

INTERMEDIARY TERMS OF BUSINESS

This Agreement is made the day of 2009

BETWEEN

1. The Bank, we, us our **BANCO Halifax Hispania,
C/ Anabel Segura 16,
Edificio Vega Norte II, Planta 4,
28108 Alcobendas, MADRID**
2. The Intermediary, you,
your

1. SCOPE

- 1.1 The following paragraphs set out the conditions upon which the Bank will accept Business from the Intermediary. 'Business' includes the introduction of customers to the products provided and marketed by the Bank.
- 1.2 The Bank reserves the right, at its sole discretion, not to accept Business from the Intermediary.
- 1.3 The Intermediary is neither an employee, representative nor an agent of the Bank and is the agent of the Intermediary's client in relation to all aspects of the Business, and agrees to make that position clear to the Intermediary's client.
- 1.4 The Intermediary is not authorised to collect deposits, savings or other funds on behalf of the Bank.

2. OBLIGATIONS OF THE INTERMEDIARY

- 2.1 **The Intermediary warrants that;**
 - 2.1.1 It is authorised and has the relevant regulatory permissions and will maintain such permissions for the duration of this Agreement.
 - 2.1.2 It will immediately notify the Bank upon ceasing to be authorised or if there is any change to the permissions held by it.
 - 2.1.3 It will on request immediately supply the Bank with written evidence of being authorised.
 - 2.1.4 It shall comply at all times with all applicable laws, regulations and codes of conduct relevant to the Business and which are in force or as amended from time to time and deal with the Intermediary's clients in an open and honest

manner and provide accurate information on the Bank's products to the Intermediary's clients.

- 2.1.5 It shall collect and provide to the Bank all the documentation which may be required from time to time including the original completed Bank mortgage application form signed and executed by the client. The Intermediary shall certify to the Bank in writing that all documentation forwarded is a true copy of the documentation delivered by the client and that it has made all reasonable checks as far as possible in order to ensure that such documentation is true, accurate, updated and complete.
- 2.1.6 It shall maintain and produce when requested by the Bank the identity verification evidence details which have previously been notified to the Bank, and in such certified copy format as may be required from time to time by the Bank.
- 2.1.7 It accepts that the Bank retains the right to refuse confirmation of verification if there is any reason, at the Banks' sole discretion, it has any reason to believe that the minimum standards as outlined in this Agreement are not being met in the verification of clients.
- 2.1.8 It accepts the sole responsibility for any legal and/or regulatory requirements which it is required to observe both in the UK and Spain, and as may be required from time to time by the Bank.
- 2.1.9 It shall ensure its staff are competent, adequately authorised and trained at all times where required to be in either the UK and/or Spain.
- 2.1.10 It shall cooperate with the Bank at all times when requested to provide such information that the Bank may reasonably request in order for the Bank to comply with any legal or regulatory requirements in any relevant jurisdiction.
- 2.1.11 It will deliver annually to the Bank, and no later than 31 January each year, an UK Inland Revenue certificate providing proof of the Intermediary's UK residence for tax purposes, the absence of which will compel the Bank to apply withholding tax on any commission, or other payments that may arise, payable by the Bank to the Intermediary.
- 2.1.12 It declares that has not ever been refused by an organization to authorize or terminate a terms of business for mortgage business.

2.2 **The Intermediary shall not;**

- 2.2.1. Issue in any form any circular, advertisement, leaflet or other promotional material or any proposal or application relating to the Bank or the Bank's business unless the document in question has been approved in writing or supplied by the Bank.

