding company (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members’ rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(12) (b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;
- (ix) “Increased Cost” means:-
  - \* An additional or increased cost incurred by the Bank as a result of it having entered into, or performing, maintaining or funding its obligations under the facility; or
  - \* That portion of an additional or increased cost incurred by the Bank in making, funding or maintaining all or any advances comprised in a class of advances formed by or including the facility; or
  - \* A reduction in any amount payable to the Bank or in the effective return to the Bank under the facility or on its capital; or
  - \* The foregone amount of any payment made or interest or other return on or calculated by reference to any amount received or receivable by the Bank under the facility.

In each case arising as a result of any change, introduction, interpretation or administration of any law or regulation after the date of the facility letter or any compliance after the date of the facility letter with any law or regulation relating to reserve assets, special deposits, cash ratios, liquidity or capital adequacy requirements or



any other form of banking or monetary control (including controls and requirements of the Bank of England, the Financial Conduct Authority, the European Central Bank or any other governmental or regulatory authority) or the introduction of, changeover to or operation of a single or unified European currency or otherwise but excluding (1) costs compensated for by the Mandatory Costs or (2) payments in respect of tax or (3) costs not generally applicable to U.K. banks;

- (x) references to “Interest Period” mean the number of days between two dates that is used to calculate the amount of interest accrued on the balance that was outstanding during that time;
- (xi) references to “LIBOR” mean the rate (expressed as an annual percentage rate) at which Sterling deposits in an amount equal to the Facility are offered to the Bank in the London Interbank Market by prime banks, selected by the Bank, at or about 11.00 am on the first Business Day of an Interest Period for the same period and amount in sterling. This interest rate is guaranteed over the stipulated period of time;
- (xii) references to “EURIBOR” mean, Euro Interbank Offered Rate. This is the primary benchmark short-term Euro fixed lending interest rate used by banks for periods from one week up to one year. The EURIBOR is officially fixed everyday at 11.00 am (excluding bank holidays and weekends) for each fixed period. This interest rate is guaranteed over the stipulated period of time;
- (xiii) references to “Reserve Asset Cost” means the cost to the Bank (expressed as a percentage per annum) from time to time arising in relation to funding a facility in respect of the Bank having to meet any liquidity or minimum reserve ratio, special deposit or similar requirements imposed by any Regulatory Authority in relation to a facility;
- (xiv) “Reference Interest Rate” means an interest rate which comes from a publicly available source which can be verified by both parties such as EURIBOR and LIBOR or any other interest rate which meets this description;
- (xv) a “Regulated Agreement” means any credit agreement that is not an exempt agreement where: a credit agreement means an agreement between the Borrower, being an individual or relevant recipient of credit as defined in article 60L(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), and the Bank, under which the Bank provides such Borrower with credit of any amount; and, an exempt agreement means a credit agreement that is an exempt agreement under articles 60C and 60H of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544). Credit includes a cash loan and any other form of financial accommodation;
- (xvi) “Regulatory Authority” will include the Financial Conduct Authority, the Prudential Regulation Authority and any other regulatory, fiscal, monetary or other authority having jurisdiction over the Bank or any subsidiary of the Bank whether or not having the force of law.

## Section II – Overdraft

### Application

- 2.0 The terms and conditions set out in this section apply to overdraft facilities.

### Repayable on Demand

- 2.1.1 The Bank will not be obliged to make an overdraft facility available if any information provided by or on behalf of the Borrower in connection with the overdraft facility is found to be inaccurate.
- 2.1.2 Overdraft facilities are repayable on demand. However, in normal circumstances, the Bank expects that the overdraft or credit line facilities will be available until the review date stated in the facility letter, without obligation on the part of the Bank to continue to provide the facility after such date.
- 2.1.3 Without prejudice to the Bank’s right to demand repayment at any time, the happening of any of the events set out in clause 3.9 may lead to the Bank terminating the facility and making demand for payment, with or without notice to the Borrower.

### Limit

- 2.2.1 A limit representing the amount of the facility will be stated in the facility letter and will apply to the facility.
- 2.2.2 The Borrower must ensure that the debit balance on the account the overdraft facility attaches to does not exceed the limit.
- 2.2.3 Where a Borrower maintains more than one business current accounts at the same branch then the Bank may agree that an overdraft limit will operate as a limit governing the net aggregate balance on those current accounts. In such circumstances, the Borrower must at all times maintain the net position within the limit. If a net excess would otherwise occur, items may be returned unpaid notwithstanding that the particular account on which the payment is drawn shows a credit balance.

### Operation of Account

- 2.3.1 Any item which if paid would have the effect of overdrawing the account in the absence of or in excess of an agreed limit may be returned unpaid by the Bank. If, at its discretion, the Bank pays any such item, this will not give rise to any obligation on the Bank to pay any such items on any subsequent occasion.
- 2.3.2 The Bank will not be obliged to give prior notice regarding the presentation and/or dishonour of items drawn on the account. The giving of such notice on any specific occasion will not mean that the Bank will do so on any subsequent occasion.
- 2.3.3 Cheques and other items subject to clearing which are lodged to accounts are subject to the possibility of non-payment (“uncleared effects”). The Borrower will not be entitled as of right to draw against uncleared effects. Payment by the Bank against uncleared effects will not give rise to any obligation on the Bank to do so on any subsequent occasion.

