

## Terms of Business

### AN AGREEMENT BETWEEN

The Broker Claratus Commercial Finance Ltd

Address Hilden Park House, 79 Tonbridge Road, Hildenborough, Tonbridge, TN11 9BH

The Client The entity/person as detailed on our Quotation & Provisional Acceptance

Defined Terms	
<b>The Agreement</b>	<b>Means the agreement by and between The Broker and The Client, that comprises these terms and conditions</b>
<b>Broker Appraisal Fee</b>	The fee set out in clause 3.1 below
<b>Broker Arrangement Fee</b>	The Fee set out at clause 3.2 hereof
<b>Completion</b>	The date any Finance Agreement with a Lender becomes effective following a Lending Proposal
<b>Credit Broking Services</b>	The Services Which We provide to You under this Agreement
<b>Commission</b>	A sum of money that is paid upon completion of a task from a Lender
<b>Commencement of this Agreement;</b>	The date on which We commence providing Credit Broking to You
<b>Quotation &amp; Provisional Acceptance</b>	A confirmation that You instruct the Broker to engage with Brokering services based on the figures provided
<b>Fee, Fees</b>	The Broker Appraisal Fee or the Broker Arrangement Fee as the case may be
<b>Financial Conduct Authority</b>	The conduct regulator for financial services firms and financial markets in the UK and the prudential supervisor
<b>Finance Agreement</b>	A loan, credit or hire agreement
<b>Finance Offer</b>	A written offer setting out proposed terms of finance issued by any Lender whether such offer is conditional or unconditional or any replacement thereof
<b>Finance Product</b>	Is an instrument in which a person can either: make a financial; borrow money; or. save money
<b>Financial Services Register</b>	The register helps consumers to confirm the authenticity and contact details of regulated financial services firms
<b>Home Finance Plan</b>	A regulated mortgage contract, home purchase plan, home reversion plan or regulated sale and rent back agreement

<b>Defined Terms</b>	
<b>Lender, Lenders</b>	Any lender to whom the Lending Proposal is presented
<b>Lending Proposal</b>	The proposal prepared by Us setting out the requirements recorded in the Quotation & Provisional Acceptance provided in accordance with paragraph 1 of the attached Terms and Conditions as varied from time to time
<b>Loan Amount;</b>	The sum of any amounts payable by a Lender to You following the issue of a Finance Offer by that lender which has been accepted by You
<b>Parties to The Agreement</b>	A party to a contract is one who holds the obligations and receives the benefits of a legally binding agreement
<b>Privacy Notice</b>	The Notice provided to You about how We process Your Personal Data
<b>Regulated Mortgage Contract;</b>	A contract which, at the time it is entered into, satisfies the following conditions: (1) the contract is one where a lender provides credit to an individual or trustees (the 'borrower'); (2) the contract provides for the obligation of the borrower to repay to be secured by a mortgage on land in the EEA; and (3) at least 40% of that land is used, or is intended to be used, as or in connection with a dwelling
<b>Contract</b>	A written agreement that is intended to be enforceable by law
<b>Funding Structure</b>	The mix of debt and equity that a company uses to finance its operations
<b>The Code</b>	The Code of practice of the National Association of Commercial Finance Brokers
<b>The Broker</b>	Claratus Commercial Finance Ltd
<b>The Ombudsman</b>	The Financial Ombudsman Service, Exchange Tower, London, E14 9SR
<b>The Regulated Activities Order</b>	The Financial Services and Markets Act 2000(Regulated Activities) Order 2001
<b>Unsecured Lending</b>	A loan that is issued and supported only by the borrower's creditworthiness, rather than by any type of collateral
<b>We, Our, Us;</b>	The Broker as referred to above
<b>You, Your;</b>	The Client as referred to above

## 1. Appointment of the Broker

- 1.1 This document sets out how We will deal with You in the provision of Credit Broking Services. We will start providing Credit Broking Services, and The Agreement will commence, once You have signed or otherwise agreed to Our Quotation & Provisional Acceptance.

