

LLOYDS
BANKING
GROUP



LLOYDS BANKING GROUP

Terms of Business for Directly Authorised
Intermediaries

BM SOLUTIONS
FROM BIRMINGHAM MIDSHIRES



**SCOTTISH WIDOWS
BANK**

INTERMEDIARY AGREEMENT

INTRODUCTION:

- (A) Lloyds Bank plc (also referred to as the **Bank**) and certain group companies (together defined as the Lender, "we", "us" or "our" below) offer mortgages to successful applicants.
- (B) The Intermediary (also referred to as **you** and **your**) is entering into this Intermediary Agreement (defined below).
- (C) The Bank has agreed that you may submit UK mortgage applications on the terms of this Agreement.
- (D) The terms of this Agreement shall apply to all mortgage applications submitted to the Lender by you.
- (E) The procurement fee which the Intermediary will receive is set out in the Procurement Letter (defined below).

PARTIES:

BANK: Lloyds Bank plc, a company registered in England with registration number 2065 and whose registered office is at 25 Gresham Street London EC2V 7HN

INTERMEDIARY: «Company_Name» (FCA Number «Firm_FCA_Number»)

«Address_Line_1»

«Address_Line_2»

«Address_Line_3»

«Address_Line_4»

«Address_Postal_Code»

REPRESENTATIVES:

LENDER REPRESENTATIVE: Halifax, Birmingham Midshires, Scottish Widows Bank:
Senior Manager, Panel Management, Fees and Payments

INTERMEDIARY REPRESENTATIVE: (PRINT NAME)
(insert here the name of the person who will be
your key contact with the Bank)

**Signed for and on behalf of the Bank
and the other Lender Brands**

**Signed for and on behalf of the
Intermediary**

.....

.....

Print Name:

Print Name:

Position:

Position:

Date:

Date:

1. DEFINITIONS AND INTERPRETATION

- 1.1 When a word appears in these terms of business that starts with a capital letter, check to see if it appears in the list of defined terms below for its specific meaning:

Attestation Statement: means the statement you provide to us on request which confirms that you are complying with the requirements of this Agreement, the Lender Brand Terms and Conditions, the Applicable Standards and the Consumer Duty;

Applicable Standards: means any applicable law; regulation; direction; court order; judgment; decree; policy; rule; guidance; principle; supervisory statement; thematic review or order issued by a regulatory body including the FCA, ICO PRA or issued by any other government department or agency and any industry code, guidelines, policy or standard required by a trade body which either of the Parties would be expected to comply. For the avoidance of doubt, reference to Applicable Standards in this Agreement includes the Consumer Duty and separate reference to the Consumer Duty in this Agreement does not remove it from this definition of Applicable Standards;

Applicant: means the person whose Mortgage Application is sent to the Lender and includes existing customers of the Lender for whom a new, amended or updated Mortgage Application is being made;

Authorised Person: means a person authorised as defined in Section 31(2) of the FSMA, who holds the necessary authorisations and permissions to submit a Mortgage Application for a Regulated Mortgage Contract to the Lender under this Agreement;

Bank: as defined above;

Business Day: means any day on which the London Stock Exchange is open for business;

Consumer Duty means any rules and any binding and non-binding industry code, guidelines, guidance, direction, policy, recommendation, order or standard given by the FCA (including but not limited to Principle 12 and PRIN 2A within the FCA Handbook) relating to the consumer duty;

Data Protection Laws: means the Data Protection Act 2018, the Privacy and Electronic Communication (EC Directive) Regulations 2003 as amended and all other applicable laws, regulations or codes of practice relating to data protection or the privacy of individuals;

Effective Date: means for new Intermediaries the latest date of signature of a Party as set out above and for all other Intermediaries one month after this Agreement has been issued to you;

FCA: means the Financial Conduct Authority (or any successor body or bodies);

FCA Handbook: means the FCA's handbook containing its rules, guidance and principles;

FSMA: means the Financial Services and Markets Act 2000 as amended;

ICO: means the Information Commissioner's Office (or any successor body or bodies);

Introducers: means an introducer, appointed by you whose scope of appointment is limited to effecting introductions to you and distributing non-real time financial promotions;

Insolvency Event: means you cease or threaten to cease trading, suspend payment of debts, receive a winding up petition, appoint an administrative receiver, enter into administration or liquidation or receive notice of impending administration / liquidation, enter into bankruptcy, or are declared bankrupt by a court;

Intellectual Property Rights: means trademarks, service marks, logos, trade names and business names (including rights in goodwill), design rights, rights in and/or to internet domain names and website addresses, copyright (including future copyright) database rights, all other intellectual property rights;

Lender, we, us, and our: means the Lender Brands and/or companies of the Lloyds Banking Group to which we agree you or your Personnel may submit Mortgage Applications and the Bank, where this is necessary to give effect to the terms of this Agreement;

Lender Brands: means Bank of Scotland plc trading as Halifax, Bank of Scotland plc trading as Birmingham Midshires, Lloyds Bank plc trading as Scottish Widows Bank or any other brands as may be used by Lloyds Banking Group over time;

Lender Representative: as defined above;

Lender Brand Terms and Conditions: means the terms each of the Lender Brands uses to govern their relationship with the Intermediary, including the use of the Lender Brand website and associated application processing interfaces where applicable, copies of which can be downloaded from the Lender Brand website;

Lloyds Banking Group: means the Lloyds Banking Group plc (registered number SC095000) whose registered office is at The Mound Edinburgh EH1 1YZ and any holding companies or subsidiary undertakings (as such terms are defined in the Companies Act 2006) of it or of any such holding company, in each case from time to time and a Lloyds Banking Group Company will mean any such company;

MCD Order: means the Mortgage Credit Directive Order 2015 as amended;

Mortgage Application: means an application for a mortgage, which may be a Regulated Mortgage Contract or a non-regulated mortgage contract, product transfer or further advance;

