

Leasing Agreement

DIRECT DEBIT GUARENTEE

- This guarantee is offered by all banks and building societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own Bank or Building Society.
- If the amounts to be paid or the payment dates change the originator will notify you ten working days in advance of your account being debited or otherwise agreed.
- If an error is made by your Originator or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to the Originator



INSTRUCTION BY YOUR BANK OR BUILDING SOCIETY TO PAY BY DIRECT DEBIT

Please write in the name and full postal address of your branch in the panel below. Please complete parts 1 to 4 to instruct your bank/building society to make Payments directly from your account.

1. Branch Sort Code			
2. Account Holders Name			
3. Account Number			

The Manager

Originator's Identification Number

Reference

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4. Your instructions to your bank/building society, and signature

- I instruct you to pay direct debits from my account at the request of the Originator.
- The amounts are variable and may be debited on various dates.
- I understand that the Originator may alter the amounts and dates only after giving me prior notice.
- I will inform the bank/building society in writing if I wish to cancel this instruction.
- I understand that if any Direct Debit is paid which breaks the terms of this instruction, the bank/building society will make a refund.

Signature(s)

Date

Banks and Building Societies may not accept Direct Debit instructions for some types of account

Hire Agreement

FOR NON REGULATED USE ONLY

Agreement Number

Owner

(A reference to “we”, “us”, or “our” in the Agreement is a reference to the Owner)

The Owner shall be a Finance Company which is entirely separate from First Choice Systems Finance Ltd or the Supplier or any third party who introduced this Agreement to the Owner. Details of the Owner shall be inserted below and notified to the Customer upon acceptance of the Agreement by the Owner. By signing this Agreement, the Customer irrevocably requests the Owner to enter into this Agreement and agrees to be bound by the Terms of Hire and Terms and Conditions contained in this Agreement.

The Owner's name

Address

The Customer

Full name (of Customer)		Type of business
Trading as (if applicable)		Years in business
Address		Post code
Telephone	Fax number	E - mail address
Contact name	Company Reg. No.	VAT No.

Name of Customer's bank		Post town
Account No.	Sort code	Telephone number

Supplier

Supplier's name	Contact name
Address	Post code
Telephone No	Fax No

Equipment					
Quantity	Full Description	Maintenance Incl. (Please tick)	New	Not New (Please tick)	Location

Terms of Hire

1. Minimum Period

(In words)

This leasing under this Agreement commences on the date of acceptance by us and shall continue for at least the Minimum Period and thereafter the leasing shall continue until the expiry of at least three months prior written notice given by us or you of our or your intention to terminate such leasing.

2. Payments

2.1 Rental Payments

First Rental:	Followed by a minimum of:	Subsequent Rentals:	Payment Frequency: (eg: monthly/quarterly)
£ plus VAT	payments	£ plus VAT	Monthly

The First Rental is payable on the date that the Agreement is accepted by us or on such further date as we may decide. The Subsequent Rentals (which shall be subject to variation as provided by clauses 2b, 2c, 3b, 6b, 7d and 7e of the Terms and Conditions overleaf) will be paid to us at the Payment Frequency (shown above) after that date. Where neither party notifies the other under clause 1 such that the leasing continues after the Minimum Period, then the Rentals payable shall be at the same rate and at the same Payment Frequency as applied during the Minimum Period. An administration fee of £125 plus VAT will be collected with the First Rental.

2.2 Maintenance Charges

If you enter into a maintenance agreement with the Supplier, we may act as agent for you for payment of the Maintenance Charges and you may elect to pay these along with each Rental Payment. If included a Maintenance Charge of £ plus VAT shall be payable by you with and in addition to each Rental Payment and shall be paid by you at the Payment Frequency.

Signatures

CUSTOMER'S DECLARATION

By signing this Agreement the Customer confirms that:

- Upon acceptance by the Owner this Agreement shall become binding
- The Terms of Hire (set out above) and the Terms and Conditions (set out over the page) have been read and understood and initialed for the purposes of identification
- The information appearing in the Agreement is accurate and complete apart from the information relating to the Owner which shall be completed upon acceptance by the Owner
- The Equipment does not become the property of the Customer and as such the Customer is not entitled to sell the Equipment.