### Interest

- 2.4.1 Interest will be worked out on the cleared balance of the overdraft facility each day, and this will be charged to the account at the end of our normal charging periods and up to the date the Borrower or the Bank close the account.
- 2.4.2 The Bank may increase or decrease the rate of interest that applies to the overdraft facility, in line with changes in the Bank’s base rate as published from time to time. Details of the rate of interest are available at all times on request to the Bank and are shown on the interest rate notices displayed at all branches of the Bank and on our website at aibni.co.uk

# Section III – Loan

## Application

3.0 The terms and conditions set out in this section apply to variable rate loan facilities.

## Repayable

3.1.1 The Bank will not be obliged to make a loan facility available if any information provided by or on behalf of the Borrower in connection with the loan facility is found to be inaccurate.

3.1.2 In normal circumstances, the Bank expects that the loan will be available as stated in the facility letter.

3.1.3 The happening of any of the events set out in clause 3.9 may lead to the Bank making demand for payment, with or without notice to the Borrower.

## Interest

3.2.1 Compound interest will accrue on the balance of the loan account from time to time, calculated and charged in accordance with Section IV.

3.2.2 The repayment provisions in the facility letter shall be independent of arrangements made in respect of any other borrowing by the Borrower from the Bank.

## Limit

3.3 A limit representing the amount of the facility will be stated in the facility letter and will apply to the facility. This limit will reduce in line with the repayments specified in the facility letter or as otherwise agreed. Where the repayments are inclusive of principal and interest the limit will increase when the Bank debits interest to the loan account.

## Repayments

3.4.1 The Borrower will punctually pay the repayments specified in the facility letter. The Borrower may be required to complete a direct debit and/or a standing order instruction for the purpose of the repayments. At the discretion of the Bank, notwithstanding any intervening expiry date, any direct debit(s) and/or standing order(s) for the agreed periodic repayment amounts may continue to be presented until the full amount of the loan and any other amounts due in respect of the loan have been repaid.

3.4.2 If the interest rate varies during the repayment period the Bank may (but without obligation to do so)

- (a) vary the amount of the repayments by changing the amount of the variable direct debit(s) and/or by accepting a new standing order instruction(s) for the changed amount (where applicable); or
- (b) adjust the number of the repayments; or
- (c) adjust the amount of the final repayment.

3.4.3 Where the facility is advanced under a Regulated Agreement, in the absence of any appropriation by the Borrower the Bank may at its discretion, but subject to regulatory requirements, appropriate payments received by it from the Borrower, either in payment of principal or interest or partly in payment of such principal and interest.

## Residual Balance

3.5 There may be a balance left unpaid after your last repayment date due to

- fluctuating interest rates
- early drawdown
- arrears
- accrued interest

Should this occur, we will either:

- a) continue to rely on any direct debit and/or standing order instruction you have given us in relation to your agreement;
- b) accept a new standing order instruction for the required repayment amount; and/or
- c) agree another repayment arrangement with the Borrower, until the Borrower has repaid the full amount that the Borrower owes the Bank under the agreement. This may mean, for example, that the Borrower may need to make a higher number of repayments than set out in the agreement to repay the Borrower's loan in full or that the total amount the Borrower has to repay under the agreement is higher.

Notwithstanding above, we reserve the right to demand immediate repayment of any balance left unpaid after your last scheduled repayment date.

After you have made all of your scheduled repayments, if any credit balance remains, it will become immediately available to the Borrower.

## Early Prepayment

3.6 At any time during the period of a facility when a variable interest rate applies, the Borrower will be entitled without penalty to effect full or partial early repayment of the loan by paying to the Bank the balance owing together with all interest accrued on the balance until the date of payment.

## Overpayment

3.7 Unless otherwise agreed we will use the overpayment to reduce the remaining term of the loan and your scheduled repayments will remain unchanged and continue to fall on the scheduled repayment dates until the loan is repaid in full. You may request, at the time of making the overpayment, that you want to use it to reduce your scheduled repayment and to leave the loan term unchanged. An overpayment is any payment which is in addition to a scheduled repayment and is insufficient after paying off any arrears to repay the outstanding balance due under the agreement.

## Drawdown

3.8 In order to draw down loan facilities the Borrower must comply with all pre-conditions stated in the facility letter and may also be required to complete drawdown instructions and a direct debit or standing order instruction.

## Events of Default

3.9 A facility, even where expressed to be repayable over or within a specified period, may be terminated by the Bank and the Bank may demand early repayment at any time with or without notice to the Borrower upon the occurrence of any of the following events:

- (i) on the failure by the Borrower to make any repayment of principal or interest on the date it is due;
- (ii) on the Borrower ceasing or threatening to cease to carry on business or any substantial part thereof;
- (iii) on the death of the Borrower or of any guarantor for the Borrower;
- (iv) if any guarantor notifies the Bank that they no longer wish to act as guarantor or that the guarantee is to terminate or on a material change relevant to a guarantor occurring which is in the reasonable opinion of the Bank prejudicial to, or likely to be prejudicial to, the Bank's interests;