Personnel: means your directors, employees, contract staff, independent contractors and other individuals or any administration, service, compliance or technology providers or other subcontractors engaged to do work under and/or in connection with this Agreement or your business by you or your Personnel including any subcontractors appointed by them;

Policies: means such internal policies, processes, criteria and codes of ours as may be notified to you and/or as updated from time to time;

Procurement Letter: means the letter forming part of this Agreement, issued and amended by us from time to time, which sets out the applicable procurement fees for acquiring customers payable by us to you or, where applicable as set out in Clause 10 below, issued to and payable to a Mortgage Club on your behalf;

PRA: means the Prudential Regulation Authority (or any successor body or bodies);

RAO: means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended);

Regulated Mortgage Contract: means a mortgage contract falling within article 61(3) of the RAO;

- 1.2 We have referred to some statutes, regulations or other rules. References to them include references to them as amended or replaced from time to time. Where we have referred to a time of day this means UK time, unless we say otherwise. Where we start a phrase with the words 'including' or 'include', the phrase is to be construed as illustrative only and does not limit the sense of the words preceding those terms.
- 1.3 This Intermediary Agreement including the Procurement Letter (where applicable) shall comprise the terms of business agreement between the Parties and together shall be referred to as the "Agreement".

2. START AND REGISTRATION

- 2.1 This Agreement starts on the Effective Date and will continue until ended by either Party under clause 17.
- 2.2 At some points in this Agreement we set out in greater detail what is expected of you and your Personnel and what you are accepting responsibility for. But as a general rule, unless we say otherwise, you are responsible for the actions of your Personnel and for any breaches by them of this Agreement, the Applicable Standards and/or our Lender Brand Terms and Conditions.
- 2.3 You must complete the relevant Lender Brand's registration process. Where required by us any Personnel who submit Mortgage Applications online or carry out any related administrative activities on your behalf must also comply with our requirements and accept the Lender Brand Terms and Conditions on the relevant Lender Brands intermediary websites before submitting Mortgage Applications to us.
- 2.4 We will only accept Mortgage Applications in respect of properties within the UK and only from an Intermediary who has their registered offices within the UK and who are ordinarily resident within the UK. Under no circumstances will we accept any Mortgage Applications where any of these criteria are not met.

3. SCOPE

- 3.1 This Agreement sets out the terms upon which the Lender accepts Mortgage Applications submitted by you. However we may at any time reject any Mortgage Application submitted by any of you with or without giving prior notice.
- 3.2 We are not appointing you on an exclusive basis. We make no commitment to you on the volume of business or fees earned from this Agreement.
- 3.3 Nothing in this Agreement is intended to, or does, create a partnership between the Parties, or authorises either Party to act as agent for the other. Therefore you act entirely on your own and will notify Applicants that you are not acting for the Lender on any Mortgage Application and cannot legally bind a Lender in any event.

4. YOUR GENERAL DUTIES**Your Personnel**

- 4.1 You will ensure that any Personnel are competent and adequately trained to carry out the role expected of them in connection with the requirements of this Agreement including but not limited to their ability to interact with, advise on and deliver our products to Applicants in compliance with Applicable Standards.
- 4.2 You will ensure that your Personnel are aware of the target market for our products and that they will not make any introductions to us of Applicants outside of that target market.
- 4.3 You will ensure that your Personnel are under an obligation to maintain, operate and review their distribution arrangements for our products to ensure that they always act in good faith towards Applicants, avoid causing foreseeable harm to Applicants and ensure that the Applicant's needs, objectives and characteristics are duly taken into account.
- 4.4 You are responsible for any subcontractors including technology providers or other third parties including mortgage sourcing providers used by you or your Personnel in providing advice, recommendations and activities under this Agreement and for ensuring compliance by them with this Agreement, all Applicable Standards and good industry practice at all times.
- 4.5 You are responsible for ensuring the accuracy of any information or models used by you or your Personnel in providing advice, recommendations and information to Applicants in relation to this Agreement and ensuring compliance with all Applicable Standards and good industry practice at all times. Where you utilise models when providing advice, including those provided by third parties, you must carry out appropriate due diligence and have and maintain ongoing governance controls in accordance with good industry practice and Applicable Standards to include input and output validation checks, a suitable control framework and governance oversight mechanisms.

Complying with Applicable Standards and our instructions

- 4.6 In all your activities under this Agreement and when dealing with Applicants you undertake to make sure that you and your Personnel shall comply with Applicable Standards at all times.
- 4.7 We are committed to delivering good outcomes for our customers, including embedding and reflecting the FCA's Consumer Duty principle and related rules in our business, products and services. You agree that you and your Personnel similarly commit to complying with the Consumer Duty and delivering good outcomes for Applicants. We reserve the right to reasonably refuse business which we suspect or believe does not meet Consumer Duty requirements and/or would not result in good outcomes for Applicants.
- 4.8 You will comply with, and will ensure your Personnel comply with, the contents of any product and customer fair value statement provided to you from time to time by us.
- 4.9 You will, and will ensure your Personnel will:
 - 4.9.1 read, understand and comply with all and any information and instructions we provide to you and promptly contact us if you have any questions or concerns about such information or instructions;
 - 4.9.2 not, amend, alter or adapt any of our instructions, including any customer facing communications or other customer facing documentation provided by us without our prior written consent;
 - 4.9.3 ensure that when engaging with Applicants, you and your Personnel act in a manner that is consistent with the Consumer Duty including, but not limited to:
 - (a) considering the needs, objectives and characteristics of Applicants, including Applicants with characteristics of vulnerability;
 - (b) ensuring our products are distributed in accordance with the needs, characteristics and objectives of our target market;
 - (c) contacting us if you or your Personnel do not understand our products or our distribution strategy;
 - (d) ensuring the distribution strategy which you and your Personnel have in place is consistent with our distribution strategy and our target market;
 - (e) regularly reviewing distribution arrangements to ensure that they are still appropriate and up to date and making appropriate amendments to these where necessary;
 - (f) ensuring that your distribution arrangements are consistent with our products providing fair value to Applicants;
 - (g) distributing our products in such a manner so as to ensure compliance with the rules and guidance in PRIN 2A of the FCA Handbook having regard to the needs, characteristics and objectives of Applicants including those Applicants with characteristics of vulnerability.
- 4.10 You will, and will ensure your Personnel will, use reasonable care and skill when submitting Mortgage Applications to us, in line with good industry practice and Lender Brand Policies. Unless otherwise agreed with us you will, and will ensure your

Personnel will, use our prescribed forms, as updated from time to time by us, and will follow the Lender Brand prescribed processes when sending us Mortgage Applications.