- 2.2.2. Alter or inaccurately represent any information or document supplied to the Intermediary by the Intermediary's client for onward transmission to the Bank.
- 2.2.3. Alter or inaccurately represent any information or document supplied by the Bank to the Intermediary for onwards transmission to the Intermediary's clients.
- 2.2.4 Except as otherwise provided in these Terms of Business, make any written or verbal statements or representations which could in any way bind the Bank.
- 2.3 Do, or omit to do, anything which will or may affect any authorisation, licence, consent or permission necessary or desirable for the conduct of the Bank's business.
- 2.4 **The Intermediary will notify the Bank immediately if;**
 - 2.4.1 Any of the Intermediary's staff, directors, partners or sub agents involved with the introduction of business to the Bank, are dismissed for, terminated for, charged with and/or convicted of, any offence involving fraud or dishonesty.
 - 2.4.2 Bankruptcy or liquidation proceedings are brought against the Intermediary, its directors and/or partners, and/or where a receiver is appointed or a voluntary arrangement with creditors is proposed.
 - 2.4.3 The Intermediary, its staff, directors, partners or sub agents are, or are to be, disciplined by any regulatory body and provide the Bank with details of such disciplinary action.
 - 2.4.4 A person proposes to take a step which would result in a change of ownership, or control of the Intermediary.
- 2.5 The Intermediary may seek to negotiate with the Bank specific and bespoke economic conditions for any specific application if this is requested by his customer, but subject always to the Bank's right and its sole discretion not to accept Business from the Intermediary.

3. COMMISSIONS

- 3.1. Subject to the terms set out in this Agreement, the Bank will pay commission to the Intermediary as set out in Appendix 1 to this Agreement for each completed mortgage application submitted by the Intermediary which is subsequently accepted by the Bank and which results in a mortgage being entered into with the customer. Appendix 1 also details the commission rates to be paid for different products made available by the Bank from time to time, and applicable rates relevant to volumes of Business that are introduced by the Intermediary to the Bank.
- 3.2. At the end of each month the Intermediary will receive a statement which details the Business accepted by and completed with the Bank during the preceding

month, the commissions receivable, and any taxes payable by the Intermediary, including the Non Resident Tax payable in Spain if the Inland Revenue certificate mentioned in paragraph 2.1.11 above has not been delivered to the Bank, as well as any taxes which may arise and be applicable from time to time as and when dictated by the tax rules in Spain.

- 3.3. The total amount of commission verified by the Bank as being due to the Intermediary will be paid by the Bank no later than 10 days after the date of the statement referred to in clause 3.2 above. Subject to the provisions of clause 3.4 below, such payment will be made by the Bank by way of transfer to the Intermediary's account as notified by the Intermediary to the Bank.
- 3.4. If the Intermediary submits any mortgage applications to the Bank through a Mortgage Club (the "Club") the commission on the Business (or any other fee, such as an override fee) will be as agreed with the Club. Some or all of the commission on the Business may be payable directly to the Club. Accordingly:
 - 3.4.1. Where all commission is to be paid directly to the Club, the Club acts as the Intermediary's agent for receipt of any payments due and the Bank's payment to the Club is in full and final settlement of any payment due to the Intermediary.
 - 3.4.2. Where the commission is to be divided as between the Intermediary and the Club, the Bank's total payments to the Intermediary and the Club shall be in full and final settlement of any payment due to the Intermediary.

4. VARIATION AND TERMINATION

- 4.1 The Bank reserves the right to vary, add to, or cancel the Terms of Business contained in this Agreement and any Appendices to this Agreement subject to one month's notice being given to the Intermediary except where regulatory or legislative changes relevant to the Intermediary or the Bank are required to take immediate effect. Except in such circumstances, such variation will not affect Business already accepted and issued by the Bank or the status of applications received by the Bank before expiry of that notice.
- 4.2 The Bank reserves the right to change the commission options available as set out in Appendix 1 in respect of any Business upon one month notice to the Intermediary
- 4.3 Either party may end this Agreement immediately on written notice at any time after the start date and without payment of compensation if;
 - 4.3.1 The other party commits a material breach of any provision of the terms of this agreement, and/or

- 4.3.2 Either party does anything which, in the reasonable opinion of the other party, is likely to damage its reputation and goodwill with customers and/or potential customers.
- 4.4 Immediately following termination the Intermediary will cease to advise, arrange and/or submit applications for the Bank's products. The Intermediary will also immediately cease to use any promotional material, leaflets or advertisement relating to the Bank and the Bank's products and return to the Bank any material provided previously by the Bank to the Intermediary.