- (v) if the Borrower or any guarantor for the Borrower is unable to pay his/her/its debts, within the meaning of Article 103 of the Insolvency (Northern Ireland) Order 1989, or if the Borrower or any guarantor for the Borrower makes or offers to make any voluntary arrangement or composition with his/her/its creditors;
- (vi) in respect of a company Borrower or company guarantor for a Borrower, the presentation of a petition for winding up or for the appointment of an administrator, or liquidator, the convening of a meeting for the purpose of considering a resolution or the passing of a resolution to wind up or the appointment of a receiver;
- (vii) on distress being levied against the goods of the Borrower or on the same being taken in execution pursuant to any decree, judgement or order of a court of competent jurisdiction;
- (viii) on judgement being obtained against the Borrower and remaining unpaid for a period of fourteen days from the date of such judgement;
- (ix) on a material change relevant to the Borrower occurring which is in the reasonable opinion of the Bank prejudicial to, or likely to be prejudicial to, the Bank's interests;
- (x) on the failure by the Borrower to provide any security specified in the facility letter promptly or within the period therein mentioned (if any) or within such extended period as may be agreed between the Bank and the Borrower;
- (xi) on the breach, non-performance or non-observance by the Borrower of any of the terms, conditions, or covenants attaching to any facility whatsoever;
- (xii) on discovery by the Bank that any information supplied by the Borrower was false, misleading or inaccurate in a material respect;
- (xiii) if any security held by the Bank or any of its subsidiaries for the obligations of the Borrower to the Bank or to any of its subsidiaries becomes enforceable;
- (xiv) if in the reasonable opinion of the Bank any change takes place in any applicable law or regulation or in the interpretation thereof which will make it unlawful for the Bank to maintain or give effect to its obligations in respect of the facility;
- (xv) on any change in the shareholding, management or control of a company Borrower which, in the reasonable opinion of the Bank, is prejudicial to, or likely to be prejudicial to, the Bank's interests;
- (xvi) a receiver, administrative receiver, administrator or similar official is appointed in respect of any property of the Borrower or of any guarantor or mortgagor or any of their respective Subsidiaries or if any mortgagee attempts to take possession of such property;
- (xvii) security provided becomes unenforceable or inadequate and the Borrower does not provide replacement or additional security to the Bank's satisfaction or if the Bank shall receive notice of the creation of any further charge, encumbrance or disposition relating to the security given for the facility, or any part thereof, and such charge, encumbrance or disposition has been created without the prior written consent of the Bank;
- (xviii) any other indebtedness of the Borrower is not paid or becomes due or capable of being declared due, prior to its stated maturity;
- (xix) if the Borrower is in breach of any other agreement with the Bank or any other company within AIB Group;
- (xx) if the Borrower fails to comply with all applicable environmental law and regulation and/or obtain, maintain and ensure compliance with all requisite environmental licences and/or implement procedures to monitor compliance with and to prevent liability under any environmental law.

## Section IV - Interest

### Applicable Interest Rates

4.1.1 The interest rate applicable to a facility will be determined by the Bank by reference to the business of the Borrower and the purpose, risk and term of the facility.

4.1.2 The variable interest rate applicable to facilities will be stated in the facility letter with reference where appropriate to the interest rate category determined by the Bank.

### Reference Interest Rates

4.2.1 Where facilities are sanctioned on a Reference Interest Rate then:

- (i) the Bank will agree the Interest Period with the Borrower; and
- (ii) the first Interest Period will commence on the date of drawdown and each subsequent Interest Period will, unless otherwise agreed, be of the same duration and will commence on the expiry date of the immediately preceding Interest Period; and
- (iii) the Reference Interest Rate for the first Interest Period will be set by the Bank at the date of drawdown and reset at the start of each subsequent Interest Period.

#### 4.2.2 Calculation of EURIBOR Interest

Interest shall be charged on the basis of a defined margin in excess of EURIBOR as follows:-

- Interest shall accrue and be calculated on a day-today basis and unless otherwise notified in writing to the Borrower shall be charged every three months (the "Interest Period") and up to the date of final repayment of the facility at the Margin in excess of the ruling rate (offer price) for EURIBOR;
- If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

#### 4.2.3 Calculation of LIBOR Interest

Interest shall be charged on the basis of a defined margin in excess of LIBOR as follows:-

- Interest shall accrue and be calculated on a day-today basis and unless otherwise notified in writing to the Borrower shall be charged every three months (the "Interest Period") and up to the date of final repayment of the facility at the Margin in excess of the ruling rate (offer price) for LIBOR;
- In addition to the Margin, the Borrower shall also pay the Reserve Asset Cost (Mandatory Costs).



- If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

4.2.4 If the interest rate category which is applicable to a facility is AIB (NI) Base Rate, AIB (NI) Euro Base Rate or a Reference Interest Rate and the applicable interest rate at any time in such interest rate category, together with a margin (if any), would result in a current interest rate for that facility which is below zero, the current interest rate will be deemed to be zero.

## Rate of Interest Applicable to the Loan Facility

4.3 The rate of interest applicable to the facility may be adjusted from time to time, upwards or downwards, in line with changes in the Bank's base rate and Reference Interest Rate as published from time to time. The current rate, at any one time applicable, will be available on request from any branch and on our website at [aibni.co.uk/business/interest-rates](http://aibni.co.uk/business/interest-rates).

## Calculation of Interest

4.4 Interest is calculated on the balance outstanding each day on accounts after adjustment is made for cheques and other items in course of collection to and from the particular branch in which the account is held. Interest is, therefore, not necessarily charged on the daily balance of the account as shown on the Borrower's statement. The adjustment will reflect the actual time at which value will have been given or obtained by the Borrower's branch for items drawn on or lodged to the account.