- 4.11 We may request information from you from time to time concerning your adherence to the Consumer Duty, and to support our review of our compliance with the Consumer Duty. We may ask you to demonstrate the measures you have in place to ensure good outcomes for Applicants. If we do make such a request, you agree to cooperate with us and to use best endeavours to satisfy our request within the relevant timescale. You will ensure that all information provided to us is accurate.
- 4.12 If you, or your Personnel become aware of a breach or potential breach of the Consumer Duty and/or a risk that harm or poor outcomes will be suffered by Applicants (whether caused by you, us or any other third party in the distribution chain including your Personnel), you shall:
- (a) immediately notify us of such breach and/or risk, together with the remedial action you, the third party or your Personnel proposes to take to remedy and/or mitigate the situation to our satisfaction; and
 - (b) to the extent permitted by Applicable Standards inform us of any notification to the FCA before such notification is made.

Sending us Mortgage Applications

- 4.13 You will send to us fully completed Mortgage Applications in line with the applicable Lender Brand Terms and Conditions, so that we can decide on whether or not to offer the Applicant a mortgage. You will ensure that you and your Personnel record all data required by us in the application process accurately. You will promptly tell us if any information submitted in the Mortgage Application changes.

Your Mortgage recommendations

- 4.14 You and your Personnel, will ensure that any mortgage product recommended to the Applicant is suitable for the Applicant and the advice provided by you and your Personnel meets all Applicable Standards including that you are delivering good customer outcome as required by the Consumer Duty.
- 4.15 You and your Personnel agree to provide the information that we need or request and which accurately reflects the information provided by an Applicant for any reason including so that we can assess affordability based on our affordability criteria. We will keep all mortgage product information, such as applicable interest rates, up to date on our website.
- 4.16 We may withdraw, suspend or terminate any of our mortgage products at any time where we consider it necessary to do so in order to comply with Applicable Standards (including Consumer Duty). If the information submitted in the Mortgage Application changes you will ensure that the recommended product continues to be suitable and promptly provide us with any updated Applicant information.

Execution Only Mortgages

- 4.17 Before you send us a Mortgage Application for an execution-only mortgage, you will ensure that the use of an execution-only process complies with Applicable Standards and is in the customer's best interests (and if asked you will be able to confirm the basis upon which the execution-only sale was made).

Looking after vulnerable Applicants

- 4.18 You agree that:
- 4.18.1 Applicants in vulnerable circumstances may be significantly less able to represent their own interests, and are more likely to suffer harm. You will ensure that you and your Personnel adequately protect vulnerable Applicants;
 - 4.18.2 You and your Personnel will take into account any vulnerabilities of Applicants when dealing with them including when advising and recommending products to them and when completing the Mortgage Application in accordance with Applicable Standards; and
 - 4.18.3 You and your Personnel will if requested by us and subject to compliance with Data Protection Laws inform us of any vulnerabilities in relation to that Applicant and any steps you and your Personnel have already taken to address such vulnerabilities.
- 4.19 We may from time to time request information from you or contact Applicants directly to understand how you and your Personnel are supporting Applicants with characteristics of vulnerability.

Keeping the Applicant informed

- 4.20 You will, and will ensure that your Personnel will, give or send, as applicable, to Applicants any information required to be given or sent to them on our behalf or which is required to be given or sent to them by Applicable Standards.

- 4.21 You will, and will ensure that your Personnel will, comply with all reasonable instructions given by us in relation to keeping the Applicant informed and/or giving or sending information to the Applicant and will facilitate any communications between us and the Applicant.

Dealing with customer complaints

- 4.22 You will deal fairly and appropriately with all customer complaints and claims relating to any Mortgage Applications submitted under this Agreement including in relation to the sales process and product recommendation and advice, in accordance with a complaints procedure that complies with all Applicable Standards.
- 4.23 You will forward to us any customer complaints you or your Personnel receives relating to activities carried out by us including for example in relation to product performance, Mortgage Application processing, post completion administration of the mortgage, alleged failure by us to comply with Applicable Standards and alleged breaches of the Consumer Duty.

Monitoring compliance with this Agreement and with Applicable Standards

- 4.24 You agree to monitor and retain records of advice given by your Personnel and where necessary take appropriate action to remediate any issues identified to ensure compliance with the terms of this Agreement and Applicable Standards including the Consumer Duty. You and your Personnel must, keep all documents generated during the sales process.
- 4.25 We may from time to time share information or data with you concerning the activities of your Personnel and you will take appropriate action to remediate any issues identified to ensure compliance with the terms of this Agreement and Applicable Standards including the Consumer Duty.

Insolvency and Investigations

- 4.26 You must tell us as soon as possible if you or your Personnel has or is at risk of any of the following:
- 4.26.1 an Insolvency Event; or
- 4.26.2 you or any of your Personnel is being or has been charged with or convicted of any criminal offence, or is or has been investigated by (other than a standard audit or inspection) been sanctioned or been the subject of any supervisory investigation by the FCA or PRA or any other regulatory authority;
- 4.26.3 there have been any changes to yours or your Personnel's status, authorisations or Permissions.

Impacts on our business

- 4.27 You must not, and you must ensure your Personnel do not, do anything that might adversely affect any authorisation, permission or licence necessary for us to do business, or do anything which might cause us reputational harm or cause us to be acting illegally. In particular, you must not do anything that will cause any mortgage granted by us to be unenforceable under Applicable Standards including but not limited to any provision of FSMA (in particular under Section 27 of the FSMA) and RAO or cause any unfair relationship to arise under s140A of the Consumer Credit Act 1974.

