HIRE PURCHASE AGREEMENT TERMS AND CONDITIONS Edition V1.5 Jan 26

This Hire Purchase Agreement (the "Agreement") is made between the Owner ("we" "us" "our") and the Customer named on the Schedule ("you" "your").

1 Use of Special Words and Phrases

1.1 To make this Agreement easier to read, certain words and phrases in it have a fixed meaning whenever they are used. Their first letter is in capitals. You will find the meaning of some of them set out in the Schedule. The others are as follows:-

"Associated Company" – means any company which in relation to you is your subsidiary or holding company or holding company or a subsidiary of your holding company and "holding company" and "subsidiary" shall have the meanings given to them by section 1159 of the Companies Act 2006 as amended or varied from time to time;
"Base Rate" – means the base rate of the Bank of England from time to time;
"Business Day" – means a day on which banks are ordinarily open for business in London;
"CCA" – means the Consumer Credit Act 1974 as amended;
"Guarantor" – means any person who has guaranteed your obligations under this Agreement;
"Interest Rate" – means 5% over Base Rate;
"Purchase Option Fee" – means the fee of £200 plus any VAT payable thereon;
"Relevant Agreement" – means this Agreement or any schedule and any other agreement between us and you and/or any of your Associated Companies (other than those regulated by the Consumer Credit Act).
"Repayment" – means each payment provided for on the Schedule;
"Repayment Date" – means the date when any Repayment is due for payment;
"**Schedule**" means the schedule signed by you and by us;
"Termination Payment" – "means the total sum calculated in accordance with condition 10.1.4 in respect of the termination of this Agreement or the hiring of the Goods under it at any time".
"Sanctions" means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following):

I. the United Nations;
II. the United States of America;
III. the European Union or any present or future member state thereof; or
IV. the United Kingdom.

"Sanctioned Person" means any person who is designated or targeted by Sanctions, or is otherwise a subject of Sanctions (including without limitation as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) located in, or organised under the laws of, any country that is subject to general or country-wide Sanctions).

1.2 References to the Goods shall also include all accessories, additions and modifications to the Goods and the keys, manuals and service records, and shall include a separate reference to each item included in that description of the Goods.

2 This Agreement

If you sign the Schedule and we also sign it, we agree to buy the Goods from the Supplier and allow you to hire them from us. You and we shall be bound by the terms of this Agreement from the Date of Agreement. We shall hire the Goods to you from the date you take delivery of them. The hiring shall continue to the end of the Agreement Period, unless it ends early for one of the reasons explained below.

3 Payments

3.1 You will (in cleared funds):-
- pay the Deposit and, where any part of the Deposit is being accepted by way of part exchange, deliver the goods accepted in part exchange to the Supplier on or before the date you sign this Agreement;
- pay us the Repayments shown on the Schedule on the due dates by direct debit (unless we agree otherwise in writing).If any Repayment is not made by direct debit, the relevant Repayment shall (at our discretion) be increased by 2% or £50 (whichever is the lesser) to compensate us for the additional administration;

3.2 You will pay us interest at the Interest Rate on all Repayments and on all other sums payable under this Agreement which are not paid on the due date. This interest will be compounded quarterly and will be calculated on a day to day basis from the date payment was due (or, where interest is due in respect of a sum payable by you to reimburse us for any cost or expense we have incurred, from the date we incurred such cost or expense) to the date you pay it. This interest will be charged for periods of non-payment both before and after judgment.

3.3 You must also pay us an amount equal to any taxes or other levy charged by any person against us in relation to the Repayments, this Agreement or the Goods, other than taxes or levies payable by us on our own profits. You must also pay us any loss or expense we suffer because we cannot recover any VAT we have incurred either in acquiring the Goods or in connection with any payment made by us to you (except and to the extent that we have assumed that VAT will be irrecoverable in calculating the amount of each Repayment).

3.4 You will pay VAT on any sums due under this Agreement where VAT is payable.

3.5 We shall be entitled to consolidate your or any of your Associated Companies' liabilities to us. When calculating any such amount due to us, we may at any time without prior notice hold in a suspense account, pay, apply or set-off any amounts owing by us to you or any of your Associated Companies towards settling any amounts due by you or any of your Associated Companies to us and if such amounts are only prospectively or contingently due or are uncertain in amount, we may make an estimate which will be binding on you unless it is obviously wrong.

