

## STANDARD TERMS FOR INVOICE FINANCE

### 1. Notification of Debts

1.1 Upon signing the Agreement you will promptly notify us of every Debt in existence at that time. At least once in each week during the term of the Agreement you shall notify us of every Debt which comes into existence which has not been previously notified to us.

1.2 You will promptly provide all information and documents regarding the Debts as we require.

### 2. Ownership of Debts

2.1. If we ask you will promptly provide a formal written assignment of any Debt and its Related Rights.

2.2. If the ownership of any Debt shall fail to be transferred effectively to us you will hold that Debt (and its proceeds) in trust for us and separately from your own property and, upon their receipt, you shall immediately pay the proceeds to us.

### 3. Approval of Debts for Funding, Accounts and Payments to You

3.1 The Debts included within the scope of this Agreement are all those, and only those, that arise from your Contracts of Sale under which the invoices are to be addressed to places in the states or territories listed in clause 3 (Countries for Inclusion).

3.2 Unless we advise you otherwise every Debt will rank as Approved for funding.

3.3 We may at any time classify all or any part of a Debt as Disapproved for funding. A Debt will automatically become Disapproved if (i) the Debt exceeds your Facility Limit, or (ii) a Customer disputes payment of the Debt, or (iii) the Debt exceeds the Funding Limit for that Customer, or (iv) the Debt is not paid within the Maximum Credit Period or (v) the total Prepayments made in respect of Outstanding Debts owing by any one Customer exceeds the Debtor Concentration Percentage.

3.4 We may at any time set or vary a Funding Limit.

3.5 The purchase price of each Debt shall be an amount equivalent to the amount we receive

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from the Customer in payment of the Debt less our Charges.

3.6 We may keep such accounts (and in such currencies) as we consider are reasonably necessary for the proper performance of the facility. [You will be able to access the accounts by using our on-line facility operating system, but we may at any time alter, suspend or withdraw such access without notice or liability.] The accounts will include a Client Account, a Memorandum Current Account and an Available Funds Account.

3.7 Upon its notification to us:

3.7.1 we will credit to your Client Account the amount of each Debt at its notified value; and

3.7.2 subject to condition 3.9, we shall make a Prepayment in respect of such Debt.

3.8 Upon collection of the Debt we shall credit your account with an amount equal to the sum received less any Prepayment made in respect of it.

3.9 We shall not be obliged to make any payment to you if:

3.9.1 the amount of a payment exceeds the balance in your favour as shown on the Available Funds Account or causes the debit balance on your Memorandum Current Account to exceed your Funding Limit; or

3.9.2 we become entitled under condition 9 to withhold payments to you.

3.10 We shall be entitled to debit to the Client Account all our Charges and all other monetary liabilities included in your Obligations. For this purpose, if the amount due to us is not known then we may make a reasonable estimation of any of your Obligations.

3.11 We shall be entitled to make a Reserve against any Debt notified to us. Such Reserve will be deducted from the balance in your favour as shown on the Available Funds Account.

### 4. Payment of our Charges

4.1 You will pay to us (or we may deduct the same from any payment to be made to you at any time) the Charges together with any other

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amounts due by you to us and which are included in your Obligations.

4.2 All Charges are quoted exclusive of Value Added Tax, where applicable.

**5. Sales Ledger Administration and Collection of Debts**

5.1 We shall have the sole and exclusive right to enforce payment of and collect the Debts. For such purposes we may use your name and you will give us such co-operation as we require in order to assist us in collecting the Debts.

5.2 We will appoint you to act as our agent in the management of your Customer accounts and the collection of the Debts.

5.3 We may at any time terminate your appointment as our agent, for those purposes by written or oral notice to you and, upon such termination, you will immediately send to every Customer by whom any Debt is then owing or becomes owing the appropriate notices (without reference to the agency).

5.4 Where it is specified in clause 3 of the Agreement that this is a confidential facility, no notices are to be sent to Customers, unless your agency has been terminated by us under condition 5.3 or we tell you to do so.