Changes to your business

- 4.28 You must let us know as soon as possible, if there is any material change or possible change to your business including a change of director and/or any change of control over you (where "control" has the meaning given to it in the Glossary to the FCA's Handbook) or if you are not going to be able to comply with any provision of this Agreement. In the event of a change or restructure to your business we may review and change the terms on which we accept business from you and any fees payable to you.

5. ANTI-MONEY LAUNDERING

- 5.1 You will comply with all Applicable Standards, regulations, codes and sanctions relating to anti-money laundering, including but not limited to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (**MLR 2017**) and the Proceeds of Crime Act 2002 and Criminal Finance Act 2017, including any which apply to the processing of mortgage applications. Specifically you therefore agree that you will:
- (a) conduct and maintain customer due diligence and record keeping procedures including retention of data and documents, which you consent for the Bank to rely upon; and
- (b) if asked, provide immediately all information and evidence to us about an Applicant's identity and any other relevant information including your compliance with the obligations set out in clause 5.
- 5.2 You represent to us that neither you nor any Personnel have been prosecuted, charged or convicted of any offences under the MLR 2017 (or its predecessor the Money Laundering Regulations 2007) or the Proceeds of Crime Act 2002, other than as disclosed in writing to us.

6. YOUR DUTY TO DISCLOSE CERTAIN INFORMATION

- 6.1 As part of the process of submitting Mortgage Applications you must, and you must ensure your Personnel must, disclose to the Applicant and us certain information as follows:
- 6.2 You will, and you must ensure that your Personnel will, provide a form of illustration (**Illustration**) to the Applicant and comply with all Applicable Standards before you submit the Mortgage Application to us. On this Illustration any material non-cash inducements and/or any money received by you, any third party in relation to the Mortgage Application must be disclosed to the Applicant. For example, any introductory or referral fees, procurement fees, valuation fees, administration charge, commissions, and any brokerage, arrangement or cancellation fees must be disclosed to the Applicant. This is to ensure that we and the Applicant are aware of any money exchanged and/or material inducements in relation to the Mortgage Application and you are responsible for ensuring that all such transactions are clearly disclosed on the Illustration.
- 6.3 You will also supply in accordance with Applicable Standards any "Adequate Explanations" to Applicants as required under the rules contained in section 4A.2 of the FCA's Mortgages Conduct of Business rules in the FCA Handbook and/or Paragraph 8 of Schedule 2 of the MCD Order.
- 6.4 You must supply the Applicant with a copy of our Data Privacy notice or any other notices which are required by us or in order to comply with Applicable Standards.
- 6.5 You will ensure that your Personnel do not add fees to the sums advanced under any Mortgage Application without the Applicant's permission. You will ensure that your Personnel tell us where the Applicant has made a positive choice to add a fee to the sum advanced.
- 6.6 You will comply with our Policies and provide us with evidence that you are doing so upon our reasonable request within a reasonable timescale.
- 6.7. You will provide us with any information, data or evidence we may reasonably ask you to provide including information concerning:
 - 6.7.1. your business, your Personnel, your ownership, your partners;
 - 6.7.2 concerning the operation of this Agreement;
 - 6.7.3 in relation to Mortgage Applications; and
 - 6.7.4 in relation to fees paid or received by you from third parties Including your Personnel.

7. FCA AUTHORISATIONS AND PERMISSIONS

- 7.1 You agree that you are an Authorised Person and hold all authorisations and permissions required under FSMA (and/or any rules or regulations made under it including the RAO) to carry out regulated activities (**Permissions**) and you will not appoint any third party to perform any obligations under this Agreement which would be in contravention of the "General Prohibition" contained in Section 19 of FSMA.
- 7.2 Before you submit any consumer buy to let Mortgage Application to us, you must ensure that you are named on the register of consumer buy-to-let mortgage firms maintained under Article 8 of the MCD Order and hold all authorisations and permissions required under FSMA (and/or any rules or regulations made under it including RAO) in order for you to submit consumer buy-to-let mortgage Applications to the Lender (**Registered Firm**).
- 7.3 Before you submit any later life lending Mortgage Application to us you must ensure that you are a member of the Equity Release Council and that you are qualified to advise on later life products and certified to do so by the FCA.
- 7.4 You will immediately tell us if there are any changes to: the Permissions held by you or your status as an Authorised Person or a Registered Firm; your circumstances such that you become aware that you may soon come to cease to be authorised, or if you cease to be authorised, or you suffer an Insolvency Event. You will also, when asked, immediately give us written evidence of: you being an Authorised Person or a Registered Firm and/or your Permissions.

8. MANAGING INTRODUCERS

- 8.1 If you introduce an Applicant to us through a third party or Introducer you are responsible for them including the quality and source of referrals. You must have a written agreement in place with the Introducer which enables you to review their activities on a regular basis and requires them to:
 - (a) not engage in regulated activities under the RAO in relation to Regulated Mortgage Contracts;
 - (b) not receive any money from the Applicant in connection with any mortgage contract which the Applicant enters into as a result of such introduction;

- (c) disclose to the Applicant that they may receive payment or other reward or advantage for making the introduction, before making the introduction, and promptly disclose the amount of such payment, reward or advantage to the Applicant;
- (d) inform the Applicant if it is a member of the same group of companies as you before making any such introduction;
- (e) maintain written records of any such disclosures that are made (unless the introduction is being made under Article 33 of the RAO);
- (f) comply with any requirements that we may have for the form of the disclosure and for how we want to record the disclosure;
- (g) comply with Applicable Standards, good industry standards and our Policies where applicable

8.2 Where the introduction relates to a consumer buy to let Mortgage Application, the agreement between you and the Introducer must make clear that the Introducer shall not undertake any activity that would require it to be a Registered Firm.