## Interest Rests

4.5 Interest is debited to accounts quarterly in March, June, September and December in each year (except in the case of facilities sanctioned by way of a Reference Interest Rate such as EURIBOR and LIBOR) and up to the date of final repayment of the facility, but this may change.

## Interest Debited to Accounts

4.6 Interest will be debited to the account on which it has accrued or to such other account as may be agreed between the Borrower and the Bank.

## Compound Interest

4.7.1 All interest charged by the Bank on the Facility is compound interest. This means that interest debited to accounts will itself bear interest until it is paid. This clause does not affect any other right the Bank may have arising out of any failure by the Borrower to pay interest when due.

4.7.2 Compound interest will continue to accrue on all balances until the full amount due to the Bank has been repaid notwithstanding any demand by the Bank for payment, the termination of Facility Letter, bankruptcy, liquidation, administration, or the appointment of a receiver in respect of the Borrower, or the issue of proceedings by the Bank against the Borrower for payment.

## Excess Interest

4.8.1 Unscheduled or unauthorised borrowings by a borrower oblige the Bank to arrange impromptu funding in the money market and generate additional administrative activities. This gives rise to costs, expenses and risk to the Bank which are covered by the application of excess interest. Excess interest, in addition to the interest applicable to the Facility, will be charged:

- where the balance (or the net aggregate balance) on any account(s) exceeds the relevant agreed limit or an account is overdrawn without a sanctioned limit ("excess balances"); and
- where any residual debit balance remains unpaid after the Bank has demanded payment or after the expiry of the review date or the repayment period of the Overdraft Facility, without the Bank's agreement to extend or renew the Overdraft Facility ("residual balances").

Excess interest will apply to excess balances and residual balances for the duration thereof.

4.8.2 Excess interest will be debited to the Borrower's accounts in the same manner as other interest charges. Excess interest will be itemised separately when debited to accounts.

4.8.3 The excess rate of interest is subject to change from time to time. Details of the excess interest rate current from time to time are available at all times on request to the Bank and are shown on the interest rate notices displayed at all business centres of the Bank and on our website at [aibni.co.uk](http://aibni.co.uk)

## Interest Set-Off on Current Account

4.9 Where a Borrower has an overdraft and at the same time maintains a credit current account with the same branch and the Bank has a right to set-off the balances in those accounts, the Bank may agree to charge a reduced rate of interest (subject to a minimum of 1% per annum, but this may change) on that portion of the debit balance covered by the credit balance. No set-off for interest purposes is allowed for any facility other than overdraft. For further details, please refer to the separate set-off advice and accompanying Terms and Conditions for Set-Off (together the "Set-Off Conditions Letter") that will apply to any such overdraft. If there is any conflict between the general terms and conditions set out in this booklet and the "Set-Off Conditions Letter", then the "Set-Off Conditions Letter" will prevail.

# Section V – Contingent Obligations

## Facilities Involving Contingent Obligations

- The offer of facilities by way of bank guarantees, documentary credits, bonds and indemnities and other contingent obligations undertaken by the Bank to third parties may, at the Bank's discretion, be withdrawn if not availed of within the period of time stated within the facility letter.
- Commission in respect of contingent obligations (including bonds, guarantees and indemnities) undertaken by the Bank to third parties on behalf or at the request of the Customer will be charged quarterly (or part thereof) in advance while the obligations continue.
  - Commission is calculated quarterly on the maximum amount of the contingent obligation, applying the relevant rate of commission divided by four quarters.
  - Commission will be debited to the Customer's working account or such other account as the Bank deems appropriate.
  - The frequency, method of charging and debiting commission may change, in which case the Bank will give Customers 30 days' notice by writing to them or, as the Bank sees fit.
- During the period of any contingent obligation arrangement made on behalf of a Customer, the happening of any of the events set out in clause 3.9 may lead to the Bank terminating the arrangement with or without notice to the Customer.

- 5.5 Where, pursuant to any contingent obligation arrangement made with or on behalf of a Customer, the Bank is obliged to make payment to a third party or otherwise incur any cost, the amount of such payment or cost will be debited to the working account of the Customer or such other account in the name of the Customer as the Bank deems appropriate (including, where necessary, the opening of a new account by the Bank for that purpose). Any resulting debit balance on such new account will be payable on demand and will constitute an excess balance and will attract interest at the Bank's prevailing interest rate or such other default interest rate as the Bank may substitute therefore plus excess interest, calculated and charged in accordance with Section IV.'

## Section VI – General

### Application

- 6.0 The terms and conditions set out in this section apply to all facilities.

### Acceptance

- 6.1.1 If the Borrower draws down or avails of a facility in whole or in part this will constitute acceptance by the Borrower of the terms and conditions of the facility.
- 6.1.2 The Bank may, at its discretion, at any time extend any acceptance period specified in the facility letter with or without notice to the Borrower.

### Drawdown Availability

- 6.2.1 When all pre-conditions set out in the facility letter have been complied with, then the facilities may be drawn down.
- 6.2.2 Facilities must be availed of within the period of time stated in the facility letter.
- 6.2.3 The Bank's commitment will be limited to the amount of the facility which has been drawn down at the expiration of the availability period.
- 6.2.4 The Bank may, at its discretion, extend the availability period.
- 6.2.5 The Bank may at its absolute discretion on the date of a proposed drawdown or utilisation of the whole or any part of any facility refuse such drawdown or utilisation if any of the representations and warranties in clause 6.10 are not true and accurate (in the Bank's opinion) on such date.

