

Non-Regulated Hire Purchase Agreement

Variable Rate

- For body corporates and partnerships of 4 partners or more
- For sole traders and partnerships of 3 or less for business use assets where the amount of credit is over £25,000.00
- For private use assets where the amount of credit is over £60,260.00 for High Net Worth Individuals

Lender Information

Lender, we, or us: **Mitsubishi HC Capital UK PLC** (trading as Novuna Business Finance),
Novuna House, Thorpe Road, Staines-upon-Thames, Surrey, TW18 3HP.
Company no. 01630491. VAT registration no. 823 8248 22.

Agreement number

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Customer details

Customer name: Company number:

Trading as:

Address:

Postcode:

Telephone: Mobile:

Email:

Partner's/Director's Name(s):

(1)

(2)

(3)

(4)

Goods

New/ Used	Make / Model / Description	Serial / Chassis Number	Registration Number
Location of Goods (if different from above)			

Payments and financial information

Finance Charges will be added to the Capital Balance at the end of each Payment Period at the rate which is the aggregate of (i) the Adjustment Percentage shown below and (ii) the greater of SONIA (or the Alternative Rate) and the Minimum Base Rate shown below.

The amount of the Finance Charges and the Final Basic Payment shown below have been calculated on the assumption that SONIA (or the Alternative Rate) is and remains constant at % per annum (the "Assumed Rate") throughout the hire period.

The amount of the Finance Charges and the amount of the Final Basic Payment may vary if SONIA (or the Alternative Rate) does not remain at the Assumed Rate – see clauses 4.8 and 4.9. In addition, the Customer may have to pay an additional interest charge one month after the due date for payment of the Final Basic Payment – see clause 4.9 on Page 5.

Adjustment Percentage: % per annum Minimum Base Rate: % per annum

Cash Price (excl. VAT)	(a)	£
VAT	(b)	£
Non VAT	(c)	£
Total Cash Price	(a)+(b)+(c) = (d)	£
Cash Deposit	(e)	£
Part Exchange	(f)	£
Total Deposit	(e)+(f) = (g)	£
Balance Financed	(d)-(g) = (h)	£
Finance Charges (estimated - see "Payments and financial information" section above)	(i)	£
Documentation Fee (payable with the first Payment)	(j)	£
Balance Payable	(h)+(i)+(j) = (k)	£
Option to Purchase Fee (incl. of VAT, payable with the final Payment)		£
Annual Administration Fee (in accordance with clause 4.5)		£35.00

No.	Frequency	Amount of each Basic Payment	Due Date / Commencing on
		£	
		£	
		£	
		£	
		£	
Followed by a Final Basic Payment of £			
Payable on:			
The Basic Payments may be varied if the method of payment changes from Direct Debit. Please see clause 4.4 for details.			
If this Agreement is terminated early (either by the Customer or by the Lender) then an Early Payment Fee will be payable. This is important. Please see clause 10 for details.			

Hire Period means months commencing on the Date of the Agreement

Declaration for exemption relating to businesses (articles 60C and 60O of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001)

I am/We are* entering this agreement wholly or predominantly for the purposes of a business carried on by me/us* or intended to be carried on by me/us*.

I/We* understand that I /we* will not have the benefit of the protection and remedies that would be available to me/us* under the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I/We* understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the lender and the borrower is unfair to the borrower.

I am/We are* aware that, if I am/we are* in any doubts as to the consequences of the agreement not being regulated by the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974, then I/we* should seek independent legal advice.

***Delete as appropriate**

Declared by:

(1)

(2)

(3)

The following Declaration is for individuals of High Net Worth financing an asset for personal use and is accompanied by a current High Net Worth statement in relation to the Customer:

Declaration by High Net Worth borrower or hirer (articles 60H and 60Q of the Financial Services and Markets Act 2000 (Regulated Activities) order 2001)

I confirm that I have received a copy of the statement of high net worth made in relation to me for the purposes of Article 60H(d) or article 60Q(c) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

I understand that by making this declaration I will not have the benefit of the protection and remedies that would be available to me under the Financial Services and Markets Act 2000 or the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I understand that this declaration does not affect the powers of the Court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the lender and the borrower is unfair to the borrower.

I am aware that if I am in any doubt as to the consequences of making this declaration then I should seek independent legal advice.

Declared by:

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 on page 3 before you sign.

Missing Payments

If you do not make payments when they are due you may have to repay the credit early, we may repossess the Goods, 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.

Insurance

You are required under clause 7 of this Agreement to insure the Goods at your own cost, for its full replacement value against loss (including total loss) and damage from all risks, and against third party liability for such amount as is prudent in the circumstances, under a fully comprehensive policy with a reputable insurer approved by us (such approval not to be unreasonably withheld).

Complaints

If you have a complaint about a product or service offered by Novuna Business Finance, then please contact our Customer Support Team on 01784 227333 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

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

Signature(s)

Dates(s) of Signature(s)

The Goods will not become your property until you have made all the payments. You must not sell them before then.

Full Name in
BLOCK Capitals

Position Held

(Office use only)

Signed for and on behalf of the Lender

Date (the **Date of the 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, 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 01784 227333 and requesting a copy of our "privacy policy".



Instruction to your bank or building society to pay by Direct Debit



Please fill in the whole form using a ball point pen and send it to :

Novuna Business Finance, Novuna House,
Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP

Name and full postal address of your bank or building society

To: The Manager	Bank/building society
Address	
Postcode	

Name(s) of accounts holder(s)

Bank/building society account number

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Branch sort code

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Service user number

9	4	5	5	5	4
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Reference

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Instruction to your bank or building society

Please pay Mitsubishi HC Capital UK PLC trading as Novuna Business Finance Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Novuna Business Finance and, if so, details will be passed electronically to my bank/building Society.

Signature(s)

Date

DDI BF A5 02.22

Banks and Building Societies may not accept Direct Debit Instructions for some types of account. This guarantee should be detached and retained by the payer.

The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the account, date or frequency of your Direct Debit Novuna Business Finance will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Novuna Business Finance to collect a payment, confirmation of the amount and date will be given to you at the time of the request

- If an error is made in the payment of your Direct Debit, by Novuna Business Finance or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society
 - If you receive a refund you are not entitled to, you must pay it back when Novuna Business Finance asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

1. Definitions

1.1 The following words and expressions shall have the following meanings:

Alternative Rate means any standard interest rate at which unsecured funding can be obtained and is used by the Lender as an alternative to SONIA if SONIA is discontinued by or made unavailable to the banks.

