

Invoice Finance

General Conditions



Contents

CONDITIONS APPLICABLE TO ALL FACILITIES	4
1. Period of the Agreement	4
2. Sale and purchase of Debts	4
3. Trusts	4
4. Schedules	4
5. Approval and disapproval of Debts	5
6. Payment of the Purchase Price (excluding BDP Debts).....	5
7. Fees and charges	6
8. Records and information	7
9. E3.....	8
10. Accounts	8
11. Collection of Debts	8
12. Warranties.....	9
13. Undertakings	10
14. Restrictions	11
15. Recourse.....	11
16. Termination	11
17. Variation	12
18. Communications with other persons	12
19. Broker's commission	13
20. Service of notices	13
21. Novation and assignment of the Agreement	13
22. Power of attorney	13
23. Indemnity.....	14
24. Limitation of liability	14
25. VAT	14
26. Governing law	14
27. Miscellaneous	14
CONDITIONS APPLICABLE TO FACTORING FACILITIES	15
CONDITIONS APPLICABLE TO COMBINED INVOICE FINANCE FACILITIES.....	16

CONDITIONS APPLICABLE TO DISCLOSED INVOICE DISCOUNTING FACILITIES	17
CONDITIONS APPLICABLE TO CONFIDENTIAL INVOICE DISCOUNTING AND CONFIDENTIAL INVOICE FINANCE FACILITIES	19
CONDITIONS APPLICABLE TO BAD DEBT PROTECTION.....	20
E-SHADOW CONDITIONS	23
CONDITIONS APPLICABLE TO PAY AND BILL FINANCE.....	25
CONDITIONS APPLICABLE TO CONSTRUCTION FINANCE	27
CONDITIONS APPLICABLE TO CONTRACT FINANCE	32
CONDITIONS APPLICABLE TO PARTNERSHIPS AND SOLE TRADERS	36
CONDITIONS APPLICABLE TO SCOTTISH DEBTS	38
SCHEDULE OF APPROVED COUNTRIES.....	39
SCHEUDLE OF PERSONAL DATA PROCESSING OBLIGATIONS	40
FEEES FOR ADDITIONAL SERVICES AND STANDARD CHARGES	42
STANDARD CHARGES	43
DEFINITIONS	44

General Conditions of Invoice Finance (Version 3/2020)

These Conditions form part of the **Agreement** made between you and us. Your **IF Agreement** will state which Conditions are applicable to your facility. The meanings of certain words are explained in the **Definitions**.

CONDITIONS APPLICABLE TO ALL FACILITIES

1. Period of the Agreement

The **Agreement** will begin on the **Commencement Date** and continue for the **Minimum Period**. Either of you or us may terminate the **Agreement** on or after the expiry of the **Minimum Period** by serving written notice of not less than the **Notice Period**.

2. Sale and purchase of Debts

- 2.1 The **Agreement** applies to all **Debts** due by **Customers** domiciled in an **Approved Country** except **Excluded Debts**.
- 2.2 You will assign to us with full title guarantee all **Debts Outstanding** on the **Commencement Date** and all **Debts** coming into existence at any time after the **Commencement Date** until the **Agreement** has been terminated.
- 2.3 Title to all **Debts Outstanding** on the **Commencement Date** will transfer to us on that date. Title to all **Debts** coming into existence after the **Commencement Date** will transfer to us automatically upon each **Debt** coming into existence.
- 2.4 If requested by us, you will execute and deliver to us a formal written assignment of any **Debt** or **Associated Rights**.
- 2.5 We are not obliged to reassign any **Debt** to you.

3. Trusts

- 3.1 You will hold on trust for us any **Debt** and **Associated Rights** assigned to us to which ownership is not effectively transferred to us.
- 3.2 You will tell us immediately if any **Goods** are returned to you, refused by a **Customer** or repossessed by you. You will hold these **Goods** on trust for us, separate from your own property, until they are resold or we receive payment of the relevant **Debt**. We may sell the **Goods** or require you to sell them for the price and on the terms we tell you.
- 3.3 If you receive a **Remittance**, you will keep the **Remittance** separate from your own money and hold it on trust for us. You will immediately deliver the **Remittance** to us or pay it into the relevant **Remittance Account**.

4. Schedules

- 4.1 This Condition 4 (**Schedules**) will apply to the **Agreement** unless the **IF Agreement** specifies that the **e-Shadow Conditions** are applicable to your facility.
- 4.2 On the **Commencement Date**, you will deliver to us using **E3** a **Schedule** containing details of all **Outstanding Debts**. Thereafter, you will deliver a **Schedule** to us for each **Debt** immediately and in any event within 7 days after its creation.

- 4.3 We will credit the **Invoice Value** of each **Debt Notified** to us to the **Sales Ledger Account** upon receipt of a **Schedule**. Any **Dilutions** that reduce the **Invoice Value** and **Remittances** will be debited to the **Sales Ledger Account**.
- 4.4 **Non-notifiable Debts** must not be **Notified** to us unless we tell you.
- 4.5 Each **Schedule** must be **Notified** by a person authorised by you to complete and submit **Schedules** to us.
- 4.6 Any **Debt** that does not comply with the warranties and undertakings given by you in the **Agreement** must be **Notified** to us separately stating why it does not comply.
- 4.7 If a **Customer** becomes entitled to a **Dilution** in respect of any **Debt** purchased by us, you will immediately enter details on your accounting system and **Notify** to us a credit note for the relevant amount. If we tell you, you must not send any credit note directly to a **Customer**. We may send the credit note to the **Customer** or withhold it.
- 4.8 **Debts** denominated in different currencies must be **Notified** on separate **Schedules**.

5. Approval and disapproval of Debts

- 5.1 For a **Debt** to be eligible for a **Prepayment**, a **Customer Funding Limit** must have been established in relation to the **Customer**.
- 5.2 We may establish a **Customer Funding Limit** for any **Customer** for whom you have not applied for a **Customer Funding Limit** of an amount we will determine in our discretion.
- 5.3 **Debts** within a **Customer Funding Limit** will be **Approved Debts**. Until a **Customer Funding Limit** has been established for a **Customer**, **Debts** due by that **Customer** will be **Disapproved Debts**.
- 5.4 We may establish, vary or cancel a **Customer Funding Limit** at any time with immediate effect. Any variation or cancellation of a **Customer Funding Limit** may affect your **Availability**.
- 5.5 An **Approved Debt** will be a **Disapproved Debt** if at any time:
- 5.5.1 the **Debt** does not comply with any warranty or undertaking given by you;
 - 5.5.2 the **Debt** remains **Outstanding** after the expiry of the **Recourse Period**; or
 - 5.5.3 legal proceedings are issued to recover it.
- 5.6 We are not a credit reference agency and you must not tell anyone the amount or absence of a **Customer Funding Limit** for any **Customer**.
- 5.7 We will be entitled to appropriate any **Remittance** or **Dilution** due to a **Customer** against **Approved Debts** in priority to **Disapproved Debts** irrespective of any contrary appropriation by you or the **Customer**.
- 5.8 We may vary the **Concentration Percentage** and **Export Percentage** at any time with immediate effect which may affect your **Availability**.

6. Payment of the Purchase Price (excluding BDP Debts)

- 6.1 The **Purchase Price** of each **Debt** will be the amount received by us in payment of the **Debt** after deduction of **Dilutions** and the **Discount Fee**.
- 6.2 We will credit the **Purchase Price** of each **Debt** to the **Current Account**:
- 6.2.1 in the case of an **Approved Debt**, by a **Prepayment** of an amount up to the **Prepayment Percentage** and the balance of the **Purchase Price** on its **Collection Date**; and
 - 6.2.2 in the case of a **Disapproved Debt**, on its **Collection Date**.

- 6.3 When requested by you, we will make **Prepayments** to you. The amount of any **Prepayment** will be subject to our right to apply **Reserves**, right of set-off and **Availability**.
- 6.4 We may reduce the **Prepayment Percentage** if your **Debt** turn is above the **Target Debt Turn**.
- 6.5 We may apply **Reserves** at any time which may affect your **Availability**.
- 6.6 All payments will be paid by BACS directly into your account held at a branch of a bank in the **UK**. If we make payments by an alternative electronic bank payment method, additional charges may be payable. All payments will be debited to the **Current Account**.
- 6.7 We will not be obliged to make any payment to you in respect of **Remittances** that are uncleared, if you are **Insolvent** or if the payment would exceed your **Availability**.
- 6.8 Subject to the payment of the fees specified by us, we may make payments to you in excess of **Availability** but if **Availability** is exceeded without our consent, we may require you to pay to us immediately any balance on your **Current Account** which is in excess of **Availability**.
- 6.9 You will not be entitled to interest on any credit balance on the **Current Account**.
- 6.10 The **Purchase Price of Debts** will usually be payable in and calculated by reference to the currency of the **Debt**, save that we may pay the **Purchase Price** of any **Debt** payable in a **Foreign Currency** in sterling or any other **Foreign Currency**:
- 6.11 If we pay the **Purchase Price** of a **Debt** in a currency other than that in which the **Debt** is denominated:
- 6.11.1 we may provisionally calculate the **Invoice Value** on the date of receipt of the relevant **Schedule**; and
- 6.11.2 the **Purchase Price** will be calculated by reference to the relevant **Foreign Currency Rate** on the date on which the **Remittance** received from the **Customer** is credited to our account by our bankers following which we will credit an equivalent amount (after deduction of any bank charges) to the **Current Account**.
- 6.12 Any **Remittance** in a **Foreign Currency** tendered in payment of a **Debt** due in sterling will be converted into sterling at the **Foreign Currency Rate** on the date on which the **Remittance** received from the **Customer** is credited to our account by our bankers following which we will credit an equivalent amount (after deduction of any bank charges) to the **Current Account**.
- 6.13 For the purpose of calculating your **Availability** and your **Obligations**, we may convert any amount in a **Foreign Currency** to sterling at the relevant **Foreign Currency Rate**.
- 6.14 You will indemnify us against any losses incurred by us resulting from exchange rate fluctuations and we will be entitled to debit the **Current Account** with all bank charges and commission incurred by us in connection with the collection of any **Debt** in a **Foreign Currency**.

7. Fees and charges

- 7.1 You will pay to us:
- 7.1.1 a **Service Fee** either (i) at the fixed rate or (ii) equal to the percentage of the **Invoice Value** of each **Notified Debt**, specified in the **IF Agreement**. If the **Service Fee** is fixed, it will be debited to the **Current Account** on or after the last **Business Day** of each month. If the **Service Fee** is a percentage of the **Invoice Value**, it will be debited to the **Current Account** following receipt of each **Schedule**;
- 7.1.2 if the **Service Fee** is a percentage of the **Invoice Value**, an amount equal to the difference between the **Service Fees** payable in any month pursuant to Condition 7.1.1 of these **Conditions applicable to all facilities** and the **Minimum Service Fee** (or the pro rata amount if the **Minimum Service Fee** is calculated on a period in excess of a month), which will be debited to the **Current Account** on or after the last **Business Day** of each month;

- 7.1.3 (if specified in the **IF Agreement**) an **Extended Service Fee** for each **Debt** that remains **Outstanding** for each month or part of a month after the expiry of the period specified in the **IF Agreement**, which will be debited to the **Current Account** on or after the last **Business Day** of each month;
- 7.1.4 a **Facility Fee**, which will be debited to the **Current Account** on or after the **Commencement Date**;
- 7.1.5 a **Facility Renewal Fee**, which will be debited on or after each relevant anniversary of the **Commencement Date**;
- 7.1.6 all **Disbursements**, which will be debited to the **Current Account** as they are incurred;
- 7.1.7 any additional charges we agree with you when you ask for any service outside the scope of the **Agreement**;
- 7.1.8 an **Early Termination Payment**, pursuant to Condition 16.2.10 of these **Conditions applicable to all facilities** following a **Termination Event** or in the event the **Agreement** is terminated in accordance with Condition 16.5 of these **Conditions applicable to all facilities**;
- 7.1.9 a **Discount Fee**, which will be debited to the **Current Account** daily (except Saturdays, Sundays and bank holidays when it will be debited the **Business Day** before these days); and
- 7.1.10 **VAT** on all fees and charges (where applicable).
- 7.2 The **Service Fee**, if the **Service Fee** is fixed, and the **Minimum Service Fee** may be reviewed by us on the **Review Date** as follows:
- 7.2.1 If the **RPI** has increased during the 12 months preceding the **Review Date**, the increased **Service Fee** and **Minimum Service Fee** will be determined by multiplying the **Service Fee** and **Minimum Service Fee** respectively payable immediately before the **Review Date** by the same percentage increase in the **RPI** during the 12 months preceding the **Review Date**.
- 7.2.2 We will give notice of the increased **Service Fee** and **Minimum Service Fee** in the month following the **Review Date**.
- 7.2.3 If there is any change to the methods used to compile the **RPI**, the calculation of the increased **Service Fee** and **Minimum Service Fee** will be made taking into account the effect of the change.
- 7.3 In calculating the **Discount Fee**, the **Discount Fee** will accrue:
- 7.3.1 on each **Prepayment** and on any other amount or **Obligation** debited to the **Current Account**, from the date it is debited to the **Current Account**, and
- 7.3.2 until the relevant **Value Date**.
- ## 8. Records and information
- 8.1 You will maintain and keep up to date all books and records required by law and all relevant **Accounting Records** in which you will record the sale of all your **Debts** to us under the **Agreement**.
- 8.2 We, or our authorised agents, may enter your premises at any time to inspect, verify and, at your expense, take copies of or remove any of the **Accounting Records** or other documents relating to your business, **Supply Contracts**, **Debts**, **Dilutions** or **Associated Rights** or the computers or computer data on which your **Accounting Records** are recorded. This licence is irrevocable and will continue after the termination of the **Agreement** until all your **Obligations** have been fully discharged.
- 8.3 As soon as they are available and in any event within six months of the end of each of your financial periods, you will send us a copy of your audited financial statements together with the directors/members' and auditors' reports relating to them and those of any of your **Associates**. If we request, you will send us management accounts, budgets and forecasts and any other information specified by us.

8.4 You will provide us promptly with all documents or other information requested by us pursuant to this Condition 8 of these **Conditions applicable to all facilities**. We may appoint, at your cost, accountants or other professional experts to obtain and verify the information.