3.6 All Repayments and other sums due under this Agreement from you to us shall be made without deduction, set-off, withholding or counterclaim notwithstanding that the Goods (or any part of them) are unusable, out of order or unserviceable. If you are required by law to make any deduction in respect of any payment due under this Agreement, we shall increase the payment due by an amount which, after making the required deduction, leaves us in the position we would have been in had the deduction not been required.

4 Our and Your Liability for the Goods

4.1 You are responsible for choosing the Goods and the Supplier and for making sure they are fit and suitable for their purpose. We have acquired the Goods at your request solely for the purpose of being able to hire them to you and all risk or loss of or damage to the Goods shall pass to you when such risk passes from the Supplier.

4.2 You shall be responsible for arranging delivery, installation, commission and testing of the Goods by the Supplier. You will examine the Goods promptly on their delivery to you and will only accept them if you are totally satisfied with them. Unless you notify us in writing within 5 Business Days of delivery that you do not accept the Goods, you shall be deemed to have accepted the Goods.

4.3 We shall be responsible for:-
- any liability we may have where, due to our own negligence, death or personal injury is caused to any person by the Goods;
- any warranty or representation made in relation to the Goods by us or our agents if it is made in writing and signed by our duly authorised representative.

4.4 You must get from the Supplier all warranties, guarantees and any maintenance services for the Goods that you need. However, we shall do what we reasonably can to transfer to you the benefit of any warranty or guarantee for the Goods, which we get from the Supplier or manufacturer, provided you are not in default under this Agreement and you pay us the costs of the transfer.

4.5 We are not a dealer or expert in the Goods and have not seen them or inspected them. Other than as provided in condition 4.3, we do not make any representation or warranty (express or implied) about the Goods, their quality, their fitness for any purpose, their matching any sample or specification, their description or their age, performance or condition. We exclude liability for any implied terms relating to the Goods to the maximum extent permitted by law.

4.6 We have no liability to you:-
- for any loss or damage you suffer because the Goods cannot be used for any reason or for any loss or damage caused by the Goods directly or indirectly;
- for any statement, guarantee, warranty or representation made by the Supplier, dealer, agent, broker or other person through whom this transaction has been introduced, other than as set out in condition 4.3.
- in no circumstances will our liability to you exceed the total of the Repayments paid by you at the time the liability arises.

5 Ownership of the Goods, Rights affecting the Goods and Voluntary Termination

5.1 Title to the Goods will not pass to you until you exercise one of the options given to you by condition 5.2 but none of them can be exercised where there are any sums due to us by you or one your Associated Companies. If you do not or may not exercise one of those options then, upon payment of the final Repayment to us, you must return the Goods to us at the place we reasonably tell you in good condition as required by this Agreement.

5.2 The options are as follows:-

5.2.1 to end this Agreement at any time during the Agreement Period by purchasing the Goods on not less than 14 days' written notice to us. On the notice becoming effective you will purchase the Goods from us in whatever condition they are then in by paying us the Termination Payment plus the Purchase Option Fee (together with any VAT payable)

5.2.2 to purchase the Goods at the end of the Agreement Period by paying the Purchase Option Fee (together with any VAT payable).

5.3 In addition, we may consent to any request you make that you be allowed to end this Agreement in respect of part only of the Goods hired under this Agreement. The provisions of condition 5.2 will apply to that part termination as they apply to a full termination, but the price payable by you will be apportioned as we require in view of the cost to us of acquiring that part of the Goods. We shall then tell you what the future Repayments will be for the remaining Goods under this Agreement and you will pay them on the due dates.

5.4 If we ask you to, you will affix name plates to the Goods showing that we are the owners.

5.5 You will pay all rates, taxes, rent and other payments payable in respect of any premises where the Goods are.

5.6 You will not sell, offer for sale, sublet, assign, mortgage, pledge, charge, underlet, lend or otherwise deal with the Goods or any interest in them or this Agreement nor allow the creating of any lien over them and shall protect the Goods against repossession, distress, execution or seizure (or in Scotland, any form of diligence) and keep the Goods free from any legal process by which any landlord or creditor of yours might try to attach or claim the Goods.

5.6A Notwithstanding clause 5.6, you may only sub hire or sub lease the Goods if, and only if,
(a) you have entered into a Sub Hire Agreement in the form approved by us, and
(b) we have confirmed in writing that the Sub Hire Agreement is accepted, and

(c) each sub hire is conducted strictly in accordance with that approved agreement.
Any sub hire or sub leasing that does not meet these requirements is unauthorised and constitutes a breach of this Agreement.

