

Non-Regulated Supplier Stage Payment Loan Agreement

**(multiple drawdown, variable rate,
interest only, time limited, bullet
principal repayment)**

- Available for body corporates only

Non-Regulated Loan Agreement (Supplier Stage Payments)

This loan agreement (the “**Agreement**”) is made between Mitsubishi HC Capital UK PLC (trading as Novuna Business Finance) and its successors and assigns (“**Lender**”) registered at Novuna House, Thorpe Road, Staines-upon-Thames, Surrey, TW18 3HP company number 01630491 and the Customer named in this Agreement (the “**Borrower**”).

Agreement number

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Borrower:

Customer name:	<input type="text"/>	Company number:	<input type="text"/>
Trading as:	<input type="text"/>		
Address:	<input type="text"/>		
Postcode:	<input type="text"/>		
Telephone:	<input type="text"/>	Mobile:	<input type="text"/>
Email:	<input type="text"/>		

Purpose of the Loan

The Borrower shall use the Loan to pay the Supplier stage payments detailed in the Payment Profile in order for the Supplier to build or install the Asset (as defined below):

<input type="text"/>

Financial information

Facility Limit		£
Facility Fee		£
Drawdown Fee (payable for each Drawdown Request)		£
Margin	(a)	%
Bank of England Base Rate	(b)	%
Interest Rate	(a + b)	%
Repayment Date (this will be eight weeks from the final stage payment)		

Payment Profile

Individual Stage Payment Amounts may vary as set out in each Drawdown Request. In determining amounts due under this Agreement, the aggregate of all Stage Payment Amounts can never exceed the Facility Limit.

Supplier's name	Expected Payment Date (list in chronological order)	Stage Payment Amount (inclusive of VAT)
		£
		£
		£
		£
		£
		£
		£

This is a Loan Agreement. Sign it only if you want to be legally bound by its terms.

Signature(s)

Date of Signature(s)

Full Name in BLOCK Capitals

Position Held

(Office use only)

Signed for and on behalf of the Novuna

Date (the **Date of this Agreement**)

Use of Your Information

Credit Reference Agencies

In order to process your application, we will perform credit and identity checks on you with one or more credit reference agencies ("CRAs"). We may also make periodic searches at CRAs to manage your account with us.

To do this, we will supply your personal information to CRAs and they will give us information about you. This will include information from your credit application and about your financial situation and financial history. CRAs will supply to us both public (including the electoral register) and shared credit, financial situation and financial history information and fraud prevention information.

We will use this information to:

Assess your creditworthiness and whether you, your financial associate(s), or your business can afford to take the product;

- Verify the accuracy of the data you have provided to us;
- Prevent criminal activity, fraud and money laundering;
- Manage your account(s);
- Trace and recover debts; and
- Ensure any offers provided to you are appropriate to your circumstances.

We will continue to exchange information about you with CRAs while you have a relationship with us. We will also inform the CRAs about your settled accounts. If you borrow and do not repay in full and on time, CRAs will record the outstanding debt. This information may be supplied to other organisations by CRAs. When CRAs receive a search from us they will place a search footprint on your credit file that may be seen by other lenders.

If you are making a joint application, or tell us that you have a financial associate or business partner (e.g. a personal guarantor or another director or partner of your company or partnership), we will link your records together, so you should make sure you discuss this with them, and share with them this information, before lodging the application.

CRAs will also link your records together and these links will remain on your and their files until such time as you or your partner successfully files for a disassociation with the CRAs to break that link.

The identities of the CRAs, their role also as fraud prevention agencies, the data they hold, the ways in which they use and share personal information, data retention periods and your data protection rights with the CRAs are explained in more detail at any of these three links. Each link will take you to the same CRAIN document:

- Equifax www.equifax.co.uk/crain
- Experian www.experian.co.uk/crain
- TransUnion www.transunion.co.uk/crain

Identity verification and fraud prevention checks

The personal information we have collected from you will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found by visiting www.cifas.org.uk

You can find further information about how we collect, use and disclose personal information about you by searching "privacy policy" on our website www.novuna.co.uk/business-finance/privacy-notice or by emailing us at customerservice@novunabusinessfinance.co.uk or calling us on 03433 519 322 and requesting a copy of our "privacy policy".

IMPORTANT - YOUR INFORMATION:

We will obtain information about you from credit reference and fraud prevention agencies to help make decisions about you and we will record information about you with them. It is important that you read the "Use of Your Information" notice before you sign.

Missing Payments

If you do not make payments when they are due you may have to repay the credit early, your credit records may be affected in a way that makes it difficult to obtain further credit, you may face legal action to recover what you owe. In addition, you will have to pay charges for breach of the Agreement.

Complaints

If you have a complaint about a product or service offered by Novuna Business Finance, please contact our Customer Service Team on 03433 519 322 or email customerservice@novunabusinessfinance.co.uk.