9. E3

- 9.1 If we have agreed to provide you with access to our electronic information service through **E3**, you have a non-transferable licence to use **E3** subject to our right to suspend or withdraw the use of **E3** at any time, without notice.
- 9.2 You will use **E3** solely for the purpose of the **Agreement** and in accordance with any procedures advised by us to you. You will be responsible, at your own cost, for the systems and services used to access **E3**.
- 9.3 You must keep all usernames and passwords secret and confidential.
- 9.4 You must ensure that all information sent by you to us using **E3** is accurate and correct and sent only by persons authorised by you to use **E3**. You must tell us immediately if **E3** has been accessed by any unauthorised person or any information provided by you to us is inaccurate or incorrect.
- 9.5 We do not guarantee that **E3** will be accessible continuously or that the information accessed by you using **E3** is accurate, correct or current as it is continuously updated.
- 9.6 We may change the form and content of the information accessed by you through **E3** at any time, without notice.
- 9.7 The content and design of **E3** (including software) is our property or that of our suppliers and is protected by copyright and other intellectual property rights.

10. Accounts

- 10.1 We will maintain a **Current Account** and a **Sales Ledger Account** for each currency in which we purchase **Debts** from you. Statements of the **Current Account** and **Sales Ledger Account** will be available to you on **E3**. Each statement will be deemed to be correct save for obvious errors and those of which you advise us within 14 days of the statement date.
- 10.2 We may at any time combine all your accounts into a single account and set off any of your **Obligations** against any sum due to you.
- 10.3 All payments by you to us must be made without deduction or set-off. If you are required by law to make a deduction, you will increase the payment to the amount required to discharge your **Obligations** as if the deduction had not been made.
- 10.4 A certificate signed by an authorised signatory of our company as to the balances on the **Current Account** and **Sales Ledger Account** or the cause, existence or amount of your **Obligations** will be conclusive and binding on you except for obvious errors or on any question of law.
- 10.5 Any discharge of your **Obligations** will be of no effect if any payment by you to us is subsequently set aside.

11. Collection of Debts

- 11.1 We have the sole right to collect and enforce payment of any **Outstanding Debt**. We may grant a **Customer** further time in which to pay a **Debt** or accept payment of less than the **Invoice Value**.
- 11.2 We may institute, defend or settle proceedings in respect of any **Debt** in the manner and upon the terms we decide. If appropriate, we may issue proceedings in your name. You will, at your own expense, provide all co-operation reasonably requested by us, including the production of all documents and the giving of evidence required to substantiate our claim to payment of any **Debt**.
- 11.3 Unless we have appointed you as our agent to collect **Debts** and enforce the **Associated Rights**, you will not attempt to collect any **Outstanding Debt** or to enforce the **Associated Rights**.

- 11.4 You will be bound by action taken by us in connection with the collection or enforcement of **Debts** or realisation of any **Associated Rights**.
- 11.5 You must ensure that **Customers** pay all **Remittances** to us or into the **Remittance Account**. All **Remittances** received by you in respect of **Outstanding Debts** (other than **Non-notifiable Debts** unless we have told you to send us **Remittances** tendered in payment of **Non-notifiable Debts**) must be delivered to us immediately or paid into the **Remittance Account**. You must not pay any **Remittance** into your own bank account or into the bank account of any other person.
- 11.6 You will give instructions to your bankers to pay to us or direct to the **Remittance Account** all **Remittances** credited to your bank account.
- 11.7 You will give to our bankers instructions and an indemnity to authorise them to effect collection of any **Remittance** made payable to you which is not transferable.
- 11.8 You irrevocably authorise us to pay any credit balance due to a **Customer**.

12. Warranties

- 12.1 You warrant and represent that:
- 12.1.1 prior to entering into the **Agreement**, you have disclosed to us all information which you knew or ought reasonably to have known might influence us in deciding whether or not to enter into the **Agreement** or negotiating its terms or as to the suitability of any person as a **Surety**;
 - 12.1.2 all **Accounting Records** and information which you provide to us about **Debts**, **Dilutions** and **Supply Contracts** are accurate and correct; and
 - 12.1.3 the most recent financial statements provided to us prior to the **Commencement Date** were prepared in accordance with generally accepted accounting principles, fairly represent your financial position at the date they were prepared and there has been no material adverse change in your financial condition since that date.
- 12.2 By delivering a **Schedule** to us (other than any separate **Schedule Notified** pursuant to Condition 4.6 of these **Conditions applicable to all facilities**) you warrant and represent in relation to each **Notified Debt** that:
- 12.2.1 the **Goods** have been **Delivered**;
 - 12.2.2 the **Debt** has arisen from a **Supply Contract** entered into by you in the normal course of your business;
 - 12.2.3 (unless otherwise agreed by us in writing) the credit period in the **Supply Contract** is no greater than your **Standard Payment Terms** and the **Settlement Discount** in the **Supply Contract** is no greater than the **Maximum Settlement Discount**;
 - 12.2.4 (the **Supply Contract** is governed by English or Scots law and does not include any prohibition against the assignment of the **Debt**;
 - 12.2.5 the **Goods** delivered are of satisfactory quality, fit for purpose and conform to the terms of the **Supply Contract**, with any samples of **Goods** previously supplied and to all relevant UK and European Union standards; and, if the **Goods** consist of services, the services have been performed by you in accordance with best practice, were provided with reasonable skill and care and were performed in accordance with the terms of the **Supply Contract**;
 - 12.2.6 you have completed all your contractual obligations to the **Customer's** satisfaction and the **Customer** will accept liability for the **Debt** and pay the full **Invoice Value** (less any **Settlement Discount**) without any dispute, deduction, set-off or counterclaim;
 - 12.2.7 you are not nor will become indebted to the **Customer**;
 - 12.2.8 the original invoice has been issued and sent to the **Customer** within 1 month of **Delivery**;

- 12.2.9 the correct name, address and (if any) trading style of the **Customer** appears on the invoice evidencing the **Debt** and, if you are required to give **Notice of Assignment** to **Customers**, the original invoice sent to the **Customer** bears a **Notice of Assignment**;
- 12.2.10 you have no **Agreement** with the **Customer** for set-off, retrospective discounts, retentions or otherwise by which the amount of the **Debt** may be reduced;
- 12.2.11 the **Debt** is payable in an **Approved Currency** by a **Customer** domiciled in an **Approved Country**;
- 12.2.12 the **Customer** has an established place of business and is not an **Associate**;
- 12.2.13 the **Debt** has not been **Notified** previously and is not a **Non-notifiable Debt**;
- 12.2.14 you own the **Debt** and are entitled to sell it to us; and
- 12.2.15 no other person has any **Security** over or any rights to the **Debt** or the **Goods** to which it relates.

13. Undertakings

You undertake:

- 13.1 not to vary the terms of a **Supply Contract** or your **Standard Payment Terms** relating to a **Notified Debt**;
- 13.2 to comply with the **Personal Data Processing Obligations**, where you share or process **Personal Data** under or in relation to the **Agreement**;
- 13.3 to comply with all instructions, guidelines and procedures communicated by us for the purpose of operating the facility efficiently;
- 13.4 to comply with the terms of any **Insurance Policy** of which we are the assignee or joint insured and to tell us if the **Insurance Policy** is varied or cancelled or lapses;
- 13.5 to protect the **Associated Rights**;
- 13.6 to inform us in writing immediately:
 - 13.6.1 of any actual or proposed change in your directors, shareholders, members or partners or in the nature of your business or trading style;
 - 13.6.2 you become aware of any dispute between you and a **Customer** or any other matter (including adverse credit information) which may affect the recovery of the **Invoice Value** of a **Debt**;
 - 13.6.3 about any relevant information that may influence our decision to continue the **Agreement** or establish any **Customer Funding Limit** or designate any **Debt** as an **Approved Debt**;
 - 13.6.4 of the rejection or return of any **Goods** by a **Customer**;
 - 13.6.5 of any breach of the **Agreement**;
 - 13.6.6 if any person becomes or ceases to be your **Associate**;
 - 13.6.7 of the enforcement of **Security** against you or a **Surety**;
 - 13.6.8 of any actual or threatened proceedings or enforcement process against you or a **Surety** which may, in our reasonable opinion, have a material adverse effect on your business or your ability to perform the **Agreement** or the **Surety's** ability to discharge any liabilities owed to us; or
 - 13.6.9 if you propose to enter into a material financial obligation of more than £50,000 with another person.
- 13.7 not to have any involvement or connection directly or indirectly with a **Sanctioned Entity** or **Sanctioned Territory**;

- 13.8 to maintain all licences, registrations and authorisations required to operate your business and comply with all applicable laws and regulations; and
- 13.9 to give us not less than 14 days' notice in writing of your intention to enter into an **Insurance Policy**.

14. Restrictions

You will not (without our prior written consent):

- 14.1 create any **Security** over any of your property, assets, undertaking or **Debts**;
- 14.2 enter into any **Agreement** for the sale or discounting of your **Debts**;
- 14.3 assign or otherwise deal with your **Debts** except in accordance with the **Agreement**;
- 14.4 repay any loan which you have previously agreed with us will not be repaid;
- 14.5 transfer your business or assets (except in the normal course of business); or
- 14.6 enter into any guarantee, indemnity or similar **Agreement**.

15. Recourse

15.1 We may exercise **Recourse** in respect of any:

- 15.1.1 **Debt** which is disputed by the **Customer** (whether or not the dispute is valid);
- 15.1.2 **Approved Debt** which becomes a **Disapproved Debt**;
- 15.1.3 **Approved Debt** which is **Outstanding** at the expiry of the **Recourse Period** or (if earlier) when the relevant **Customer** becomes **Insolvent**; and
- 15.1.4 **Debt** due from a **Customer** by whom more than 25% of the total **Outstanding Debt** is **Outstanding** in excess of the **Recourse Period**.

15.2 We may exercise **Recourse** in respect of any or all **Outstanding Debts** at any time following the termination of the **Agreement**.

15.3 We may exercise **Recourse** by written notice to you or by debiting the relevant amounts to the **Current Account** and **Sales Ledger Account**. If we exercise **Recourse**, the **Debt** will continue to belong to us.

15.4 We may reassign any **Debt** to you upon payment of the **Repurchase Price**.

15.5 If we reassign all **Outstanding Debts** to you or all **Debts Notified** by you are discharged, we may retain an amount sufficient to cover any claims against us by **Customers**, including in respect of credit balances.

16. Termination

16.1 We may terminate the **Agreement** immediately by written notice to you at any time after any **Termination Event**.

16.2 At any time after a **Termination Event**, even if we do not terminate the **Agreement**, we

- 16.2.1 if you have been appointed as our agent to collect **Debts**, withdraw your agency to collect **Debts**;
- 16.2.2 exercise **Recourse** in respect of any or all **Outstanding Approved Debts**;
- 16.2.3 cancel any or all **Customer Funding Limits** and designate any **Outstanding Approved Debt** as a **Disapproved Debt**;
- 16.2.4 apply **Reserves**;

- 16.2.5 require you to **Notify** all **Outstanding Non-notifiable Debts**;
 - 16.2.6 withhold any payment to you until your **Obligations** have been discharged;
 - 16.2.7 reduce the **Prepayment Percentage** to a lower percentage or zero;
 - 16.2.8 reduce the **Facility Review Limit**;
 - 16.2.9 demand immediate payment from you of your **Obligations**;
 - 16.2.10 charge the **Early Termination Payment** (calculated on the assumption that the **Agreement** was terminated at your request, without notice, on the date of the **Termination Event**);
 - 16.2.11 take possession of and sell any **Goods** which are rejected or returned by a **Customer** and apply the net proceeds of sale as if they are a **Remittance** paid by the **Customer**; and
 - 16.2.12 withdraw your licence to use **E3**.
- 16.3 At any time after a **Termination Event** which is not a breach of the **Agreement** or any other **Agreement** made between you or an **Associate** and us, you agree that we may:
- 16.3.1 increase the **Discount Fee** by up to 5%; and
 - 16.3.2 charge the **Recoveries Fee**.
- 16.4 If the **Termination Event** is a breach of the **Agreement** or any other agreement made between you or an **Associate** and us, you agree that we may claim from you as liquidated damages on an indemnity basis all costs incurred by us arising out of your breach of the **Agreement**, including the costs of collecting **Debts** and resolving disputes with **Customers**; and may estimate the amount of our claim and debit the relevant sum to the **Current Account** at any time on or after the occurrence of the relevant **Termination Event**; and you agree that a reasonable estimate of our anticipated costs will be up to 15% of the **Invoice Value** of the **Debts Outstanding** on the **Sales Ledger Account** at the date of the relevant **Termination Event** and that if our actual costs are less than our estimate, we will credit the excess to your account when the collection of all **Debts** has been completed.
- 16.5 If you wish to terminate the **Agreement** before the expiry of the **Minimum Period** and/or without serving notice of at least the **Notice Period**, we may agree to the early termination of the **Agreement** on terms acceptable to us, including payment of all your **Obligations** and the **Early Termination Payment**.
- 16.6 The termination of the **Agreement** will not affect rights and obligations accrued prior to the date of termination and these rights and obligations will continue until all sums due by you to us under the **Agreement** have been discharged.

17. Variation

- 17.1 Where expressly stated in the **Agreement**, certain terms and Conditions of the **Agreement** may be varied by us at any time.
- 17.2 We may vary any other terms and Conditions of the **Agreement** by giving you not less than 30 days' notice.

18. Communications with other persons

You irrevocably authorise us to:

- 18.1 contact your **Customers** to confirm the validity of **Debts**;
- 18.2 provide to your bankers, auditors, accountants and other professional advisors and to any other factor, discounter, **Surety**, assignee, participant, **Security** trustee agent, arranger, **Broker**, insurer or **Affiliate** information about your accounts, the operation of the **Agreement** and your relationship with us; and

18.3 obtain from your bankers, auditors, accountants and other professional advisors any information we reasonably require about your business and **Accounting Records** and you confirm that you have authorised these persons to provide such information to us.

19. Broker's commission

If the **Agreement** was made as a result of your introduction to us by a **Broker**, you agree that:

- 19.1 the **Broker** was not acting as an agent for us and was not authorised to make any representations about us or the **Agreement**, nor will any such representations be binding on us; and
- 19.2 we may pay commission to the **Broker** as a consequence of entering into the **Agreement**. If requested by you, we will provide details of the amount of the commission.