DATA PROTECTION ACT 1998

We will register details of this Agreement and the conduct of your account with any licensed credit agency. This information may be used to help make credit decisions, to prevent fraud and for tracing debtors. We may also disclose this and other information supplied by you to any other member of the group of companies of which we are a member. You agree that we may process any personal data outside of the EU in accordance with applicable laws. Information held about you may also be used by us and such others for commercially beneficial purposes including sending you additional information. If you do not wish to receive this please indicate by ticking the box below. You are entitled on payment of a fee to a copy of the information we hold about you and details of the agencies from whom we have obtained and passed on information by applying in writing to our Data Manager at our address specified herein.

☐

Customer's signature(s)
Signature

Date

Name

Position

Acceptance by the Owner

Authorised Signatory

Date

CUSTOMER CHECKLIST

- Please read this Agreement carefully before you sign it. Check that all relevant sections have been completed, particularly those referring to the payments and minimum period of hire.
- Make it clear within your organization who can sign agreements of this nature.
- Ensure that the supplier of any equipment is reputable and an accredited supplier of the equipment involved.
- Ensure that you understand the terms and conditions and the costs involved. If you do not understand the terms and conditions, you should seek professional advice.
- Check that all aspects of this Agreement fully correspond with the arrangements you have made, and in particular, you're understanding of any written or oral quotation given to you by the supplier or any other person who negotiated this Agreement. The only terms that will apply are those referred to in this Agreement.
- If the Equipment is not new make sure that this is noted on the document and that used Equipment is suitable for your purposes.
- Ensure that the expected working life of the Equipment is not longer than the minimum period of hire.
- Do not sign the Agreement unless it has been completely filled in (save for the details of the Owner) and, in particular, make sure that the payment amount and period of hire are shown.
- Keep a copy of the Agreement before you return it.
- If this Agreement replaces or supplements an existing Agreement carry out the same checks before signing it.
- This Agreement conforms to the guidelines issued by the Finance and Leasing Association (FLA).

Terms and Conditions

Please read these terms and conditions before you sign the Agreement.

1. This Agreement

You acknowledge that all of the terms and conditions forming the agreement between us are contained within this Agreement. No other terms and conditions will apply to this Agreement unless we have agreed to them in writing.

2. Payments

- a. You shall pay punctually and without demand deduction or set-off to us the Rental Payments and all other sums due to us on the date and at the Payment Frequency specified in clause 2.1 of the Terms of Hire. Time shall be of the essence in respect of such payments and you agree that a condition of this Agreement is that a failure to pay any sums due to us shall constitute a material breach of this Agreement.
- b. All Rental Payments and other sums will be subject to VAT at the rate current on the day they become due and we shall be entitled to vary your Rental Payments as and when the rate of VAT varies.
- c. If you begin paying us by Direct Debit, but subsequently change from this payment method, we will charge you an extra 5% on each future Rental to cover our increased costs of administration.
- d. If payments are made by post then this is at your own risk and proof of posting shall not constitute proof of delivery.
- e. If the Rental Payments include Maintenance Charges in accordance with clause 2.2 of the Terms of Hire, the payments you make will firstly be applied to the Rental Payments plus the VAT due on those Rental and secondly to the Maintenance Charges.
- f. If you do not pay any amount due under this Agreement on time you will pay daily interest at a rate equivalent to 2% per month from the date you should have paid that amount and until it is actually paid.

3. Taxation

- a. The Rental Payments have been calculated on the assumption that there shall be no change in the nature or basis of taxation of companies and groups of companies in the United Kingdom including the rate of corporation tax, the availability of capital allowances and the treatment of losses and expenditure.
- b. If any such change does occur at any time during the duration of this Agreement, we are entitled to adjust the Rental Payments to ensure that our intended after tax return from this Agreement is maintained.
- c. Such adjustment to Rental shall only be made by us once we have provided you with 10 days written notice of our intention to do so.
- d. For the purposes of United Kingdom taxation you are not entitled to claim capital allowances on the Equipment.

