Portman Finance Group
Portman House
300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

("The Company")

Dear

Engagement Letter

Thank you for your recent enquiry with Portman Finance Group to act as a broker through Portman Business Finance Limited in order to procure so far as we are able to do so an offer of finance from one or more of our panel of lenders ("Broker Services") for you. We are an independent financial intermediary and the provision of our Broker Services does not give rise to any partnership, disinterested duty, fiduciary duty or joint venture between us.

We are therefore writing to you to set out the terms of our relationship and provide key information in respect of our finance products. This letter (the "**Engagement Letter**") sets out the terms on which Portman will provide its services, subject to any amendments from time to time as agreed between both parties in writing, and constitutes a legally binding agreement between us.

Portman Business Finance Limited work with a carefully selected panel of lenders. Portman Business Finance Limited is part of the wider Portman Finance Group Limited, and therefore is associated with two of our lenders, Portman Leasing Limited and Portman Commercial Finance Limited.

We may not be able to make proposals to lenders for finance prior to receiving confirmation that you accept the terms of this Engagement Letter. Please therefore confirm, as soon as possible and as set out in paragraph 8 below, that you accept the terms of this Engagement Letter.

Notwithstanding the above, your instructions to Portman, sent subsequently to your receipt of this Engagement Letter, to act on your behalf to provide Broker Services, will be deemed to amount to an acceptance of the terms contained herein in full.

References in this Engagement Letter to "we", "our", "the firm" and "Portman" are references to Portman Business Finance Limited and references to 'you', 'customer' or 'the Client' are to you and any Group Company unless otherwise stated. A "Group Company" refers to the Company, any subsidiary of the Company, any holding company of the Company and any subsidiary of such a holding company (with "subsidiary" and "holding company" having the meaning given by section 1159 of the Companies Act 2006).

Our products and services are not regulated by the Financial Conduct Authority as they do not constitute regulated activities.

1 CLIENT IDENTIFICATION (FRAUD PREVENTION) AND CREDIT REFERENCES

1.1 The Firm and our lenders are subject to Anti-Money Laundering and Know Your Customer regulations which require us to have formal, satisfactory evidence of the identities and addresses of our clients before any finance offer can be made. We will always comply with our legal obligations, and therefore may require you to supply documentary proof of your address and identification. As is industry standard, we may carry out online e-verification checks against the documents provided which may leave a 'soft footprint' on your credit file.

1.2 Where you have applied for credit or where we have agreed to provide credit to you, we and/or our lenders may from time to time make searches of your record at a credit reference agency ('CRA'). You hereby consent to the processing of your personal data in this manner and warrant and confirm that if you are a joint applicant, such as a partnership, unincorporated association or if you are a body corporate, such as a limited company or LLP or charity, you have obtained specific and relevant consent and authority to authorise us and/or our lenders to create an identity search against any partner/trustee/officer/director/ shareholder or beneficial owner (as so required) at the credit reference agencies. If the beneficial owners of your business are not the partners or directors of your business, you hereby confirm that you have notified the beneficial owners that we will also conduct due diligence checks on them to prevent fraud and money laundering. Your record includes searches made and information given by other businesses. Details of our searches will be kept by the agency and will be seen by other organisations that make searches with the agency for the purposes of credit assessment, debt recovery, management of your accounts, prevention of money laundering and fraud, and statistical analysis. If you apply for credit or require an offer of finance to be advanced in respect of a Group Company other than the Company, you hereby confirm and warrant that you have obtained all the necessary consents and completed any notification requirements pursuant to this paragraph 1.2 for each relevant Group Company that an application for finance may be sought.