5.7 You will not allow the Goods to become fixtures and will obtain a waiver in the form we require from any landlord or mortgagee of any premises where the Goods are or any holder of security from you affecting the Goods.

6 Care and Maintenance of the Goods

6.1 You will:-

6.1.1 take proper care of the Goods, use them properly and in accordance with all applicable laws and any instructions which may be issued relating to their use, and keep them in good and serviceable condition and maintain them in accordance with the manufacturer's and Supplier's servicing recommendations, handbooks and manuals and ensure they have a full service history and if the Goods are a motor vehicle, ensure that it has a valid MOT test certificate or such equivalent as may be required;

6.1.2 allow us to enter any premises under your control at any time so that we can have access to the Goods whenever we ask; if we point out any necessary repairs or maintenance, you will ensure these are carried out as soon as possible;

6.1.3 pay all licence and other duties and registration and other fees, taxes, outgoings payable in respect of the use, keeping or existence of the Goods and ensure that such licences are kept in full force and effect;

6.1.4 not alter, add to or improve the Goods without our consent (except where necessary under condition 6.1.1) but in any event any alterations, additions or improvements which are made will be our property;

6.1.5 keep the Goods at the location specified on the Schedule. If no location is specified there, you will tell us where the Goods are at all times. However, if the Goods are by their nature mobile then you will keep records as to the whereabouts of the Goods, will let us see the records whenever we ask to and will not take the Goods out of the European Union without our prior written consent;

6.1.6 if the Goods are a vehicle, not let anyone drive it who does not hold a valid, current driving licence in the appropriate classes or is not covered by the insurance referred to in condition 8, nor let it be used for racing, pace making, rallying, any form of motor sport or driving tuition.

6.1.7 if the Goods include software, get a licence to use them from the relevant licensor and comply with the terms of any such software licence provided to you.

6.2 Provided that you are not in default in the payment of any sum payable under this Agreement or otherwise in breach of any of the provisions of this Agreement, you shall be entitled to enjoy quiet possession of the Goods for the period of hire.

7 Your Undertakings to Us

7.1 You undertake to us that:-

- by entering into this Agreement you do not breach any other agreement you may have with any other person; and
- both at the Date of the Agreement and throughout the Agreement Period in relation to the facts and circumstances existing from time to time, your financial position has not materially deteriorated since the last date when you exhibited a set of your accounts to us, except as you have disclosed in writing to us.

7.2 You will pay and reimburse us on demand against any losses, costs, expenses, claims or liabilities we may suffer or incur at any time because:-

- any information you have provided to us is inaccurate or any undertaking you have given to us in condition 7.1 proves to be untrue;
- of the existence, situation, use or possession of the Goods or of anything made or manufactured by the Goods or of anything transported by the Goods (except where condition 4.3 applies);

7.3 If we will have to pay tax on any payment received by us from you under conditions 6 or 7 but we do not get a tax deduction for the loss which meant you had to make that payment to us in the first place, then you must increase the payment you make by such amount as we tell you is necessary to yield us true recompense for the original loss.

7.4 You represent and warrant that neither you nor, to the best of your knowledge, any of your Associated Companies, your directors, officers, employees, agents or any person you have mandated for the purpose of executing this Agreement is a Sanctioned Person.

7.5 This condition 7 shall continue in full force and effect after the ending of this Agreement however that comes about.

8 Insurance

8.1 You will, at your cost, keep the Goods insured under a fully comprehensive policy of insurance (including public and third party liabilities for such amount as we shall approve) with reputable insurers from the date the Goods are delivered to you or, if earlier, from the date the Supplier stops having risk in the Goods. The amount insured must be the greater of their full replacement value and the amount still due to us under this Agreement.

8.2 You will advise the insurers that the Goods are our property and we must be named as loss payee in respect of all claims other than in respect of public and third party claims where we must be named as an additional insured. You will:-

- show us the policy of such insurance and all premium receipts evidencing the payment of premiums on demand; and
- notify us promptly of any loss of or damage to the Goods and hold any insurance monies received by you in trust for us.

8.3 You must inform us in writing immediately if the Goods are lost, stolen or damaged. You irrevocably authorise us to negotiate with the insurers to settle any insurance claim and to receive the insurance monies.