## 2. Standards Statement

- 2.1 Claratus Commercial Finance Ltd is Authorised and Regulated by the Financial Conduct Authority (FRN: 675461). The Financial Conduct Authority (FCA) regulates financial services in the UK 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/>

- 2.2 Claratus Commercial Finance Ltd is a member of the National Association of Commercial Finance Brokers (NACFB). We adopt a strict Code of Practice and Minimum Standards set by the Association. You can check Our membership status by contacting the NACFB on the below link.

<https://www.nacfb.org/>

## 3. Broker Appraisal and Arrangement Fees

- 3.1 Broker Appraisal Fee:

In consideration of the appointment, You will if applicable pay to The Broker an Appraisal Fee of for the purposes of assessing and preparing the Lending Proposal, this will be made clear in Our Quotation & Provisional Acceptance; Broker Appraisal Fee shall be paid on the Commencement of The Agreement.

- 3.2 Broker Arrangement Fee:

At the point the Finance Offer is made by a Lender to whom We presented the Lending Proposal, You will if applicable pay in addition to the Broker Appraisal Fee in clause 3.1, The Broker an Arrangement Fee, as detailed in our Quotation & Provisional Acceptance. Payment of the Broker Arrangement Fee shall be made within 14 days of the date of issue of the Finance offer by that Lender.

The Broker Arrangement Fee is payable once a Finance Offer has been presented to You.

### **Section 3.3 applies to Regulated transactions only**

- 3.3 Refund of Fees:

- 3.3.1 Unless the Lending Proposal comprises an application for a Regulated Mortgage Contract or Home Finance Plan (as defined by the Regulated Activities Order), You may be entitled to a refund if:

- (a) You do not enter into any other Finance Agreement within a period of 6 months commencing on the date We submit a Lending Proposal, or if there is more than one Lending Proposal submitted by Us, the first Lending Proposal; or
- (b) Within the period referred to in (a) You accept a Finance Offer and enter into a Finance Agreement but exercise a right to withdraw under section 66A of the Consumer Credit Act 1974 or a right to cancel under section 69 of the Consumer Credit Act 1974:

then We shall refund the Broker Appraisal Fees / Arrangement Fee paid under this Agreement **less £5.00** in accordance with clause 3.3.2

- 3.3.2 If clause 3.3.1 of this agreement applies then the refund shall be paid by Us within 30 days of the end of the period referred to in 3.3.1. (a) above or the date upon which it is clear to Us that the Finance Offer will not proceed to Completion whichever is sooner.
- 3.3.3 If the circumstances referred to in clause 3.3.1 apply, and Fees have become due, they will cease to be payable.
- 3.3.4 For the avoidance of doubt, no Fees are refundable, or cease to be payable, if the Lending Proposal comprises a Regulated Mortgage Contract or Home Finance Plan.

#### 4. Client Acknowledgement

- 4.1 You acknowledge that:
  - 4.1.1 You have been urged to seek such independent advice as You consider necessary before signing Our Quotation & Provisional Acceptance and entering in to The Agreement.
  - 4.1.2 We source Lending Proposal(s) from an unrestricted number of Lenders. In this role, We are doing no more than effecting an introduction between You and the Lender(s) to enable You to choose a Finance Product which, in your sole opinion, is suitable for You. We are not Your agent or otherwise acting on Your behalf, and there is no duty upon Us to provide you with impartial advice, information or recommendation. On occasion We may choose to provide a Finance Offer where We are the Lender.
  - 4.1.3 We will receive Commission from the Lender as well as receiving Fees separately from You pursuant to clause 3.1, 3.2 and 5.1 of The Agreement; for the avoidance of doubt these sums are subject to the terms of Our arrangements with the Lender who pays that Commission and will not be subject to the refund arrangements in clause 3.3 above.
  - 4.1.4 You have read The Brokers terms and conditions set out below and agree that they form part of this agreement.