20. Service of notices

- 20.1 Any notice served by you must be in writing and sent by recorded delivery to us at 40 Spring Gardens, Manchester M2 1EN or, if we move from this address, any other address we tell you, and the notice will only be effective upon delivery.
- 20.2 Any notice served by us may be delivered to you or any director, member or partner of yours or delivered or sent by first class post or sent by **E3**, facsimile or email to you at your registered office or principal place of business.
- 20.3 A notice served by us will be deemed served if delivered personally, at the time of delivery; if sent by post, the day after posting; and if sent by facsimile, **E3** or email, at the time of sending.

21. Novation and assignment of the Agreement

- 21.1 We may transfer to another person the **Agreement** and any or all of our rights, remedies and duties under the **Agreement**.
- 21.2 You must not transfer, assign or sub-contract the **Agreement** or the performance of your obligations under the **Agreement** to any other person without our written consent.

22. Power of attorney

- 22.1 As **Security** for performance of your obligations to us, you appoint us and each of our directors and our company secretary from time to time jointly and severally both during and after the termination of the **Agreement** in your name and on your behalf:
- 22.1.1 to execute and sign deeds and documents and do all things necessary to give effect to the **Agreement** and protect our rights under it;
- 22.1.2 endorse and/or negotiate **Remittances**;
- 22.1.3 pursue, defend or compromise any proceedings in connection with any **Debt** or **Associated Rights**;
- 22.1.4 execute legal assignments of or perfect our title to any **Debts**;
- 22.1.5 execute any **Security** in connection with the **Agreement**; and
- 22.1.6 secure the performance of any of your obligations to us or to any **Customer**.
- 22.2 This appointment will be irrevocable until all **Obligations** due from you to us have been paid. We may appoint any substitute attorney to perform these powers or delegate their performance.

23. Indemnity

You agree to indemnify us against all **Obligations** and **Disbursements** and all claims against us by any *Customer*.

24. Limitation of liability

- 24.1 We will not be liable to you for any loss or damage, consequential or otherwise, that is caused in any way by us, including loss caused by an unforeseeable event or any circumstance beyond our control, unless such loss or damage arises directly from a fraudulent act by us or any of our officers. We do not exclude or limit our liability to the extent that the exclusion or limitation is prohibited by law.
- 24.2 You must commence any action against us in relation to the **Agreement** no later than 24 months following the relevant event giving rise to the claim.

25. VAT

If you would be entitled to a refund of **VAT** upon reassignment of a **Debt** to you, we may reassign the **Debt** to you on the understanding that you will promptly apply for the relevant refund and pay to us immediately a sum equivalent to the **VAT** recovered in relation to the reassigned **Debt**.

26. Governing law

- 26.1 If the **Agreement** is governed by the laws of England and Wales, the English courts will have exclusive jurisdiction to determine any dispute or claim relating to the **Agreement** or its formation (including non-contractual disputes or claims).
- 26.2 If the **Agreement** is governed by Scots law, the Scottish courts will have exclusive jurisdiction to determine any dispute or claim relating to the **Agreement** or its formation (including non-contractual disputes or claims).
- 26.3 For our benefit, you irrevocably submit to the jurisdiction of the relevant courts and irrevocably agree that a judgment in any proceedings in connection with the **Agreement** by those courts will be binding on you and may be enforced against you in the courts of any other jurisdiction.

27. Miscellaneous

- 27.1 The **Agreement** will be binding on the successors in title of each of you and us and will remain effective notwithstanding any change in the constitution, composition or legal personality of either of you or us.
- 27.2 A reference to a "**Condition**" means a Condition in these **General Conditions of Invoice Finance** (and does not mean a Special Condition or a Preliminary Condition unless expressly stated). Any Special Condition will prevail over any Condition with which it is inconsistent.
- 27.3 A reference to a provision of law is a reference to that provision as amended, replaced or re-enacted from time to time.

CONDITIONS APPLICABLE TO FACTORING FACILITIES

- 1 You must send to every **Customer** who owes an **Outstanding Debt** a **Notice of Assignment** as soon as possible after the **Commencement Date**.
- 2 You must print on or affix to every invoice evidencing **Debts** coming into existence after the **Commencement Date** and on every statement of account sent to a **Customer** a prominent and legible **Notice of Assignment**.
- 3 We may, at any time and at your expense, give **Notice of Assignment** on your behalf.
- 4 You must ensure that all stationery is reprinted to incorporate the **Notice of Assignment** in a prominent position and font no later than 30 days after the **Commencement Date**.
- 5 A **Notice of Assignment** must not appear on a credit note.

CONDITIONS APPLICABLE TO COMBINED INVOICE FINANCE FACILITIES

- 1 We appoint you as our agent to collect **Debts** and enforce the **Associated Rights** and you must:
 - 1.1 send to every **Customer** who owes an **Outstanding Debt** a **Notice of Assignment** as soon as possible after the **Commencement Date**;
 - 1.2 print on or affix to every invoice evidencing **Debts** coming into existence after the **Commencement Date** and on every statement of account sent to a **Customer** a prominent and legible **Notice of Assignment**;
 - 1.3 ensure that all stationery is reprinted to incorporate the **Notice of Assignment** in a prominent position and font no later than 30 days after the **Commencement Date**;
 - 1.4 tell your **Customers** that you are acting as our authorised agent to collect **Debts**;
 - 1.5 carry out your duties as our agent efficiently and honestly;
 - 1.6 not compromise any **Debt** or agree with a **Customer** to any extension of time to pay a **Debt** without our prior written consent;
 - 1.7 maintain your own sales ledger and a comprehensive record of all action taken by you to collect **Debts** and make the sales ledger and this record available to us on our request;
 - 1.8 ensure that the **Target Debt Turn** is not exceeded;
 - 1.9 retain all **Remittance** advices, cheques and transfer authorities relating to **Remittances** tendered by **Customers** and send to us copies of these documents, if requested by us;
 - 1.10 instruct your bankers to send us at least once a month a statement of transactions undertaken on every bank account maintained by you; and
 - 1.11 tell your **Customers** that payment of all **Remittances** must be made into the **Remittance Account**.
- 2 We may, at any time and at your expense, give **Notice of Assignment** on your behalf.
- 3 A **Notice of Assignment** must not appear on a credit note.
- 4 We may cancel your agency to collect **Debts** and enforce the **Associated Rights** at any time. If we cancel this agency:
 - 4.1 only we are entitled to collect payment of **Outstanding Debts** and enforce the **Associated Rights**;
 - 4.2 you must provide to us any **Accounting Records** we request; and
 - 4.3 we may charge you an additional **Service Fee** of up to 5% of the **Invoice Value** of **Debts Outstanding** at the time of cancellation of the agency and coming into existence thereafter.

CONDITIONS APPLICABLE TO DISCLOSED INVOICE DISCOUNTING FACILITIES

- 1 We appoint you as our agent to collect **Debts** and enforce the **Associated Rights** and you must:
 - 1.1 send to every **Customer** who owes an **Outstanding Debt** a **Notice of Assignment** as soon as possible after the **Commencement Date**;
 - 1.2 print on or affix to every invoice evidencing **Debts** coming into existence after the **Commencement Date** and on every statement of account sent to a **Customer** a prominent and legible **Notice of Assignment** and details of the **Remittance Account**;
 - 1.3 ensure that all stationery is reprinted to incorporate the **Notice of Assignment** in a prominent position and font no later than 30 days after the **Commencement Date**;
 - 1.4 tell your **Customers** that you are acting as our authorised agent to collect **Debts**;
 - 1.5 carry out your duties as our agent efficiently and honestly;
 - 1.6 not compromise any **Debt** or agree with a **Customer** to any extension of time to pay a **Debt** without our prior written consent;
 - 1.7 maintain your own sales ledger and a comprehensive record of all action taken by you to collect **Debts** and make the sales ledger and this record available to us on our request;
 - 1.8 ensure that the **Target Debt Turn** is not exceeded;
 - 1.9 retain all **Remittance** advices, cheques and transfer authorities relating to **Remittances** tendered by **Customers** and send to us copies of these documents, if requested by us;
 - 1.10 instruct your bankers to send us at least once a month a statement of transactions undertaken on every bank account maintained by you; and
 - 1.11 tell your **Customers** that payment of all **Remittances** must be made into the **Remittance Account**.
- 2 We may, at any time and at your expense, give **Notice of Assignment** on your behalf.
- 3 A **Notice of Assignment** must not appear on a credit note.
- 4 You must deliver to us within 10 days of the end of each month in the format specified by us:
 - 4.1 an aged sales ledger complete to the end of the previous month detailing all **Debts Outstanding** on the final day of that month;
 - 4.2 a reconciliation between the balances on the **Sales Ledger Account** at the end of that month and your sales ledger;
 - 4.3 copies of statements of account or an open item ledger including details of each **Customer's** name and address and the date, number and amount of each invoice, identifying their **Due Dates** for payment, and each credit note comprising the **Outstanding Debt** due by that **Customer**;
 - 4.4 an aged analysis of your purchase ledger complete to the end of that month;
 - 4.5 copies of all bank and building society statements detailing transactions on your bank and building society accounts in that month; and
 - 4.6 any other information we may request.
- 5 We may withhold making a **Prepayment** if you have not delivered to us all the information which you are required to provide within the time limit set out in clause 4 of these **Conditions applicable to Disclosed Invoice Discounting facilities**.

- 6 We may cancel your agency to collect **Debts** and enforce the **Associated Rights** at any time. If we cancel this agency:
- 6.1 only we are entitled to collect payment of **Outstanding Debts** and enforce the **Associated Rights**;
 - 6.2 you must provide to us any **Accounting Records** we request; and
 - 6.3 we may charge you an additional **Service Fee** of up to 5% of the **Invoice Value** of **Debts Outstanding** at the time of cancellation of the agency and coming into existence thereafter.

CONDITIONS APPLICABLE TO CONFIDENTIAL INVOICE DISCOUNTING AND CONFIDENTIAL INVOICE FINANCE FACILITIES

- 1 We appoint you as our agent to collect **Debts** and enforce the **Associated Rights** and you must:
 - 1.1 carry out your duties as our agent efficiently and honestly;
 - 1.2 not compromise any **Debt** or agree with a **Customer** to any extension of time to pay a **Debt** without our prior written consent;
 - 1.3 maintain your own sales ledger and a comprehensive record of all action taken by you to collect **Debts** and make the sales ledger and this record available to us on our request;
 - 1.4 ensure that the **Target Debt Turn** is not exceeded;
 - 1.5 retain all remittance advices, cheques and transfer authorities relating to **Remittances** tendered by **Customers** and send to us copies of these documents, if requested by us;
 - 1.6 instruct your bankers to send us at least once a month a statement of transactions undertaken on every bank account maintained by you; and
 - 1.7 tell your **Customers** that payment of all **Remittances** must be made into the **Remittance Account**.
- 2 Details of the **Remittance Account** must be printed in a prominent position on all invoices and statements of account sent to **Customers** no later than 30 days after the **Commencement Date**.
- 3 You must deliver to us within 10 days of the end of each month in the format specified by us:
 - 3.1 an aged sales ledger complete to the end of the previous month detailing all **Debts Outstanding** on the final day of that month;
 - 3.2 a reconciliation between the balances on the **Sales Ledger Account** at the end of that month and your sales ledger;
 - 3.3 copies of statements of account or an open item ledger including details of each **Customer's** name and address and the date, number and amount of each invoice, identifying their **Due Dates** for payment, and each credit note comprising the **Outstanding Debt** due by that **Customer**;
 - 3.4 an aged analysis of your purchase ledger complete to the end of that month;
 - 3.5 copies of all bank and building society statements detailing transactions on your bank and building society accounts in that month; and
 - 3.6 any other information we may request.
- 4 We may withhold making a **Prepayment** if you have not delivered to us all the information which you are required to provide within the time limit set out in clause 3 of these **Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities**.
- 5 We may cancel your agency to collect **Debts** and enforce the **Associated Rights** at any time. If we cancel this agency:
 - 5.1 only we are entitled to collect payment of **Outstanding Debts** and enforce the **Associated Rights**;
 - 5.2 you must give **Notice of Assignment** of all **Outstanding Debts** to the relevant **Customers**;
 - 5.3 you must provide to us any **Accounting Records** we request; and
 - 5.4 we may charge you an additional **Service Fee** of up to 5% of the **Invoice Value** of **Debts Outstanding** at the time of cancellation of the agency and coming into existence thereafter.

CONDITIONS APPLICABLE TO BAD DEBT PROTECTION

- 1 If a **Debt** is designated by us as a **BDP Debt**, we will accept the risk that the **Customer** may not pay the **BDP Debt** due to a **BDP Event**.
 - 2 **Debts** which are not eligible for **BDP** include:
 - 2.1 **Debts** due by **Customers** who are a registered charity, a government or a government ministry, department or agency, a regional or local authority, a local authority department or agency, a nationalised undertaking or entity controlled by a government or local authority or who are **Associates** or are **Insolvent** prior to **Delivery**;
 - 2.2 **Debts** payable on **Delivery** without credit terms or on "pay when paid" terms;
 - 2.3 **Debts** payable by a confirmed letter of credit;
 - 2.4 **Debts** that come into existence:
 - 2.4.1 before a **BDP Limit** is established (unless we have agreed in writing to backdate the **BDP Limit**);
 - 2.4.2 after a **BDP Limit** has been cancelled;
 - 2.4.3 after **Protracted Default** or a **Notifiable Event**; or
 - 2.4.4 as the result of the delivery of **Goods** after the **Default Date** of another **Debt** due by the same **Customer** (unless we have agreed in writing that you should continue to **Deliver Goods** to comply with your contractual obligations);
 - 2.5 **Debts** which are in excess of a **BDP Limit**;
 - 2.6 **Debts** eligible for **BDP** which, when aggregated with other **Outstanding Debts** eligible for **BDP** due by the same **Customer**, are less than the **BDP Threshold** at the time they are **Notified** or on the date of the **BDP Event**;
 - 2.7 **Debts** which are not invoiced within 30 days of **Delivery** or are payable more than 90 days after **Delivery**;
 - 2.8 all **Debts** due by a **Customer** if the total amount of **Debts** due by the **Customer** exceeds three times the **BDP Limit** for that **Customer**;
 - 2.9 **Non-notifiable Debts**;
 - 2.10 **Insured Debts**; and
 - 2.11 the element of each **Debt** that comprises **VAT**.
- 3 You must apply for **BDP Limits** using our standard application form. All information provided by you must be complete and accurate. A **Debt** is not eligible to be a **BDP Debt** until a **BDP Limit** has been established for the relevant **Customer**.
 - 4 We may establish, reduce, decline or cancel a **BDP Limit** at any time with immediate effect. Any reduction or cancellation of a **BDP Limit** will not affect **BDP Debts** that were **Outstanding** at the date of reduction or cancellation, except where clauses 6 and 7 of these **Conditions applicable to Bad Debt Protection** apply.
 - 5 We may also designate **Debts** which come into existence after the cancellation of a **BDP Limit** as **BDP Debts** provided that:
 - 5.1 no **Notifiable Event** has occurred;
 - 5.2 the **Supply Contract** was made before the **BDP Limit** was cancelled;
 - 5.3 you can satisfy us that you are not entitled to cancel the relevant **Supply Contract**; and
 - 5.4 your outstanding obligations under the **Supply Contract** will be completely performed within 60 days of the cancellation of the **BDP Limit**.