### Cancellation

- 6.3 The Bank may at its absolute discretion:
- (i) cancel a facility before it is drawn down or availed of; or
  - (ii) refuse any further drawdown or utilisation of any part of any facility,
- if there is a material change relevant to the Borrower (or any guarantor for the Borrower) or the facility which is in the Bank's opinion prejudicial to its interests.

### Operation of Accounts

- 6.4.1 The Borrower must ensure that adequate arrangements are in place to meet all payments in respect of facilities, whether of principal, interest or otherwise.
- 6.4.2 The Bank reserves the right to reverse any entry on a Customer's account if any item credited to the account is not paid or if a payment credited to the account is subsequently recalled.

## Payments Made Without Authority or Incorrectly Executed Payments

- 6.5 We will not normally return payments made into a Customer's account. However, in certain limited circumstances, we may have a duty to do so. Should we need to return a payment made on a Customer's account and the Customer has a question about this, we will provide the Customer with a reason.

## Joint and Several Liability

- 6.5 Each party to a facility on a joint account is jointly and severally liable to the Bank for repayment of the facility and is subject to all of the applicable terms and conditions.

## Annual Review

- 6.7 All business borrowings are subject to an annual review meeting in relation to all facilities and security.

## Fees and Charges

- 6.8 The Bank's fees and charges in relation to facilities and the operation of accounts will be debited to the Customer's working account. Details of current fees and charges are contained within the Price List for Business Customers which is available at all times on request to the Bank and on our website at [aibni.co.uk](http://aibni.co.uk).

## Security

- 6.9.1 It is the Bank's policy to require security (collateral) where, having regard to the nature and value of the facility being offered, and the circumstances of the Borrower, it considers the provision of security to be reasonable.
- 6.9.2 Where a facility is expressed in the facility letter to be subject to security, the facility will be subject to such security being executed and delivered to the Bank, to the Bank's satisfaction before the facility is drawn down or availed of in whole or in part. Any delay by the Bank in enforcing the terms of this clause will be without prejudice to its rights to insist at a later stage to the provision of such security or to take any action as a result of the non-provision of such security.
- 6.9.3 Before any facility is drawn down or availed of, the Borrower will facilitate an independent valuation(s) of any asset (including without limitation any land and/or buildings) and/ or the Borrower's business if requested to do so by the Bank. Any such valuation(s) will be at the Borrower's own expense and (unless agreed otherwise with the Bank) will be furnished by a valuer chosen from the Bank's approved panel of valuers and addressed to the Bank. The Bank will be entitled to debit any fees or expenses relating to such valuation(s) to the Borrower's working account or any other account which the Bank deems appropriate.
- 6.9.4 Security will extend to cover all the present and future obligations of the Borrower to the Bank whether in the Borrower's sole name or jointly with another or others, whether as principal or surety and whether actual or contingent.
- 6.9.5 Security over lands and/or buildings will be accompanied by the Borrower's solicitor's clear report and certificate of good marketable title completed, unamended, in the Bank's standard form.
- 6.9.6 (i) The Borrower must take out and maintain for the period of the facility index linked insurance cover on the Borrower's business and assets (including any property and/or asset the subject of any security for the facilities) for fire and other usual risks for its full reinstatement cost with an insurance company acceptable to the Bank.

- (ii) Before the facility is drawn down or availed of, and on request at any time during the period of the facility, the Borrower must produce to the Bank evidence that the insurance cover exists and of payment of any premiums or any other sums.
  - (iii) The Borrower will ensure (and will produce evidence to the Bank if requested to do so) that the Bank's interest is noted on any of the Borrower's insurance policies relating to any property and/or assets the subject of any security for the facilities, unless the Bank gives the Borrower notice that the Bank wants to be co-insured on any or all such insurance policies. As soon as the Borrower receives any such notice, the Borrower will immediately take all actions required to ensure the Bank is co-insured on such policies.
  - (iv) The Borrower will ensure that the insurance policies contain any provisions that the Bank may reasonably require to protect itself.
  - (v) The Borrower will ensure that all premiums are paid on time and that the Borrower does all other things necessary to ensure these insurance policies remain in force while facilities remain outstanding.
  - (vi) If the Borrower does not do so the Bank may (but without obligation) pay any premium or effect such insurance at the cost of the Borrower and may debit such cost to any account of the Borrower.
  - (vii) The Bank will have no liability to the Borrower if the insurance company does not pay or if the property and/or assets are not insured or are not properly insured for any reason at any time.
- 6.9.7 The Bank does not warrant that the proceeds of realisation of any security and particularly the proceeds of any life policy held as security will be sufficient to clear the entire amount of the facility.
- 6.9.8 While facilities remain outstanding, the Borrower will not (and will not allow any other party on the Borrower's behalf to), without the Bank's prior written consent, sell, transfer, lease or otherwise dispose of any interest in any property, asset or undertaking of the Borrower which is the subject of any security for the facilities either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily.
- 6.9.9 If the Bank demands repayment of facilities, unless the Borrower pays in full immediately, the Bank may dispose of any property held as security towards payment of the Borrower's liability.
- 6.9.10 The Borrower will be responsible for all fees charged by the Bank for specialist securities services and all solicitors fees and other costs incurred by the Bank in relation to the obtainment, perfection and enforcement of security.
- 6.9.11 The Borrower will also be responsible for all professional fees of the Borrower's solicitor (and, where applicable, a guarantor's solicitor where that guarantor is independently advised for the purpose of providing a guarantee by way of security for the Borrower's facility), including VAT, and all outlays, taxes and registration fees payable in relation to the perfection of the security.
- 6.9.12 The Borrower will pay such reasonable charges as may be required by the Bank in relation to the release of any security.
- 6.9.13 If the Borrower avails now or in the future of iBusiness Banking (or any replacement or similar service(s) offered by the Bank from time to time) and the Bank on any occasion permits a transaction where there are insufficient funds to meet such transaction, then, without prejudice to any other remedies available to the Bank, the security for the