4.1.5 Where the Finance Offer is on a lease basis (either finance lease, fixed term hire, minimum term rental, operating lease or similar): (i) You will usually need to serve notice to the Lender(s) to end the contract after the minimum period and (ii) title of the assets at the end of the lease does not automatically pass to You. At the end of the lease agreement, We or the Lender(s) may offer some/all of the following options (i) You continue leasing the equipment and continue making payments, ii) You return the equipment to Us or the Lender(s) and/or (iii) You purchase the equipment from Us for an additional payment.

4.2 You consent that; You agree to pay the Fees:

4.2.1 You are aware that We will receive Commission from a Lender for introducing You to them, and You have no objections to Us receiving this amount. Whichever Lender You choose We receive commission from them (either a fixed fee of fixed % of the amount you borrow) and different Lenders pay different rates. For certain Lenders, we do have influence over the interest rate, and this can impact the amount you pay under the Finance Agreement. If you wish to receive any further information concerning Commission paid to us by the Lender, please let Us know in writing.

4.2.2 Where the Commission we receive from a Lender is up to and including 5% of the amount lent, We may charge a Fee to You, in which case this will be clearly detailed on Our Quotation & Provisional Acceptance. Where the Commission we receive from a Lender is above 5% of the amount lent, We will not charge a Fee to You.

#### **Section 4.23 applies to regulated transactions only**

4.2.3 You are aware that We are required to disclose the nature of Commission in Our communications. Commission arrangements vary depending on the Lender, product or other permissible factors. The amount of Commission for a Finance Offer will be disclosed upon request.

### **5. Renewal of this Agreement**

5.1 The Agreement continues for a period of six months from the date We first introduce You to a Lender at which stage, should You by then have not entered into a Finance Agreement, it will lapse. Should You then wish to continue receiving Credit Broking Services, after We have refunded any Fees payable by You under clause 3.3 above, You may request that We renew it upon payment of a new Broker Appraisal Fee and/or Broker Arrangement Fee as detailed in an updated version of Our Quotation & Provisional Acceptance.

## BROKERS' TERMS AND CONDITIONS

### 1. Quotation & Provisional Acceptance

- 1.1. The Broker will complete a Quotation & Provisional Acceptance (the Instructions) which shall be read and take effect as if they form part of The Agreement.
- 1.2. Any change to or variation of the Instructions will not affect the liability of the Client to pay any Fee pursuant to The Agreement.

### 2. Your duty to Us

- 2.1. The Client agrees to act with utmost good faith in the provision of information to The Broker. The duty is continuous and applies to all the information the Client provides, whether The Broker has asked for it or whether The Client has provided it voluntarily. The Client agrees not to withhold information from the Broker.
- 2.2. The Client agrees to take all reasonable steps and use all reasonable endeavours to comply with and satisfy any condition imposed by the Lender who has made a Finance Offer that accords with the requirements set out in the Quotation & Provisional Acceptance.
- 2.3. The client agrees to notify the Broker if at any time, they intend to appoint an additional or alternate Broker or intermediary to obtain an offer of finance for them whereupon The Broker will be entitled to terminate this Agreement forthwith.
- 2.4. If the Client fails to notify The Broker that they intend to appoint an alternate or additional Broker or intermediary prior to doing so and if an Offer of Finance is obtained from any Lender the Client will pay the Broker Arrangement Fee calculated by reference to the Finance Offer made but otherwise in accordance clause 3.2 (Broker Arrangement Fee section, above) of the Agreement to the Broker.

### 3. Introductory Commission

- 3.1. You acknowledge that the Lender will pay The Broker introductory commission in respect of the funding set out in the Finance Offer. If You wish to receive further information about any such commission (including the amount), you will let Us know in writing

#### **Section 3.2 applies to regulated transactions only**

- 3.2. Commission paid to The Broker may vary in amount depending on the Lender or product, the value will be disclosed upon request.
- 3.3. The Client having acknowledged the matters set out under the Client Acknowledgment consents to The Broker receiving and retaining any commission paid.

### 4. Termination

- 4.1. The Broker may terminate the Agreement by giving 14 days written notice to The Client.