- 6 We may cancel all **BDP Limits** at any time after:
- 6.1 receiving notice of your intention to enter into an **Insurance Policy** pursuant to Condition 13.9 of the **Conditions applicable to all facilities** and, if any **Debt** is not paid due to a **BDP Event**, we will not be liable for the **Purchase Price** of any **BDP Debt Outstanding** at the earlier of the date of expiry of the notice or the date on which the **Insurance Policy** commences; and
- 6.2 the occurrence of a **Termination Event** (even if we do not terminate the **Agreement**) and, if any **Debt** is not paid due to a **BDP Event**, we will not be liable for the **Purchase Price** of any **BDP Debt Outstanding** at the date of the **Termination Event**.
- 7 All **BDP Limits** will be cancelled automatically upon the termination of the **Agreement** and, if any **Debt** is not paid due to a **BDP Event**, we will not be liable for the **Purchase Price** of any **BDP Debt Outstanding** at the date of termination.
- 8 You must not tell a **Customer** of the amount of a **BDP Limit** or of our decision to reduce, decline or cancel a **BDP Limit** for that **Customer**.
- 9 We may appropriate a **Remittance** against a **BDP Debt** (in chronological order of the **Due Dates** of each invoice) in priority to any other **Debt** due from a **Customer** despite contrary appropriation by the **Customer** or you.
- 10 **Debts** will be **BDP Debts** in the order in which they are **Notified**.
- 11 If we have appointed you as our agent to collect **Debts**, you must adhere to the **Collection Procedures**.
- 12 You must tell us immediately (and in any event within 7 days of you becoming aware) of:
- 12.1 the occurrence of any **Notifiable Event** or **BDP Event**; or
- 12.2 any information about a **Customer** that would influence us in deciding whether to continue, vary or cancel a **BDP Limit** or assist us to collect a **BDP Debt**.
- 13 If you have a Disclosed Invoice Discounting, Confidential Invoice Discounting, Confidential Invoice Finance, Combined Invoice Finance, Construction Finance or Contract Finance facility, you must also comply with the following Conditions:
- 13.1 Proceedings must be issued to recover payment of an **Outstanding Debt** within 60 days of the relevant **Due Date** for payment (unless an **Insolvency Event** has occurred prior to this date).
- 13.2 In the case of a **BDP Debt** which is not paid due to **Protracted Default**, you must supply to us a copy of the judgment entered against the **Customer** in respect of the **Debt**.
- 13.3 You must submit to us within 15 days of the end of each month an overdue and **Notifiable Event** report in our standard form detailing (i) all **Outstanding Debts** which have not been paid by the relevant **Default Date** and (ii) all **Notifiable Events**.
- 14 If you have a Disclosed Invoice Discounting, Confidential Invoice Discounting or a Confidential Invoice Finance facility, you must submit to us within 15 days of the end of each month an overtrading report in our standard form detailing each **Customer** by whom the aggregate balance of **Outstanding Debts** exceeds three times the value of the relevant **BDP Limit**.
- 15 Subject to compliance with the **Agreement** and, in particular, these **Conditions applicable to Bad Debt Protection**, we will credit the **Purchase Price** of a **BDP Debt** which is **Outstanding** after a **BDP Event** to the **Current Account** within 60 days of our receiving from you:
- 15.1 in the case of **Protracted Default**, written notice that the **Debt** has not been paid due to **Protracted Default**, subject to (if you have a Disclosed Invoice Discounting, Confidential Invoice Discounting, Confidential Invoice Finance, Combined Invoice Finance, Construction Finance or Contract Finance facility) compliance with clause 13 of these **Conditions applicable to Bad Debt Protection**;

- 15.2 in the case of an **Insolvency Event**, satisfactory evidence that the **Debt** is undisputed and (where appropriate) has been acknowledged by the **Customer's** insolvency practitioner in writing as due and owing by the **Customer** and eligible for the payment of a dividend in the **Customer's Insolvency**.
- 16 The **Purchase Price** of a **BDP Debt** which is **Outstanding** after a **BDP Event** will be 95% of the **Invoice Value** of the **Outstanding BDP Debt** after deduction of the **VAT** element of the **Outstanding Debt**.
- 17 If a **BDP Debt** is denominated in a **Foreign Currency**, the **Purchase Price** will be calculated by reference to the **Foreign Currency Rate** on its **Due Date** or, at our option, the date on which the **Purchase Price** is credited to the **Current Account**.
- 18 If we pay to you the **Purchase Price** of a **BDP Debt**, you will provide to us all reasonable assistance to enforce the **Associated Rights** and recover any dividends payable in respect of the **BDP Debt**.
- 19 We will not be liable for the **Purchase Price** of a **BDP Debt** if:
- 19.1 the **Debt** is disputed;
- 19.2 the **Debt** arises after you should have told us of the occurrence of any of the events or any information pursuant to clause 12 of these **Conditions applicable to Bad Debt Protection** or after we have told you to cease trading with the **Customer**;
- 19.3 you have not adhered to the these **Conditions applicable to Bad Debt Protection** or any conditions applicable to the **BDP Limit**;
- 19.4 you have a Disclosed Invoice Discounting, Confidential Invoice Discounting or a Confidential Invoice Finance facility and you have not adhered to your obligations under clause 4 of the **Conditions applicable to Disclosed Invoice Discounting facilities** or clause 3 of the **Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities**;
- 19.5 you have a Construction Finance facility and you have not adhered to your obligations under clauses 7 and 9 of the **Construction Finance Conditions** or you have a Contract Finance facility and you have not adhered to your obligations under clauses 6 and 8 of the **Contract Finance Conditions**;
- 19.6 the **Debt** is not paid because you have not obtained any relevant licence or authorisation or you have failed to comply with any relevant law; or
- 19.7 the **Customer** does not make payment as a result of an unforeseeable event beyond our control, war, invasion, act of a foreign enemy, hostilities or warlike operations, civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, expropriation, nationalisation, requisition, sequestration or confiscation by a public authority or government, terrorism or other political risks, strikes, riots, social or political disorder, or arising directly or indirectly from or caused by any process of nuclear fission or handling radioactive material, the use of radioactive materials and any weapon of war or explosive device employing nuclear fission or fusion.
- 20 We will not exercise **Recourse** in respect of any **Approved Debt** which is a **BDP Debt** provided that you have complied with these **Conditions applicable to Bad Debt Protection**.
- 21 You will pay us the application fee specified in the **Fees for Additional Services and Standard Charges** on each request for or variation of a **BDP Limit** and for each **BDP Limit** which is renewed on each anniversary of the date of the **IF Agreement** (excluding **BDP Limits** which have been varied or established by an application made in the three months prior to each anniversary).
- 22 We will not charge you the application fee specified in the **Fees for Additional Services and Standard Charges** unless the number of applications submitted by you for **BDP Limits** exceeds the figure specified in the **IF Agreement** (under "**Service Fee**") in the first year of the **Agreement** (beginning on the **Commencement Date**). After expiry of this period, each application for and annual renewal of a **BDP Limit** will be charged at the rates detailed in the **Fees for Additional Services and Standard Charges**.
- 23 You will exercise the same reasonable care and prudence in granting credit to and withholding credit from a **Customer** as an uninsured supplier and will act promptly in accordance with any reasonable instructions that we give to you.

E-SHADOW CONDITIONS

1 In these **e-Shadow Conditions**, the following words will have these definitions:

Accounting Data	Details of all information held on your accounting system relating to your sales ledger.
e-Shadow	The process by which Accounting Data is transferred from your accounting system to us using the e-Shadow software provided by us.

- 2 Condition 4 (*Schedules*) will be replaced by these **e-Shadow Conditions**. If you have a Disclosed Invoice Discounting, Confidential Invoice Discounting or a Confidential Invoice Finance facility, then your obligations under clauses 4.1 to 4.3 (inclusive) of the **Conditions applicable to Disclosed Invoice Discounting facilities** and/or under clauses 3.1 to 3.3 (inclusive) of the **Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities** (as applicable) will not apply to the **Agreement** unless we notify you as such.
- 3 If we have provided **e-Shadow** to you, you have a non-transferable licence to use **e-Shadow** subject to our right to suspend or withdraw the use of **e-Shadow** at any time, without notice.
- 4 If the **e-Shadow** software is functioning properly:
- 4.1 **Debts** must be **Notified** to us by **e-Shadow** (and you will not be required to **Notify Debts** by any other method unless we tell you to use another means). **Dilutions** must be **Notified** to us by **e-Shadow** and in accordance with clause 7 of these **e-Shadow Conditions**; and
- 4.2 each transfer of **Accounting Data** comprising **Debts** or **Dilutions** not **Notified** previously will constitute a **Notification** by you of the new **Debts** or **Dilutions**.
- 5 On the **Commencement Date**, you will use **e-Shadow** to **Notify** to us details of all **Outstanding Debts**. Thereafter, you will use **e-Shadow** to **Notify** each **Debt** immediately and in any event within 7 days after its creation.
- 6 We will credit the **Invoice Value** of each **Debt Notified** to us to the **Sales Ledger Account** upon receipt of each **Schedule Notified** by **e-Shadow**. Any **Dilutions** that reduce the **Invoice Value** and **Remittances** will be debited to the **Sales Ledger Account**.
- 7 If a **Customer** becomes entitled to a **Dilution** in respect of any **Debt** purchased by us, you will immediately enter details on your accounting system and use **e-Shadow** to **Notify** to us a credit note for the relevant amount. Immediately following any such **Notification**, you must also contact us by email to inform us of the same information. If we tell you, you must not send any credit note directly to a **Customer**. We may send the credit note to the **Customer** or withhold it.
- 8 You undertake:
- 8.1 to make use of **e-Shadow** as set out in these **e-Shadow Conditions** when we tell you to do so;
- 8.2 not to amend any **Accounting Data** that has been **Notified**. If a **Customer** is entitled to any **Dilution**, the **Invoice Value** of the relevant **Debt** may be changed by the issue of a credit note;
- 8.3 not to make any alterations to or modification of the whole or part of the **e-Shadow** software nor permit any part of the **e-Shadow** software to be combined with or incorporated in any other programme;
- 8.4 not to disassemble, de-compile, reverse engineer or create derivative works based on the whole or any part of the **e-Shadow** software except to the extent that such activities cannot be prohibited because they are essential for the purpose of achieving interoperability;
- 8.5 to give us not less than six weeks' notice of any change to your accounting or operating systems, including any variation to the version of or upgrade to these systems.

- 9 Following each transfer of **Accounting Data**, a report of the **Accounting Data** received will be available on **E3**. Unless you advise us of any errors, the **Accounting Data** will be treated as correct and compliant with the representations given by you in the **Agreement**.
- 10 You warrant and represent that all **Accounting Data** transferred to us using **e-Shadow** is accurate, correct and current and the details of all **Debts** comply with all the representations set out in Condition 12.2 of the **Conditions applicable to all facilities**.
- 11 You undertake to tell us immediately if you are aware of:
- 11.1 any **Accounting Data** which is incorrect or the transmission of information which should not have been transferred;
- 11.2 any technical or operational difficulties which affect the operation of **e-Shadow**; or
- 11.3 any actual or anticipated breach of the representations and warranties given under Condition 12.2 of the **Conditions applicable to all facilities**.
- 12 If we know that information other than **Accounting Data** has been transferred to us, we will tell you and return to you immediately any information to which we are not entitled.
- 13 Condition 12.2.13 of the **Conditions applicable to all facilities** will not apply and **Non-notifiable Debts** must be **Notified** to us using **e-Shadow** (unless we agree otherwise) but will be designated by us as **Disapproved Debts**.
- 14 It will be a **Termination Event** if you cease using **e-Shadow** without our prior written **Agreement**.
- 15 We will not be liable to you or any **Associate** for any loss arising as a result of your use of **e-Shadow** on your accounting system.

CONDITIONS APPLICABLE TO PAY AND BILL FINANCE

1. Appointment of Mazars

- 1.1 You have appointed **Mazars LLP** ("**Mazars**") to undertake certain Pay & Bill and Payroll (PAYE) Services ("**Mazars' Services**") on your behalf pursuant to an engagement letter ("**Mazars' Engagement**").
- 1.2 Pursuant to the **Mazars' Engagement**, **Mazars** have agreed to:
 - 1.2.1 provide Pay & Bill Services, including the compilation of your Pay & Bill records based on the information provided to **Mazars** by you;
 - 1.2.2 provide Payroll (PAYE) Services, including a comprehensive computerised payroll based on the information provided to **Mazars** by you;
 - 1.2.3 retain copies of all timesheets signed by **Customers** to evidence the performance of **Supply Contracts**;
 - 1.2.4 verify that the time charged on each invoice evidencing a **Debt** is the same as the time recorded on the relevant timesheet signed by the **Customer**;
 - 1.2.5 issue and send invoices to your **Customers**; and
 - 1.2.6 **Notify Debts** and deliver **Schedules** to us on your behalf.
- 1.3 At all material times during the **Mazars' Engagement**, **Mazars** will act as your agent and you will be fully responsible for and will indemnify us against any loss suffered or incurred by us as a consequence of the acts and omissions of **Mazars**.
- 1.4 The termination of the **Mazars' Engagement** by **Mazars** or you or by the mutual **Agreement** of **Mazars** and you will be a **Termination Event**.
- 1.5 You will tell us in writing immediately if **Mazars** threatens to serve or serves notice to terminate the **Mazars' Engagement**.