1.3 The three main credit reference agencies ("CRAs") in the UK (Callcredit, Equifax and Experian) have produced a Credit Reference Agency Information Notice which explains how these agencies use and share personal data which they receive about you. The identities of the CRAs, and the ways in which they use and share personal information, are explained in more detail at https://www.equifax.co.uk/privacy-hub/crain

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

2 STATUS DISCLOSURE

2.1 Portman Finance Group includes Portman Business Finance Limited registered in England (Company Registration number 14742864), Portman Commercial Finance Limited registered in England (Company Registration number 10011121) and Portman Leasing Limited registered in England (Company Registration number 06797365). All Portman companies have their registered office at Portman House, 300 Pavilion Drive, Northampton, NN4 7YE. The Financial Conduct Authority regulates financial services in the United Kingdom and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website https:/register.fca.org.uk/s/ Group Companies are members of the Finance and Leasing Association ("FLA") and National Association of Commercial Finance Brokers ("NACFB") and voluntarily comply with the Code of Practice and Minimum Standards.

3 SCOPE OF SERVICES

3.1 **Portman Business Finance Limited is part of the wider Portman Finance Group Limited that assists business customers as both a lender and commercial finance intermediary. As part of this activity, we will typically introduce businesses to a group company, namely Portman Leasing Limited and Portman Commercial Finance Limited (together "Portman Lenders"), who will decide if they can support the customer with a competitive hire or credit agreement. If a customer's requirements fall outside of Portman Lenders risk or credit appetite, we will seek to obtain finance through a range of providers across the market and assist those businesses by undertaking preparatory work and submitting finance applications. Portman maintain a panel of lenders who are reputable and experienced and who can offer products and services which suit a variety of credit strengths and business needs.**

3.2 Portman may provide a quotation as part of the application process. Any quotation provided is an accurate reflection of this assessment at the time of publication, however it is subject to full underwriting and fluctuations in interest rates, terms fee, facility type and other factors which may be unforeseen at this initial stage.

3.3 In order for us to fulfil our responsibilities to you, you must (i) read the documentation we give to you and let us know if there is anything that is unclear or that does not represent your requirements; and (ii) comply with the terms and conditions of any agreement we arrange for you.

Lender Selection

3.4 Portman will make introductions to lenders on our panel who we consider that you would be eligible for based on the information which is gathered during the application process.

3.5 **We can introduce you to lenders who are on our panel including Portman Lenders and their finance products may have different interest rates and charges. We are not an independent financial advisor and as we are a lender in the first instance through Portman Lenders, and in circumstances where we receive commission from external lenders on our panel, we are unable to act on a disinterested or impartial basis when providing finance options to you due to the commercial arrangements in place between us, Portman lenders and our external lenders. We will provide details of finance products available from the lenders we work with, but no advice or recommendations will be made. You must decide whether the finance product is right for you based on the terms presented.**

Commissions

3.6 **We receive commission on lending arranged for you from external funders. We are paid commission by lenders only if a finance offer is made by a lender to you, and you accept and draw down the finance offer, following our submission to the lender of a lending proposal. We are also paid a bonus based on the volume of business we introduce from some of our lenders. Commission amounts will be based on a percentage value of the amount you borrow or the total you repay depending on the lender (excluding any interest or charges). The commission we receive is either a fixed percentage set by the lender over which we have no influence or a difference in charge commission where the cost of finance will vary in accordance with the quantum of commission that we receive. You are of course entitled at any time to request information in respect of any commission which we may receive as a result of placing your finance requirement with a lender.**

3.7 **If you have been introduced to us by a third party, we will pay commission to that third party for the introduction once you have agreed to and activated the finance agreement. Any commission paid to an introducer is taken from the commission we receive from lenders detailed in section 3.6 above and does not increase the cost of your finance.**

4 PRODUCTS

4.1 We provide access to leasing products, hire purchase and commercial loans. More details about specific products can be found in the suitability section below.

Product Suitability

4.2 It is important that the finance product is suitable for your requirements.

4.3 Whilst we will endeavour to understand your needs and assist you in looking for an appropriate product, we would encourage you to use the information below to ensure that the facility is suitable for your requirements. You will not receive advice or a recommendation on which product is most suitable, however details of the products available to you from our lending panel will be provided.

4.4 If you require further information you should seek advice from your accountants or other professional advisors. For the avoidance of doubt, Portman is not an IFA or tax advisor and you should always take your own tax advice from your own accountant or other professional advisors and place no reliance on any

information or commentary provided by Portman in respect of taxes. You hereby represent and acknowledge that you have been advised by Portman to seek independent legal and/or tax advice before proceeding with the instruction under the terms of this agreement.