8.4 We may apply the insurance proceeds at our option, after meeting any incidental costs, expenses or losses, either in making good the damage done to the Goods; or, in replacing the Goods with similar Goods or Goods with a similar description and age; or, towards payment of sums due from you under this Agreement.

8.5 If the Goods or any of them are at any time a total loss for insurance purposes (the "Lost Goods"), you will be liable to pay us a Termination Payment, which, if the Lost Goods are part only of the Goods, shall be calculated pro-rata to the original cost of the Lost Goods as a proportion of the original cost of all the Goods. On receipt of that Termination Payment the hiring will terminate in respect of those Lost Goods. In respect of any remaining Goods, the hiring and the Agreement will in all respects continue; save that we shall tell you what the future Repayments will be for the remaining Goods under this Agreement and you shall pay them on the due dates.

8.6 If, in respect of the Lost Goods, the proceeds of insurance received by us together with any payments made by you under condition 8.5 exceed the aggregate of the Termination Payment and any other sums then payable by you in respect of the Lost Goods, an amount equal to the excess will be paid to you by us.

8.7 If you fail to provide evidence of adequate insurance on the Goods then we shall have the right but not an obligation to take out our own insurance to protect the Goods and charge you a fee by increasing the Repayments under this Agreement.

9 Early Termination by Us

9.1 All your obligations under this Agreement are essential conditions of the Agreement and we shall be entitled to treat any breach of such obligations as a rejection or repudiation of the Agreement which if we accept will allow us to terminate the Agreement.

9.2 We may end your right to hire the Goods and, if we so wish, end this Agreement if any of the following events occurs:-

- any Repayment or other sum payable under this Agreement (or any other agreement between you and us) is not paid within three business days of our demanding payment;
- you fail to comply with any of the other terms of this Agreement for five business days after we have told you to remedy the breach;
- you or any of your Associated Companies defaults under any agreement or obligation relating to borrowing or under any guarantee or if any borrowing or other money payable under any of the foregoing becomes or is capable of being declared payable prior to its stated maturity or is not paid when due.
- we become aware that any information supplied by you when entering into this Agreement was false in any material respect;
- you (being an individual) cannot meet your debts as they fall due or are sequestrated or grant a trust deed for or enter into a composition contract or voluntary arrangement with creditors, or you become bankrupt, suffer an interim order to be made against you, you present or suffer a bankruptcy petition to be presented against you or you die;
- you (being a partnership) are dissolved or proceedings for your dissolution are commenced or you suffer the appointment of a judicial factor or you are subject to change of control or of your constitution;
- you (being a company or a limited liability partnership) call a meeting of your creditors, or try to arrange any payment scheme with your creditors, or if there is a petition presented for your winding up or liquidation, or if any steps are taken for the appointment of an administrator, receiver or liquidator or like officer in relation to you or any of your assets, or such person is appointed over you or all or any of your assets;
- you cease or threaten to cease to carry on the whole or substantial part of your business or you dispose or threaten to dispose of the whole or a substantial part of your undertaking or assets or you or your holding company is subject to a change of control;
- there is, in our opinion, a material adverse change in your financial condition;
- you do or cause to be done or permit or suffer anything to happen as a result of which our rights in the Goods may be prejudiced or jeopardised; or
- you suffer circumstances equivalent to any of the foregoing in any relevant jurisdiction.
- you or any of your Associated Companies or your ultimate beneficial owner are or become a Sanctioned Person

9.3 Condition 9.2 will also apply if:-

- any of the events listed in condition 9.2 happens in relation to any Guarantor or, where you are a partnership, to any of your partners; or
- any such Guarantor withdraws or terminates any guarantee or that guarantee turns out for any reason to be invalid.

10 What You Must Pay if Condition 9 Applies

10.1 If we end the hiring or this Agreement under condition 9, then:-

10.1.1 you will no longer be in possession of the Goods with our consent and you must immediately return them to us at the place where we reasonably tell you to;

10.1.2 if you do not return the Goods then, you will allow us to enter any premises where the Goods are and dismantle, disconnect and retake possession of the Goods; you will be responsible for any damage we cause to the premises in doing what we reasonably have to do to dismantle, disconnect and remove the Goods;

10.1.3 when we get the Goods back under conditions 10.1.1 or 10.1.2 they must be in good condition and in a state which shows you have complied with your obligations to maintain them under this Agreement;

10.1.4 You will immediately pay to us:

(i) all outstanding Repayments and other sums due but unpaid under the Agreement together with interest for late payment in accordance with condition 3.2;