2. Notifying Debts

- 2.1 As you have appointed **Mazars** to **Notify Debts** and deliver **Schedules** to us on your behalf, you are responsible for telling **Mazars** of your obligations under the **Agreement**, including those in Conditions 4 (**Schedules**) and 12 (Warranties) of the **Conditions applicable to all facilities**, and ensuring compliance with those Conditions.
- 2.2 You will approve each **Schedule** prepared by **Mazars** on your behalf prior to the delivery of the **Schedule** by **Mazars** to us.
- 2.3 We will be entitled to assume that any **Schedule** delivered to us by **Mazars** was previously approved by you and will be entitled to rely and act on the **Schedule** notwithstanding any deficiency in, or the absence of your approval of, the **Schedule**.

3. E3

We will provide **Mazars** with access to our electronic information service through **E3** for the purpose of delivering **Schedules** to us and **Mazars** will have a non-transferable licence to use **E3**, subject to our right to suspend **Mazars'** use of **E3** at any time, without notice.

4. Communications with Mazars

- 4.1 You irrevocably authorise us to communicate with **Mazars** in relation to the operation of the **Agreement**, your accounts and your relationship with us.

4.2 You confirm that you have irrevocably authorised **Mazars** to provide to us (i) any **Accounting Records** (including timesheets) in their possession and (ii) any advice and reports provided to you in connection with the **Mazars' Services**.

5. Payment of Mazars' Fees

5.1 You authorise us to:

5.1.1 pay to **Mazars** the fees and expenses due by you to **Mazars** for undertaking the **Mazars' Services** ("**Mazars' Fees**"); and

5.1.2 treat **Mazars' Fees** as a **Disbursement** and to deduct **Mazars' Fees** from the **Purchase Price** of **Debts**.

5.2 You may withdraw your authorisation to us to pay **Mazars' Fees** on your behalf by giving us not less than 7 days' written notice.

5.3 Irrespective of our **Agreement** to discharge **Mazars' Fees** on your behalf, we will have no liability to **Mazars** in respect of **Mazars' Fees** nor any liability to you if we decide at any time not to make payment of any **Outstanding Mazars' Fees**.

6. Reserves

6.1 We may apply **Reserves** at any time to cover your liability for (i) the wages payable by you to your employees (ii) PAYE (iii) **VAT** and (iv) **Mazars' Fees** and the definition of "**Obligations**" in the Conditions will be replaced by the following:

"All your monetary obligations incurred at any time to us or to any **Affiliate**, or to any person who is employed by you, to HM Revenue & Customs and to **Mazars** whether actual, contingent or estimated by us (if the amount cannot be ascertained) or arising under the **Agreement** or another **Agreement** and including any sum you owe to us as a **Debtor** of any of our clients."

6.2 In our discretion, these **Reserves** will be reduced by the amount of the relevant liability as each liability payable by you becomes due for payment to the appropriate person. In the normal course of business, prior to the occurrence of any **Termination Event**, we anticipate that **Reserves** for wages will be reduced weekly, **Reserves** for PAYE liabilities and **Mazars' Fees** will be reduced monthly and **Reserves** for **VAT** liabilities will be reduced quarterly.

CONSTRUCTION FINANCE CONDITIONS

1. Conditions

The **Definitions** and **Conditions applicable to all facilities** are varied as follows:

- 1.1 The definition of "**Approved Currencies**" is replaced by the following definition:
- 1.2 "**Approved Currency**: Sterling."
- 1.3 The definition of "**Delivery** or **Delivered**" is replaced by the following definition:
- 1.4 "**Delivery** or **Delivered** The complete performance of a **Supply Contract** or, if it is permissible under the **Supply Contract** to perform the **Supply Contract** in stages or supply **Goods** in instalments, the complete performance of a **Supply Contract** to the relevant stage or period of the **Supply Contract** to which the **Debt** relates."
- 1.5 The definition of "**Invoice Value**" is replaced by the following definition:
- 1.6 "**Invoice Value**: The gross amount payable by a **Customer** according to the invoice or application for payment evidencing the **Debt**, ignoring any **Dilutions** to which the **Customer** may be entitled."
- 1.7 In Condition 12.2.4 of the **Conditions applicable to all facilities**, the words "and does not include any prohibition against the assignment of the **Debt**" is deleted.
- 1.8 Condition 12.2.6 of the **Conditions applicable to all facilities** is replaced by the following Condition:
- 1.9 "you have completed all your contractual obligations, where appropriate under the relevant stage or period of the **Supply Contract** to which the **Debt** relates, to the **Customer's** satisfaction and the **Customer** will accept liability for the **Debt** and pay the full **Invoice Value** (less any **Settlement Discount**) without any dispute, deduction, setoff or counterclaim, other than any retention or discount which the **Customer** is entitled to deduct under the **Supply Contract** or any deduction under the Construction Industry Scheme."
- 1.10 Condition 12.2.10 of the **Conditions applicable to all facilities** is replaced by the following Condition:
- 1.11 "you have no **Agreement** with the **Customer** for set-off, retrospective discounts, retentions or otherwise by which the amount of the **Debt** may be reduced, other than any retention or discount which the **Customer** is entitled to deduct under the **Supply Contract** or any deduction under the Construction Industry Scheme."

2. Construction Industry Scheme

- 2.1 You must tell us immediately if there is any change to your registration under the Construction Industry Scheme operated by HM Revenue & Customs or any replacement scheme.
- 2.2 The suspension or cancellation of your registration for gross payment or payment under deduction, as appropriate, will be a **Termination Event**.
- 2.3 If you are registered for payment under deduction, you must tell us if any amount is deducted by a **Customer** from a **Remittance** within 5 days of the receipt of the **Remittance**.
- 2.4 You must maintain and, upon our request, make available for inspection by us all records that you are required to keep under the terms of the Construction Industry Scheme.
- 2.5 Any refund of tax deducted from a **Debt** under the Construction Industry Scheme will constitute a **Remittance** which you must deliver to us under Condition 11.5 of the **Conditions applicable to all facilities**.

3. Terms of Supply Contracts

- 3.1 You must ensure that all **Supply Contracts** incorporate and are governed by your terms and conditions of business as approved by us.

3.2 Your **Supply Contracts** must include suitable provisions covering the following matters:

3.2.1 The time of performance of the **Supply Contract** is not of the essence of the **Supply Contract**.

3.2.2 The Contracts (Rights of Third Parties) Act 1999 must not be excluded.

3.2.3 You have the right to suspend further performance of the **Supply Contract** by giving not more than 7 days' written notice to the **Customer** if payment of any **Debt** is not discharged by its **Due Date**.

3.2.4 The **Supply Contract** incorporates an adequate mechanism for determining when payment is due and provides for a final date for payment.

3.2.5 If works under the **Supply Contract** will last more than 45 days, the **Supply Contract** states the intervals for periodic payments.

4. Provision of information when Notifying Debts

You must send to us contemporaneously with the delivery of each **Schedule** or, if the **e-Shadow Conditions** apply to your facility, transfer of **Accounting Data** (if you have not already done so):

4.1 copies of all invoices, applications for payment and credit notes relating to the **Debts** detailed in the **Schedule** or **Accounting Data**;

4.2 all documents evidencing the **Supply Contract** and its performance; and

4.3 any other documents which we tell you to send to us.

5. Approval of Debts

It is a condition of our designating a **Debt** as an **Approved Debt** that, at least 5 **Business Days** before **Notifying** the **Debt** to us, you will deliver to us:

5.1 all documents evidencing the **Supply Contract** and, if appropriate, any variations to the **Supply Contract**;

5.2 a written forecast of the anticipated **Due Dates** for payment of **Debts** arising under the **Supply Contract** and when payment of such **Debts** will be discharged by the **Customer**;

5.3 copies of all Health and Safety certificates and policies of insurance that you are required to maintain as a condition of the **Supply Contract**;

5.4 full particulars of any dispute (valid or otherwise) relating to the **Supply Contract** giving rise to the **Debt**; and

5.5 the names of all key persons working for the **Customer** in connection with the **Supply Contract** including (but not limited to) any quantity surveyor and site manager.

6. Disapproved Debts

Unless we advise you in writing, the following **Debts** must be **Notified** to us but will be designated as **Disapproved Debts**. **Debts** arising under a **Supply Contract**:

6.1 incorporating "pay when paid" or "pay when certified" payment terms;

6.2 incorporating terms prohibiting the assignment of the **Debt** or the **Supply Contract** under which the **Debt** arises unless either:

6.2.1 you have procured from the relevant **Customer** written confirmation that the **Customer** will waive the right to rely upon such provision of the **Supply Contract** and will make payment to us of all **Debts** arising under the **Supply Contract**; or

- 6.2.2 we have confirmed to you in writing that we have waived the requirement for you to procure such confirmation from the **Customer**;
- 6.3 where, except by operation of the conditions of the **Supply Contract**, you are unable for a period in excess of 3 months to discontinue the supply or hire of **Goods** to your **Customer** or to terminate the **Supply Contract**;
- 6.4 made with any **Customer** specified in a Special Condition;
- 6.5 which relate to the performance of variations to or arise from the performance of obligations outside the original **Supply Contract**;
- 6.6 whose terms do not incorporate a fixed, ascertained contract price or a pricing structure by which the contract price or price for each stage of the **Supply Contract** can be ascertained;
- 6.7 for amounts in excess of the price stated in the **Supply Contract**;
- 6.8 which are the subject of a dispute (whether valid or otherwise) with the **Customer** or a dispute which has been referred to adjudication or arbitration;
- 6.9 which has been terminated by the **Customer**; or
- 6.10 under which an **Outstanding Debt** arising under the same **Supply Contract** has not been discharged to us by the relevant **Due Date** or such later date as we agree in writing.

7. Provision of monthly information

You must deliver to us the following documents completed to the previous month end within 30 days of the end of each month in the format specified by us:

- 7.1 monthly management accounts incorporating a profit and loss account and balance sheet;
- 7.2 cash flow forecast for the next 3 months;
- 7.3 an aged analysis of your purchase ledger complete to the end of the relevant month;
- 7.4 details of any **VAT** and Pay As You Earn commitments;
- 7.5 a costs to value reconciliation for each unfinished **Supply Contract**; and
- 7.6 any other information we may request.

8. Collection and verification of Debts

We may at any time contact **Customers** to collect **Debts** and/or verify the validity and amount of any **Debt**.

9. Provision of bank statements

You must either deliver to us at least once a week duplicate statements of account for all bank accounts held by you or give us unrestricted online access to all your bank accounts.

10. Audits

You will allow us, pursuant to Condition 8.2 of the **Conditions applicable to all facilities**, access to your premises to audit your sales ledger and inspect your **Accounting Records** at such frequency as we stipulate. The cost of such audits will be set out from time to time in our **Fees for Additional Services and Standard Charges**.

11. Tax liabilities

We may at any time request you to deliver to us evidence of the discharge of your tax liabilities to HM Revenue & Customs.

12. Completion of contractual obligations

If a **Debt** is disputed by a **Customer** as a result of your failure to fully perform your obligations under the relevant **Supply Contract**, at our absolute discretion:

- 12.1 we may give you notice in writing to complete such obligations within such period as we consider to be reasonable in the circumstances; and
- 12.2 in the event of your failure to complete such obligations within the period stipulated by us, we or a third party appointed by us may complete such obligations at your expense.

13. Disbursements

Disbursements include the costs and expenses of any quantity surveyors, management consultants, builders, engineers or other contractors that we employ to:

- 13.1 advise us on the viability and our funding of your business;
- 13.2 assist us in our audits of your **Accounting Records**; and
- 13.3 perform any of your obligations under the **Agreement** or under a **Supply Contract**.

14. Debts referable to variations of the Supply Contract

- 14.1 A **Debt** arising as a consequence of variations to the original **Supply Contract** may be eligible to be an **Approved Debt** provided that the value of all variations to the original **Supply Contract** does not exceed 10% of the original contract value (prior to any variations).
- 14.2 If the value of all variations to the original **Supply Contract** exceeds 10% of the original contract value (prior to any variations), a **Debt** arising as a consequence of variations to the original **Supply Contract** may be eligible to be an **Approved Debt** subject to the **Customer** providing written confirmation that the full amount of the **Debt** is agreed and will be paid on or before its **Due Date** without deduction or set-off.

15. Debts referable to materials

- 15.1 A **Debt** relating to the supply of **Goods** that are materials delivered to the **Customer's** site where the relevant **Supply Contract** is being performed, may be eligible to be an **Approved Debt** provided that the value of the materials delivered to the site does not exceed 25% of the original contract value stated in the **Supply Contract**.
- 15.2 If the value of materials delivered to the **Customer's** site where the relevant **Supply Contract** is being performed exceeds 25% of the original contract value stated in the **Supply Contract**, a **Debt** relating to the delivery of such materials may be eligible to be an **Approved Debt** subject to the **Customer** providing written confirmation that the full amount of the **Debt** is agreed and will be paid on or before its **Due Date** without deduction or set-off.
- 15.3 A **Debt** relating to the supply of **Goods** that are materials which have not been delivered to the **Customer's** site where the relevant **Supply Contract** is being performed, but remain in your possession and under your control and are held to the **Customer's** order, may be eligible to be an **Approved Debt** provided that:
 - 15.4 the invoice or application for payment evidencing the **Debt** clearly states the location at which the **Goods** are being stored;
 - 15.5 the **Goods** are stored separately from all other **Goods** in your possession and are clearly and visibly marked as belonging to the **Customer** and held to the **Customer's** order; and

15.6 you supply to us a vesting certificate complying with all relevant criteria specified in the **Supply Contract**, in particular clearly identifying the relevant **Goods** and confirming that when the **Customer** discharges the **Debt** referable to the **Goods**, the **Goods** will become the **Customer's** property.

16. Applications for payment

A **Debt** evidenced by an application for payment will be **Disapproved** if at any time the aggregate amount of all **Remittances** or payment certificates received by us in or towards payment of all applications for payment under the relevant **Supply Contract** is less than 90% of the cumulative value of all applications for payment submitted by you to the **Customer** under the **Supply Contract**.

17. Loss and expense claims

A **Debt** comprising a claim for losses and/or expenses will only be an **Approved Debt** upon the **Customer** providing written confirmation that the full amount of the **Debt** is agreed and will be paid on or before its **Due Date** without deduction or set-off.

18. Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities

18.1 Clauses 1, 2, and 5 of the **Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities** apply to your facility except if stipulated otherwise by a Special Condition in *the IF Agreement* or by a variation made pursuant to the **Agreement**.

