

Is the agreement we are being offered a loan?

No. The agreement is NOT a loan. We do NOT offer loans. This is a sale and hire-back agreement NOT a loan, you will sell your goods to us and we will pay you the agreed amount for the purchase of your goods as shown on the self-certified invoice. Ownership of the goods passes from you to us and remains with us throughout and when the agreement ends, however, you do retain the use of the goods while on hire. You will have a VAT liability on the money you receive from us for the purchase of your goods.

Will my agreement be regulated under the Consumer Credit Act 1974?

No, your agreement will not be regulated by Consumer Credit Act. We only offer unregulated agreements if: you are a Limited Company or are an individual entering into the agreement for business purposes and if the amount you have to pay for a hire agreement, inc rentals exceeds £25,000 inc VAT; or credit provided in a HP agreement exceeds £25000. We are not regulated by the FCA - we do not offer consumer credit.

Do you charge an application fee or credit fee like other banks charge when we apply?

Yes, we charge an Admin fee for the provision of credit when you apply for finance which may or may not lead to the execution of a finance agreement. This fee falls within HMRC exemption for VAT under item 2, group 5 schedule 9, Value Added Tax Act 1994 (see also notice 701/49 November 2011 paragraph 4 and HMRC Manual VATFIN 3125) The intention and fee for the work provided by us is for the provision of credit. We invoice you for the fee which is non-refundable whether or not any finance goes live or if you decide to take a non-credit related product as the provision of credit work will be provided at the outset.

What fees will we pay apart from the primary and secondary period monthly payments?

A Document Fee; Collections fee if you go into arrears; A Service Risk Fee paid monthly; An Asset Release Fee if and when you are entitled to have any security released over property or the goods.

Do you require a legal charge over my home and personal guarantees to support the agreement?

Yes, we require personal guarantee(s) and, in addition, (i) we will take a first charge over your and/or any guarantor's property if there is no current mortgage or charge, and/or (ii) we will register a Unilateral Notice at Land Registry on your and/or any guarantor's property if a prior charge already exists. The Legal Charge or Unilateral Notice will be removed when all of your obligations to us under the Agreement(s) have been settled provided you have firstly paid the Asset Release Fee explained here. If and when you are entitled to have the charge or unilateral notice released we will require you to pay an Asset Release Fee equivalent to 10% of the original sum paid to you plus vat for the release of the security and Goods.

What are my options when the hiring ends?

- If the goods are no longer needed you can return them once the Agreement has ended (meaning you have given and served your notice as required) or you may be offered a transfer of title option.
- If the primary rentals have come to an end you can do nothing and continue to pay the same monthly rental which will be your secondary rental payments as detailed in your agreement.
- Once you have signed a Hire Agreement you will be committed to making Rental payments of at least those required to be paid during the Primary Period plus the three months Rental payable during the three months notice Period which does not start to run until the Primary Period has ended.

Can I claim VAT back on the monthly payments and on termination? What's the interest rate?

Yes you can claim back the VAT on the monthly payments if you are VAT registered. An interest rate is not applicable on Hire Agreements as you are hiring the goods. The easiest way to work out what you will pay back is to add up all your payments due and include the three month notice period required under clause 1a) to terminate the Agreement, together with all other charges payable under this Agreement had it not been terminated early. You should also be aware that the Termination Sum which you will have to pay upon early termination or early settlement of this Agreement will be based upon the remaining total gross rentals shown in the Rental Payments section of the agreement and also shown in the agreement terms clause 9(b). This termination sum represents damages and not a supply of services therefore you will not receive a vat invoice and you cannot reclaim any vat, as the Termination Sum is not a vatable supply. The Funder will also have no vat liability on the Termination Sum.

I/We have read the above Key Facts and fully understand the content and implications.

Name:

Signed: **X**

Date:

FACILITY TERMS

You will enter into a sale of your Goods and we will hire them back to you under these Facility Terms (a "Sale and Hire back") and any reference below to a "Finance Agreement" will be to a Sale and Hire back transaction which includes a hire agreement dated the same date as these Facility Terms.

To be signed by the Customer.