(ii) as agreed compensation for our loss of profit a sum equal to the total of the Repayments which, but for the ending of the Agreement or the hiring of the Goods under it, would have fallen due during the unexpired portion of the Agreement Period. These Repayments will, where we have ended the hiring or this Agreement under condition 9 only, be reduced by a discount because of their being paid earlier than they would otherwise have been paid, which discount will be at rate of 3% per annum and calculated on a day to day basis and compounded quarterly. For the avoidance of doubt no discount shall be applied where you have exercised your right to end the hiring and this Agreement under condition 5.2.1;

(iii) all costs and expenses (including any legal costs on a full indemnity basis) we incur in dismantling, disconnecting and retaking possession of, storing and transporting the Goods and in enforcing any of the terms of this Agreement;

(iv) the cost of repairs needed to put the Goods into good repair and condition; and

(v) an amount equal to the loss or costs we incur as a result of the ending of the Agreement or the hiring in breaking fixed deposits or redeploying funds, and our certification of this amount will be conclusive and bind you unless it is obviously wrong.

10.1.5 if we get the Goods back and we have required you to pay under condition 10.1.4, we shall use reasonable endeavours to sell them. We shall apply the VAT exclusive net sale proceeds (or, if we do not sell them within 3 months of getting them back, their trade value as assessed by a valuer we appoint) against the sums you owe us under the rest of this condition 10.1. Nothing in this condition 10.1 shall exclude any claim for damages which we may prefer to pursue against you instead.

10.2 You will pay us interest at the Interest Rate on all sums payable under condition 10, calculated from the date of termination until payment (except in respect of any cost or expense we incur where the interest shall be calculated from the date we incur that cost or expense) and if any VAT is payable on any sum payable under this condition 10.2 you will pay that too.

11 Return Conditions

Except where you exercise your option to acquire the Goods under condition 5.2, on the ending of this Agreement or of the hiring of the Goods you shall at your own expense and risk return the Goods to us at the place where we reasonably tell you to. On their return, the Goods must be in good condition and repair in accordance with your obligations under this Agreement, save for fair wear and tear. Where the Goods include any computer hardware, the hardware will be in the same operating condition and configuration as when originally delivered to you and shall be cleared of all data personal to you.

12 Miscellaneous

12.1 Where you consist of two or more persons each of you will be responsible for the whole obligations of this Agreement as if this Agreement had been entered into separately between us and each of you. Any notice given by us to any one of you will suffice as being good notice given by us to all of you.

12.2 We can transfer any of our rights under this Agreement. We can also transfer our obligations, but only with your consent unless the transfer does not prejudice you. You may not transfer your rights or obligations under this Agreement.

12.3 Any notices under this Agreement may be delivered or sent by post addressed to you or us at your or our address stated in the Schedule or your or our last known address, or by email to you or us to your or our email address stated in the Schedule. Notices sent by first class post shall be deemed to have been received 48 hours after posting and notices sent by email shall be deemed to have been received on the day that it is sent, if sent before 5pm, or in any other case on the next business day after the day on which it was sent.

12.4 If we do not enforce all of our rights under this Agreement or if we delay in doing so, we do not give up those rights or the rights we have if you are in default again, nor shall any waiver by us of any breach of this Agreement operate as a waiver of any subsequent or continuing breach.

12.5 You will, promptly following our request, furnish us with such information about your financial condition and business as we may reasonably require.

12.6 Save as otherwise stated in this Agreement, the parties do not intend that any term of this Agreement shall benefit or be enforceable by a third party by operation of The Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017.

12.7 This Agreement is governed by and shall be construed in accordance with the laws of England unless the address given for you in this Agreement or the address where we find you is in Scotland, in which case this Agreement is governed by the laws of Scotland. Your submission to such jurisdiction shall not prevent us taking proceedings arising out of the Agreement against you in any other jurisdiction we may think appropriate.

12.8 If you are introduced to us by a broker or third party (Introducer), a commission may have been paid or may be paid by us to the Introducer in relation to that introduction. If you require more information about the commission we have paid (or may pay), you shall contact the Introducer. If for any reason you cannot get this information from the Introducer, we will provide it to you. By signing this Agreement, you are consenting to us paying a commission to an Introducer.

13 Complaints Procedures

If you are not happy with any aspect of our service, please request a copy of our internal complaint handling procedures. Our aim is to resolve complaints to the satisfaction of our customers.