18.2 We may withhold making a **Prepayment** if you have not delivered to us all the information which you are required to provide within the time limits set out in clauses 7 and 9 of these **Construction Finance Conditions**.

CONTRACT FINANCE CONDITIONS

1. Conditions

The **Definitions** and **Conditions applicable to all facilities** are varied as follows:

1.1 The definition of "**Approved Currencies**" is replaced by the following definition:

"**Approved Currency**: Sterling."

1.2 The definition of "**Delivery** or **Delivered**" is replaced by the following definition:

"**Delivery** or **Delivered**: The complete performance of a **Supply Contract** or, if it is permissible under the **Supply Contract** to perform the **Supply Contract** in stages or supply **Goods** in instalments, the complete performance of a **Supply Contract** to the relevant stage or period of the **Supply Contract** to which the **Debt** relates."

1.3 The definition of "**Invoice Value**" is replaced by the following definition:

"**Invoice Value**: The gross amount payable by a **Customer** according to the invoice evidencing the **Debt**, ignoring any **Dilutions** to which the **Customer** may be entitled."

1.4 In Condition 12.2.4 of the **Conditions applicable to all facilities**, the words "and does not include any prohibition against the assignment of the **Debt**" is deleted.

1.5 Condition 12.2.6 of the **Conditions applicable to all facilities** is replaced by the following Condition:

"you have completed all your contractual obligations, where appropriate under the relevant stage or period of the **Supply Contract** to which the **Debt** relates, to the **Customer's** satisfaction and the **Customer** will accept liability for the **Debt** and pay the full **Invoice Value** (less any **Settlement Discount**) without any dispute, deduction, setoff or counterclaim, other than any retention or discount which the **Customer** is entitled to deduct under the **Supply Contract**."

1.6 Condition 12.2.10 of the **Conditions applicable to all facilities** is replaced by the following Condition:

"you have no agreement with the **Customer** for set-off, retrospective discounts, retentions or otherwise by which the amount of the **Debt** may be reduced, other than any retention or discount which the **Customer** is entitled to deduct under the **Supply Contract**."

2. Terms of Supply Contracts

2.1 You must ensure that all **Supply Contracts** incorporate and are governed by your terms and conditions of business as approved by us.

2.2 Your **Supply Contracts** must include suitable provisions covering the following matters:

2.2.1 The time of performance of the **Supply Contract** is not of the essence of the **Supply Contract**.

2.2.2 The Contracts (Rights of Third Parties) Act 1999 must not be excluded.

2.2.3 You have the right to suspend further performance of the **Supply Contract** by giving not more than 7 days' written notice to the **Customer** if payment of any **Debt** is not discharged by its **Due Date**.

2.2.4 The **Supply Contract** incorporates an adequate mechanism for determining when payment is due and provides for a final date for payment.

2.2.5 If works under the **Supply Contract** will last more than 45 days, the **Supply Contract** states the intervals for periodic payments.

3. Provision of information when Notifying Debts

You must send to us contemporaneously with the delivery of each **Schedule** or, if the **e-Shadow Conditions** apply to your facility, transfer of **Accounting Data** (if you have not already done so):

- 3.1 copies of all invoices and credit notes relating to the **Debts** detailed in the **Schedule** or **Accounting Data**;
- 3.2 all documents evidencing the **Supply Contract** and its performance; and
- 3.3 any other documents which we tell you to send to us.

4. Approval of Debts

It is a condition of our designating a **Debt** as an **Approved Debt** that, at least 5 **Business Days** before **Notifying** the **Debt** to us, you will deliver to us:

- 4.1 all documents evidencing the **Supply Contract** and, if appropriate, any variations to the **Supply Contract**;
- 4.2 a written forecast of the anticipated **Due Dates** for payment of **Debts** arising under the **Supply Contract** and when payment of such **Debts** will be discharged by the **Customer**;
- 4.3 copies of all Health and Safety certificates and policies of insurance that you are required to maintain as a condition of the **Supply Contract**;
- 4.4 full particulars of any dispute (valid or otherwise) relating to the **Supply Contract** giving rise to the **Debt**; and
- 4.5 the names of all key persons working for the **Customer** in connection with the **Supply Contract**.

5. Disapproved Debts

Unless we advise you in writing, the following **Debts** must be **Notified** to us but will be designated as **Disapproved Debts**. **Debts** arising under a **Supply Contract**:

- 5.1 incorporating "pay when paid" or "pay when certified" payment terms;
- 5.2 incorporating terms prohibiting the assignment of the **Debt** or the **Supply Contract** under which the **Debt** arises unless either:
 - 5.2.1 you have procured from the relevant **Customer** written confirmation that the **Customer** will waive the right to rely upon such provision of the **Supply Contract** and will make payment to us of all **Debts** arising under the **Supply Contract**; or
 - 5.2.2 we have confirmed to you in writing that we have waived the requirement for you to procure such confirmation from the **Customer**;
- 5.3 where, except by operation of the conditions of the **Supply Contract**, you are unable for a period in excess of 3 months to discontinue the supply or hire of **Goods** to your **Customer** or to terminate the **Supply Contract**;
- 5.4 made with any **Customer** specified in a Special Condition;
- 5.5 which relate to the performance of variations to or arise from the performance of obligations outside the original **Supply Contract**;
- 5.6 whose terms do not incorporate a fixed, ascertained contract price or a pricing structure by which the contract price or price for each stage of the **Supply Contract** can be ascertained;
- 5.7 for amounts in excess of the price stated in the **Supply Contract**;
- 5.8 which are the subject of a dispute (whether valid or otherwise) with the **Customer** or a dispute which has been referred to adjudication or arbitration;

- 5.9 which has been terminated by the **Customer**; or
- 5.10 under which an **Outstanding Debt** arising under the same **Supply Contract** has not been discharged to us by the relevant **Due Date** or such later date as we agree in writing.

6. Provision of monthly information

You must deliver to us the following documents completed to the previous month end within 30 days of the end of each month in the format specified by us:

- 6.1 monthly management accounts incorporating a profit and loss account and balance sheet;
- 6.2 cash flow forecast for the next 3 months;
- 6.3 an aged analysis of your purchase ledger complete to the end of the relevant month;
- 6.4 details of any **VAT** and Pay As You Earn commitments; and
- 6.5 any other information we may request.

7. Collection and verification of Debts

We may at any time contact **Customers** to collect **Debts** and/or verify the validity and amount of any **Debt**.

8. Provision of bank statements

You must either deliver to us at least once a week duplicate statements of account for all bank accounts held by you or give us unrestricted online access to all your bank accounts.

9. Audits

You will allow us, pursuant to Condition 8.2 of the **Conditions applicable to all facilities**, access to your premises to audit your sales ledger and inspect your **Accounting Records** at such frequency as we stipulate. The cost of such audits will be set out from time to time in our **Fees for Additional Services and Standard Charges**.

10. Tax liabilities

We may at any time request you to deliver to us evidence of the discharge of your tax liabilities to HM Revenue & Customs.

11. Completion of contractual obligations

If a **Debt** is disputed by a **Customer** as a result of your failure to fully perform your obligations under the relevant **Supply Contract**, at our absolute discretion:

- 11.1 we may give you notice in writing to complete such obligations within such period as we consider to be reasonable in the circumstances; and
- 11.2 in the event of your failure to complete such obligations within the period stipulated by us, we or a third party appointed by us may complete such obligations at your expense.

12. Disbursements

Disbursements include the costs and expenses of any professional advisor or other contractor that we employ to:

- 12.1 advise us on the viability and our funding of your business;
- 12.2 assist us in our audits of your **Accounting Records**; and
- 12.3 perform any of your obligations under the **Agreement** or under a **Supply Contract**.

13. Debts referable to variations of the Supply Contract

- 13.1 A **Debt** arising as a consequence of variations to the original **Supply Contract** may be eligible to be an **Approved Debt** provided that the value of all variations to the original **Supply Contract** does not exceed 10% of the original contract value (prior to any variations).
- 13.2 If the value of all variations to the original **Supply Contract** exceeds 10% of the original contract value (prior to any variations), a **Debt** arising as a consequence of variations to the original **Supply Contract** may be eligible to be an **Approved Debt** subject to the **Customer** providing written confirmation that the full amount of the **Debt** is agreed and will be paid on or before its **Due Date** without deduction or set-off.

14. Debts referable to materials

- 14.1 A **Debt** relating to the supply of **Goods** that are materials delivered to the **Customer's** site where the relevant **Supply Contract** is being performed, may be eligible to be an **Approved Debt** provided that the value of the materials delivered to the site does not exceed 25% of the original contract value stated in the **Supply Contract**.
- 14.2 If the value of materials delivered to the **Customer's** site where the relevant **Supply Contract** is being performed exceeds 25% of the original contract value stated in the **Supply Contract**, a **Debt** relating to the delivery of such materials may be eligible to be an **Approved Debt** subject to the **Customer** providing written confirmation that the full amount of the **Debt** is agreed and will be paid on or before its **Due Date** without deduction or set-off.
- 14.3 A **Debt** relating to the supply of **Goods** that are materials which have not been delivered to the **Customer's** site where the relevant **Supply Contract** is being performed, but remain in your possession and under your control and are held to the **Customer's** order, may be eligible to be an **Approved Debt** provided that:
 - 14.4 the invoice evidencing the **Debt** clearly states the location at which the **Goods** are being stored;
 - 14.5 the **Goods** are stored separately from all other **Goods** in your possession and are clearly and visibly marked as belonging to the **Customer** and held to the **Customer's** order; and
 - 14.6 you supply to us a vesting certificate complying with all relevant criteria specified in the **Supply Contract**, in particular clearly identifying the relevant **Goods** and confirming that when the **Customer** discharges the **Debt** referable to the **Goods**, the **Goods** will become the **Customer's** property.

15. Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities

- 15.1 Clauses 1, 2, and 5 of the **Conditions applicable to Confidential Invoice Discounting and Confidential Invoice Finance facilities** apply to your facility except if stipulated otherwise by a Special Condition in the **IF Agreement** or by a variation made pursuant to the **Agreement**.
- 15.2 We may withhold making a **Prepayment** if you have not delivered to us all the information which you are required to provide within the time limits set out in clauses 6 and 8 of these **Contract Finance Conditions**.

CONDITIONS APPLICABLE TO PARTNERSHIPS AND SOLE TRADERS

Unlimited partnerships

- 1 Any reference in the **Agreement** to "**you**" or "**your**" will be construed as a reference to the partnership and to each of your partners.
- 2 All consents, undertakings and warranties set out in the **Agreement** will be treated as being given by each of your partners and the obligations of the partners under the **Agreement** will be joint and several.
- 3 You warrant that all your partners are identified in section 1 of the **IF Agreement**.
- 4 You undertake to tell us in writing immediately if:
 - 4.1 any person intends to or does join or any person proposes to or does retire from the partnership; or
 - 4.2 you change the name of the partnership from that stated in section 1 of the **IF Agreement**.
- 5 You will procure at your expense that any person joining the partnership after the **Commencement Date** executes all documents that are required to make him a party to and bound by the **Agreement**.
- 6 Any person who ceases to be a partner of the partnership will remain liable to us for all **Obligations** accrued under the **Agreement** until the later of:
 - 6.1 the service of a written notice informing us of the cessation and the acknowledgement by us of such notice; and
 - 6.2 the date on which the person ceased to be a partner.
- 7 If a partner dies or leaves the partnership and we release that partner, the remaining partners will continue to be liable for all **Obligations** due under the **Agreement**.
- 8 You will be jointly and severally liable for all **Obligations** and we may:
 - 8.1 release or conclude a compromise with any one or more of the partners without affecting our rights against the others;
 - 8.2 treat a notice or demand given by us to any partner as having been delivered to all the other partners;
 - 8.3 treat a notice or demand from any of your partners as having been given by all of such partners;
 - 8.4 agree variations to the **Agreement** with any one or more of your partners; and
 - 8.5 treat the **Agreement** as continuing on the same terms and to account to you and exercise all rights of set-off in the event of any change in the partners or the trading style from that stated in section 1 of the **IF Agreement** as if there had been no such change.
- 9 You will assist us to register and, when appropriate, re-register the **Agreement** in the Register of Assignments of Book Debts and will reimburse us for all costs incurred by us in the registration process.
- 10 You will supply to us a signed copy of your balance sheet and accounts certified as true and correct by a firm of chartered or certified accountants as soon as they are available and in any event no later than 180 days from your financial year end. The first sentence of Condition 8.3 of the **Conditions applicable to all facilities** will not apply to the **Agreement**.
- 11 The death of any partner will constitute a **Termination Event**.

Sole traders

- 1 You must obtain our prior written consent to enter into partnership with another person.
- 2 You will assist us to register and, when appropriate, re-register the **Agreement** in the Register of Assignments of Book *Debts* and will reimburse us for all costs incurred by us in the registration process.
- 3 You will supply to us a signed copy of your balance sheet and accounts and certified as true and correct by a firm of chartered or certified accountants as soon as they are available and in any event no later than 180 days from your financial year end. The first sentence of Condition 8.3 of the **Conditions applicable to all facilities** will not apply to the **Agreement**.
- 4 Your death will constitute a **Termination Event**.

CONDITIONS APPLICABLE TO SCOTTISH DEBTS

- 1 Any reference in the **Agreement** to an "assignment" of a **Debt** will be a reference to an "assignation" if it relates to a **Scottish Debt**.
- 2 In respect of **Scottish Debts**, the words "full title guarantee" in Condition 2.2 of the **Conditions applicable to all facilities** will be replaced by "an absolute warranty".
- 3 If you assign **Scottish Debts** to us, this clause 3 of these **Conditions applicable to Scottish Debts** contains a declaration of trust by you in our favour. You are constituted a trustee for us to hold each **Scottish Debt** and its **Associated Rights** in trust for us until such time as we receive payment:
 - 3.1 in full of such **Debt** or we complete our ownership of the **Scottish Debt** and its **Associated Rights**; or
 - 3.2 of other money or property relating to the **Scottish Debt** or complete our ownership of that property.
- 4 We acknowledge intimation of the trust set out in clause 3 of these **Conditions applicable to Scottish Debts**. If requested by us, you will at your own expense give notice to any person of the trust and that payment of the **Scottish Debt** is to be made to us.
- 5 We may at any time require you, as trustee, or any other person who may become a trustee, to transfer to us absolutely the whole or any part of the property of the trust and to perform any other acts as we consider necessary to protect our interests.
- 6 You appoint us and every authorised signatory for the time being of our company (and every person to whom we may transfer, assign or novate the **Agreement**) jointly and each of them severally to be your attorney and mandatory (acting in our own interest) with full powers both before and upon you becoming **Insolvent** to agree and to accept any call made on you as trustee to grant and deliver all and any assignations, documents of transfer, notices and intimations and other deeds and documents necessary or desirable to vest in us absolutely the whole or any part of the property of the trust and to perform all of the acts set out in Condition 22.1 of the **Conditions applicable to all facilities**.