Basic Payments means the basic payments to be paid by the Customer to the Lender in the amount and frequency as set out on Page 1.

Basic Payments Paid means the total of the Basic Payments paid by the Customer to the Lender in cleared funds (excluding the Final Basic Payment), as determined by the Lender in accordance with clause 4.7 below;

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

Capital Balance means the Balance Financed plus any interest that has accrued thereon in accordance with the terms of this Agreement, together with any other sums which have become payable under the Agreement, less the total of all payments received from the Customer in respect of the Basic Payments, interest and other sums due under the Agreement;

Final Basic Payment means the final Basic Payment payable by the Customer specified on Page 1, as the same may be adjusted by the Lender pursuant to clause 4.8 and 4.9 below;

Goods means the Goods described on Page 1, which shall include any accessories or additions to the Goods and any renewals of component parts and any replacement for the Goods whether arranged by us or otherwise;

Hire Period means the period of hire specified on Page 1, commencing on the date of the Agreement;

Interest Period means each calendar month, the first such period commencing on the date of this Agreement;

SONIA means the 3 month term Sterling Overnight Index Average published on the first Business Day of each month;

Location means the premises specified on Page 1 where the Goods are to be situated;

Payment Period means each monthly payment period commencing on the date of the Agreement.

Relevant Amount means the aggregate of the Basic Payments Paid and the amount of the Final Basic Payment set out on Page 1;

Total Amount Payable means the aggregate of the Balance Financed and the Total Interest Accrued; and

Total Interest Accrued means the total interest which has accrued due pursuant to clause 4.3, as determined by the Lender in accordance with clause 4.7 below.

1.2 The expressions “**Basic Payments**”, “**Total Deposit**”, “**Annual Administration Fee**”, “**Documentation Fee**”, “**Option to Purchase Fee**”, “**Adjustment Percentage**”, “**Minimum Base Rate**” and “**Balance Financed**” refer to the amounts and rates set out on Page 1.

1.3 Unless the context otherwise requires, words in the singular shall include the plural (and the reverse). The words “you” and its derivatives are used to mean the Customer and the words “we/us” and its derivatives are used to mean the Lender Mitsubishi HC Capital UK PLC its successors and assigns.

2. Hire

2.1 From the Date of the Agreement the Lender agrees to hire to the Customer and the Customer agrees to take on hire the Goods, on the terms set out in the Agreement (including the terms set out on Page 1) for the Hire Period (with an option to purchase) for use in the Customer’s business unless the High Net Worth Declaration has been signed on page 2 of this Agreement.

2.2 Where the Goods are livestock, the term “Goods” shall for the purpose of this Agreement include the progeny of the livestock.

3. Delivery and Acceptance

3.1 The Customer will make arrangements with the supplier for the delivery and installation of the Goods at the Location. The Lender will not be liable for any delay.

3.2 Upon delivery the Customer will inspect the Goods and ensure that the Goods are in good working order and condition and meets the Customer’s requirements. Unless the Customer notifies the Lender of any issues with the Goods within five working days of the date of delivery of the Goods, the Lender shall be entitled to assume that the Goods are complete, in good working order and condition, of satisfactory quality and that it meets the Customer’s requirements.

4. Payments

4.1 The Customer agrees to pay the Total Deposit and Documentation Fee to the Lender (or, if the Lender requests, to the supplier) when the Customer signs this Agreement.

4.2 The Customer agrees to pay the Lender:

- (a) the Basic Payments (including the Final Basic Payment) on the due date by direct debit and;
- (b) all other amounts within 7 days of the Lender’s written demand.

4.3 Interest will accrue during each Payment Period on the Capital Balance outstanding each day at the rate which results from combining the Adjustment Percentage with the greater of the Minimum Base Rate set out on Page 1 and SONIA (or any Alternative Rate). The accumulated interest charges will be capitalised with the Capital Balance outstanding on the last day of each Payment Period.

4.4 If the Customer stops paying the Basic Payments set out on Page 1 by direct debit the Lender may increase the Basic Payment by up to 3% to reflect the Lender’s increased administration costs.

4.5 The Annual Administration Fee of £35.00 will be payable each year during the term of this Agreement. The first Annual Administration Fee will be collected with the Basic Payment immediately before the first anniversary of this Agreement, and subsequent Annual Administration Fees will be due on an annual basis thereafter.

4.6 If any Payment or other payment is not received by its due date, the Lender may charge late payment interest on such sum at 5% per annum, from its due date until we receive payment in full, both before and after judgment.

4.7 On the due date for payment of the Final Basic Payment (but immediately prior to payment of the same), the Lender will calculate the Total Interest Accrued and the amount of the Basic Payments Paid.

4.8 If the Total Amount Payable is less than the Relevant Amount (the difference being the “**Interest Rebate Amount**”) then the Lender will reduce the amount of the Final Payment set out on Page 1 by a sum equal to the Interest Rebate Amount. The Customer shall pay the reduced Final Basic Payment to the Lender on the due date for payment set out on Page 1.

4.9 If the Total Amount Payable is greater than the Relevant Amount (the amount of any excess being the “**Additional Interest Amount**”), then the Customer shall pay to the Lender (in addition to any other sums which are then due for payment under this Agreement): (i) the Final Basic Payment in the amount and on the due date for payment set out on Page 1, and (ii) a sum equal to the Additional Interest Amount one calendar month after the due date for payment of the Final Basic Payment.

4.10 Any determination of accrued interest, the Interest Rebate Amount and/or the Additional Interest Amount by the Lender shall be conclusive and binding on the Customer in the absence of manifest error.

4.11 If the date of payment of any amount under this Agreement is not a Business Day, the payment shall be made on the next Business Day.

4.12 Payments shall only be treated as paid on the date of receipt by the Lender in full of cleared funds.

4.13 We will consider two requests from you to change the due date for payment provided that the new payment date must be within 14 days of the original payment date and fall within the same month as the original payment date. We may change the amount of the Basic Payment to reflect the fact that we will not receive payments on the dates originally scheduled.

5. Goods and Exclusion of Liability

5.1 Where you are dealing as a consumer, as defined by the Unfair Contract Terms Act 1977:

- (a) we sell the Goods subject to the terms implied by sections 9, 10, 13 and 16 of the Consumer Rights Act 2015, but not subject to any other condition, warranty or representation, express or implied;
- (b) no provision contained in this Agreement shall affect your statutory rights; and
- (c) you acknowledge that the supplier of the Goods is not our agent and does not have any authority to make any representation or give any warranty concerning the Goods on our behalf.