8.3 On our request you will immediately give us a list of the Introducers from which Mortgage Applications are accepted.

9. MORTGAGE CLUBS

9.1 If you send us a Mortgage Application through a third party mortgage distributor, such as a mortgage club (**Mortgage Club**) then you must put in place a written agreement with the Mortgage Club before submitting a Mortgage Application to us through the Mortgage Club. We will pay the fees to the Mortgage Club, at the rate agreed between the Mortgage Club and the relevant Lender. It will then be the responsibility of the Mortgage Club, not us, to pay on to you any fees owing. We may share and discuss information or data with the Mortgage Club where necessary to facilitate these arrangements and/or as required by Applicable Standards including the Consumer Duty.

10. PAYMENTS

10.1 Except where the circumstances set out in clause 9 or clause 10.2 apply the relevant Lender Brand will pay any fees to you for any Mortgage Application (submitted by you) that results in the Applicant taking out a mortgage with us (or a further advance or product transfer where this has been the subject of a Mortgage Application) in line with our procurement fees set out in the applicable Procurement Letter and/or published or as otherwise notified to you in writing.

10.2 We will stop paying you fees for mortgages if you cease to be an Authorised Person (including fees relating to mortgages which are not Regulated Mortgage Contracts). Each Lender Brand will pay fees for Mortgage Applications submitted to it before you cease to be an Authorised Person.

10.3 Each Lender Brand will make reasonable efforts to ensure that it pays any fees relating to it no later than in the month following completion of the relevant mortgage to the agreed UK bank account, unless otherwise stated on the applicable underlying mortgage product. You agree to carry out fee reconciliations upon receipt of payment and report any errors or inconsistencies regarding the fees no later than four weeks after receipt of payment.

10.4 If we pay any fees to you by mistake which you have not earned or after any of you have ceased to be an Authorised Person, you agree you will repay those fees on demand.

10.5 We may withhold payment of specific fees if we learn that you are no longer the agent of an Applicant.

10.6 We have a right of set-off in respect of any amount payable by us to you against any money payable by you to us whether arising under this Agreement or otherwise with any member of the Lloyds Banking Group.

10.7 We may change the way fees are earned and the procurement fees at any time on giving you and/or any Mortgage Club 30 days' notice (which may be verbal; such notice to be confirmed in writing or by email in due course. If published rates of procurement fees are paid, notice of changes may be given via any Mortgage Club or on the relevant Lender Brands website.

10.8 All fees are inclusive of VAT where applicable.

11. LIABILITY

11.1 Nothing in this Agreement excludes or limits our liability towards each other for:

- (a) death or personal injury caused by negligence;
- (b) fraud or fraudulent misrepresentation; or
- (c) any other matter for which it would be illegal or unlawful to exclude or limit or attempt to exclude or limit liability.

11.2 You also agree that you do not exclude or limit your liability to us for:

- (a) breach of our intellectual property rights;
- (b) breach of confidentiality obligations;
- (c) breach of Applicable Standards;
- (d) failure by you to carry out your duties in relation to Data Protection, Technology and Information Security; and
- (e) any fines or other penalty imposed by a court or Regulator as a result of any of the breaches of clause 11.2(a)-(d)

11.3 You shall be liable to us and to any Lender for any losses that we or a Lender suffers because of any breach by you of these Terms.

11.4 Subject to clauses 11.1 and 11.2 the maximum aggregate liability under this Agreement from:

- (a) **you to us**, in any period of 12 months, will be no less than the higher of either the level of professional indemnity insurance that you hold or the minimum amount of insurance cover you are required to have by the FCA (and if relevant the PRA).
- (b) **us to you**, will be £250,000 (except for non-payment of any fees payable to you).

11.5 Subject to clauses 11.1 and 11.2 neither Party will be liable for losses that are not considered direct losses, nor for indirect or consequential losses.

Insurance

11.6 You agree to keep (and on request provide evidence to us) such levels of insurance cover as may be required during the Agreement until the later of; a period of six years after the Agreement has ended, or, six years after any final drawdown has been made on any applicable lifetime equity mortgage products. You will be responsible for any excesses or deductibles in the insurance policies.

11.7 You acknowledge that failure to keep the appropriate levels of insurance in place will not limit or relieve you of your liabilities and obligations under this Agreement.

12. INTELLECTUAL PROPERTY RIGHTS

12.1 Under this Agreement no title or interest in any Intellectual Property Rights belonging to the Lender, or any member of the Lloyds Banking Group will be assigned to you. You and your Personnel will only use Intellectual Property Rights belonging to any Lender or any member of the Lloyds Banking Group with their prior written consent.

12.2 A Lender or member of the Lloyds Banking Group may grant you or your Personnel a personal licence to use certain Intellectual Property Rights on a non-exclusive, non-transferable, royalty free basis, to the extent necessary for the sole purpose of the proper performance of your obligations under this Agreement. This licence is renewable annually, in accordance with the Lender Brand Policies and processes, for the duration of this Agreement and will terminate automatically on the expiry or termination of this Agreement. The goodwill arising from yours or any Personnel's use of any such Intellectual Property Rights will accrue to the relevant Lender and/ or the relevant member of the Lloyds Banking Group which owns them.

12.3 You and your Personnel will not do anything, or fail to do anything, which would or may prejudice the Intellectual Property Rights of any Lender or any member of the Lloyds Banking Group, or damage any Lender or member of the Lloyds Banking Group, or the reputation or goodwill associated with any Lender or member of the Lloyds Banking Group.

13. DATA PROTECTION, INFORMATION SECURITY AND TECHNOLOGY

Data Protection

13.1 The Parties recognise that they shall each be processing Personal Data (as defined by the Data Protection 2018) in connection with the performance of their obligations and/or exercise of their rights under this Agreement and that the factual arrangement between them shall dictate the role of each Party (as a controller or a processor) in respect of the Data Protection Laws. The Parties agree and acknowledge that where either Party processes Personal Data pursuant to or in relation to this Agreement, that Party will be carrying out the processing for its own purposes, and as such will be an independent controller under the Data Protection Laws.