5.5 Where it is specified in clause 3 of the Agreement that this is a disclosed facility then each of your invoices to Customers must contain a prominent legible notice of assignment in terms approved by us.

5.6 All payments received from your Customers in part or full payment of any Debt must be paid to the Specified Account, unless otherwise specified by us in writing, and pending such payment held in trust for us and kept separate from your own monies.

5.7 We shall be entitled at any time:

5.7.1 to inspect, to verify and/or at your expense to take copies of any of your records or documents on or by which any Debt is recorded or evidenced and/or take possession of any such records or documents included in the Related Rights. We shall have the right to telephone your Customers (where

the facility is confidential on a confidential basis) in order to verify any Debt;

5.7.2 to inspect any records or documents relating to your financial position or the results of your operations.

For any of these purposes any of our officers or authorised agents may enter upon any premises at which you carry on business or at which any of your property is situated at any time except that in the exercise of this right before the occurrence of an Event of Default entry shall be made during business hours on any Business Day on reasonable notice.

**6. Warranties and Undertakings**

6.1 You warrant that every Debt notified to us (i) will be accepted by the Customer as a legally binding obligation and paid without deduction or set-off and (ii) is free from any charges or other adverse rights or interest.

6.2 You warrant that, in respect of each Debt, you have no obligations to the Customer other than under the Contract of Sale giving rise to the Debt and you have no agreement with the Customer, whether under the Contract of Sale or otherwise, whereby the amount of the Debt may be reduced.

6.3 You warrant that, in relation to any personal data that you may pass on to us concerning any living individual who is, without limitation, a Customer, partner, shareholder, director, employee or guarantor/indemnifier of your Obligations, you have strictly complied and will, until the termination of this Agreement and the discharge of your Obligations, strictly comply with, the provisions of all relevant data protection legislation.

6.4 Each of your warranties in conditions 6.1 and 6.2 shall be deemed repeated each time you notify any Debt to us.

6.5 You undertake:

6.5.1 not to vary or attempt to vary any Contract of Sale giving rise to any Debt purchased by us after it has been notified to us;

6.5.2 to ensure that all payments of Debts are paid directly into the Specified Account, unless otherwise specified by us in writing;

- 6.5.3 to keep proper books and records of account and to make appropriate entries in them to show the sale to us of the Debts;
- 6.5.4 promptly to supply to us such financial or other information relating to your business as we may from time to time request;
- 6.5.5 promptly to pay all taxes, insurance, carriage and freight charges for which you are liable in relation to any Debt or the Contract of Sale giving rise to it;
- 6.5.6 not to assign or create any charge over any of your rights or benefits under the Agreement, or any of the Debts.
- 6.5.7 promptly to deliver to us a copy of every credit note issued in connection with any Debt notified to us;
- 6.5.8 to indemnify us against all losses costs claims charges interest and expenses incurred by us at any time and arising from or in any way connected with (i) our entering into or registering, enforcing, exercising or protecting our rights under the Agreement or any guarantee or indemnity or security created in relation to your Obligations (ii) enforcing or attempting to enforce payment of any Debt or settling or compromising any dispute with or claim by a Customer or any other person in relation to any Debt (whether such action is taken by us or by you as our agent) (iii) the securing by us of any release of any Debt from any trust charge or other encumbrance (iv) any indemnity which we may be required to give to our bankers in connection with the collection on our behalf of any cheque or other instrument made payable to you (v) any breach by you of any of your Obligations;
- 6.5.9 to procure for us a refund of any value added tax included in any bad or doubtful Debt;
- 6.5.10 to comply with all procedures for the operation of the Agreement which we may make known to you from time to time.

**7. Recourse and Modified Recourse**

- 7.1 If a Debt is Disapproved we may request that you repay to us any payment we have made to you in respect of that Debt, or we may debit the Repurchase Price of the Debt to your account.

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Once we have received your payment (or we have been able to set off the Repurchase Price against any amount payable by us to you) the Debt will belong to you.