4. The Equipment

You shall be responsible for:

- a. Choosing the Equipment and the Supplier and ensuring that the Equipment is used in the course of your business;
- b. Inspecting the Equipment on delivery and notifying us in writing within 3 working days after delivery of any defects in the Equipment, failing which the Equipment shall be deemed to be complete and in good order and fit for the purpose for which it is intended;
- c. Connecting and disconnecting the Equipment. A delay in the connection of the Equipment shall in no way affect the commencement of this Agreement;
- d. Ensuring that the Equipment is at all times in good working order and condition (fair wear and tear excepted) and fit for the purpose for which it is intended and that all necessary repairs are attended to and parts properly replaced when so required;
- e. Ensuring that our ownership of the Equipment is not interfered with in any way and that no charge is made over the Equipment;
- f. Ensuring that the Equipment remains at the address specified in this Agreement unless otherwise agreed in writing by us. This clause does not apply to portable or laptop computers, which may be removed from the specified location but must remain in your possession and control at all times;
- g. Ensuring that the Equipment is used in a skilful and proper manner and in accordance with the manufacturer's instructions and any statutory requirements;
- h. Any loss or damaged caused to the Equipment;
- i. Obtaining all indemnities and warranties necessary for the Equipment from the Supplier;
- j. Making any alterations to the Equipment (or bearing the cost of such alterations) which may become necessary or compulsory as a result of any change in coinage or the introduction of the European currency into the UK. Accordingly, you will, at your expense, procure that any necessary alterations are carried out.

5. Software

If software is included as part of the hiring under the Agreement:

- a. It is your responsibility to ensure that you remain properly licensed to use the software;
- b. You will observe the terms and conditions of the software licence;
- c. You are responsible for ensuring that the software meets your specifications and is suitable for your purposes
- d. You will provide us with a copy of the software licence or the specifications if requested by us;

6. Insurance

- a. Following delivery of the Equipment and thereafter until you have discharged all your obligations to us under this Agreement, you will have entire risk of loss, damage, destruction, theft or seizure of the Equipment and you are therefore responsible for insuring the Equipment against any loss (including total loss) or damage from such risk. The amount you insure the Equipment for must be at least the full cost of replacing it as new. You must also insure against third party liability for the same period.
- b. You must arrange for us to be additional insured and loss payee on the policy and show proof to us or our agents if we ask for it. If you do not provide this proof, or if the policy does not satisfy the requirements set out in Clause 6a above, we may, through agents or otherwise and at your expense, arrange our own insurance, in which case we will notify you of the total charge which will be added to the Rentals.
- c. You must tell us immediately if you have to make an insurance claim in relation to the Equipment. You must obtain our written consent before agreeing any settlement of a claim. All settlement payments must be made to us and if you receive any proceeds from an insurance claim they shall be held on trust for us and paid to us without delay.
- d. You shall not do or omit to do anything which is contrary to the terms of any policy of insurance or which might entitle the insurers to cancel any policy or reduce or avoid any liability or claim.
- e. If the Equipment is damaged but it is not a Total Loss (as defined below) you will at your own cost and expense promptly reinstate or repair the Equipment
- f. If an actual, constructive or arranged total loss ("Total Loss") of all or any of the Equipment shall occur, then if we so demand, you will on the next date for the payment of a Rental, or if none, on the last day of the Minimum Period pay to us payments equal to those amounts specified in Clause 11 whereafter the hiring of the Equipment will terminate.

7. Maintenance

If you have indicated in clause 2.2 of the Terms of Hire that you wish to include Maintenance Charges in the Rental Payments payable under this Agreement then the following provisions shall apply to you:

- a. We will collect the Maintenance Charges stipulated in clause 2.2 of the Terms of Hire and pay them to your Supplier on your behalf;
- b. The Supplier is responsible for providing the maintenance services in accordance with the terms of the maintenance agreement between you and the Supplier and you agree that we shall not be responsible for carrying out such services;
- c. If you fail to pay any of the Rental Payments to us we will not pay the Maintenance Charges due to the Supplier, who as a result, may be entitled to withdraw maintenance services. This will not affect your obligations to us under this Agreement.
- d. If the Supplier is no longer able to provide the maintenance services under the terms of the maintenance agreement, you must give us not less than 30 days notice in writing that you wish to end the arrangement for the inclusion of the Maintenance Charges in the Rental Payments. We will reduce the Rental Payments by the amount of the Maintenance Charges from the next date upon which payment of the Rental is due following expiry of the notice.
- e. In the event that the Maintenance Charges are increased in accordance with your agreement with the Supplier, we shall be entitled to increase the Rental Payments by the amount of such increase. Such increase shall only take place upon receipt of notification from the Supplier of the increase in the Maintenance Charges.