We, the proposed customer named below ("the Customer") being a hirer under the Finance Agreement warrant, represent and agree, as follows:

We have made a proposal to you to enter into the Finance Agreement with us and you are acting on our behalf in making that proposal;

- (i) We understand and acknowledge that;
 - (a) you will finance the proposed Finance Agreement which we will be asked to sign and the terms and conditions of the Finance Agreement will supersede any previous email or verbal representations made by any party, among other things, in relation to settlement figures, title to Goods or rates or fees and so that the terms and conditions of the Finance Agreement will be the only terms agreed and upon which you will rely when entering into the Agreement.
 - (b) as a Sale and Leaseback, you will prepare an invoice for us to sign for the amount to be received by us including vat (we acknowledge we will thereby be incurring a vat liability) and we authorise you to complete, at a later date, any details omitted from the invoice at the time of signature;
 - (c) in any event, the Finance Agreement will not be a loan and we will be a hirer of Goods and not a borrower.
- (ii) We understand that at the end of the Finance Agreement, the Goods will be sold to a third party who may be willing to allow us to repurchase them or alternatively we may hand the equipment back to you; We accept that there is no trial period or right of cancellation, no cooling off period and no discount for settling the Finance Agreement early. We understand the Agreement will continue for a Secondary Period, after the Primary Period has elapsed. We authorise you to set up a new direct debit at any point if the Agreement is still live. If we request a settlement figure this will include the Rentals payable for the 3 month notice period required if we terminate the Agreement and any future fees.
- (iii) We agree to pay an Administration fee for the provision of credit when we apply for finance which may or may not lead to the execution of a finance agreement. This fee falls within HMRC exemption for VAT under item 2, group 5 schedule 9, Value Added Tax Act 1994 (see also notice 701/49 November 2011 paragraph 4 and HMRC Manual VATFIN 3125) The intention and fee for the work provided by you is for the provision of credit. You invoice us for the administration fee which is non-refundable whether or not any finance agreement goes live or if we decide to take a non-credit related product as the provision of credit work will be provided at the outset.
- (iv) We understand that if the equipment schedule ("the Schedule") has not been completed, at the time of signing, we authorise you to enter the relevant equipment on the separate Schedule to the Finance Agreement, when available and as our agent and so that you may rely upon the completed Schedule as being true and accurate;
- (v) We acknowledge and consent to your (i) taking a first charge over our and/or any guarantor's personal property and/or business property if there is no current mortgage or other charge, and/or (ii) registering a Unilateral Notice at Land Registry on our and/or any guarantor's personal property and/or business property if a prior mortgage or charge already exists. Any such legal charge or notice will remain until all of our obligations to you have been settled in full including payment of an Asset Release Fee equivalent to 10% of the cash price of Goods we financed plus vat for the release of the security and Goods.
- (vi) We have completed an on-line vat application and have the vat acknowledgment number. We have charged vat on our self-certified invoice as we are awaiting our vat number. We will declare and pay this vat to HMRC once our VAT registration completes. If for any reason you cannot claim the VAT back on our self-certified invoice, we guarantee to indemnify you and will pay the non-recouped vat element back to you, or alternatively, we will credit and authorise you to resubmit of our self-certified invoice to HMRC or you can use the self billing agreement if needed. Either option will put you back in the same position as when you were relying upon the original self certified invoice to reclaim the vat. Furthermore once our vat number is generated we authorise you to insert the vat number onto our self-certified invoice and amend the date of our invoice or use the self billing agreement, then resubmit or process our invoice as a valid vat invoice to which we will pay the vat element over to HMRC on our next vat return, we have also authorised this on our self billing agreement with you to enable the above.
- (vii) We understand that the Termination Sum which we will have to pay upon early termination or early settlement of this Agreement will be based upon the remaining total gross rentals shown in the Rental Payments section of the agreement and also shown in the agreement terms clause 9 (b). This termination sum represents damages and not a supply of services therefore we will not receive a vat invoice and we cannot reclaim any vat, as the Termination Sum is not a vatable supply. The Funder will also have no vat liability on the Termination Sum. If termination is due to default, you will retain in full any sales proceeds of the Goods under all circumstances and we will not be entitled to any credit against the termination debt or any refund. Your full termination debt will be immediately due.
- (viii) We shall pay your expenses and legal costs on a full indemnity basis for anything you incur in connection with this Agreement or finance agreement including, but without limitation, for the preservation, exercise or enforcement of it. This indemnity shall survive and remain enforceable notwithstanding the termination or other discharge of the Finance Agreement. We understand that you will rely upon the facts, warranties and representations made by us in this document when deciding to enter into the Finance Agreement and that we are able to pass good unencumbered title to the Goods to the funder.
- (ix) We understand that if we give a positive review our identity and the identity of any other reviewers mentioned on your website or linked review sites may be changed in keeping with your privacy policy. We understand that in consideration of you giving us access to your unique funding platform and the strict requirements of your backers involved in the securitisation of all Finance Agreements, we undertake (including our employees and agents) to keep secret and confidential and not disclose (orally or in writing) produce or provide to any third party any facts, statements, opinions, discounts, communications or documents relating to the Finance Agreement or dealings with you, we acknowledge that any breach of this clause will result in Court proceedings for an injunction and/or damages

Name of Customer:

Date:

Signature of (or on behalf of) Customer

X