- 7.2 If you have applied for Modified Recourse in respect of any Debt then we will treat any payment received from our Insurer as a payment in respect of that Debt and shall only be entitled to recourse to you the unpaid balance of the Debt, if any.

**8. Information and your Accounts and Records**

We may supply such information in our possession relating to your affairs (including your financial and other obligations to us) and the Debts purchased by us to any of your bankers, auditors or any guarantor/indemnifier of your Obligations.

**9. Events of Default**

- 9.1 Upon or at any time after the occurrence of an Event of Default or threatened Event of Default by you under this Agreement or the Modified Recourse Guidance, we may do any one or more of the following:

- 9.1.1 terminate the Agreement;
- 9.1.2 demand that you repurchase all your Outstanding Debts at their Repurchase Price but so that each such Debt shall continue to belong to us until you have discharged all your Obligations to us;
- 9.1.3 withhold payments to you;
- 9.1.4 reduce the Prepayment Percentage to zero;
- 9.1.5 combine any two or more accounts held by us in your name and require you to pay any net balance of monies due to us;
- 9.1.6 require you to pay, or debit to your Client Account, a collection fee equivalent to 10% of the then debit balance on your Memorandum Current Account to compensate us for our additional costs and expenses in collecting the Debts and/or managing your accounts with us;
- 9.1.7 require you to pay the amount of any Obligations (including the Early Termination Fee), to the extent it is not yet debited to the Client Account.

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9.2 Save as expressly provided in the Agreement to the contrary, termination of the Agreement will not affect the rights or obligations of either you or us in relation to Debts assigned to us prior to termination. Without limitation, we will continue to own the Debts, Charges will continue to accrue under the Agreement, and our authority under clause 6 will continue.

9.3 For the purpose of determining your liability under this Agreement and the amount of your Obligations at any time, you agree that a written certificate from any of our authorised officers or our auditor of the amounts due from you to us under the Agreement shall be binding on you and conclusive evidence (save for manifest error) in any legal proceedings against you.

## 10. Money Laundering

In consequence of the provisions of the relevant UK Money Laundering Regulations in force from time to time, we have in place procedures and controls which are designed to forestall and prevent money laundering. In accordance with our responsibilities under the said act, if we suspect that a client or a customer or an officer, partner or employee of either has committed or is committing a money laundering offence as defined in that act, we shall disclose that suspicion to the National Crime Agency or other relevant authority.

## 11. Data Protection

11.1 You have provided, as agent, information about your Associates who are individuals and your sole trader and partnership debtors/Customers, and you have consented to our making checks and searches about them with credit reference and fraud prevention agencies (including those outside of the European Economic Area). During the term of this Agreement you consent to us making further checks and searches against your Associates and sole trader and partnership debtors/Customers with credit reference agencies, and you accept that this will include searches as to criminal offences, proceedings and convictions.

11.2 You further accept that any information received by us will form part of our ongoing records. Such information may be useful for  
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credit risk assessment, to exercise our rights under this Agreement and to prevent fraud or money laundering. You agree that we may disclose the said information to credit reference agencies, credit insurers, fraud prevention agencies or other financial service organisations (including those outside of the European Economic Area) as we think fit and that such agencies and organisations may hold and process such information. You acknowledge that any Personal Data we hold or obtain in respect of your Customers is data which we require for the provision of our services to you.

11.3 You further agree that we may disclose details of this Agreement or any transaction under it or any entry on any account or any other information held by us in your name or in the name of your sole trader and partnership Customers to any person who has given us security in respect of your obligations under this Agreement, any person to whom you may wish to transfer your invoice finance facility and any person to whom we may wish to transfer all or any part of our rights and/or obligations under this Agreement.

11.4 At any time, upon our requesting you so to do, you will send a Data Privacy Notice to your Associates (which shall include but shall not be limited to, your shareholders, directors, employees and guarantors) and your sole trader and partnership debtors/Customers.