13.2 No Party (or any sub-contractor of a Party) shall act as a data processor of the other Party unless expressly agreed in writing. Each Party acknowledges and agrees that any such agreed data processing can only take place after appropriate contractual arrangements have been put in place between the Parties ensuring that such data processing is carried out in compliance with applicable Data Protection Laws.

13.3 Each Party (including your Personnel) shall at all times comply with its respective obligations under all applicable Data Protection Laws to the extent such Data Protection Laws apply to it in connection with the performance of its obligations or exercise of its rights under this Agreement.

13.4 Both Parties (including your Personnel) shall ensure they have made all necessary registrations and notifications of their particulars in accordance with applicable Data Protection Laws and shall ensure that such registrations and notifications are

kept accurate and up to date during the term of this Agreement. You shall supply on request to any Lender a copy of such registrations and notifications, together with any amended particulars that may be filed from time to time.

13.5 You will incorporate into your agreements with your Personnel the requirement that they comply with all Applicable Standards and applicable Data Protection Laws including the requirement that your Personnel:

- (a) provide all notices to Applicants that are required by Applicable Standards and Data Protection Laws with regard to the processing of their Personal Data; and
- (b) if consent is required in accordance with Data Protection Laws, obtain consent from the Applicant prior to the transfer of their Personal Data to the relevant Lender in connection with any Mortgage Application or otherwise, ensure that an alternative appropriate lawful basis is in place to transfer the Applicant's Personal Data to the relevant Lender;
- (c) carry out all their activities in the UK including where such activities rely on technology or administrative or any other subcontractors.

Information Security & Technology

13.6 In addition to and notwithstanding any other right or obligation arising under this Agreement, you and your Personnel) shall:

- (a) carry out appropriate due diligence and ongoing monitoring and controls in accordance with good industry practice on all technology systems including mortgage sourcing, modelling, criteria or affordability systems or services utilised by you in performing your duties under this Agreement including in providing advice to Applicants. You must take all appropriate technical, organisational and security measures to ensure the ongoing security, confidentiality, integrity, suitability, availability and resilience of such processing systems and services including any technology systems and their outputs as may be necessary or desirable to ensure that Personal Data processed in connection with this Agreement and all technology systems used by you and your Personnel are protected against loss, destruction and damage, cybercrime attacks and against unauthorised access, use, modification, disclosure or other misuse;
- (b) take all technical and organisational security measures necessary to ensure that only authorised Personnel have access to Personal Data of which you are a controller for the purposes of the Data Protection Laws and ensure that all technology systems utilised by any of you in conjunction with this Agreement comply with any of our Policies in respect to information security and technology which we notify you of and all Applicable Standards and good industry practice at all times;
- (c) take all reasonable steps and carry out regular testing to ensure the reliability, trustworthiness and resilience of any technology systems and all Personnel that will have access to any Personal Data processed by you and to ensure their compliance with all Applicable Standards and good industry practice including appropriate service and business continuity standards;
- (d) ensure that all confidential and Personal Data is securely encrypted both during storage and transmission between you and your Personnel and us and that all communications are secure and compatible with the requirements of Lloyds Banking Group and our Policies;
- (e) consider all reasonable suggestions made by any member of the Lloyds Banking Group to ensure that the level of protection provided for Personal Data you process is in accordance with this Agreement and to make the changes suggested (at your own cost) unless you can prove to the Lender's reasonable satisfaction that they are not necessary to ensure ongoing compliance with this clause 13;
- (f) not do or omit to do anything which causes any member of the Lloyds Banking Group to breach any Data Protection Laws or contravene the terms of any registration, notification or authorisation under any Data Protection Laws of any member of the Lloyds Banking Group; or
- (g) not transfer Personal Data which has been obtained by or made available to you to any country outside the United Kingdom, unless such transfer complies with all requirements of the Data Protection Laws, including the requirement to ensure that appropriate safeguards are in place in respect of such transfer.

13.7 You shall immediately notify the Lender and, if requested by the Lender, members of the Lloyds Banking Group upon:

- (a) becoming aware of a breach of this clause 13 or of any personal data breach affecting Personal Data processed in connection with this Agreement; or
- (b) becoming aware of any cyber attack, virus or security incident which may impact on your obligations to Applicants or under this Agreement or result in a breach of this clause 13; or
- (c) receiving any request, correspondence, notice or other communication whether orally or in writing from the Office of the Information Commissioner, or any other person, relating to Personal Data processed by you if such communication may impact in any way whatsoever on the Bank or any other member of the Lloyds Banking Group.

13.8 You shall promptly complete and return to the Lender on request from time to time any questionnaire including an Attestation Statement designed to evaluate your compliance with your obligations in respect of Personal Data or Security

under this Agreement. You will promptly inform us of any material changes to the information you have provided in the most recent Attestation Statement.

- 13.9 You will provide us with any information we request in respect of any technology systems or Personnel engaged by you and involved in delivery of your obligations under this Agreement and to customers. You are responsible for ensuring compliance of such Personnel with the obligations set out in this Agreement, good industry practice and Lender Brand Policies. In particular you are responsible for the security, compatibility and resilience of any technology used by such technology providers or other Personnel to ensure that customer data is not lost or corrupted. In the event that you, your Personnel including any technology partner intends to connect to us using an application programming interface as set out in clause 21 this will require our prior written approval and signature of an amendment to this Agreement and/or a separate agreement.
- 13.10 Nothing in this clause shall relieve you of any liability for the acts or omissions of any Personnel in relation to the Personal Data.