5.2 Where you are not dealing as a consumer as defined by the Unfair Contract Terms Act 1977, we both recognise that there is always a risk that the Goods will not perform as you require. The Goods have been selected by you from a supplier of your choice and you acknowledge that we are not experts in it. Accordingly, it is agreed that this risk should be carried by you, and you and we both agree as follows:

- (a) you warrant that where you are funding a business use asset, you are entering into this Agreement and will use the Goods for the purposes of your business;
- (b) you acknowledge that the supplier is not our representative or agent, and has no authority to make any representation on our behalf (including, but not limited to the giving of any warranties regarding the condition and/or use of the Goods);
- (c) you acknowledge that the Basic Payments which you will pay have been calculated by us on the assumption that we will not be liable for such condition and use;
- (d) you accept that you must obtain any warranties relating to the Goods as you require direct from the supplier;
- (e) in the circumstances, you agree that it is reasonable for us to exclude/limit our liability in respect of the condition and/or use of the Goods as follows:
 - (i) we do not give any express warranties in relation to the Goods and we will not be liable in respect of any implied terms or warranties regarding the description, quality, fitness for purpose, suitability or performance of the Goods (save to the extent that we are unable in law to exclude such liability); and
 - (ii) you will compensate us for any loss, charge or claim which arises directly or indirectly from your use and/or possession of the Goods (save for personal injury or death caused by our negligence);
- (f) furthermore, if it transpires that you have (or, but for the operation of this clause 5.2 would have had) any claim against us in respect of the condition and/or use of the Goods, then we may (at our discretion) arrange for the

benefit of any similar claim that we may have against the supplier in respect of our purchase of the Goods to be transferred to you, and such transfer will satisfy any claim that you may have against us; and

(g) You acknowledge and agree:

- (i) that the provisions of this clause 5.2 are reasonable, in that they are intended to put you into the position that you would have been in had you purchased the Goods direct from the supplier; and
- (ii) that it is unreasonable to expect us to bear the risk of non-performance of Goods that you have sourced from the supplier of your choice, simply because we have financed your purchase/use of the Goods; and
- (iii) notwithstanding the above, if and to the extent that any of the above provisions are ineffective to exclude our liability, it is agreed by you that:
 - (a) we will in no circumstances be liable for any loss of revenue, savings or profit, nor for any loss of use/value of the Goods, nor for indirect/consequential losses; and
 - (b) in respect of any other loss, our liability will be limited to the lesser of the cost of repairing the Goods, its diminution in value or the total of Basic Payments due under this Agreement.

6. Care of the Goods

6.1 The Customer must maintain the Goods (at the Customer's expense) in full working order and condition. The Customer is responsible for all maintenance of the Goods in accordance with the recommendations of the supplier or manufacturer of the Goods. If any component is lost or damaged, the Customer will replace it with parts of equal standard and quality to the original components.

6.2 The Customer must use the Goods properly and comply with any guidelines issued by the supplier and manufacturer. The Customer must not use the Goods for any unlawful purpose. If relevant, the Customer is responsible for connection and disconnection of the Goods.

6.3 You will not allow the Goods to be used for the purpose of racing, rallying or any form of competition, pace making, reliability trials, speed testing, and unless otherwise approved, towing or driving tuition.

6.4 The Customer must keep the Goods at the Location and the Customer must not take the Goods outside the United Kingdom without the Lender's prior written consent, provided that if the Goods are vehicles then the Customer may use the Goods in the European Union ("Permitted Area") for 21 consecutive days at a time. The Customer will obtain and maintain in force at all relevant times all licences and permissions required to operate the vehicles lawfully in the Permitted Area. The Customer will ensure that the insurance covers the use of the vehicles in the Permitted Area. If the Customer wishes to change the Location, the Customer must first obtain the Lender's written consent.

6.5 The Customer must not part with possession of the Goods or any part of it; sell, sub-hire, assign or charge the Goods or the benefit of this Agreement; create or permit any lien or any other encumbrance on the Goods; interfere in any way with any name plate or identification mark on the Goods, or make any alterations or modifications to the Goods, without first obtaining our written consent.

6.6 The Customer will allow the Lender and any persons the Lender may authorise to inspect the Goods from time to time and/or to place a name plate or other mark on the Goods identifying the Lender as the owner of it, and to enter the property where the Customer keep the Goods for those purposes.

- 6.7** The Customer will promptly pay all rents, rates, taxes, duties, fines and levies and any other sums in connection with the Goods.
- 6.8** The Customer will maintain, where appropriate, any operator's or similar licences throughout the hiring of the Goods, and comply with all laws and regulations in relation thereto.
- 6.9** The Customer is responsible for all loss and damage to the Goods (except fair wear and tear) even if caused by acts beyond the Customer's control.
- 6.10** The Customer shall indemnify the Lender and keep the Lender indemnified on demand against all losses, charges, claims and expenses directly or indirectly incurred by the Lender in respect of any loss or damage caused to or by the Goods at any time prior to the Goods being returned to The Lender.

7. Insurance

- 7.1** The Customer will insure the Goods for full replacement value against all risks under a fully comprehensive policy (with the Lender's interest noted on the policy). The Customer will indemnify the Lender against any uninsured loss or damage.
- 7.2** If any amount paid to the Lender is not enough to meet the Customer's liability under this Agreement then the Customer will pay to the Lender the difference. If the amount paid to the Lender is more than the Customer's liability the Lender will pay to the Customer the surplus.
- 7.3** The Customer shall continue to pay the Payments to the Lender even if the Customer is unable to use the Goods whether by reason of damage, mechanical defect or otherwise.
- 7.4** If the Goods are lost, stolen, destroyed or deemed to be a total loss for insurance purposes, the hiring of the goods shall immediately end, and the Customer will pay to the Lender the amount calculated in accordance with clause 9 but the Lender shall deduct any insurance proceeds received from the amount due under that clause 9.