LEASING

4.5 Finance Lease involves the hire of equipment and may also be known by other names such as Lease Rental, a Rental Agreement or a Minimum or Fixed Term Hire Agreement.

4.6 The lessee (customer or borrower) will select an asset which the lessor (the lender) will then purchase.

4.7 The lessor retains ownership of the asset, but the lessee gets exclusive use of the asset (providing it observes the terms of the lease) giving the customer the benefits and risks of (economic) ownership.

4.8 The lessee will make rental payments for the duration of the lease. The lessee is committed to paying these rentals over the term of the lease and technically, a finance lease is defined as non-cancellable although it may be possible to terminate early by paying the future rentals less a discount.

The Benefits of Leasing

4.9 There are several benefits of using leasing to finance new or used assets / equipment, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:

i. Available on nearly all equipment purchases;
ii. Spreads the cost of the purchase;
iii. Interest rate and payments are fixed throughout the term so that you can plan your finances;
iv. Leasing enables you to acquire equipment even if you can't afford to buy it outright;
v. VAT is paid on each rental, so you do not need to pay VAT upfront; and
vi. Potential tax advantages.

At the end of the Lease

4.10 What happens at the end of the primary lease period will vary and depends on the actual agreement, but the following options are usually possible:

i. Continue to rent the equipment;
ii. Return the equipment to the lessor; or
iii. Terminate the lease.

4.11 If upon terminating the lease you would like to acquire ownership of the equipment this can usually be arranged by us following the payment of an appropriate fee which is typically three monthly rentals.

4.12 Our lender panel typically will use a Minimum Term Hire Agreement which means all the options detailed above would be available to you. It is important that you contact us before the end of your primary lease period to discuss your desired option as otherwise a secondary period of rentals will automatically begin

HIRE PURCHASE

4.13 Hire Purchase is a credit agreement linked to a specific equipment purchase and is a way of obtaining the use of an asset before payment is completed.

4.14 The payments of the Hire Purchase are in regular (typically monthly) instalments which includes a capital repayment plus interest followed by an option to purchase fee at the end of the term of the agreement which

will give the customer ownership of the asset. The payment of the VAT is generally required upfront, at the beginning of the agreement.

4.15 The customer selects an asset and the finance company purchases the asset whilst agreeing to sell the asset on credit to the customer by way of the hire purchase agreement.

4.16 The customer must make the agreed regular payments for the term of the agreement. However, the customer can buy the asset at any time by giving notice to the owner (the lender) and paying the balance of the Hire Purchase price less a rebate.

The Benefits of Hire Purchase

4.17 There are several benefits of using hire purchase to finance new or used assets / equipment, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:

i. Spreads the cost of the purchase of the equipment;
ii. Interest rate and payments are fixed throughout the term so that you can plan your finances;
iii. In some instances you can pay off a larger sum or 'balloon payment' at the end of the term;
iv. Hire purchase enables you to acquire equipment even if you can't afford to buy it outright;
v. Confirmed title to the goods; and
vi. Potential tax advantages.

At the end of the Hire Purchase Agreement

4.18 Ownership will pass to you once an option to purchase fee is paid. The fee varies dependant on the lender and is disclosed on the Hire Purchase agreement which you should check before signing.

UNSECURED LOAN

4.19 An unsecured loan is money lent from one party to another without any security over a specific asset to secure its repayment. Note, a personal guarantee is not considered security, and may be required with an unsecured loan by a lender.

4.20 The finance company advances funds to the customer for a specific purpose.

4.21 The customer must make the agreed regular payments for the term of the agreement that cover the cost of the funds advanced plus interest.

4.22 The customer can terminate the agreement at any time by giving notice to the finance company and paying the balance of the agreement (which may be reduced by a rebate).

The Benefits of An Unsecured Loan

4.23 There are several benefits of using an unsecured loan facility, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:

i. Funding can be used to fund a wide variety of purposes without the requirement for security of a specific asset;
ii. Spreads the cost of expenses;
iii. Certain products available could be restricted due to the finance purpose, business structure or credit appetite of certain lenders; and
iv. If you have used a loan to fund the acquisition of goods or equipment, you will own the product from

the outset.