SCHEDULE OF APPROVED COUNTRIES

Australia
Austria
Belgium
Canada
Channel Islands
Chile
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hong Kong
Hungary
Iceland
Ireland
Isle of Man
Israel
Italy
Japan
Luxembourg
Mexico
The Netherlands
New Zealand
Norway
Poland
Portugal
Republic of Korea
Singapore
Slovak Republic
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States of America

SCHEDULE OF PERSONAL DATA PROCESSING OBLIGATIONS

1. Definitions and interpretation

1.1 The following terms and expressions shall have the meaning set out below for the purposes of this **Schedule of Personal Data Processing Obligations**:

“**Data Controller**” (or controller), “**Data Subject**”, “**Processing**”, and “**Sensitive Personal Data**” (or special categories of Personal Data) all have the meanings given to those terms in Data Protection Laws (and related terms such as “**Process**” and “**Processed**” shall have corresponding meanings);

“**Data Subject Request**” means a request made by a Data Subject to exercise any rights of Data Subjects under **Data Protection Laws**;

“**DP Losses**” means all liabilities and amounts, including all:

- (a) costs (including legal costs), claims, demands, actions, settlements, ex-gratia payments, charges, procedures, expenses, losses and damages (including relating to material or non-material damage, which includes emotional distress);
- (b) loss or damage to reputation, brand or goodwill;
- (c) to the extent permitted by applicable Laws and Regulations:
 - (i) administrative fines, penalties, sanctions, liabilities or other remedies imposed by a **Supervisory Authority**;
 - (ii) compensation paid to a **Data Subject**; and
 - (iii) The costs of compliance with investigations by a **Supervisory Authority**;

“**Supervisory Authority**” means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or supervisory authority, board or other body responsible for administering **Data Protection Laws**.

“**Shared Personal Data**” has the meaning given to it in clause 2.1 of this **Schedule of Personal Data Processing Obligations**.

1.2 To the extent that a term of this Schedule of Personal Data Processing obligations requires the performance by a party of an obligation in accordance with **Data Protection Laws** (or similar), unless otherwise expressly agreed in the **Agreement**, this requires performance in accordance with the relevant requirements of such **Data Protection Laws** as are in force and applicable at the time of performance (if any).

1.3 The data co-controller provisions as set out in clause 3 of this **Schedule of Personal Data Processing Obligations**, shall only take effect from the date 25 May 2018.

2. Data processing details

2.1 You are a Data Controller in relation to the processing of any **Personal Data** originating from you under or in relation to the **Agreement**. We are a Data Controller in respect of our independent collection and Processing of **Personal Data**. Where for the purposes of, or in relation to the provision of our services pursuant to the **Agreement**, you share the above **Personal Data** with us or we share **Personal Data** with you under or in relation to the **Agreement** (“**Shared Personal Data**”), you and us are each Data Controller in common of the Shared Personal Data.

2.2 Each Party shall comply with **Data Protection Laws** at all times in relation to the **Personal Data** processed under the **Agreement**.

3. Data co-controller provisions

- 3.1 Each party shall be responsible for its own **Obligations** as a Data Controller under this **Agreement**, including in particular but without limitation:
- 3.1.1 ensuring that there is a lawful basis on which **Shared Personal Data** can be **Processed** by it;
 - 3.1.2 ensuring all **Shared Personal Data** are accurate prior to any sharing with the other party and taking reasonable steps to ensure such data remains accurate on an ongoing basis, and notifying the other party within a reasonable time, in the event it receives updates or corrections to any of such **Shared Personal Data**, where it is reasonable to do so.
- 3.2 You shall not do or permit anything to be done through act or omission that would cause us to incur any liability under **Data Protection Laws**.
- 3.3 Each party shall provide reasonable assistance, information and co-operation as regards data protection matters where requested by the other party in respect of **Shared Personal Data**, including:
- 3.3.1 in respect of any claim and/or exercise or purported exercise of rights by a **Data Subject** under the **Data Protection Laws** or any investigation or enforcement activity by the Information Commissioner or any other **Supervisory Authority**, which relates to or is connected with the other party's **Processing of Shared Personal Data** pursuant to the **Agreement**;
 - 3.3.2 in respect of any breach of security or other action or inaction leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to Shared Personal Data, promptly providing such information as the other party requires under **Data Protection Laws** to report such breach to the **Supervisory Authority**;
 - 3.3.3 providing the other party with such information as required pursuant to **Data Protection Laws** in relation to **Shared Personal Data**;
 - 3.3.4 if it is contacted or approached in relation to any claim and/or exercise or purported exercise of rights by a **Data Subject** under the **Data Protection Laws**;
 - 3.3.5 in the event of any investigation or enforcement activity by the Information Commissioner or any other **Supervisory Authority**; or
 - 3.3.6 in the event of any breach of security or other action or inaction leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to **Shared Personal Data**.
- 3.4 You shall provide such information as requested by us as is necessary to display your **Processing of Shared Personal Data** complies with **Data Protection Laws**. If we are not satisfied that such practices are sufficient to ensure compliance with **Data Protection Laws**, We may require you to take such steps as necessary to bring **Processing** activities and security levels up to the standard required by **Data Protection Laws**.
- 3.5 Without prejudice to any other indemnity contained in the **Agreement**, you shall indemnify and keep us indemnified from and against all DP Losses (including, but not limited to, regulatory fines and penalties) suffered or incurred by, awarded against or agreed to be paid by us, arising from or in connection with any breach by you (or any agent, employee or sub-contractor of yours carrying out **Processing** under the **Agreement**) of this **Schedule** or of **Data Protection Laws**.

FEES FOR ADDITIONAL SERVICES AND STANDARD CHARGES

Fees for Additional Services

Service	Fee
1. Payments	
CHAPS fee – If you require a payment on the same day as you request it.	£30 per payment
Non-routine payment fee – When you request a payment that cannot be processed through our normal payments process using E3 . These fees are for payments to third parties and Prepayments .	£25 per payment
Payment request – When you request us to process a payment which could have been processed by you through our normal payments process using E3 .	£25 per payment
2. Enhancements to the funding available from your facility	
Overpayment fee – When you request a payment in excess of Availability .	The greater of £100 or 2% of the payment value in excess of Availability , up to a maximum of £2,000.
Customer Funding Limit fee – When you request an increase in a Customer Funding Limit to increase Availability .	The greater of £50 or 0.5% of the increase in the Customer Funding Limit , up to a maximum of £250.
Concentration Percentage fee – When you request an increase in the percentage of the sales ledger value we will fund for a specific Customer to increase Availability .	The greater of £50 or 0.5% of the increased Availability resulting from the increase in the Concentration Percentage , up to a maximum of £250.
Prepayment fee – When you request an increase in your Prepayment Percentage to increase Availability .	The greater of £150 or 1% of the increased Availability resulting from the increase in the Prepayment Percentage .
Facility Review Limit fee – When you request an increase in your Facility Review Limit to increase Availability .	The greater of £150 or 1% of the increased Availability resulting from the increase in the Facility Review Limit .
3. Bad Debt protection	
BDP Limit applications – The fee for each request for and annual renewal of a BDP Limit	£25

STANDARD CHARGES

Charges	Fee
Solicitor's letter before action – When a letter is sent to a Customer before legal action starts to collect overdue invoices.	£25
Refer to drawer cheque fee – When a cheque is returned to your Customer after being rejected by their bank.	£25
Management fee – When we need to conduct additional work to manage your facility due to concerns about how your facility is operating.	The greater of £100 or 1% of the Facility Review Limit
Third party fee – If we ask for appropriately qualified people/companies to carry out work on our behalf.	Fee will reflect the work which requires to be carried out.
Breach letter – A charge for our sending a letter to you if you have breached the Agreement .	£50
Audit fee – When we are required to conduct a sales ledger audit outside of the normal agreed audit timetable due to concerns we may have about your facility.	£500
Cancelled audit fee – If an audit arranged with you is cancelled by you with less than 72 hours' notice prior to the date of the audit.	£500
Late reconciliation fee – When your monthly Sales Ledger Account reconciliation is submitted to us after the Due Date stated in the Conditions.	£50
Non-compliance fee – If you do not supply information specified in the Conditions.	£200
Legal fee recharge – When legal fees are incurred in the execution or variation of the Agreement , any Security or other guarantee or facility document.	Legal costs incurred by us, plus a 10% handling fee
Reassignment fee – When we agree to a request by you to reassign a Debt .	£50 per request
External information enquiry fee – When we are requested to provide, with your approval, information regarding your facility to third parties.	Between £25 and £100 depending on the nature of the request.

DEFINITIONS

Accounting Records	All books, records, ledgers, financial statements, computer data and all documents in which accounting entries are recorded relating to your sales, purchases, expenses, Debts and Dilutions , and all invoices, credit notes or other documents and data relating to the creation, collection or enforcement of Debts and Dilutions .
Affiliate	Any company which is the ultimate holding company of Aldermore Bank PLC or a subsidiary (whether indirect or direct) of that ultimate holding company (as those terms are defined under section 1159 and <i>Schedule 6</i> of the Companies Act 2006).
Agreement	The IF Agreement made with you incorporating the Conditions and <i>Schedules</i> in these General Conditions of Invoice Finance (version 1/2018) , as specified in the IF Agreement , and our Fees for Additional Services and Standard Charges , as amended, supplemented, novated, assigned or replaced.
Approved Country	A country listed in the Schedule of Approved Countries .
Approved Currencies	Sterling, Euro and US Dollars.
Approved Debt	A Debt which is within a Customer Funding Limit , is not disputed, complies with all undertakings and warranties in the Agreement , has not been designated by us as a Disapproved Debt or is otherwise eligible for a Prepayment .
Associate	In relation to: <ul style="list-style-type: none"> (i) an individual, the individual's husband, wife, civil partner, child, step-child, brother, sister, uncle, aunt, nephew, niece, former husband or wife, relative of the individual's husband or wife, any body corporate of which the individual is a director or member and any employee or partner of that individual or that body corporate; (ii) a body corporate (including an LLP), any body corporate of which that body is a director or member, any body corporate in the same group as that body, any employee or partner of that body or of any body corporate in the same group; (iii) a partnership, any body corporate of which the partnership is a director, any employee or partner in the partnership and any person who is an Associate of a partner in the partnership.
Associated Rights	All your rights under a Supply Contract , the benefit of all guarantees, indemnities, insurances and securities given to or held by you in respect of a Customer's obligations to you, all Remittances held by you in relation to any such obligation, the right to possession of all Accounting Records , any Goods returned or rejected by a Customer , our right to have the ownership of any Goods transferred to us and any interest payable under the Supply Contract or statute.
Availability	The sum available that may be paid by us to you calculated by applying the Prepayment Percentage against the Invoice Value of Approved Debts then deducting the debit balance on your Current Account , subject to the Concentration Percentage, Export Percentage, Facility Review Limit and Reserves .
Base Rate	The base rate of Lloyds Bank plc.
BDP	Bad <i>Debt</i> Protection

BDP Debt	A Debt which is an undisputed Debt within a BDP Limit and complies with all warranties and undertakings in the Agreement .
BDP Event	Any Insolvency Event or Protracted Default .
BDP Limit	The maximum value of Notified Debts due by a Customer for which we are willing to accept the risk that a Customer will not pay a BDP Debt as a result of a BDP Event .
Broker	Any broker, accountant or other person specified in the IF Agreement .
Business Day	A day (other than Saturday or Sunday) when banks are usually open for the transaction of normal business in London.
Collection Date	Subject to clearance of the Remittance and our being able to identify that the Remittance is tendered in payment of a Debt , within 1 Business Day after the Remittance is credited to the Remittance Account .
Collection Procedures	You will undertake such credit control and collection procedures as we tell you and, as a minimum, you will, until a BDP Debt Outstanding after its Due Date is paid: <ul style="list-style-type: none"> (i) send a statement to the Customer each month; (ii) communicate to the Customer by telephone and in writing that the Debt is Outstanding on a regular basis until the Debt is paid; (iii) (in relation to UK Debts only) issue proceedings within 60 days of its Due Date and tell us immediately that proceedings have been commenced; (iv) (in relation to Export Debts only) instruct a collection agency approved by us to collect the Debt within 60 days of its Due Date; and (v) record in writing all steps taken to collect payment of the Debt and provide a copy of such record to us upon request.
Commencement Date	The date on which we make the first Prepayment to you or such other date as we advise you in writing.
Concentration Percentage	The total of the Invoice Value of all Outstanding Approved Debts due by one Customer expressed as a percentage of the Invoice Value of all Outstanding Approved Debts .
Current Account	The account on which we record all monetary transactions between us, including your liability to us under the Agreement .
Customer	A person from whom a Debt is, or will become, owing to you pursuant to a Supply Contract .
Customer Funding Limit	A limit established by us to determine if a Debt is eligible for a Prepayment .

