

Schedule 3 Dowry Calculation Schedule

1. PAYMENT OF DOWRIES

1.1. Subject to Paragraphs 1.2 to 1.8 and 3 below, the IB shall within thirty Business Days of the end of each three calendar month period (beginning on [date]) (each, a "**Relevant Period**"), pay the Company an aggregate amount (a "**Dowry**") in respect of each Transferring Target Customer for that Relevant Period, comprising:

- (A) an amount determined in accordance with Paragraph 2.1 (the "**BCA Element**"); and
- (B) an additional amount calculated in accordance with Paragraph 2.3 if such Transferring Target Customer has transferred any of its Loan Products from RBS to the Company (the "**Loan Element**"),

provided that, if a Transferring Target Customer transfers any of its Loan Products from RBS to the Company in a Relevant Period subsequent to the Relevant Period in respect of which the BCA Element is payable, the relevant Loan Element shall be payable in respect of the Relevant Period in which such Loan Product transfers.

1.2. At or around the date on which the IB makes the payment(s) in accordance with Paragraph 1.1 above, the IB shall also provide the Company and RBS with a quarterly statement which includes the following information:

- (A) the aggregate amount paid by the IB to the Company during the Relevant Period comprising: (i) new Dowry payments; and (ii) any Additional Payment (as defined in Paragraph 1.4 below) arising from a successful Dowry Query (as defined in Paragraph 1.3 below) made by the Company;
- (B) the total number of Transferring Target Customers in respect of which the Company is eligible to receive a Dowry during the Relevant Period;
- (C) in respect of each Transferring Target Customer:
 - (i) a unique customer reference identifier;
 - (ii) its CASS switching number, if applicable;
 - (iii) the date on which the Target Customer became a Transferring Target Customer;
 - (iv) the date on which the IB accepted a Dowry Query made by the Company (if any);
 - (v) its Turnover Band; and
 - (vi) the amount of Dowry paid or to be paid,

(together, (A) to (C) being the “**Relevant Information**”).

- 1.3. Within fifteen Business Days of receipt of the Relevant Information, the Company may dispute or challenge the amount of Dowry paid in respect of any Transferring Target Customer and, at the Company’s own expense, provide any information and evidence relevant to the calculation of such Dowry to the IB (a “**Dowry Query**”).
- 1.4. As soon as practicable following the receipt of a Dowry Query, the IB and the Company shall discuss in good faith the amount of Dowry with a view to resolving the Dowry Query. Following such discussion, the IB shall, at its sole discretion, make a final determination as to whether any additional Dowry payment should be made in respect of some or all of the Transferring Target Customer(s) (such additional amount being an “**Additional Payment**”).
- 1.5. The IB shall be under no obligation to make any Additional Payment if it remains, in its sole discretion, dissatisfied with the information or evidence provided to it and/or the outcome of any good faith discussions and the Company acknowledges and agrees that all decisions made by the IB in respect of any Dowry Queries (including whether there will be an Additional Payment and the amount of such Additional Payment) are final and binding.
- 1.6. If the IB’s final decision is that an Additional Payment should be made, such Additional Payment shall be paid by the IB to the Company following the end of the next Relevant Period after the date of the Dowry Query as if it formed part of the Dowry in respect of such Relevant Period. The IB shall also, as soon as reasonably practicable, inform RBS of its final decision in relation to any Dowry Query.
- 1.7. The IB shall pay the Dowry in respect of each Transferring Target Customer (including any Additional Payment) for the Relevant Period in one aggregate payment by telegraphic transfer to the Account.
- 1.8. No Dowry shall be paid in respect of a Transferring Target Customer which has more than one account with RBS (or any member of the Group) unless the account(s) transferred represent more than 50% of such Transferring Target Customer’s annual aggregate credit turnover with accounts held within the Perimeter (excluding turnover between those accounts of a customer with the same CIN).