14. CONFIDENTIALITY

- 14.1 Each Party will treat as confidential any information obtained from, disclosed or supplied by any member of the Lloyds Banking Group to you or vice versa in connection with this Agreement, including the terms of this Agreement, any difference between those terms and terms offered generally to other parties and any other conditions, business and lending processes, practices, criteria or facts relevant to this Agreement or business strategy (Confidential Information).
- 14.2 Subject to clause 14.3, a Party receiving Confidential Information will not disclose it to any third party, or use it, or take any copies of it, except as may be necessary for the exercise of its rights or performance of its duties under this Agreement.
- 14.3 The provisions of this clause 14 do not stop the receiving Party from disclosing confidential information that the law or any regulator requires to be disclosed or from disclosing, using or copying any Confidential Information on terms of confidentiality which are to the same effect as those set out in this clause 14 including to Personnel (who need to know such information to perform their obligations to you), or with the prior consent of the other Party, where the information is in already in the public domain or has been independently developed by the receiving Party. Where you disclose information to your Personnel you remain responsible for their compliance with any confidentiality restrictions.
- 14.4 Upon expiry of this Agreement each Party will on request either return to the disclosing Party or destroy all copies of Confidential Information held by it excluding any Confidential Information that is necessary for legal, insurance or regulatory purposes and which is retained in accordance with the receiving Party's retention policies.
- 14.5 You will not use any information including anonymised data you obtain from us or otherwise relating to customers or Applicant's for the purposes of aggregation, analytics or to otherwise analyse or document our lending behaviour or practices in any way;
- 14.6 The duties in this clause 14 will survive any termination of this Agreement.

15. PAYMENT CARD INDUSTRY TERMS AND CONDITIONS

- 15.1 You will ensure you comply with the Payment Card Industry Data Security Standard (**PCI DSS**) for all data on the front and back of a payment card (**Cardholder Data**) until such time as all relevant Cardholder Data has been securely deleted from their infrastructure in accordance with the PCI DSS Standards relating to secure deletion.
- 15.2 You will ensure that we have a direct right of action against you if you breach any PCI Standards.

16. TERMINATION

- 16.1 Subject to clause 16.2, this Agreement may be terminated without compensation by either Party giving to the other Party 30 days prior written notice. In addition either Party may end this Agreement immediately on written notice at any time after the Effective Date and without the payment of compensation if:
- (a) the other Party commits a material breach of any provision of this Agreement which has not been remedied within 15 Business Days notice of such breach;
 - (b) either Party ceases to have any statutory, regulatory or other authorisation required by it in connection with this Agreement;
- 16.2 We may end this Agreement immediately on written notice at any time without paying compensation if:
- (a) you or your Personnel do anything which in our reasonable opinion is likely to damage any member of the Lloyds Banking Group's reputation and goodwill with Applicants, customers and potential customers;
 - (b) you have supplied false information;
 - (c) you are in breach of clause 12, 13, 14 or 19; or

- (d) you have failed to notify us that you may suffer an impending Insolvency Event or you are subject to an Insolvency Event; or
- (e) you or your Personnel are in material breach of Applicable Standards including the Consumer Duty.

16.3 After termination we will not accept Mortgage Applications from you. Termination will not affect legitimate Mortgage Applications received before termination which do not require any further involvement from you. However if the Lender has agreed that a customer is entitled to draw down future funds under the terms of the mortgage product and that if the draw down of funds by a customer takes place within 9 months of this Agreement being terminated then we will still pay any subsequent fees owing on such draw down. However if the draw down of funds takes place more than 9 months after this Agreement has been terminated then we will not be liable to pay you any fees in relation to such draw down.

16.4 The expiry of this Agreement for any reason shall not affect the legal validity of any provision due to come into force or continue in force after expiry or termination or which is required to give such effect to such expiry or termination. Nor will termination or expiry affect any right of action or remedy available to either Party up to the date of expiry or termination. Upon expiry of this Agreement for whatever reason the following clauses shall survive and continue to be legally binding: clauses 1, 3, 4, 5, 11, 12, 13, 14, 16, 18, 20 and 23.

17. NOTICES

17.1 Any notice or communication to be given under this Agreement will be in writing (and by email where agreed). If sent by post, the communication will be deemed to have been delivered, as applicable, to the appropriate Lender Representative or for the attention of the Intermediary representative, at their usual address for correspondence. Any notice sent by post will be deemed to have been given (absent evidence of early receipt) on the first Business Day after the elapse of 48 hours from the time of posting.

18. AUDIT MONITORING AND ATTESTATION

18.1 You will keep true and accurate accounts and records of all matters connected with this Agreement including information and data relating to your controls and compliance with Applicable Standards. You are responsible for compliance with this Agreement, Lender Brand Terms and Conditions and Applicable Standards by you and all Personnel. You will provide an Attestation Statement to us confirming compliance by you and your Personnel with the provisions of this Agreement and the Lender Brand Terms and Conditions on request.

18.2 Each Lender may request access to your records and request information from you to monitor yours and your Personnel's compliance with this Agreement, including in particular: the quality and accuracy of Mortgage Application submissions; to prevent fraud and financial crime as set out in clause 5 above; and/or compliance with Applicable Standards including Consumer Duty; and/or evidence to demonstrate the effectiveness of your controls including in relation to any Personnel engaged by you. You will respond promptly in providing the requested records or access to them.

18.3 You will provide us with any information we or a regulatory body requests in respect of your or your Personnel's compliance with the requirements set out in clause 13 and your use of any technology providers or service providers utilised in conjunction with this Agreement including those providers connected to us using any application programming interface and any artificial intelligence, machine learning or automated decision making technologies.

18.4 You will allow representatives and professional advisers of any of us or a statutory or regulatory body (**Bank Audit Representatives**), to have access to those accounts and records and those of your Personnel including technology providers on reasonable notice at any time between 9.00 am and 5.30 pm on a Business Day. You will provide reasonable access to any Bank Audit Representatives in order to allow them to carry out any audit or investigation. You will cooperate with them and allow them to take copies of documents as may be considered reasonable.

18.5 Upon expiry of this Agreement, Bank Audit Representatives will have the right to perform audits and inspections at any time for reasons of fraud, breach of confidentiality and/or breach of regulatory compliance, or as otherwise agreed with you.