facilities will also secure the Borrower's obligation to repay the amount of any such shortfall of funds that were made available by the Bank. The fact that the Bank may permit transactions on one or more occasions where there are insufficient funds, will not oblige the Bank to do so on any subsequent occasion.

## Borrower's Representations and Warranties

- 6.10 The Borrower represents and warrants in respect of the Borrower and (to the best of the Borrower's knowledge, information and belief having made due and careful enquiries) in respect of each guarantor of the Borrower (if any) and each member of the Group (if any) that:
- (i) all information supplied by the Borrower to the Bank is true, complete and accurate in all material respects and is not or will not be misleading in any respect; and
  - (ii) the Borrower has made full disclosure to the Bank of all information relating to the Borrower, each guarantor of the Borrower (if any) and each member of the Group (if any) and their respective businesses that would be material to or should be made known to any bank that is proposing to lend or has lent money to the Borrower; and
  - (iii) where applicable, it is duly incorporated (or constituted where applicable) and validly existing under the laws of its jurisdiction of incorporation (or establishment where applicable) and it has the power to own its assets and carry on its business as it is being conducted; and
  - (iv) where applicable, he/she is aged 18 years and over and is not by reason of illness or incapacity, incapable of managing his/her own affairs and he/she has not become or been declared to be of unsound mind or become a ward of court; and
  - (v) he/she/it has the power to enter into, perform and deliver (and has taken all necessary action required to authorise his/her/its entry into, performance and delivery of) the facility letter and all security for the facilities to which he/she/it is or will be a party and the transactions contemplated by those documents; and
  - (vi) the obligations expressed to be assumed by him/her/it in the facility letter and all security for the facilities to which he/she/it is or will be a party are legal, valid, binding and enforceable obligations and do not and will not conflict with:
    - (a) any law or regulation applicable to him/her/it and/or any of his/her/its assets;
    - (b) any agreement or instrument binding upon him/her/it or affecting any of his/her/its assets; and
    - (c) its constitutional documents (where applicable); and
  - (vii) he/she/it is in compliance with all applicable laws, regulations and practices and he/she/it holds and will keep in full force and effect and will comply with all authorisations, consents, approvals, waivers, resolutions, licences, permits, exemptions or registrations to ensure the facility letter and all security for the facilities to which he/she/it is a party or will be party is legal, valid, binding and enforceable and to enable him/her/it to validly perform his/her/its obligations thereunder; and
  - (viii) he/she/it has not breached any term or condition applicable to any facility and is not in breach of or in default under any agreement or document to which he/she/it is a party or by which he/she/it or any part of his/her/its assets may be bound which could have a material adverse impact on him/her/it or on

his/her/its ability to perform his/her/its obligations under the facility letter or any security for the facilities to which he/she/it is a party or will be party; and

- (ix) he/she/it is the legal and beneficial owner of the relevant assets that are subject to the security and the assets are held by him/her/it free from any security interest (such as a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person, any title retention, preferential right, trust arrangement or other security agreement or arrangement having a similar effect), other than those notified to the Bank; and
- (x) no litigation, arbitration or other proceedings have been started or threatened against him/her/it which could have a material adverse impact on him/her/it or on his/her/its ability to perform his/her/its obligations under the facility letter or any security for the facilities to which he/she/it is a party or will be party; and
- (xi) he/she/it has been advised to take, and has been given full opportunity to take, independent legal advice on the facility letter and the actual and potential consequences of his/her/its execution of the facility letter, all security for the facilities and any other document specified in or contemplated by the facility letter to which he/she/it is or will be a party, including the terms and conditions set out in this booklet.

These representations and warranties will be deemed to be repeated by the Borrower on the date of each drawdown or utilisation of any facility and on each day thereafter, by reference to the facts and circumstances existing on such date.