8. Termination Events

- 8.1** The Customer may terminate this Agreement at any time by giving the Lender notice in writing and the Customer shall immediately return the Goods to the Lender at such a place in the United Kingdom as the Lender may require and pay the Lender the sums set out in clause 9.
- 8.2** The Lender may terminate this Agreement immediately if any of the following events occurs:
- (a) if the Customer breaches any term of this Agreement; or
 - (b) if the Customer is unable to pay its debts as they fall due or if the Lender considers the Customer is or may become insolvent; or
 - (c) if the Customer does anything which may prejudice the Lender's rights to or in the Goods; or
 - (d) if any other agreement which the Customer enters into with the Lender or a member of the Lender's group of companies is terminated or becomes capable of termination; or
 - (e) if the Lender becomes aware that any information supplied by the Customer is false; or
 - (f) if the Goods become an actual or constructive total loss; or
 - (g) if the Customer breaches any loan agreement or other agreement or obligation relating to borrowing or any lease, hire purchase, credit sale or any other form of agreement or any borrowing is declared or could be declared payable prior to its maturity date; or
 - (h) if there is any change in control of the Customer's company or its ultimate holding company; or

- (i) if a receiver, administrator, administrative receiver or liquidator is appointed over all or any part of the Customer's assets, or any person who is entitled to do so takes any steps to appoint an administrator over any of the Customer's assets or files such a notice with the court, or the Customer ceases or threatens to cease trading, or the Customer convenes any meeting of or enter into any arrangement with the Customer's creditors or any of them; or
 - (j) if a landlord levies or attempts to levy distress on the Goods or any premises where the Goods may be; or
 - (k) if being an individual, the Customer dies or becomes bankrupt or a petition is presented or an application is made for an interim order or a bankruptcy order; or
 - (l) if the Customer is a partnership and any of the partners dies, or a petition is presented for an administration order to be made in relation to or a resolution is passed for the winding up or dissolution of the partnership or a petition is presented for a bankruptcy order to be made against one or more of the partners for non-payment of a partnership debt or any one or more of the partners enters into a voluntary arrangement with its creditors; or
 - (m) if the Lender has reasonable grounds to believe the Goods, or the Lender's interest in them, is at risk; or
 - (n) if any event occurs which, in the Lender's opinion, has or is likely to have a material adverse effect on the Customer's business, properties or condition, financial or otherwise or on the Customer's ability to duly perform and observe its obligations under this Agreement; or
 - (o) the Customer or any person with a controlling interest in the Customer is, in the Lender's opinion, involved in an activity that may bring the Lender's name into disrepute.
- 8.3** If any of the events set out in clause 8.2 occurs in relation to a guarantor of the Customer's obligations under this Agreement, the Lender may terminate this Agreement and for this purpose any reference to "this Agreement" in clause 8.2 shall be construed as a reference to the relevant guarantee and any reference to "the Customer" as a reference to the guarantor.

9. Consequences of Termination

- 9.1** On termination of this Agreement for any reason, the Customer shall:
- (a) return the Goods to the Lender at its address specified on Page 1 or such other address as the Lender may specify in the same condition as at the date of this Agreement (fair wear and tear excepted) or, if the Customer does not return them, the Lender may repossess them and for such purpose the Customer hereby grants the Lender and its authorised servants and agents an irrevocable licence to enter any premises occupied by the Customer from time to time; and
 - (b) pay to the Lender:
 - (i) all arrears owing up to the date of termination; and
 - (ii) as liquidated damages, the total of:
 - (a) the Balance Financed or the part of it which is unpaid on the date of termination; plus
 - (b) the total of all Finance Charges accrued but unpaid; plus
 - (c) all other sums payable to the Lender under this Agreement; plus
 - (d) interest on the above sums determined in accordance with the terms of clause 4.6;
 - (e) by way of agreed damages if the hiring has been terminated under clause 8.1 or 8.2, an Early Payment Fee calculated in accordance with clause 10;

- (f) any costs incurred by the Lender in repossessing, repairing, storing, insuring and selling the Goods, delivering them to a buyer and any sales commission paid by the Lender upon demand; and
- (g) any costs incurred in enforcing the Lender's rights under this Agreement and restoring the Goods to substantially the same condition (after allowing for fair wear and tear) as the Goods were in at the commencement of this Agreement;

9.2 After termination of this Agreement the Lender will, if the Lender is in possession of the Goods, try to sell them and provided the Customer pays all the above sums the Lender will pay to the Customer the net proceeds of sale of the Goods (excluding VAT and the Lender's cost of repossession, insurance, storage and sale). For the purposes of this clause net proceeds of sale will be the net proceeds of sale of the Goods (excluding VAT and the Lender's cost of repossession, insurance, storage and sale) received by the Lender, or if it has not sold the Goods within 28 days after repossessing them the trade value of the Goods (excluding VAT and the Lender's remarketing expenses) established as soon as practicable after the 28 days by a dealer selected by the Lender in Goods of the same kind as the Goods. The Customer's obligations under this clause will be treated as if they had arisen immediately before termination.

10. Early Payment Fee

10.1 If the Customer chooses to make a lump sum payment that exceeds 10% of the Balance Financed outstanding on the day of payment an Early Payment Fee of 3% will be deducted from the lump sum and the balance of the payment will be credited to the Agreement. The Early Payment Fee shall be a calculated based on the table below:

Percentage of the Capital Balance on the date of termination of the Agreement	Months expired from the Date of the Agreement
3%	15 months
2%	16 to 30 months
1%	31 months plus

11. Option to Purchase

11.1 Providing that the Customer complies with its obligations under this Agreement, the Customer may (with prior notice) purchase the Goods by paying the Lender the Option to Purchase Fee. Title to the Goods shall transfer to the Customer upon payment of the Option to Purchase Fee. The Customer shall have no ownership interest in the Goods until the option to purchase is validly exercised.

12. Compensation

12.1 The Customer shall compensate the Lender for any amount incurred by the Lender as a result of the Customer's failure to perform their obligations under this Agreement.

13. General

13.1 Expenses: The Customer will pay on demand the amount of any expenses (including but not limited to legal fees) that we incur in recovering possession of the Goods or in enforcing the terms of this Agreement.

13.2 No Assignment: The Customer's rights and obligations under this Agreement cannot be transferred. The Lender may assign or transfer our rights and obligations under the Agreement to an entity that is appropriately authorised. If we do so the Customer's rights under the Agreement will not be altered by this assignment or transfer.

13.3 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.

13.4 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.

13.5 Commission: If you have been introduced to us via a credit broker/intermediary we will pay them a commission for the introduction. Please contact them directly for further information.

13.6 Waiver: If we temporarily relax the terms of the Agreement, for instance, by giving the Customer more time to pay, we may at any time decide to enforce the terms more strictly again. Our rights under the Agreement will not be affected as a result of any such concession.

13.7 Telephone Recordings: Telephone calls may be recorded for security purposes and monitored under our quality control.