At the end of an Unsecured Loan

4.24 If you have used the loan to purchase any assets or equipment, you will retain ownership of the same at the end of an unsecured loan term and nothing further will be payable. If you have used the loan for working capital, at the expiration of the loan term nothing further will be payable.

General Considerations

4.25 For both Leasing and Hire Purchase there will be a requirement to insure the assets and to maintain and keep the assets in working order.

4.26 All finance products will typically include a Documentation Fee which is determined by the lender and usually collected with the first payment.

4.27 If a personal guarantee is required, the guarantor will be jointly and severally liable for the full balance of the outstanding debt which they have guaranteed. If you are required to sign a Personal Guarantee as a condition of acceptance for any of the products, you will become personally liable if the business is unable to pay the contractual payments on the facility. You have the right to seek independent legal advice in relation to the guarantee, especially if you have any questions about the content of the guarantee or want clarification on any of the terms contained within. In the event that you cease acting as a director or are no longer a person with significant control or interest in the company, you will still be liable for any sum covered by the guarantee and will need to ensure that you understand any requirements by the lender in relation to exiting the guarantee.

SUITABILITY OF FINANCE

4.28 When deciding to proceed with a finance product, it is important to consider some key factors:

i. Is this the right product?
ii. How quickly can it be delivered?
iii. What are their service standards and reputation?
iv. What rates are available to you?

4.29 When considering costs, always consider the rental and repayment costs, the frequency of this and the total amount that you are being asked to repay. This will help you to compare costs and to ensure that the repayments meet with any budgeting requirements you may have.

4.30 Asset finance (leasing and hire purchase) may not be suitable in certain circumstances. You should be aware:

i. You will have to continue to pay for the equipment for the agreed period even if you no longer need the equipment or it cannot be used. If your financial situation changes and you can't afford the agreed monthly repayments, you may lose the asset;
ii. If you change equipment during the agreed period, this could lead to higher charges;
iii. You will pay more for the asset overall compared to buying it outright; and
iv. Asset finance is unlikely to be suitable if you are not sure that the equipment will be maintained and kept in usable condition for the agreed period.

4.31 An Unsecured Loan may not be suitable in certain circumstances. You should be aware:

i. You may have limited access to lenders as a material number of our lenders do not offer unsecured Loan products;
ii. You will not be able to benefit from the tax advantages which may be available to you if using asset finance (leasing); and

iii. You will incur additional expenses compared to the use of available cash.

4.32 The lenders on our panel will make you an offer of finance if your business and the application meet their criteria. Each lender will have a different credit appetite and underwriting criteria, but all lenders will reserve the right to withdraw their acceptance in the event that circumstances change, or information comes to light which places the application outside of the lender underwriting criteria prior to the finance being drawn down.

5 CUSTOMER CHECKLIST

5.1 We recommend that customers taking out business finance agreements follow these steps:

i. Read your business finance agreement carefully before signing it. Never sign a business finance agreement which is not fully complete. Retain copies of all documentation.
ii. Ensure that the final contract:
  a) corresponds with any verbal or written quotation on the rental amount and period of hire;
  b) accurately reflects what you are agreeing to pay for, including any maintenance or services included in the repayments;
  c) accurately describes the equipment you are expecting to receive (e.g. whether it is new or used) and that its working life is appropriate to the length of the finance agreement.
iii. Make it clear who has the authority within your own organisation to sign the agreement.
iv. Make sure you understand and agree with all terms and conditions of the business finance agreement and, if you are unsure, ask for these to be explained or seek advice.
v. Make sure you understand all the costs involved and whether these will change during the course of the business finance agreement.
vi. Check that the supplier of the equipment is reputable.
vii. Understand whether there are any notice period or settlement terms required to terminate the agreement.
viii. If there is a maintenance or service contract which is separate to the finance agreement, check that the length, start date, notice period and settlement terms of the two agreements is the same, and if not, that you are happy with this.
ix. If the name of the leasing company contracting with you is not shown on the agreement ensure that you are informed at the earliest possible time.
x. Check whether the lender is a member of the FLA, as all asset finance members adhere to the FLA Business Finance Code.
xi. If any amendments are made to the business finance agreement or a further agreement is required to replace an existing agreement, do not sign it until you have made the same checks as you did for the original agreement.
xii. If a new business finance agreement includes an element of refinancing from a previous agreement with a different provider, check that the settlement figure provided by the former provider matches the refinancing figure used by the new provider.