2. **CALCULATION OF A DOWRY**

- 2.1. Subject to Paragraph 2.2, the BCA Element of a Transferring Target Customer is determined based on the Turnover Band of such Transferring Target Customer, the amount of which is set out in the following table:

Turnover of Transferring Target Customer (£)	Turnover Band	BCA Element (£)
Less than 15,000	Band 1	750
15,000 to 100,000	Band 2	1,000
100,001 to 500,000	Band 3	3,000

500,001 to 1,000,000	Band 4	3,000
1,000,001 to 1,500,000	Band 5	6,250
1,500,001 to 2,000,000	Band 6	13,125
2,000,001 to 2,500,000	Band 7	16,875
2,500,001 to 5,000,000	Band 8	25,000
5,000,001 to 7,500,000	Band 9	25,000
More than 7,500,000	Band 10	50,000

- 2.2. The Turnover Band of a Target Customer holding only a Loan Product (but not a Business Current Account with RBS) at the Relevant Time which, after the Relevant Time, (i) opens a Business Current Account with RBS and (ii) subsequently becomes a Transferring Target Customer shall be deemed to be Band 1.
- 2.3. The Loan Element in respect of each Loan Product transferred by the Transferring Target Customer from RBS to the Company shall be calculated as follows:

Transferred Loan Amount x 0.025

3. RESTRICTIONS ON DOWRY PAYMENTS

- 3.1. Notwithstanding any other provision of this schedule, the IB shall not pay the Loan Element of any Dowry in a Relevant Period to the Company if:
- (A) the total amount of Loan Element paid by the IB to the Company in respect of Transferring Target Customers in previous Relevant Periods, when aggregated with equivalent sums paid by the IB to other eligible bodies under incentivised switching agreements between the IB and other eligible bodies in respect of such previous Relevant Periods, is equal to or exceeds the Loan Threshold; or
 - (B) making payment of the Total Loan Element in respect of that Relevant Period, when aggregated with equivalent sums calculated under incentivised switching agreements between the IB and other eligible bodies and due in respect of the same Relevant Period (together, the "**Aggregate Loan Element**" and such eligible bodies, together with the Company, being the "**Loan Element Companies**") would result in the Loan Threshold being exceeded.
- 3.2. If the payment of the Aggregate Loan Element to the Company in respect of a Relevant Period would result in the Loan Threshold being exceeded, the IB shall calculate the "**Remaining Loan Element**" as follows:

$$A - B$$

where

A = the Loan Threshold

B = the total amount of Loan Element paid by the IB to the Company in respect of Transferring Target Customers in previous Relevant Periods, plus the amount of any equivalent sums paid by the IB to other eligible bodies under incentivised switching agreements between the IB and other eligible bodies in respect of such previous Relevant Periods,

and shall distribute the Remaining Loan Element to the Loan Element Companies (including the Company) pro rata according to the amount of the Aggregate Loan Element due to such Loan Element Company.

3.3. Notwithstanding any other provision of this schedule, the IB shall not pay the BCA Element or any Dowry in a Relevant Period to the Company if:

- (A) the total amount of BCA Element paid by the IB to the Company in respect of Transferring Target Customers in previous Relevant Periods, when aggregated with equivalent sums paid by the IB to other eligible bodies under incentivised switching agreements between the IB and other eligible bodies in respect of such previous Relevant Periods, is equal to or exceeds the BCA Threshold; or
- (B) making payment of the Total BCA Element in respect of that Relevant Period, when aggregated with equivalent sums calculated under incentivised switching agreements between the IB and other eligible bodies and due in respect of the same Relevant Period (together, the "**Aggregate BCA Element**" and such eligible bodies, together with the Company, being the "**BCA Element Companies**") would result in the BCA Threshold being exceeded.