19. BRIBERY AND CORRUPTION

19.1 You will comply with all applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010. Specifically you therefore agree that you will:

- (a) have in place your own policies and procedures, including, but not limited to, adequate procedures under the UK Bribery Act 2010, to ensure compliance by you and your Personnel with the relevant requirements, and will enforce them where appropriate; and
- (b) tell us as soon as possible if you receive any request or demand to offer, promise or give any undue financial inducement or other advantage of any kind, or if you suspect that an Applicant has received such a request or demand.

19.2 You represent to us that neither you nor any Personnel have been prosecuted, charged or convicted of any offences under the UK Bribery Act 2010, other than as disclosed in writing to us.

20. DISPUTE RESOLUTION

- 20.1 Where there is any dispute arising out of or in connection with this Agreement (**Dispute**) the relevant Lender Representative and your representative will try to resolve the Dispute. If they are unable to resolve the Dispute then within 10 Business Days of a written request from one Party to the other Party to negotiate the Dispute, any Party may escalate the Dispute to their respective managers who will try to resolve the Dispute. The managers will have up to 20 Business Days to resolve the Dispute. The 20 Business Days shall start from the date of a written request from one Party to the other Party notifying the other of the escalation.
- 20.2 Neither Party may start court proceedings in relation to any Dispute until the Parties have attempted to settle it in accordance with this clause 20. However either Party may seek injunctive relief where there is either a breach or threatened breach by the other Party of any obligation of confidentiality or of the other Party's Intellectual Property Rights. Alternatively, either Party may issue court proceedings if necessary to avoid any loss of a claim due to the rules on limitation of actions.

21. USING OUR WEBSITE AND APPLICATION PROGRAMMING INTERFACES AND TECHNOLOGY

- 21.1 You agree that your use of our websites shall be subject to the Lender Brand Terms and Conditions and this Agreement. You shall be liable to us for any losses arising from your failure or the failure of your Personnel to comply with the Lender Brand Terms and Conditions.
- 21.2 We must approve all users of our websites in advance and allocate to them a unique logon. We may send you or your Personnel authorised by you which we agree may have access an identifier and password to allow for secure access to our websites including access to information on products and services held on third party software, which you are not permitted to share with any other Personnel including Introducers and will arrange to be kept secure, used only as necessary. Personnel who are registered and authorised by us as administrators on your behalf and who have accepted the Lender Brand Terms and Conditions will be issued with their own identifiers and passwords where agreed by us. You may not provide or share your on-line access to our websites or permit anyone other than authorised Personnel who have accepted the Lender Brand Terms and Conditions to submit applications or track applications on your behalf. You must tell us immediately if the security of a password or identifier or security mechanism is compromised. If any of your Personnel cease to be your Personnel you will ensure that their access to our websites is immediately revoked in accordance with our Lender Brand Terms and Conditions. You shall be liable to us for any losses we sustain arising from your and the Personnel's failure to safeguard the password, identifier or security mechanism.
- 21.3 You agree that your use of application programming interfaces either directly to the Lender or via any technology provider will require our prior written approval. Any such approval is subject to satisfactory completion of integration testing and regular testing thereafter to ensure continued compatibility and interoperability with our application programming interface and our security requirements. You shall be liable to us for any losses arising from your or your technology providers failure to comply with our requirements in respect of use of our application programming interfaces.
- 21.4 In no event shall we be liable to you or your Personnel for any losses arising out of or in any way connected with the provision, use or performance of our websites or any application programming interface that you may have been given permission to use.
- 21.5 Neither you nor your Personnel may set up hypertext links to our websites without our consent, subject to any specific conditions. We may require you to remove the link from your websites at any time.

22. AMENDMENTS

- 22.1 Other than as set out in clause 10.7, we may amend or update this Agreement at any time by giving you one month's written notice and/or by posting a notice or updated version on the relevant Lender Brands' website which will take effect when the one month notice period has ended. Where we need to amend this Agreement to make it compliant with any applicable law we can do so immediately. We will give you notice as soon as reasonably practicable, though this may be after the change has taken effect.

23. GENERAL

- 23.1 Neither Party will make any public statement including on social media concerning this Agreement without the prior written consent of the other Party. Where permission is granted this will be strictly in accordance with each Lender Brands Policies.
- 23.2 No partial failure or delay by either Party to exercise any right, power or remedy under this Agreement will operate as a waiver. Any express waiver of any breach of this Agreement will not be deemed to be a waiver of any subsequent breach.
- 23.3 If any of the terms and conditions of this Agreement are found to be invalid or illegal it will not be able to be relied upon. However, that will not have any impact on the other terms and conditions which will remain in force.
- 23.4 You may not assign or otherwise transfer this Agreement without our prior written consent. Where you appoint any Personnel or subcontractors you must ensure that your agreements with them ensures compliance with the term of this Agreement including our Policies, Applicable Standards and good industry practice. We may freely assign or otherwise transfer this Agreement and /or our rights under it in whole or in part to any member of the Lloyds Banking Group; or to any third party.

- 23.5 This Agreement supersedes any previous agreement between the Parties concerning the matters dealt with in this Agreement and with the Lender Brand Terms and Conditions (and any terms relating to procurement fees or other written agreements as to payments pursuant to clause 10) constitutes the entire agreement between the Parties.
- 23.6 This Agreement and any claims or disputes (including non-contractual claims and disputes) arising out of or in connection with this Agreement will be governed by and construed in accordance with English Law. Each Party agrees to submit to the exclusive jurisdiction of the courts of England, in relation to all disputes or claims arising under, out of or in connection with this Agreement.
- 23.7 Other than the Lender or as expressly stated, this Agreement is not intended by the Parties to give rise to any right which is enforceable by any third party by virtue of the Contracts (Rights of Third Parties) Act 1999. If a person who is not a Party to this Agreement is stated to have the right to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, the Parties may rescind or vary this Agreement (and any documents entered into pursuant to or in connection with it) without the consent of that person.
- 23.8 You acknowledge that the obligations and liabilities of each of us are separate and independent of the others of us and not joint and several. None of us will owe any obligation to you to perform any obligations of the rest of us.