5. INDEMNIFICATION

- 5.1 The Intermediary will indemnify the Bank against any foreseeable loss and damages directly sustained and/or incurred by the Bank, including legal costs caused by the introduction of Business beyond the Intermediary's authorisation and/or caused by any breach of the obligations owed to the Bank under the terms of this Agreement.

6. TRANSMISSION OF RIGHTS AND OBLIGATIONS AND EXCLUSIVITY

- 6.1 The Intermediary may not transfer any rights and obligations established in this Agreement to third parties without previous written and express approval from the Bank.
- 6.2 The terms of this Agreement do not have the characteristic of exclusivity for both the Intermediary and the Bank

7. DATA PROTECTION

- 7.1 The Intermediary;
- 7.1.1 Undertakes to comply with all and any relevant Data Protection Legislation that may be applicable either in the UK or in Spain in respect of their obligations under this Agreement. More specifically, but without limitation, the Intermediary;
- 7.1.2 Is obliged to treat all information relating to customers, products or services with confidentiality and in accordance with the Spanish Data Act 15/1999 of 13 December (hereinafter "LOPD") and its regulations.
- 7.1.3 Is obliged to comply with the UK Data Protection Act 1998 and the data protection principles contained in it which promote good conduct in relation to processing personal information
- 7.1.4 Consents to the recording of his personal data included in or provided during the course of this Agreement, in an automated file maintained by the Bank and/or any companies in the Lloyds Banking Group and/or any third party administrator that

the Bank may appoint from time to time for the purpose of the operation of and the Business contemplated by the terms of this Agreement. The Lloyds Banking Group plc includes us and a number of other companies using brands including Lloyds TSB, Halifax and Bank of Scotland, and their associated companies. More information on the Lloyds Banking Group can be found at www.lloydsbankinggroup.com. For these purposes "associated companies" includes Lloyds Banking Group plc and any subsidiary, affiliate or other firm directly or indirectly controlled from time to time by either Lloyds Banking Group plc or us.

- 7.1.5 Consents to the Bank using credit-scoring methods in relation to the Intermediary's personal and professional data for completion by the Bank of any due diligence activity the Bank wishes to undertake.
- 7.1.6 Authorises the Bank to search reference agency files, the Bank of Spain's Credit Risk Information Group (Central de Información de Riesgos de Banco de España) and any other official or private body.
- 7.1.7 Consents to the Bank monitoring or recording telephone conversations and electronic communications with the Intermediary for the purposes of additional security, complaint resolution, improved service standard and staff training.
- 7.2 The Bank's privacy policy guarantees the rights of access, rectification, cancellation and opposition,, according to the regulations currently in force, by application in writing to the following address: Banco Halifax Hispania, C/ Anabel Segura 16, Edificio Vega Norte II, Planta 4, 28108 Alcobendas, Madrid.
- 7.3 With regard to the personal data of potential clients, each party will co-operate as far as is reasonable with the other party in complying with any subject access request and will co-operate fully with the other party in dealing with any enquiry made or investigation or assessment of processing.
- 7.4 If the Intermediary in the carrying out of its professional activity under this Agreement, obtains any access to data held by the Bank, then, in compliance with the LOPD, the Intermediary undertakes only to use the data according to the Bank's instructions and not to communicate such data in any format to any third party provided however that the Intermediary may retain one copy of such data exclusively for the internal compliance procedures required by or impressed on the Intermediary by mandatory law or a competent regulatory body.
- 7.5 The Intermediary shall adopt the technical and organisational measures necessary to ensure the security of the personal data and prevent their alteration, loss, unauthorised processing or access, taking into account the state of the art, the nature of the data stored and the risks to which they are exposed by virtue of human activity or the physical or natural environment. The Bank may without previous notification, carry out checks to verify that the technical and organisation measures have been adopted by the Intermediary. The same confidentiality will be maintained after the end of the process.