6 COMPLAINTS PROCEDURE

6.1 We see complaints management as integral to providing the best service levels possible and a way to further improve services and systems.

6.2 Your complaint will be fully investigated by Portman Business Finance Limited and you will be dealt with fairly and promptly.

Complaints Handling Procedure

6.3 The following is a summary of how Portman Business Finance Limited deals with complaints:

6.4 Complaints should be managed quickly and fairly. Where possible, complaints will be resolved within 3 business days using the Early Resolution Procedure. For a complaint to be regarded as resolved we must

be satisfied that your complaint has been addressed and resolved to your satisfaction. If this is the case, we will close the complaint and provide you with a Summary Resolution letter.

6.5 If it is not possible to resolve your complaint through the Early Resolution Procedure, you will be sent an acknowledgement in writing as soon as possible, and at the latest after 5 business days. Your complaint will be referred to our dedicated complaints team, who will investigate the complaint promptly, thoroughly and impartially.

6.6 If your complaint refers to the actions of a third party, that party will be asked to investigate and report back. If this occurs, you shall be notified of this and kept updated. In some circumstances where the third party is solely responsible for the complaint, the complaint will be referred to the third party who will respond directly to you. We will notify you in writing that the complaint has been referred. In these circumstances Portman Business Finance Limited will have no further obligation to deal with your complaint in accordance with its complaints procedure.

6.7 You will receive a response as soon as possible, and in any event, within 8 weeks of complaint receipt.

6.8 In the unlikely event your complaint remains unresolved within eight weeks; Portman Business Finance Limited will advise you in writing why a final response cannot be provided and when they expect to be able to do so.

Contact

6.9 Here is how you can contact us should you have a complaint:

i. By phone: 01604 761 276
ii. By post: Complaints Officer
Portman Business Finance Limited
Portman House
300 Pavilion Drive
Northampton Business Park
NN4 7YE
iii. By email: complaints@portmanfinancegroup.co.uk

6.10 When you write to us, please tell us:

i. Your name and address, or the name and address of the complainant if you are complaining on someone else's behalf and your relationship to them;
ii. Your daytime phone number (where we can contact you if we need to) and any times you would prefer us to contact you;
iii. A clear description of your concerns or complaint; and
iv. Details of what you would like us to do to put things right.

6.11 Portman voluntarily complies with the NACFB Code of Practice and a copy is available on request from the NACFB or on its website at the following address: www.nacfb.org.

7 PRIVACY NOTICE

7.1 The Portman Finance Group Privacy Notice details the lawful basis for processing data, how we use the information about You and advises You of Your rights in relation to Your Personal Data. The Privacy Notice can be found on the website at the following link https://portmanfinancegroup.co.uk/privacy-policy/ Alternatively, if you require a hard copy of the notice, please write to the Data team, Portman House, 300 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YE or send an email to info@portmanfinancegroup.co.uk, or call 01604 761276.

7.2 A link to the privacy notices of our funders can be found at the following address:

https://www.portmanfinancegroup.co.uk/lenders-privacy-policy/

8 ACCEPTING THIS ENGAGEMENT LETTER

8.1 We hope you find the contents of this letter satisfactory. If so and if you wish to instruct Portman to provide Broker Services to you on the terms set out herein, please could you return a signed copy to us which indicates your agreement to these terms. You have read the terms and conditions of this Agreement and by proceeding to provide instructions and engage Portman to provide Broker Services hereby confirm that you wish to do so under these terms.

8.2 By providing application information and supporting documents, you consent to Portman making applications for finance for your business. If you do not want Portman to make the applications following the provision of the information or supporting documents, please confirm this in writing to your account manager at the time of provision of the aforementioned information and documentation.