13.8 Governing Law: Our relations with you are based on the law of the country in the United Kingdom where you are domiciled, being England, Wales, Scotland or Northern Ireland and disputes may be referred to the courts of that country.

Lender Information

Lender, we, or us: **Mitsubishi HC Capital UK PLC** (trading as Novuna Business Finance),
Novuna House, Thorpe Road, Staines-upon-Thames, Surrey, TW18 3HP.
Company no. 01630491. VAT registration no. 823 8248 22.

Agreement number

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Customer details

Customer name: Company number:

Trading as:

Address:

Postcode:

Telephone: Mobile:

Email:

Partner's/Director's Name(s):

(1)

(2)

(3)

(4)

Goods

New/Used	Make / Model / Description	Serial / Chassis Number	Registration Number
Location of Goods (if different from above)			

Payments and financial information

Finance Charges will be added to the Capital Balance at the end of each Payment Period at the rate which is the aggregate of (i) the Adjustment Percentage shown below and (ii) the greater of SONIA (or the Alternative Rate) and the Minimum Base Rate shown below.

The amount of the Finance Charges and the Final Basic Payment shown below have been calculated on the assumption that SONIA (or the Alternative Rate) is and remains constant at % per annum (the "Assumed Rate") throughout the hire period.

The amount of the Finance Charges and the amount of the Final Basic Payment may vary if SONIA (or the Alternative Rate) does not remain at the Assumed Rate – see clauses 4.8 and 4.9. In addition, the Customer may have to pay an additional interest charge one month after the due date for payment of the Final Basic Payment – see clause 4.9 on Page 5.

Adjustment Percentage: % per annum Minimum Base Rate: % per annum

Cash Price (excl. VAT)	(a)	£
VAT	(b)	£
Non VAT	(c)	£
Total Cash Price	(a)+(b)+(c) = (d)	£
Cash Deposit	(e)	£
Part Exchange	(f)	£
Total Deposit	(e)+(f) = (g)	£
Balance Financed	(d)-(g) = (h)	£
Finance Charges (estimated - see "Payments and financial information" section above)	(i)	£
Documentation Fee (payable with the first Payment)	(j)	£
Balance Payable	(h)+(i)+(j) = (k)	£
Option to Purchase Fee (incl. of VAT, payable with the final Payment)		£
Annual Administration Fee (in accordance with clause 4.5)		£35.00

No.	Frequency	Amount of each Basic Payment	Due Date / Commencing on
		£	
		£	
		£	
		£	
		£	
Followed by a Final Basic Payment of £			
Payable on:			
The Basic Payments may be varied if the method of payment changes from Direct Debit. Please see clause 4.4 for details.			
If this Agreement is terminated early (either by the Customer or by the Lender) then an Early Payment Fee will be payable. This is important. Please see clause 10 for details.			

Hire Period means months commencing on the Date of the Agreement

Declaration for exemption relating to businesses (articles 60C and 60O of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001)

I am/We are* entering this agreement wholly or predominantly for the purposes of a business carried on by me/us* or intended to be carried on by me/us*.

I/We* understand that I /we* will not have the benefit of the protection and remedies that would be available to me/us* under the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I/We* understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the lender and the borrower is unfair to the borrower.

I am/We are* aware that, if I am/we are* in any doubts as to the consequences of the agreement not being regulated by the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974, then I/we* should seek independent legal advice.

***Delete as appropriate**

Declared by:

(1)

(2)

(3)

The following Declaration is for individuals of High Net Worth financing an asset for personal use and is accompanied by a current High Net Worth statement in relation to the Customer:

Declaration by High Net Worth borrower or hirer (articles 60H and 60Q of the Financial Services and Markets Act 2000 (Regulated Activities) order 2001)

I confirm that I have received a copy of the statement of high net worth made in relation to me for the purposes of Article 60H(d) or article 60Q(c) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

I understand that by making this declaration I will not have the benefit of the protection and remedies that would be available to me under the Financial Services and Markets Act 2000 or the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I understand that this declaration does not affect the powers of the Court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the lender and the borrower is unfair to the borrower.

I am aware that if I am in any doubt as to the consequences of making this declaration then I should seek independent legal advice.

Declared by:

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 on page 3 before you sign.

Missing Payments

If you do not make payments when they are due you may have to repay the credit early, we may repossess the Goods, 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.

Insurance

You are required under clause 7 of this Agreement to insure the Goods at your own cost, for its full replacement value against loss (including total loss) and damage from all risks, and against third party liability for such amount as is prudent in the circumstances, under a fully comprehensive policy with a reputable insurer approved by us (such approval not to be unreasonably withheld).

Complaints

If you have a complaint about a product or service offered by Novuna Business Finance, then please contact our Customer Support Team on 01784 227333 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

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

Signature(s)

Dates(s) of Signature(s)

The Goods will not become your property until you have made all the payments. You must not sell them before then.

Full Name in
BLOCK Capitals

Position Held

(Office use only)

Signed for and on behalf of the Lender

Date (the **Date of the 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, 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 01784 227333 and requesting a copy of our "privacy policy".



Instruction to your bank or building society to pay by Direct Debit



Please fill in the whole form using a ball point pen and send it to :

Novuna Business Finance, Novuna House,
Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP

Name and full postal address of your bank or building society

To: The Manager	Bank/building society
Address	
	Postcode

Name(s) of accounts holder(s)

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Bank/building society account number

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Branch sort code

--	--	--	--	--	--	--	--	--	--

Service user number

9	4	5	5	5	4
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Reference

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Instruction to your bank or building society

Please pay Mitsubishi HC Capital UK PLC trading as Novuna Business Finance Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Novuna Business Finance and, if so, details will be passed electronically to my bank/building Society.

Signature(s)
Date

DDI BF A5 02.22

Banks and Building Societies may not accept Direct Debit Instructions for some types of account. This guarantee should be detached and retained by the payer.

The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the account, date or frequency of your Direct Debit Novuna Business Finance will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Novuna Business Finance to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by Novuna Business Finance or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society
 - If you receive a refund you are not entitled to, you must pay it back when Novuna Business Finance asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

1. Definitions

1.1 The following words and expressions shall have the following meanings:

Alternative Rate means any standard interest rate at which unsecured funding can be obtained and is used by the Lender as an alternative to SONIA if SONIA is discontinued by or made unavailable to the banks.

Basic Payments means the basic payments to be paid by the Customer to the Lender in the amount and frequency as set out on Page 1.