- 7.6 On the termination of this Agreement, the Intermediary will destroy the files, data, support and documents, which contain any personal data provided by the other party, or as resulting from the processing, according to the received instructions, without copies, and with the undertaking not to transfer such data in any format to any third party.
- 7.7 Save where expressly agreed in writing to the contrary, the Intermediary has no right to use or refer to in any form logos, signs, images, trademarks, trade names or any other intellectual property of the Bank or any other company in the Lloyds Banking Group.
- 7.8 The above obligations include any person who might intervene during the processing for the account of the Bank and will survive even after the conclusion of the processing carried out under this Agreement.

8. GEOGRAPHIC LIMITATION

- 8.1 This Agreement is limited to Business completed between the Bank and the Intermediary in the Spanish Territory. It does not apply to the Intermediary's dealings with any other part of the Lloyds Banking Group (where other terms and conditions may apply).
- 8.2 The Bank will engage without limitation with other Intermediaries in the UK, Spain and/or any other relevant jurisdiction. The Intermediary will also engage without limitation with other Banks or Credit Institutions in, or undertaking business in, Spain.

9. JURISDICTION

- 9.1 This Agreement shall be governed and construed in accordance with the Laws of Spain.
- 9.2 In the event of disagreement over the interpretation and performance hereto, the parties submit to the jurisdiction of the judges and courts of Madrid-capital with express waiver of any other jurisdiction.
- 9.3 The Intermediary, being a non resident entity in Spain, will notify the Bank in writing of its legal representative in Spain for the purposes of this process.

10. AUDIT RIGHTS

- 10.1 The Intermediary will keep true and accurate accounts and records of all matters connected with this Agreement and will allow the Bank's representatives, professional advisors, or any employee or agent of a statutory or regulatory body, with regard to access to those records and accounts whether in the UK or Spain on reasonable notice and between 9.00am and 5.30pm on any business day.

10.2 The Intermediary will co-operate with any audit or investigation into matters relating to any or all business conducted pursuant to this Agreement.

11. GENERAL

11.1 References in this Agreement to any statute, statutory instrument, regulations, rules, guidance, codes of practice, guidance or provisions shall be references to such statutes, statutory instruments, regulations, rules, guidance, codes of practice, guidance or provisions from time to time amended, re-enacted or replaced and to any consolidation, re-enactment or substitution thereof from time to time.

11.2 The waiver by the Bank if any breach of any of these Terms of Business shall not prevent the subsequent enforcement of that term and shall not be deemed a waiver of any subsequent breach.

11.3 In these Terms of Business words importing the masculine gender shall include the feminine or neuter gender and words importing the singular shall include the plural.

11.4 In the event of a breach of these Terms of Business the Bank and the Intermediary both reserve the right to share this information with other financial institutions and the regulator of both the Bank and of the Lloyds Banking Group of which the Bank is a member.

11.5 Any notices must be in writing and sent by post.

11.6 The Bank reserves at all times the right to send communications direct to any client who submits an application and/or with whom the Bank enters into a contractual relationship.

TERMS OF BUSINESS: BUSINESS REVIEW SECTION

Name of Introducer

Office Address

Contact details

Office Telephone
Mobile Telephone
E-mail address

Authorisation Status

Company FSA number
Principal FSA number

Business Details

Years in Business
Number of Employees
Bank account: Sort code/account no. bank name and address:
.....

Business PlanningEstimated volume to 31st December

Full Year 1 Forecast

Commission

Agreed Commission Rate:

Purchase

Switch and Save

Condition

The intermediary will deliver annually to the Bank, and no later than 31 January each year, an UK Inland Revenue certificate providing proof of the Intermediary's UK residence for tax purposes, the absence of which will compel the Bank to apply withholding tax on any commission, or other payments that may arise.

Business Review**Completed By; (Print Name)****Signature****Position in Lloyds Banking Group & Level****Signed (Intermediary)****Signed (Banco Halifax Hispania, SAU)****Name & Position (printed)
Date****Employee Name and Number
Date**

Please send to:
European Operations
Banco Halifax Hispania
Floor 1.5
Commercial Street
Halifax
HX1 1BW