Data Protection Laws	Any applicable laws and regulations relating to the processing, privacy, and use of Personal Data, as applicable to you, us, and/or the services provided pursuant to the Agreement , including: the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) and any laws or regulations implementing Council Directives 95/46/EC or 2002/58/EC; the GDPR and/or any corresponding or equivalent national laws or regulations; and any judicial or administrative interpretation of any of the above, and any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant lawful data protection regulatory authority.
Debt	The amount of any indebtedness (including any tax or duty payable) incurred by a Customer under a Supply Contract and its Associated Rights .
Default Date	60 days from the Due Date of the relevant Debt .
Delivery or Delivered	The complete performance of a Supply Contract .
Dilutions	All credit and debit notes, Settlement Discounts , deductions, retentions, set-off, withholding or other adjustments which reduce or we anticipate may reduce the Invoice Value of Notified Debts .
Disapproved Debt	A Debt which is not eligible for a Prepayment including: <ul style="list-style-type: none"> (i) Debts Outstanding after the expiry of the Recourse Period; (ii) Debts that are disputed or do not comply with all warranties and undertakings in the Agreement; (iii) Debts which we cannot verify as payable in full by the relevant Customer; (iv) Debts in excess of a Customer Funding Limit; (v) the Invoice Value of all Outstanding Approved Debts in excess of the Concentration Percentage or Export Percentage; and (vi) Debts against which we have applied a Reserve.
Disbursements	All charges set out in our Fees for Additional Services and Standard Charges and the amount of all losses, costs, charges and expenses (including legal costs and our own administrative expenses incurred by us) in relation to: <ul style="list-style-type: none"> (i) our enforcing or protecting our rights under the Agreement or any Security created in relation to your Obligations; (ii) our enforcing payment of any Debt or settling any dispute with a Customer in relation to any Debt; (iii) our employing any third party to collect Debts; (iv) our taking or releasing any Security; (v) our procuring the release of any Debt from any Security; (vi) any indemnity given to our bankers in connection with the collection on our behalf of any Remittance made payable to you; and (vii) any advice or report provided to us by any accountant, insolvency practitioner, valuer or other professional commissioned by us in relation to your financial position or to assess the value of your Debts, assets and liabilities.

Discount Fee	The charge deducted from the Purchase Price of Debts which is payable by you in respect of all Prepayments and on any other amount or Obligation debited to the Current Account and is calculated daily in accordance with Condition 7.3 of the Conditions applicable to all facilities until all your Obligations to us are discharged.
Discount Margin	The amount by which the Discount Fee exceeds Base Rate .
Due Date	The original date on which the Debt is payable under the Supply Contract .
E3	Our electronic data interchange service accessible through our website.
Early Termination Payment	The charge payable by you as liquidated damages and compensation for the loss suffered by us for the early termination of the Agreement if the Agreement is terminated for any reason before the earliest time it could have been terminated on or after expiry of the Minimum Period by either of us giving to the other written notice of not less than the Notice Period , calculated for each month or part of a month that the Agreement is terminated prior to the earliest date on which termination is permitted under Condition 1 (Period of the Agreement) as: <ul style="list-style-type: none"> (i) the monthly average of the aggregate of (a) the Discount Margin and (b) all Service Fees and (if applicable) Extended Service Fees payable in the previous six months; or (ii) if the Agreement has endured less than six months, the monthly average of the aggregate of (a) the Discount Margin and (b) all Service Fees and (if applicable) Extended Service Fees payable over the relevant period.
Excluded Debt	A Debt due by a Sanctioned Entity .
Export Debt	A Debt due by a Customer domiciled outside the UK , the Channel Islands and Isle of Man.
Export Percentage	The total Invoice Value of all Approved Debts which are Export Debts at any time expressed as a percentage of the Invoice Value of all Outstanding Approved Debts .
Extended Service Fee	The fee payable by you in relation to any Debt Outstanding after the expiry of the period specified in the IF Agreement .
Facility Review Limit	The maximum aggregate of: (i) all sums debited to the Current Account and (ii) the amount of Prepayments we will make to you at any time, being no greater than the amount specified in the IF Agreement .
Fees for Additional Services and Standard Charges	The charges set out in our Fees for Additional Services and Standard Charges provided to you from time to time.
Foreign Currency	Any currency other than sterling.
Foreign Currency Rate	The prevailing market rate of exchange for a Foreign Currency published by our bankers from time to time.
Goods	Any Goods or services the subject of a Supply Contract or a Debt .

GDPR	The General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, applicable as of 25 May 2018 and repealing Directive 95/46/EC
IF Agreement	The Invoice Finance <i>Agreement</i> executed by you incorporating these Conditions.
Insolvency Event	Any of: <ul style="list-style-type: none"> (i) the making of a winding-up, administration or bankruptcy order against the Customer; (ii) the appointment of a liquidator, administrator, administrative receiver, trustee in bankruptcy, trustee in sequestration or similar officer of the Customer; or (iii) the approval by a court of a binding arrangement or composition of the Customer's creditors or an informal arrangement approved by us made by the Customer with the majority of the Customer's creditors in full and final settlement of the Customer's Debts due to the Customer's inability to pay its Debts as they fall due.
Insolvent	<ul style="list-style-type: none"> (i) In relation to an individual: <ul style="list-style-type: none"> (a) the presentation of a petition for his bankruptcy or sequestration; (b) the making of a bankruptcy order; or (c) the granting of a trust deed for his creditors. (ii) In relation to a company or LLP: <ul style="list-style-type: none"> (a) the convening of a meeting of creditors to pass a resolution for the winding-up of the company or LLP; (b) the passing of a resolution by directors or members for the purpose of entering into liquidation or administration; (c) the appointment of a provisional liquidator, receiver, administrative receiver, liquidator, judicial factor or administrator; (d) the presentation of a petition or the making of any order for the winding-up or administration of the company or LLP; (e) the service of notice of intention to appoint an administrator, receiver or administrative receiver; (f) the commencement of a moratorium; or (g) the dissolution of a company or LLP. (iii) In relation to a partnership: <ul style="list-style-type: none"> (a) the presentation of a petition or the making of an order for the bankruptcy or sequestration of any partner or the partnership;

- (b) the presentation of a petition or the making of an order for the winding-up or administration of the partnership;
- (c) the appointment of an administrator or any person giving notice of intention to appoint an administrator;
- (d) the dissolution of a partnership; or
- (e) the passing of a resolution by the partners for its dissolution.
- (iv) In relation to any person:
 - (a) entering into or proposing to enter into a voluntary arrangement or the appointment of any nominee or supervisor under the Insolvency Acts 1986 and 2000;
 - (b) commencing negotiations with any creditor for the rescheduling of any indebtedness or any informal arrangement generally for the benefit of creditors;
 - (c) any creditor attaching, taking possession of, exercising commercial rent arrears recovery or executing against, sequestrating, levying on, exercising rights of lien on or enforcing **Security** rights against or obtaining an order restraining the disposal of any part of the person's income or assets;
 - (d) the service of a statutory demand under the Insolvency Act 1986;
 - (e) the entry of any judgment, order or award which remains unsatisfied or whose terms are not complied with for 5 days (except whilst any appeal is pending);
 - (f) following service of a duly executed charge in connection with proceedings issued in Scotland for payment of a *Debt*, the days of charge expire without payment;
 - (g) being unable to pay **Debts** as they fall due; or
 - (h) being deemed **Insolvent** under the Insolvency Act 1986.

Insurance Policy	A policy of credit insurance made by you with an insurance company.
Insured Debt	A Debt that is insured under or subject to the terms of any Insurance Policy .
Invoice Value	The gross amount payable by a Customer according to the invoice evidencing the Debt , ignoring any Dilutions to which the Customer may be entitled.
LLP	A Limited Liability Partnership incorporated and registered under the Limited Liability Partnerships Act 2000.
Minimum Period	The minimum length of time the Agreement must endure after the Commencement Date before either party may serve notice to terminate the Agreement .
Minimum Service Fee	The minimum amount of Service Fees (excluding Extended Service Fees) payable by you for the relevant period.

Non-notifiable Debt	<p>Any Debt owned by us which you must not Notify to us until we tell you, including a Debt:</p> <ul style="list-style-type: none"> (i) due by Customer who supplies Goods to you; (iii) due by an Associate or a private individual; (iv) referable to Goods supplied on approval, consignment, trial or sale or return or which are your fixed or capital assets; (v) payable in a currency other than an Approved Currency; (vi) due by a Customer domiciled in a country which is not an Approved Country; (vii) arising under a Supply Contract which is regulated by the Consumer Credit Act 1974 or which provides for payments by instalments; or (viii) which we have told you not to Notify to us.
Notice of Assignment	A written notice to your Customers , in a form specified by us, telling them that you have sold to us the Debts owing by them and that payment can only be made to us to discharge the Debts .
Notice Period	The length of notice which must be served to terminate the Agreement at any time on or after the expiry of the Minimum Period .
Notifiable Event	<p>Any of the following:</p> <ul style="list-style-type: none"> (j) The dishonour of any Remittance tendered by a Customer. (ii) A request by a Customer to extend your Standard Payment Terms or to make payment of a Debt after the Default Date. (iii) The publication of any advertisement of an impending Insolvency Event. (iv) The failure by a Customer to pay its Debts when they fall due. (v) The Customer admitting cash flow difficulties. (vi) The service of legal proceedings, a statutory demand or a winding-up petition on the Customer. (vii) The Customer being or about to become Insolvent. (viii) The Customer being impacted by an event which may prevent the Customer from paying a Debt by its Due Date.
Notify/Notified	The specific assignment of a Debt or informing us of the issue of a credit note or any Dilutions .
Obligations	All your monetary obligations incurred at any time to us or to any Affiliate whether actual, contingent or estimated by us (if the amount cannot be ascertained) or arising under the Agreement or another Agreement and including any sum you owe to us as a Debtor of any of our clients.
Outstanding	In relation to a Debt , remaining wholly or partly unpaid.
Personal Data	Any information relating to an identifiable natural person being one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to his/her physical, physiological, mental, economic, cultural or social identity, or as otherwise defined under applicable Data Protection Laws.

Personal Data Processing Obligations	The Data Protection Obligations and details as set out in the Schedule of Personal Data Processing Obligations .
Prepayment	A payment by us to you on account of the Purchase Price of Debts .
Prepayment Percentage	The percentage of the Invoice Value of Approved Debts up to which we may make a Prepayment .
Protracted Default	The failure of a Customer to pay a BDP Debt within 180 days of its Due Date .
Purchase Price	The price we pay to you to purchase any Debt .
Recourse	Our right to recover any Prepayment previously paid on account of the Purchase Price of an Outstanding Debt .
Recoveries Fee	An amount up to 10% of the debit balance on the Current Account at the date of the Termination Event for recovering your Obligations , including the collection of Debts and resolving disputes with Customers .
Remittance	Any form of payment tendered in discharge of a Debt , including monies recovered under an Insurance Policy , a refund of VAT and any dividend payable in respect of a Debt .
Remittance Account	The bank account(s) specified by us into which all Remittances must be paid.
Repurchase Price	An amount equivalent to the relevant Prepayment less the value of any Remittance received in payment of the Debt .
Reserves	A retention applied by us to cover Dilutions and your Obligations .
Review Date	1st January (in every year).
RPI	The Retail Prices Index (Jevons formula) published by the Office for National Statistics (or any official index replacing it).
Sales Ledger Account	The account on which we record the aggregate Notified Invoice Value of Debts Outstanding at any time.
Sanctioned Entity	A person domiciled in a Sanctioned Territory or who has been designated as a sanctions target or who is owned or controlled by or acting on behalf of a Sanctioned Entity .
Sanctioned Territory	A country which is subject to a financial sanctions regime or has been designated as a sanctions target by the European Union, the UK or the United States of America.
Schedule	A Schedule by which you Notify to us Outstanding Debts , credit notes and Dilutions .

Scottish Debt	Any Debt due by a Customer domiciled in Scotland or arising under a Supply Contract governed by Scots law.
Security	Any mortgage, charge, assignment, pledge, lien, guarantee, indemnity or other Security interest.
Service Fee	The fee payable by you for the provision of our services pursuant to the Agreement .
Supply Contract	A contract for the supply of Goods by you to a Customer .
Surety	A person who has given a guarantee and/or indemnity in respect of your Obligations .
Target Debt Turn	The average number of days within which your Customers must pay Debts .
Termination Events	<p>Any of the following:</p> <ul style="list-style-type: none"> (i) A breach by you of any term of the Agreement or of any other Agreement between you and us (including any property loan facility or small firms loan guarantee scheme facility) or you and an Affiliate; (ii) A breach by an Associate of any Agreement between us and the Associate; (iii) The invalidity of any Security given in respect of your Obligations; (iv) The creation of any Security in favour of another person over your property or assets without our consent; (v) You or a Surety become Insolvent; (vi) You cease to carry on business; (vii) The entry of a monetary judgment which remains unsatisfied for a period of 14 days; (viii) Any person obtains an order permitting registration of an inhibition, inhibition on the dependence, service of an arrestment or arrestment on the dependence or attachment of Goods or money; (ix) A third party Debt order is served on us or is made in respect of any Debt in favour of any of your creditors; (x) You default under any finance product with any third party or us, including but not limited to a finance Agreement or other Agreement or obligation relating to borrowing or under any guarantee; (xi) A change in the nature, ownership or control of your business without our consent which we consider to be material; (xii) The death of any Surety or of any director, shareholder, member or partner of yours; (xiii) The giving of notice by a Surety to terminate a guarantee or indemnity;

	<ul style="list-style-type: none"> (xiv) The breach or withdrawal by any person of a waiver, consent, undertaking or priority arrangement relating to any Security Agreement; (xv) A breach or termination of an Insurance Policy in which we have an interest, including as a loss payee or joint insured; (xvi) You fail to Notify a Debt to us within 7 days after its creation or any other period we have agreed in writing; (xvii) You fail to Notify any Debts to us during a continuous period of 5 weeks; (xviii) You fail to pay any Remittance to us or into the relevant Remittance Account; (xix) Your financial position or that of a Surety has deteriorated to the extent that we believe our ability to recover payment of your Obligations is prejudiced; (xx) The commission by you of an offence under the Proceeds of Crime Act 2002 or any transaction or circumstances which we know or suspect or have reasonable grounds for knowing or suspecting that you are involved in money laundering; (xxi) The disqualification of any of your directors from acting as a director; (xxii) The conviction of you, a Surety, director, shareholder, member or partner of yours of a criminal offence involving dishonesty; and (xxiii) A change in your domicile or that of a Surety, director, shareholder, member or partner of yours to a country outside the UK.
UK	The United Kingdom of Great Britain and Northern Ireland.
UK Debt	A Debt due by a Customer domiciled in the UK , the Channel Islands or the Isle of Man.
Value Date	<p>Subject to clearance of the Remittance and our being able to identify that the Remittance is tendered in payment of a Debt:</p> <ul style="list-style-type: none"> (i) for Remittances paid in sterling received in cash or by BACS, CHAPS, SWIFT, Faster Payments Service or other electronic method, the Business Day after the date on which the Remittance is credited to the Remittance Account; (ii) for payments made by cheque drawn on a UK bank account, 4 Business Days after the Remittance is credited to the Remittance Account; and <p style="padding-left: 40px;">for payments made in a Foreign Currency or drawn on a foreign bank account, the Business Day after the date on which we receive cleared funds in the Remittance Account.</p>
VAT	Value Added Tax.