If we are unable to resolve it to your satisfaction and you are an eligible complainant, you may have the right to refer your complaint to the Financial Ombudsman Service. Please visit the website for further information: www.financial-ombudsman.org.uk

BACKGROUND

- (A) This Agreement sets out the basis upon which the Lender is prepared to grant the Borrower a loan facility.
- (B) The Loan will be used by the Borrower to pay the Supplier stage payments detailed in the Payment Profile as set out on Page 1 in order for the Supplier(s) to build or install the Asset (as defined below).
- (C) Following delivery of the Asset to the Borrower, it is the intention of the Borrower, subject to Lender's prior approval, to enter into a sale agreement with the Lender in respect of the Asset. After taking ownership of the Asset, the Lender will enter into either a lease or hire purchase agreement with the Borrower (as lessee) in respect of the Asset.

1. Definitions

- 1.1 Capitalised words used in this Agreement shall have the following meanings:

Asset means the assets as described on Page 1;

Bank of England Base Rate means the interest rate set by the Bank of England which determines how much banks and other lenders pay for loans they take out from the Bank of England;

Business Day means a day (other than a Saturday, Sunday or Bank Holiday) on which banks are open for general business in London;

Drawdown Fee means the fee payable by the Borrower for each Drawdown Request;

Drawdown Request means a request by the Borrower, addressed to the Lender (and signed by the Borrower) to drawdown the Loan, which shall be in a form similar to that set out in Schedule 1 to this Agreement;

Facility Fee means the fee payable by the Borrower upon entering this Agreement;

Facility Limit means the maximum Loan amount available to the Borrower under this Agreement;

Finance Agreement means the lease or hire purchase agreement to be entered into between the Borrower and the Lender for the lease of the Asset;

Interest Period means in relation to a Loan, each period determined in accordance with clause 6.3;

Interest Rate means the interest rate per annum on this loan (Margin plus Bank of England Base Rate)

Loan means each loan made, or to be made, by the Lender to the Borrower under this Agreement;

Margin means the percentage set out on Page 1;

Payment Profile means the amount and dates on which the Loan proceeds will be paid by the Lender (on behalf of the Borrower) to the Supplier for the purchase of the Asset;

Repayment Date means the date specified in the Financial Information table on page 1 of this agreement;

Sale Agreement means the agreement between the Borrower (as seller) and the Lender (as purchaser) of the Assets;

Stage Payment Amount means the amount set out in the Payment Profile in the table on page 1 of this Agreement.

Stub Period means the short period of time between the date of a drawdown and the start of the next full Interest Period; and

Supplier means each supplier of the Asset as listed on Page 1 and approved by the Lender.

2. The Facility

- 2.1 The Lender grants to the Borrower a loan facility, which shall not at any time exceed the Facility Limit, on the terms, and subject to the conditions, of this Agreement.

3. Purpose

- 3.1 The Borrower shall use all monies borrowed under this Agreement to purchase the Asset.

4. Facility Fee and Drawdown Fee

- 4.1 The Borrower will pay to the Lender a Facility Fee on the date of this Agreement.
- 4.2 The Borrower will pay to the Lender a Drawdown Fee on the date that each Drawdown Request is submitted to the Lender.

5. Drawdown of the Loan

- 5.1 Subject to the Facility Limit, the Borrower may request a drawdown under the Loan, the proceeds of which shall be used to pay amounts due by the Borrower to the Supplier to purchase the Asset, as set out in Payment Profile.
- 5.2 The Borrower shall give the Lender two days prior notice of its intention to drawdown the Loan and shall provide the Lender with a Drawdown Request, together with a copy of the Supplier's invoice and the Supplier's bank account details; receipt of such documents shall be deemed to be an irrevocable instruction by the Borrower to pay the Supplier the amount stated in the Supplier's invoice.

6. Interest

- 6.1 The rate of interest on the Loan shall be the sum of:
- (a) the Margin; and
 - (b) subject to a minimum of 2% per annum, the Bank of England Base Rate on the first day of the Interest Period.
- 6.2 Interest shall be calculated daily by the Lender on the principal Loan amount outstanding.
- 6.3 Each Loan shall have an Interest Period of one calendar month commencing on the first calendar day of the month. Where a drawdown under the Loan occurs on a date that is not the first day of an Interest Period, the Interest Period applicable to such drawdown shall commence on the date of the drawdown and end on the last day of the then-current Interest Period applicable to the Loan. For the purposes of calculating interest on the Loan during any Stub Period created under this clause, interest shall accrue on the outstanding principal amount of the drawdown at the applicable rate and shall be payable in accordance with the terms of this Agreement.
- 6.4 The Borrower shall pay accrued interest on each Loan on the last day of the relevant Interest Period, which the Borrower agrees may be taken by direct debit.
- 6.5 If an Interest Period ends on a day which is not a Business Day, that Interest Period shall, instead, end on:
- (a) the next Business Day, in that calendar month, if there is one; or
 - (b) the preceding Business Day, if there is not.
- ### 7. Repayment
- 7.1 Subject to clause 7.2, the Borrower shall immediately repay all amounts outstanding under this Agreement together with any accrued interest on the date that is the earlier of:
- (a) the date that the Borrower signs both: (i) an acceptance certificate confirming that the Borrower is satisfied with the condition and specification of the Asset; and (ii) the Sale Agreement and the Finance Agreement; and
 - (b) the Repayment Date.