## Borrower's Covenants, Compliance and Indemnity

6.11 The Borrower covenants and agrees with and undertakes to the Bank that, for as long as any facility is available for utilisation or any amount is outstanding to the Bank in respect of any facility:

- (i) the Borrower will not, without the prior consent in writing of the Bank, create or agree to create or permit any mortgage, charge or other encumbrance of any nature over any of the assets or property of the Borrower; and
- (ii) the Borrower, being a company, shall not alter its Memorandum and Articles of Association, or being the trustee of a trust, will not alter the trust deed or constitution in a manner prejudicial to the Bank; and
- (iii) the Borrower will pay promptly all creditors who would rank as priority creditors in the event of an act of insolvency of the Borrower or upon the appointment of a receiver over any property of the Borrower; and
- (iv) the Borrower will promptly deliver to the Bank such up to date financial and other information in relation to the Borrower's business as the Bank may from time to time require; and
- (v) the Borrower will arrange for annual accounts for the Borrower's business to be prepared, properly audited (or, if applicable, properly certified by an independent accountant) and sent to the Bank; and
- (vi) the facility will be used for the purpose set out in the facility letter; and
- (vii) the Borrower will comply with all applicable laws relating to the business and property of the Borrower including, without limitation, laws relating to the health, safety, pollution or protection of the environment and the terms of any licence or other authorisation issued in connection therewith by any relevant authority; and

- (viii) the Borrower will obtain and maintain at the Borrower's expense all such licences and authorisations and the Borrower will produce such licences or authorisations to the Bank on request; and
- (ix) the Borrower will indemnify the Bank and keep the Bank at all times indemnified against any and all actions, costs, demands, claims, liabilities, losses or damage which the Bank may suffer or be put to by reason of any breach or non-observance by the Borrower of any such applicable laws or the terms of any such licences or other authorisations; and
- (x) the Borrower will carry on the Borrower's business in a proper and efficient manner; and
- (xi) the Borrower will not (and will not allow any other party on the Borrower's behalf to) sell, transfer or lease the whole of or any part of the Borrower's present or future material assets or otherwise dispose of the whole of or any part of any such asset either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily without the Bank's prior written consent; and
- (xii) the Borrower will not make any significant change to the nature, constitution or management of the Borrower's business and will not enter into any transaction with any person other than on arm's length commercial terms in the ordinary course of the Borrower's business; and
- (xiii) there will be no change of control of the Borrower for the duration of the facilities without the Bank's prior written consent.

In this regard, "change of control" means any change in direct or indirect ownership of the Borrower, any change in the power to control the composition or the majority of the board of directors of the Borrower and/ or any person(s) (including any bodies corporate) gaining the power to direct the management and policies of the Borrower whether through ownership of shares, by contract or otherwise; and

- (xiv) the Borrower will not enter into any joint venture, partnership or similar arrangement with any other person or make any significant acquisitions or disposals without the Bank's prior written consent; and
- (xv) the Borrower will promptly inform the Bank of:
  - (a) any material litigation, arbitration or other proceedings pending or threatened against the Borrower or any guarantor which could have a material adverse impact on the Borrower or any guarantor or on their ability to perform their respective obligations under the facility letter or any security for the facilities to which the Borrower is a party or will be party; and
  - (b) any final letters of demand for payment received by the Borrower from any creditor, immediately upon becoming aware of it; and
- (xvi) the Borrower will promptly inform the Bank if a breach occurs of any of the terms and conditions applicable to any facility; and
- (xvii) the Borrower will facilitate an independent valuation(s) of any asset (including without limitation any land and/or buildings) and/or the Borrower's business if requested to do so by the Bank at any time. Any such valuation(s) will be at the Borrower's own expense and (unless agreed otherwise with the Bank) will be furnished by a valuer chosen from the Bank's approved panel of valuers and addressed to the Bank. The Bank will be entitled to debit any fees or expenses relating to



such valuation(s) to the Borrower's working account or any other account which the Bank deems appropriate; and

(xviii) the Borrower will promptly do all such acts or execute all such documents as the Bank may reasonably specify (and in such form as the Bank may require in favour of the Bank or its nominee(s)):

- (a) to perfect any security (which may include the execution of a mortgage, charge, assignment, pledge, lien, encumbrance or other security interest over all or any of the assets which are, or are intended to be, the subject of the facility letter); and
- (b) for the exercise of any rights, powers and remedies of the Bank provided by or pursuant to the facility letter, the terms and conditions set out in this booklet, the security for the facilities or by operation of law.

## Bank's Confirmation Binding

6.12 A confirmation issued by any officer of the Bank as to any amount payable in respect of facilities will be final and binding on the Borrower except in the case of manifest error.

## Breach and Variation

6.13 The Borrower and each guarantor (if any) agree and acknowledge that each of the terms and conditions applicable to a facility are for the benefit of the Bank and may be waived by the Bank at its absolute discretion without the consent of the Borrower or any guarantor. Any waiver by the Bank of any of the terms or conditions applicable to a facility will not constitute a general waiver of such term or condition. No failure or delay by the Bank in exercising any right, power or privilege granted to it will operate as a waiver thereof and no single or partial exercise of any such right, power or privilege will prevent the Bank from later exercising any such right, power or privilege. The rights and remedies provided for in the facility letter and this booklet are cumulative and not exclusive of any rights or remedies provided by law.

## Full Payment

6.14 All sums payable by the Borrower in respect of facilities (whether of principal, interest or otherwise) will be paid in the currency in which they are outstanding in full without any deduction, set-off, counterclaim or withholding whatsoever. In the event of the Borrower being required by law to make any deduction or withholding from any payment to the Bank then:

- (i) the Borrower will ensure that such deduction or withholding will not exceed the minimum legal liability thereof; and
- (ii) the Borrower will pay to the Bank such additional amounts as will result in the receipt by the Bank of a net amount equal to the amount it would have received had no such deduction or withholding been required to be made.