8.3 By signing this agreement you are bringing a contract into existence between us and indicating your acknowledgment of, and agreement to, the terms set out or referred to in this letter. If you ask us to provide you with our Broker Services before you have signed this Engagement Letter, this letter will be treated as applicable to the provision of such services.

8.4 This Engagement letter will be applicable to any of your Group Companies. You warrant as signatory that you are authorised to sign on behalf of the Group Companies, if not you will need to arrange for another Engagement letter to be signed in the specific Group Company entity name.

8.5 You acknowledge that we are not acting on a disinterested basis, as a fiduciary or as an agent to you and nothing contained within this letter shall constitute or be deemed to constitute a partnership or joint venture between you and us.

8.6 You acknowledge that we receive commissions directly from lenders for performing Broker Services and as a result, we can't offer disinterested or impartial advice on the finance offers presented to you as we have our own commercial interest when performing Broker Services.

8.7 You acknowledge that we shall have no liability for any economic loss (whether direct, indirect or consequential) insofar as it relates in any way to loss of business, loss of client data, interruption of business or loss of profits or goodwill because of the manner or performance by us of any services or any obligations arising from this letter. This exclusion will not however, otherwise affect any of your statutory rights.

8.8 You agree, to the extent such agreement is enforceable under applicable laws and regulation, that there is no assumption of a personal duty of care by, and you will not bring any claim against any Director or other member, shareholder or employee of or consultant to Portman. If we and another party are liable to you in respect of the same loss, our liability will not increase by reason of any limitation of liability that you have agreed with that party (e.g. because of its insolvency), beyond what it would have been if no such limitation had been agreed and if that other party had paid its share in full. Nor can we accept liability for the acts or omissions of any third party we may instruct on your behalf.

8.9 If any term or provision of this letter shall to any extent be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining terms or provisions (and any other application of the said terms and provisions) shall not in any way be affected or impaired as a result and any invalid or unenforceable provision will be deemed to be severed from this Agreement.

8.10 This Agreement shall be governed by and construed in accordance with the laws of England and Wales and the Parties irrevocably agree that in the event of any dispute between you and us, the courts of England and Wales shall have exclusive jurisdiction.

8.11 Pursuant to the Contracts (Rights of Third Parties) Act 1999 no person shall be entitled to enforce the terms

of this Agreement other than the parties.

8.12 Any amendment or variation to this Agreement proposed by Portman shall take effect on the date specified unless in the meantime you notify Portman of any objection to the amendment or variation or requests an extension of time before such amendment or variation take effect, in which case, any such amendment or variation will only take effect when the parties have agreed it in writing.

8.13 Any amendment or variation to this Agreement proposed by you shall take effect only when accepted by a Director of Portman in writing.

8.14 You agree to act with the utmost good faith in the provision of information to Portman so as to enable Portman to accurately complete any lending proposal. In addition, you acknowledge that:

8.14.1 the lender is likely to make a finance offer relying on the information which is submitted to the lender by Portman, such information being given to Portman by you;

8.14.2 should such information be false, it may render any finance offer void and any finance agreement entered into terminated;

8.14.3 you will not withhold any information from Portman which you know or ought to reasonably know, would affect the lender's view of the lending proposal or you and

8.14.4 Portman will ask questions in order to narrow down the selection of products that it will provide you details on. You will then need to make your own choice on how to proceed. You will not receive advice or a recommendation from Portman and will decide whether to proceed with any finance application yourself.

8.15 This Agreement contains all the terms agreed between the parties except such variations as shall be made in accordance with clause 8.12 and 8.13.

Yours sincerely



Alex Read
Chief Executive Officer for and on behalf of Portman Finance Group Limited

You agree to the instruction of Portman Business Finance Limited on the terms set out above, and by signing this agreement warrant that you are an authorised signatory capable of binding the named business below and any Group Company who you require an offer of finance from.

Signed by _____

For and on behalf of _____

Dated _____

PLEASE RETURN AS SOON AS POSSIBLE