- 7.2** The Borrower shall repay the Loan immediately, on first demand from the Lender:
- (a)** if the Borrower fails to pay any amount due under this Agreement on the due date; or
 - (b)** if the Borrower makes any representation, statement or provides information in connection with this Agreement including a Drawdown Request or the Sale Agreement, which is fraudulent, incorrect or misleading in any respect; or
 - (c)** if the Borrower ceases to carry on its business; or
 - (d)** if the Borrower is unable to pay its debts when they fall due, suspends payment of its debts or commence negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of any its debts without obtaining the Lender's prior written consent; or
 - (e)** if any circumstances arise, which in the Lender's reasonable opinion, is likely to result in the Borrower being unable to comply with its payment and other obligations under this Agreement; or
 - (f)** if the Borrower is notified by the Lender that is unable or unwilling to enter a Finance Agreement with the Borrower; or
 - (g)** if a guarantor of the Borrower's obligations under the Agreement is no longer connected with the Borrower in any capacity, ceases to hold their existing position in relation to the Borrower or otherwise discontinues their role as a guarantor; or
 - (h)** if the Borrower is subject to a change of ownership or control without the Lender's prior written consent.
- 7.3** Subject to clause 7.4, upon both parties entering into the Finance Agreement and the Sale Agreement, any Loan amounts repaid by the Borrower to the Lender under this Agreement shall be deemed to be payment (up to the Loan amount repaid) in satisfaction of the purchase price of the Asset, which is payable by the Lender to the Borrower under the terms of the Sale Agreement. Satisfaction of each parties respective payment obligations shall occur without either party being required to make any physical cash payment to the other under this Agreement or the Sale Agreement. Any shortfall in amounts owed by the Borrower shall be paid in cash in accordance with clause 7.4.
- 7.4** Excluding any amounts deemed to be paid under clause 7.3, the Borrower shall repay the Loan by way of bank transfer to the Lender.
- 8. General**
- 8.1** Expenses: The Borrower will pay on demand any expenses (including but not limited to legal fees) that Lender incurs in enforcing the terms of this Agreement.
- 8.2** Joint liability: If the Borrower is more than one person, each Borrower will be liable, individually as well as together, to the full extent for the obligations of the Borrower under this Agreement.
- 8.3** No Assignment: The Borrower shall not transfer its rights or obligations under this Agreement. If the Lender transfers its rights or its rights and obligations under this Agreement, the Borrower's rights and obligations under this Agreement will not be affected.
- 8.4** Notices: Any written notice required to be given under this Agreement may be sent by first class prepaid post to the other party's last known address, or e-mail to the address provided by the other party for this purpose. Any notice sent by post will be deemed to be received in the usual course of posting, notices sent by e-mail will be deemed to be received immediately unless notification of non-delivery is received by the sender.
- 8.5** Rights of Third Parties: A person who is not a party to this Agreement shall have no right to enforce any terms of it under the Contracts (Rights of Third Parties) Act 1999.
- 8.6** Waiver: If Lender temporarily relax the terms of this Agreement, for instance, by giving the Borrower more time to pay, Lender may at any time decide to enforce the terms more strictly again. Lender's rights under this Agreement will not be affected as a result of any such concession.
- 8.7** Telephone Recordings: Telephone calls may be recorded for security purposes and monitored under Lender's quality control.
- 8.8** Counterparts: This Agreement may be signed in any number of separate counterparts but shall together constitute one and the same instrument.
- 8.9** Governing Law: This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

Schedule 1

Example of Drawdown Request

The below Schedule will be provided in a freestanding version for you to complete and return to Novuna Business Finance when each Stage Payment Amount is due for payment.

**Supplier Stage Payment Loan
Drawdown Schedule**

Instruction to Novuna Business Finance

Agreement number: []

We instruct the Lender to use the Loan proceeds from this Drawdown Schedule to pay the Supplier(s) detailed below.

Supplier's name	Invoice Number	Stage Payment Amount (inclusive of VAT)	Payment Due date
		£	
		£	
		£	
		£	
		£	

Signed for and on behalf of []

Full name in BLOCK Capitals []

Position Held []

Date []