## No Assignment by Borrower

6.15 The benefit of each facility is personal to the Borrower and cannot be assigned by the Borrower in whole or in part.

## Assignment by the Bank

6.16 The Bank reserves the right to assign, charge, transfer (by way of novation, securitisation or otherwise) or sub-participate all or part of any facilities and any security held as collateral in respect of the facilities to any member of the AIB Group or to any third party, either within the UK or elsewhere, without notice to or the prior consent of the Borrower.

The Bank will be entitled to give any proposed assignee, charges, transferee or sub participant, and its or their professional advisors, such information as the Bank deems necessary relating to the Borrower, the facility and the security.

The Borrower agrees to execute, at the cost of the Bank, any documentation (including without prejudice to the generality of the foregoing, any deed of novation) which the Bank requests it to execute in connection with any such assignment, transfer, sub-participation or securitisation and in consideration of the facilities and as security therefore, the Borrower irrevocably appoints the Bank to be its attorney for the purpose of the execution of any such documentation.

## Reference of Debts on Default

6.17 On default by the Borrower the Bank reserves the right to refer the outstanding debt in relation to facilities to another organisation or debt-collection agency for the purpose of collection of payment and to give such organisation or agency such information as it deems necessary relating to the Borrower and any facility.

## Severability

6.18 In case any one or more of the terms and conditions relating to a facility should be invalid, illegal or unenforceable in any respect under any law the validity, legality or enforceability of the remaining provisions will not in any way be affected or impaired thereby.

## Notice

6.19 All statements, demands or notices in writing (if this is the method by which the Borrower has chosen to receive his/her/its statement) in connection with the account will be sent by post to the last address notified by the Borrower, and provided we send it to that address it shall be deemed to have been duly served and received on the day that the envelope containing the demand or notice should have been received.

## Exclusion of Liability

6.20 The Bank will not be liable if it cannot perform any of its obligations because of industrial disputes or other events it cannot control.

## Applicable Law

6.21 Facilities will be governed and construed in accordance with the laws of Northern Ireland and in the event of a dispute the courts of Northern Ireland shall have exclusive jurisdiction.

## Set-Off

6.22 We may without prior notice to the Borrower apply any credit balance (whether or not then due and in whatever currency) which is at any time held by any of our offices or branches for the Borrower's account in or towards satisfaction of any sum then due and payable from the Borrower under any loan and/or overdraft and in respect of which default in payment has occurred. We may use any credit balance held in the Borrower's sole name against any amount the Borrower owes jointly with any other account holder(s). We may use any credit balance held by the Borrower jointly with any other account holder(s) against any amount the

Borrower owes in the Borrower's sole name. We will notify the Borrower of such application. For the purposes of exercising any rights under this clause or any rights under the general law, we may convert or transfer all or any part of such credit balances into another currency, applying an exchange rate which in our opinion fairly reflects prevailing rates.

In these terms and conditions, 'rights under the general law' means any right of set-off, combination or consolidation of accounts, lien or similar rights which we have under any applicable law.

In relation to debit and credit balances on any accounts which form part of a global facility to more than one borrower, (a 'relevant account') we will be entitled to set-off and apply all credit balances on any relevant account in or towards satisfaction of any debit balances on any other relevant account at any time after any default by any borrower with a relevant account.

This section 6.22 does not apply to accounts designated to hold clients' funds.

## Liquidity Costs

- 6.23 If the cost to the Bank of making or maintaining a facility increases as a result of the introduction of or change in any liquidity, reserve ratio, special deposit or similar requirements (or any other requirement having the same or similar purpose) of any Regulatory Authority or from any change in any law or regulation or the introduction of or increase in any tax, the Bank will either demand payment of an amount or increase the interest rate applicable to the facility by an amount that the Bank will conclusively determine is sufficient to compensate the Bank for such increased cost.

## Guarantor Execution

- 6.24 The Borrower and each guarantor of the Borrower acknowledge and agree that the Borrower's liability to the Bank under any relevant facility letter and the security for the facilities and under any and all guarantees, indemnities, covenants, undertakings and other instruments now or at any time held by the Bank will be unaffected by the non-execution of the facility letter by any or all of the guarantors of the Borrower.

## Non-Advised

- 6.25 Unless expressly agreed in writing, the Bank does not hold itself responsible for providing advice or indicating the suitability of products.

## Entire Agreement

- 6.26 The facility letter issued by the Bank, together with the terms and conditions set out in this booklet constitute the entire understanding between the parties as regards the relevant facilities and subject to the terms of the facility letter, supersede any arrangements, understandings, promises or agreements (whether written or otherwise) made or existing between the parties prior to the signing of the facility letter.

## Counterparts

- 6.27 The facility letter may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when executed and delivered will constitute an original and all such counterparts together will constitute one and the same instrument.

## Third Party Rights

- 6.28 Except as expressly provided herein a person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term hereof.

## Language

- 6.29 These terms and conditions are written in English and all our communication will be in English.

If you need this brochure in Braille, in large print or on audio, ring 0345 6005 925<sup>†</sup> or ask your branch. Customers with hearing difficulties can use our Text Relay service by dialling 18001 0345 6005 925<sup>†</sup>.

Call into any branch | [aibni.co.uk](http://aibni.co.uk)

<sup>†</sup>Call charges may vary please refer to your service provider.



Information correct as at January 2021

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