8. Exclusion of Liability

- a. You agree that the Equipment and the Supplier have been selected by you relying entirely upon your own expertise and according to your own specifications and as such you acknowledge that:
 - i) We do not hire the Equipment to you with any guarantee or warranty or condition (express or implied) about the description, suitability or fitness for the purpose for which it is intended or that it is of satisfactory quality;
 - ii) We are not technically equipped to give you advice or assurances concerning the suitability of the Equipment for the purpose for which it was intended or its quality; and
 - iii) We are not responsible for the proper functioning of the Equipment or delays in its delivery;
- b. Accordingly you acknowledge that it is reasonable for us to exclude liability for the above and for any loss (including any loss of business, loss of profit and / or any other consequential loss), damage or expense which you may suffer as a result of the use of the Equipment or as a result of the Equipment failing to function properly or not being delivered on the date you agreed with the Supplier. You agree to obtain the necessary assurances, warranties and guarantees directly from the Supplier.
- c. Such exclusion of liability shall not include an exclusion of our liability for death or personal injury which is caused by our negligence in the performance of our obligations under this Agreement or any other matter incapable at law of exclusion.
- d. The Supplier or any other dealer or person not employed by us, including First Choice Systems Finance Ltd, who may have been involved in introducing this Agreement to us is not our agent and we shall not be liable for any statement or warranty made by the Supplier, First Choice Systems Ltd or other such dealer or person.

9. Indemnity

You shall indemnify us against all loss actions claims demands proceedings costs and legal expenses which we may incur (either directly or indirectly) as a result of this Agreement whether arising from your failure to observe your obligations under this Agreement or by reason of any loss or injury suffered by any person from the presence of the Equipment or its use or any defect in the Equipment other than any loss or damage arising as a result of any gross negligence or willful misconduct on our part.

10. Termination

a. We may end the hiring of the Equipment by writing to you and withdrawing your right to possession and use of the Equipment if:

- i) you fail to pay any Rental or other payment due under this Agreement on the due date; or
- ii) you fail to comply with your other obligations under this Agreement and do not remedy the situation within 5 days of it being brought to your attention;
- iii) any representation or warranty given or made by you in connection with this Agreement proves to be incorrect;
- iv) we have grounds to believe you cannot pay your debts, or you are declared or become insolvent
- v) being an individual, an application is made for an interim order or a bankruptcy petition is presented against you, or you die;
- vi) being a company, any person takes any action or any legal procedure is commenced or other steps taken (including the presentation of a petition or the filing or service of a notice) with a view to the appointment of an administrator, administrative receiver, receiver or liquidator or a like officer, or such person is appointed, over all or any of your assets or you arrange or attempt to arrange a composition or scheme with your creditors or a meeting of creditors is called or any steps are taken against you for your winding up or dissolution
- vii) being a partnership, any person takes any action or any legal procedure is commenced or other steps taken with a view to your dissolution or a petition is presented for a bankruptcy order to be made against one or more of the partners for non-payment of a partnership debt, or any one or more of the partners enters into a voluntary arrangement with the creditors of the partnership, or you enter into a voluntary arrangement with your creditors;
- viii) you apply for or take any steps to apply for a moratorium on payment to your creditors pursuant to the laws of any jurisdiction in which you conduct your business or have any assets;
- ix) you fail to pay any amount due to us in respect of any other agreement;
- x) there is any change in your ownership which we consider material;
- xi) you fail to pay any amount required by a court order or a judgment other than where you are properly contesting such order or appealing against such judgment
- xii) there is, in our opinion, any material adverse change to your financial position;
- xiii) any of the events or state of affairs set out in (i) to (xii) (inclusive) above occurs in relation to any guarantor of or person providing security for your obligations hereunder; or
- xiv) any guarantor of or person providing security or support for your obligations hereunder breaches the terms of such guarantee, security instrument or support document; or
- xv) we have reasonable grounds to believe the Equipment, and/or our interest in it, is at risk

b. It is a condition of this Agreement that you make all payments on the due dates, that you remedy any breaches of other terms within 5 days of being informed of such breach, that all representations and warranties made by you remain correct for the duration of this Agreement, and that none of the events set out in Clause 10a (iv) to (xv) occur. Accordingly, the occurrence of any of the events set out in Clause 10a (i), (ii) and (iii) shall constitute a repudiation of this Agreement by you, and the events listed in Clause 10a (iv) to (xv) inclusive are all agreed terminating events entitling us to terminate the hiring of the Equipment if one or more should occur.