3.4. If the payment of the Aggregate BCA Element to the Company in respect of a Relevant Period would result in the BCA Threshold being exceeded, the IB shall calculate the "**Remaining BCA Element**" as follows:

$$C - D$$

where

C = the BCA Threshold

D = the total amount of BCA Element paid by the IB to the Company in respect of Transferring Target Customers in previous Relevant Periods, plus the amount of any equivalent sums paid by the IB to other eligible bodies under incentivised switching agreements between the IB and other eligible bodies in respect of such previous Relevant Periods,

and shall distribute the Remaining BCA Element to the BCA Element Companies (including the Company) pro rata according to the amount of the Aggregate BCA Element due to such BCA Element Company.

3.5. The IB shall not pay any Dowry in respect of a Transferring Target Customer if:

- (A) the Transferring Target Customer's Primary Account is a Dormant Account or an account in Collections and Recoveries; or
- (B) the only account(s) of such Transferring Target Customer which is (are) transferred to the Company are Dormant Account(s) and/or account(s) in Collections and Recoveries.

3.6. The relevant date for the purposes of the definition of "**Target Customer**" in the Terms & Conditions is [date].

For the purposes of this schedule:

"**Additional Payment**" has the meaning given to it in Paragraph 1.4;

"**Aggregate BCA Element**" has the meaning given to it in Paragraph 3.3(B);

"**Aggregate Loan Element**" has the meaning given to it in Paragraph 3.1(B);

"**Applicant Companies**" has the meaning set out in the Terms and Conditions;

"**BCA Element Companies**" has the meaning given to it in Paragraph 3.3(B);

"**BCA Threshold**" means £225,000,000;

"**Business Current Account**" has the meaning set out in the Terms & Conditions;

"**Collections and Recoveries**" has the meaning set out in the Terms & Conditions;

"**Dormant Account**" has the meaning set out in the Terms & Conditions;

"**Dowry**" has the meaning given to it in Paragraph 1.1;

"**Dowry Query**" has the meaning given to it in Paragraph 1.3;

"**Loan Element Companies**" has the meaning given to it in Paragraph 3.1(B);

"**Loan Threshold**" means £50,000,000;

"**Loan Product**" means a secured or unsecured sterling denominated commercial loan between RBS and a Target Customer excluding overdrafts, invoice financing and asset financing arrangements;

"**Perimeter**" means the division of RBS previously described as Williams and Glyn or such other group of customers as the IB may determine;

"**Primary Account**" has the meaning set out in the Terms & Conditions;

"**RBS**" means The Royal Bank of Scotland Group plc, a public company incorporated in Scotland with registered number 45551 and whose registered office is at 36 St Andrew Square, Edinburgh, Scotland EH2 2YB;

"Relevant Information" has the meaning given to it in Paragraph 1.2;

"Relevant Period" has the meaning given to it in Paragraph 1.1;

"Relevant Time" means the time at which the IB first markets Incentivised Switching to Applicant Companies or such other time(s) as may be agreed between the IB and RBS and notified by the IB to the Company;

"Remaining BCA Element" has the meaning given to it in Paragraph 3.4

"Remaining Loan Element" has the meaning given to it in Paragraph 3.2;

"Total Loan Element" means the aggregate Loan Element in respect of each Relevant Period;

"Total BCA Element" means the aggregate BCA Element in respect of each Relevant Period;

"Transferred Loan Amount" means the outstanding balance owed to the Group of any Loan Product as at the relevant transfer date;

"Turnover" means the annual aggregate credit turnover with Business Current Accounts held within the Perimeter (excluding (i) any turnover between those accounts of a customer with the same CIN; and (ii) any monies held by a customer on behalf of that customer's clients or for the benefit of third parties); and

"Turnover Band" means the classification of a Transferring Target Customer based on its Turnover (at the Relevant Time) grouped in accordance with the ranges set out in Paragraph 2.1.

Reference in this schedule to RBS shall be read as including, where applicable, a reference to any relevant subsidiary of RBS undertaking the relevant activity within the Group and, in this context, any obligation on RBS shall be read as including, where applicable, an obligation on RBS to procure that the relevant subsidiary complies with the relevant obligation.