Basic Payments Paid means the total of the Basic Payments paid by the Customer to the Lender in cleared funds (excluding the Final Basic Payment), as determined by the Lender in accordance with clause 4.7 below;

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

Capital Balance means the Balance Financed plus any interest that has accrued thereon in accordance with the terms of this Agreement, together with any other sums which have become payable under the Agreement, less the total of all payments received from the Customer in respect of the Basic Payments, interest and other sums due under the Agreement;

Final Basic Payment means the final Basic Payment payable by the Customer specified on Page 1, as the same may be adjusted by the Lender pursuant to clause 4.8 and 4.9 below;

Goods means the Goods described on Page 1, which shall include any accessories or additions to the Goods and any renewals of component parts and any replacement for the Goods whether arranged by us or otherwise;

Hire Period means the period of hire specified on Page 1, commencing on the date of the Agreement;

Interest Period means each calendar month, the first such period commencing on the date of this Agreement;

SONIA means the 3 month term Sterling Overnight Index Average published on the first Business Day of each month;

Location means the premises specified on Page 1 where the Goods are to be situated;

Payment Period means each monthly payment period commencing on the date of the Agreement.

Relevant Amount means the aggregate of the Basic Payments Paid and the amount of the Final Basic Payment set out on Page 1;

Total Amount Payable means the aggregate of the Balance Financed and the Total Interest Accrued; and

Total Interest Accrued means the total interest which has accrued due pursuant to clause 4.3, as determined by the Lender in accordance with clause 4.7 below.

1.2 The expressions “**Basic Payments**”, “**Total Deposit**”, “**Annual Administration Fee**”, “**Documentation Fee**”, “**Option to Purchase Fee**”, “**Adjustment Percentage**”, “**Minimum Base Rate**” and “**Balance Financed**” refer to the amounts and rates set out on Page 1.

1.3 Unless the context otherwise requires, words in the singular shall include the plural (and the reverse). The words “you” and its derivatives are used to mean the Customer and the words “we/us” and its derivatives are used to mean the Lender Mitsubishi HC Capital UK PLC its successors and assigns.

2. Hire

2.1 From the Date of the Agreement the Lender agrees to hire to the Customer and the Customer agrees to take on hire the Goods, on the terms set out in the Agreement (including the terms set out on Page 1) for the Hire Period (with an option to purchase) for use in the Customer’s business unless the High Net Worth Declaration has been signed on page 2 of this Agreement.

2.2 Where the Goods are livestock, the term “Goods” shall for the purpose of this Agreement include the progeny of the livestock.

3. Delivery and Acceptance

3.1 The Customer will make arrangements with the supplier for the delivery and installation of the Goods at the Location. The Lender will not be liable for any delay.

3.2 Upon delivery the Customer will inspect the Goods and ensure that the Goods are in good working order and condition and meets the Customer’s requirements. Unless the Customer notifies the Lender of any issues with the Goods within five working days of the date of delivery of the Goods, the Lender shall be entitled to assume that the Goods are complete, in good working order and condition, of satisfactory quality and that it meets the Customer’s requirements.

4. Payments

4.1 The Customer agrees to pay the Total Deposit and Documentation Fee to the Lender (or, if the Lender requests, to the supplier) when the Customer signs this Agreement.

4.2 The Customer agrees to pay the Lender:

- (a) the Basic Payments (including the Final Basic Payment) on the due date by direct debit and;
- (b) all other amounts within 7 days of the Lender’s written demand.

4.3 Interest will accrue during each Payment Period on the Capital Balance outstanding each day at the rate which results from combining the Adjustment Percentage with the greater of the Minimum Base Rate set out on Page 1 and SONIA (or any Alternative Rate). The accumulated interest charges will be capitalised with the Capital Balance outstanding on the last day of each Payment Period.

4.4 If the Customer stops paying the Basic Payments set out on Page 1 by direct debit the Lender may increase the Basic Payment by up to 3% to reflect the Lender’s increased administration costs.

4.5 The Annual Administration Fee of £35.00 will be payable each year during the term of this Agreement. The first Annual Administration Fee will be collected with the Basic Payment immediately before the first anniversary of this Agreement, and subsequent Annual Administration Fees will be due on an annual basis thereafter.

4.6 If any Payment or other payment is not received by its due date, the Lender may charge late payment interest on such sum at 5% per annum, from its due date until we receive payment in full, both before and after judgment.

4.7 On the due date for payment of the Final Basic Payment (but immediately prior to payment of the same), the Lender will calculate the Total Interest Accrued and the amount of the Basic Payments Paid.

4.8 If the Total Amount Payable is less than the Relevant Amount (the difference being the “**Interest Rebate Amount**”) then the Lender will reduce the amount of the Final Payment set out on Page 1 by a sum equal to the Interest Rebate Amount. The Customer shall pay the reduced Final Basic Payment to the Lender on the due date for payment set out on Page 1.

4.9 If the Total Amount Payable is greater than the Relevant Amount (the amount of any excess being the “**Additional Interest Amount**”), then the Customer shall pay to the Lender (in addition to any other sums which are then due for payment under this Agreement): (i) the Final Basic Payment in the amount and on the due date for payment set out on Page 1, and (ii) a sum equal to the Additional Interest Amount one calendar month after the due date for payment of the Final Basic Payment.

4.10 Any determination of accrued interest, the Interest Rebate Amount and/or the Additional Interest Amount by the Lender shall be conclusive and binding on the Customer in the absence of manifest error.

4.11 If the date of payment of any amount under this Agreement is not a Business Day, the payment shall be made on the next Business Day.

4.12 Payments shall only be treated as paid on the date of receipt by the Lender in full of cleared funds.

4.13 We will consider two requests from you to change the due date for payment provided that the new payment date must be within 14 days of the original payment date and fall within the same month as the original payment date. We may change the amount of the Basic Payment to reflect the fact that we will not receive payments on the dates originally scheduled.

5. Goods and Exclusion of Liability

5.1 Where you are dealing as a consumer, as defined by the Unfair Contract Terms Act 1977:

- (a) we sell the Goods subject to the terms implied by sections 9, 10, 13 and 16 of the Consumer Rights Act 2015, but not subject to any other condition, warranty or representation, express or implied;
- (b) no provision contained in this Agreement shall affect your statutory rights; and
- (c) you acknowledge that the supplier of the Goods is not our agent and does not have any authority to make any representation or give any warranty concerning the Goods on our behalf.