11. Termination Payment

a. If we terminate the Agreement as stated in clause 10, you must immediately pay us the Termination Payment, which will be the total of:

- i) All Rental Payments, any late payment interest accrued, and any other sums already due to us, plus all of our legal costs and costs of collecting, storing and insuring the Equipment; and
- ii) All Rental Payments you would have paid had the hiring continued for the full Minimum Period, less a discount of 3% per annum on each Rental from the date it would have fallen due to the date the hiring ended.

b. In the event that the leasing is terminated under clause 10 and we determine that we have received a benefit in Equipment value that we would not otherwise have received due to the early return of the Equipment we will, subject to receipt of the Termination Payment, pay you by way of rebate of Rentals a sum equal to the amount of that

benefit (if any) we received but not exceeding the Termination Payment.

12. Returning the Equipment

When this Agreement is terminated by you or us at the end of the Minimum Period, or earlier terminated by us under clause then you must return the Equipment to us within 5 days thereafter in good working order and condition (fair wear and tear excepted) to a place designated by us within the United Kingdom. If you do not do so then you will pay us compensation equal to the Rentals (pro rated on a daily basis) from the date upon which the Equipment should have been returned until the date we receive the Equipment in accordance with this Agreement. In addition we, or our appointed agents, shall be entitled to collect the Equipment from your premises and you will be liable for our collection costs plus the costs of putting the Equipment back into good condition.

13. Miscellaneous

- a. Any notices or correspondence that we send to one another must be in writing and will be deemed to have been successfully delivered two working days after it has been posted to the address shown in this Agreement or such other address as notified to the other party.
- b. If we fail to strictly enforce any of our rights under this Agreement we will not be taken to waive that breach or forfeit any right.
- c. If any provision of this Agreement is held invalid, illegal or unenforceable then the validity, legality and enforceability of the remaining provisions will not be affected or impaired.
- d. Nothing in this Agreement will confer any benefit on any third party, and no other third party will have any right to enforce any term of this Agreement.
- e. You undertake to promptly provide us with such information as we may reasonably request, provided however that where you are a publicly listed company, you shall not be required to provide any information which is not already available within the public domain.
- f. This Agreement cannot be assigned or transferred by you without our written consent.
- g. If the Customer consists of two or more individuals then each are jointly and severally liable for the obligations contained in this Agreement.
- h. This Agreement shall be governed by English law unless it is signed in Scotland, in which case, Scottish law shall apply.
- i. This Agreement is not regulated by the Consumer Credit Act 1974 due to the fact that you are either a body corporate or the total payments under this Agreement are greater than £25,000.

ADDITIONAL PROVISIONS FOR LOCAL AUTHORITIES, SCHOOLS AND COLLEGES

14 Statutory Provisions: you certify to us that:

14.1 Grant Maintained Schools only:

- (i) no notice of variation or revocation of the Instrument of Government has been received by your governing body; no resolution to discontinue the school has been passed or is intended to be passed and no notice of withdrawal of grant has been received by your governing body

14.2 Local Authorities and Local Authority Schools and Colleges only:

- (i) you are a Local Authority or Local Authority School or College as defined in section 39 of the Local Government and Housing Act 1989.
- (ii) the termination value of the Equipment at the end of the Minimum Period of Hire as estimated by you at the date of this Agreement is at least 10% of its value at the commencement of such period.

14.3 Further Education Corporation (FEC's) and Higher Education Corporation (HEC's) only:

- (i) you are a Further/Higher Education Corporation established under the Further and Higher Education Act 1992.

14.4 FEC's, HEC's and Traditional Universities only:

- (i) your entry into this Agreement represents best value for money and will not cause the terms of your Financial Memorandum with the Further/Higher Education Funding Council (including any special conditions attaching thereto) to be breached.
- (ii) you will, if required by us and where appropriate, produce evidence of the consent of the Further/Higher Education Funding Council to your entry into this Agreement.