## 5. National Association of Commercial Finance Brokers – The Code

- 5.1. The Broker agrees to act on behalf of the Client in accordance with the terms of the Code of Practice of the National Association of Commercial Finance Brokers (NACFB) as amended (the Code) and a copy of the Code is available on request from the Association or on the NACFB website [www.nacfb.org](http://www.nacfb.org)
- 5.2. The Broker will investigate and deal with any complaints raised by The Client concerning the services provided under The Agreement promptly and reasonably but if The Broker is unable to resolve any complaint to The Client's satisfaction the Code of Practice stipulates the procedures available to The Client including NACFB Mediation.
- 5.3. If The Client is unhappy with The Broker's response to their complaint, and the complainant falls within the regulated activities, they may be able to complain to the Financial Ombudsman Service at:

**Address:** Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

**Contact:** 0800 0234567, 0300 1239123.

**Website:** [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

- 5.4. The Ombudsman will be able to confirm whether he can look at the complaint. If The Client is entitled to make a complaint to the Ombudsman, then they are not bound to follow any alternative procedure and can make their complaint to the Ombudsman within the timescales set down by the rules applicable to that scheme, details of which will be provided to the Client by Us on request.

## 6. Amendments

- 6.1. Any amendment whether proposed by The Broker or The Client shall be notified in writing to the other party. Any amendment proposed by the Broker shall take effect on the date specified unless in the meantime The Client notifies The Broker to the contrary or requests an extension of time. Any amendment proposed by The Client shall take effect when accepted by The Broker in writing.

## 7. Privacy Notice and Data Protection

- 7.1. A Privacy Notice has been issued separately from the Terms of Business. Being transparent and providing accessible information to individuals about how We will use Your personal data is a key element of the EU General Data Protection Regulation (GDPR)

- 7.2. This Privacy Notice details;

lawful bases for processing data, who We are, how We use the information about You, marketing consent, what information is collected, why the personal data is required, Our data retention periods and individuals' rights to personal data. More detailed information can be obtained on request.

- 7.3. You must be confident You understand how Your data will be processed. If You require further clarification, please contact Us before entering into an Agreement.

- 7.4. If You have not seen Our Privacy Notice. Contact Us before confirming to this agreement.

## 8. Assignments and third-party rights

- 8.1. This Agreement is personal to The client and a person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

## 9. Professional Indemnity

- 9.1. The Broker will maintain professional indemnity insurance cover in respect of its business with and on standard terms offered by reputable insurers.

## 10. Exclusions

- 10.1 The Client accepts that The Broker 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 of performance by The Broker of any obligations arising under The Agreement. This exclusion of liability will not, however, otherwise affect any statutory rights of The Client.

## 11. Choice of Law

- 11.1 The Agreement shall be construed in accordance with English Law and the parties irrevocably agree to submit to the exclusive jurisdiction of the English Courts.

**The terms on Our Quotation & Provisional Acceptance are those advised by US as likely to apply to any Finance Offer. The Agreement will commence once You have signed or otherwise agreed to Our Quotation & Provisional Acceptance and the terms therein will form a contractual part of The Agreement.**

## LENDER SELECTION

Any Lender selected by You will undertake a thorough examination of The Client's ability to service the Finance Agreement. This will include approval of accounting and financial information and a valuation for bank purposes of any property offered as security, Approval of this information is at the sole discretion of the Lender (and not The Broker). Several factors, beyond the control of The Broker, may emerge during this process and cause the lender to weight, or vary, the terms indicated in this memorandum which will be revised accordingly.

In addition, funders may require some or all the following:

- Suitable insurance on, for example, Buildings, Plant, Machinery and Stock
- Appropriate life or term assurance, including keyman insurance
- Directors guarantees
- An independent survey or valuation, for bank purposes, of any security
- Detailed financial and accounting information including bank statements, projections and accounts
- independent Solicitors to prepare and complete the loan and security documents
- Any other information as necessary to show the viability of the application e.g. Business Plan