5.2 Where you are not dealing as a consumer as defined by the Unfair Contract Terms Act 1977, we both recognise that there is always a risk that the Goods will not perform as you require. The Goods have been selected by you from a supplier of your choice and you acknowledge that we are not experts in it. Accordingly, it is agreed that this risk should be carried by you, and you and we both agree as follows:

- (a) you warrant that where you are funding a business use asset, you are entering into this Agreement and will use the Goods for the purposes of your business;
- (b) you acknowledge that the supplier is not our representative or agent, and has no authority to make any representation on our behalf (including, but not limited to the giving of any warranties regarding the condition and/or use of the Goods);
- (c) you acknowledge that the Basic Payments which you will pay have been calculated by us on the assumption that we will not be liable for such condition and use;
- (d) you accept that you must obtain any warranties relating to the Goods as you require direct from the supplier;
- (e) in the circumstances, you agree that it is reasonable for us to exclude/limit our liability in respect of the condition and/or use of the Goods as follows:
 - (i) we do not give any express warranties in relation to the Goods and we will not be liable in respect of any implied terms or warranties regarding the description, quality, fitness for purpose, suitability or performance of the Goods (save to the extent that we are unable in law to exclude such liability); and
 - (ii) you will compensate us for any loss, charge or claim which arises directly or indirectly from your use and/or possession of the Goods (save for personal injury or death caused by our negligence);
- (f) furthermore, if it transpires that you have (or, but for the operation of this clause 5.2 would have had) any claim against us in respect of the condition and/or use of the Goods, then we may (at our discretion) arrange for the

benefit of any similar claim that we may have against the supplier in respect of our purchase of the Goods to be transferred to you, and such transfer will satisfy any claim that you may have against us; and

(g) You acknowledge and agree:

- (i) that the provisions of this clause 5.2 are reasonable, in that they are intended to put you into the position that you would have been in had you purchased the Goods direct from the supplier; and
- (ii) that it is unreasonable to expect us to bear the risk of non-performance of Goods that you have sourced from the supplier of your choice, simply because we have financed your purchase/use of the Goods; and
- (iii) notwithstanding the above, if and to the extent that any of the above provisions are ineffective to exclude our liability, it is agreed by you that:
 - (a) we will in no circumstances be liable for any loss of revenue, savings or profit, nor for any loss of use/value of the Goods, nor for indirect/consequential losses; and
 - (b) in respect of any other loss, our liability will be limited to the lesser of the cost of repairing the Goods, its diminution in value or the total of Basic Payments due under this Agreement.

6. Care of the Goods

6.1 The Customer must maintain the Goods (at the Customer's expense) in full working order and condition. The Customer is responsible for all maintenance of the Goods in accordance with the recommendations of the supplier or manufacturer of the Goods. If any component is lost or damaged, the Customer will replace it with parts of equal standard and quality to the original components.

6.2 The Customer must use the Goods properly and comply with any guidelines issued by the supplier and manufacturer. The Customer must not use the Goods for any unlawful purpose. If relevant, the Customer is responsible for connection and disconnection of the Goods.

6.3 You will not allow the Goods to be used for the purpose of racing, rallying or any form of competition, pace making, reliability trials, speed testing, and unless otherwise approved, towing or driving tuition.

6.4 The Customer must keep the Goods at the Location and the Customer must not take the Goods outside the United Kingdom without the Lender's prior written consent, provided that if the Goods are vehicles then the Customer may use the Goods in the European Union ("Permitted Area") for 21 consecutive days at a time. The Customer will obtain and maintain in force at all relevant times all licences and permissions required to operate the vehicles lawfully in the Permitted Area. The Customer will ensure that the insurance covers the use of the vehicles in the Permitted Area. If the Customer wishes to change the Location, the Customer must first obtain the Lender's written consent.

6.5 The Customer must not part with possession of the Goods or any part of it; sell, sub-hire, assign or charge the Goods or the benefit of this Agreement; create or permit any lien or any other encumbrance on the Goods; interfere in any way with any name plate or identification mark on the Goods, or make any alterations or modifications to the Goods, without first obtaining our written consent.

6.6 The Customer will allow the Lender and any persons the Lender may authorise to inspect the Goods from time to time and/or to place a name plate or other mark on the Goods identifying the Lender as the owner of it, and to enter the property where the Customer keep the Goods for those purposes.

- 6.7** The Customer will promptly pay all rents, rates, taxes, duties, fines and levies and any other sums in connection with the Goods.
- 6.8** The Customer will maintain, where appropriate, any operator's or similar licences throughout the hiring of the Goods, and comply with all laws and regulations in relation thereto.
- 6.9** The Customer is responsible for all loss and damage to the Goods (except fair wear and tear) even if caused by acts beyond the Customer's control.
- 6.10** The Customer shall indemnify the Lender and keep the Lender indemnified on demand against all losses, charges, claims and expenses directly or indirectly incurred by the Lender in respect of any loss or damage caused to or by the Goods at any time prior to the Goods being returned to The Lender.

7. Insurance

- 7.1** The Customer will insure the Goods for full replacement value against all risks under a fully comprehensive policy (with the Lender's interest noted on the policy). The Customer will indemnify the Lender against any uninsured loss or damage.
- 7.2** If any amount paid to the Lender is not enough to meet the Customer's liability under this Agreement then the Customer will pay to the Lender the difference. If the amount paid to the Lender is more than the Customer's liability the Lender will pay to the Customer the surplus.
- 7.3** The Customer shall continue to pay the Payments to the Lender even if the Customer is unable to use the Goods whether by reason of damage, mechanical defect or otherwise.
- 7.4** If the Goods are lost, stolen, destroyed or deemed to be a total loss for insurance purposes, the hiring of the goods shall immediately end, and the Customer will pay to the Lender the amount calculated in accordance with clause 9 but the Lender shall deduct any insurance proceeds received from the amount due under that clause 9.

8. Termination Events

- 8.1** The Customer may terminate this Agreement at any time by giving the Lender notice in writing and the Customer shall immediately return the Goods to the Lender at such a place in the United Kingdom as the Lender may require and pay the Lender the sums set out in clause 9.
- 8.2** The Lender may terminate this Agreement immediately if any of the following events occurs:
- (a) if the Customer breaches any term of this Agreement; or
 - (b) if the Customer is unable to pay its debts as they fall due or if the Lender considers the Customer is or may become insolvent; or
 - (c) if the Customer does anything which may prejudice the Lender's rights to or in the Goods; or
 - (d) if any other agreement which the Customer enters into with the Lender or a member of the Lender's group of companies is terminated or becomes capable of termination; or
 - (e) if the Lender becomes aware that any information supplied by the Customer is false; or
 - (f) if the Goods become an actual or constructive total loss; or
 - (g) if the Customer breaches any loan agreement or other agreement or obligation relating to borrowing or any lease, hire purchase, credit sale or any other form of agreement or any borrowing is declared or could be declared payable prior to its maturity date; or
 - (h) if there is any change in control of the Customer's company or its ultimate holding company; or

- (i) if a receiver, administrator, administrative receiver or liquidator is appointed over all or any part of the Customer's assets, or any person who is entitled to do so takes any steps to appoint an administrator over any of the Customer's assets or files such a notice with the court, or the Customer ceases or threatens to cease trading, or the Customer convenes any meeting of or enter into any arrangement with the Customer's creditors or any of them; or
 - (j) if a landlord levies or attempts to levy distress on the Goods or any premises where the Goods may be; or
 - (k) if being an individual, the Customer dies or becomes bankrupt or a petition is presented or an application is made for an interim order or a bankruptcy order; or
 - (l) if the Customer is a partnership and any of the partners dies, or a petition is presented for an administration order to be made in relation to or a resolution is passed for the winding up or dissolution of the partnership or a petition is presented for a bankruptcy order to be made against one or more of the partners for non-payment of a partnership debt or any one or more of the partners enters into a voluntary arrangement with its creditors; or
 - (m) if the Lender has reasonable grounds to believe the Goods, or the Lender's interest in them, is at risk; or
 - (n) if any event occurs which, in the Lender's opinion, has or is likely to have a material adverse effect on the Customer's business, properties or condition, financial or otherwise or on the Customer's ability to duly perform and observe its obligations under this Agreement; or
 - (o) the Customer or any person with a controlling interest in the Customer is, in the Lender's opinion, involved in an activity that may bring the Lender's name into disrepute.
- 8.3** If any of the events set out in clause 8.2 occurs in relation to a guarantor of the Customer's obligations under this Agreement, the Lender may terminate this Agreement and for this purpose any reference to "this Agreement" in clause 8.2 shall be construed as a reference to the relevant guarantee and any reference to "the Customer" as a reference to the guarantor.

9. Consequences of Termination

- 9.1** On termination of this Agreement for any reason, the Customer shall:
- (a) return the Goods to the Lender at its address specified on Page 1 or such other address as the Lender may specify in the same condition as at the date of this Agreement (fair wear and tear excepted) or, if the Customer does not return them, the Lender may repossess them and for such purpose the Customer hereby grants the Lender and its authorised servants and agents an irrevocable licence to enter any premises occupied by the Customer from time to time; and
 - (b) pay to the Lender:
 - (i) all arrears owing up to the date of termination; and
 - (ii) as liquidated damages, the total of:
 - (a) the Balance Financed or the part of it which is unpaid on the date of termination; plus
 - (b) the total of all Finance Charges accrued but unpaid; plus
 - (c) all other sums payable to the Lender under this Agreement; plus
 - (d) interest on the above sums determined in accordance with the terms of clause 4.6;
 - (e) by way of agreed damages if the hiring has been terminated under clause 8.1 or 8.2, an Early Payment Fee calculated in accordance with clause 10;

- (f) any costs incurred by the Lender in repossessing, repairing, storing, insuring and selling the Goods, delivering them to a buyer and any sales commission paid by the Lender upon demand; and
- (g) any costs incurred in enforcing the Lender's rights under this Agreement and restoring the Goods to substantially the same condition (after allowing for fair wear and tear) as the Goods were in at the commencement of this Agreement;

9.2 After termination of this Agreement the Lender will, if the Lender is in possession of the Goods, try to sell them and provided the Customer pays all the above sums the Lender will pay to the Customer the net proceeds of sale of the Goods (excluding VAT and the Lender's cost of repossession, insurance, storage and sale). For the purposes of this clause net proceeds of sale will be the net proceeds of sale of the Goods (excluding VAT and the Lender's cost of repossession, insurance, storage and sale) received by the Lender, or if it has not sold the Goods within 28 days after repossessing them the trade value of the Goods (excluding VAT and the Lender's remarketing expenses) established as soon as practicable after the 28 days by a dealer selected by the Lender in Goods of the same kind as the Goods. The Customer's obligations under this clause will be treated as if they had arisen immediately before termination.

10. Early Payment Fee

10.1 If the Customer chooses to make a lump sum payment that exceeds 10% of the Balance Financed outstanding on the day of payment an Early Payment Fee of 3% will be deducted from the lump sum and the balance of the payment will be credited to the Agreement. The Early Payment Fee shall be a calculated based on the table below:

Percentage of the Capital Balance on the date of termination of the Agreement	Months expired from the Date of the Agreement
3%	15 months
2%	16 to 30 months
1%	31 months plus

11. Option to Purchase

11.1 Providing that the Customer complies with its obligations under this Agreement, the Customer may (with prior notice) purchase the Goods by paying the Lender the Option to Purchase Fee. Title to the Goods shall transfer to the Customer upon payment of the Option to Purchase Fee. The Customer shall have no ownership interest in the Goods until the option to purchase is validly exercised.

12. Compensation

12.1 The Customer shall compensate the Lender for any amount incurred by the Lender as a result of the Customer's failure to perform their obligations under this Agreement.

13. General

13.1 Expenses: The Customer will pay on demand the amount of any expenses (including but not limited to legal fees) that we incur in recovering possession of the Goods or in enforcing the terms of this Agreement.

13.2 No Assignment: The Customer's rights and obligations under this Agreement cannot be transferred. The Lender may assign or transfer our rights and obligations under the Agreement to an entity that is appropriately authorised. If we do so the Customer's rights under the Agreement will not be altered by this assignment or transfer.

13.3 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.

13.4 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.

13.5 Commission: If you have been introduced to us via a credit broker/intermediary we will pay them a commission for the introduction. Please contact them directly for further information.

13.6 Waiver: If we temporarily relax the terms of the Agreement, for instance, by giving the Customer more time to pay, we may at any time decide to enforce the terms more strictly again. Our rights under the Agreement will not be affected as a result of any such concession.

13.7 Telephone Recordings: Telephone calls may be recorded for security purposes and monitored under our quality control.

13.8 Governing Law: Our relations with you are based on the law of the country in the United Kingdom where you are domiciled, being England, Wales, Scotland or Northern Ireland and disputes may be referred to the courts of that country.