## 12. General Provisions

12.1 No person other than you or us will have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

12.2 The Agreement shall be construed and take effect in accordance with English law and you hereby submit to the jurisdiction of the English courts without prejudice to our right to bring proceedings in the courts of any country in which you carry on business.

12.3 We may assign or transfer all or any part of our rights and/or obligations under the Agreement and/or under any related guarantee, indemnity or other security.

12.4 We may vary the Standard Terms at any time. We will tell you when the change comes into

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effect. If you do not accept the change, you may at any time up to 30 days from the date we tell you about the change, terminate the Agreement without being bound by the change.

### 13. Notices

13.1 We may give any notice, request, demand or other communication under or in connection with this Agreement by letter, email or other comparable means of communication addressed to the you at the address stated in on the first page of the Agreement. You may give notice to us at its registered office or by email. Any communication to us must be addressed for the attention of the "Head of Credit". Such notices, requests, demands and other communications will be deemed to be given as follows:.

13.1.1 if personally delivered, at the time of delivery;

13.1.2 if by letter, at noon on the Business Day following the day such letter was posted (or in the case of airmail, seven days after the envelope containing the same was delivered into the custody of the postal authorities); and

13.1.3 if by email, during the business hours of the other party, provided it is in legible form, on the day of transmission, otherwise on the next following Business Day.

13.2 In proving such service it shall be sufficient to prove that personal delivery was made or that such letter was properly stamped first class, addressed and delivered to the postal authorities or in the case of facsimile transmission or other comparable means of communication, that a confirming hard copy was provided promptly after transmission.

### 14. Entire Agreement

14.1 The Agreement (including the Standard Terms and Modified Recourse Guidance) contains all the terms and conditions agreed between you and us. You warrant to us that you have not relied on any commitment, representation or warranty in entering into this Agreement.

Nothing in this condition shall limit or exclude any liability for fraud.

14.2 If we have been introduced to you by a third party we have no responsibility for their actions even though we may pay them a commission for the introduction.

### 15. Meanings of Capitalized Terms

In these Standard Conditions the following capitalised terms shall have the meanings attributed to them below. All other capitalized terms are as stated in the Agreement.

**"Approved"** in relation to any Debt, Approved in accordance with condition 3 and not subject to a change in status to Disapproved under condition 3.3;

**"Arrangement Fee"** the amount specified as such in clause 4 of the Agreement;

**"Associate"** any partner, shareholder, director or other officer (or, in the case of an LLP, a member), or any employee or other person involved in the management of your business or any person who has or may give a guarantee, warranty or indemnity in respect of your obligations under this Agreement or any person whose relationship with you is within the meaning of "associate" in section 435 of the Insolvency Act 1986;

**"Available Funds Account"** a memorandum account maintained by us for the purpose of recording the amount available to you in respect of Debts purchased by us at any time;

**"Business Day"** any day except any Saturday, Sunday or bank holiday;

**"Charges"** the Discount Charge, the Modified Recourse Charge, the Service Charge, the Early Termination Fee, the Extended Service Charge, the Arrangement Fee and Disbursements as applicable;

**"Client Account"** an account or accounts maintained by us in your name on which are recorded transactions between you and us;

**"Contract of Sale"** a contract for the supply of goods or services or for hiring by you;

**"Customer"** any person who has incurred or

may incur an obligation to you under a Contract of Sale;

**“Data Protection Laws”**

means all statutes, laws, secondary legislation and regulations pertaining to privacy, confidentiality and/or data protection of Personal Data or corporate data, including the Data Protection Act 2018 (including the UK GDPR, as that term is defined in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018)), the General Data Protection Regulation (Regulation (EU) 2016/679) (in relation to the processing of EU data subjects’ data), the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426), the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699) and any relevant national laws implementing Directives 95/46/EC and 2002/58/EC;

**“Data Privacy Notice”**

means a notice of the manner in which we shall process Personal Data in the form supplied by us to you from time to time;

**"Debt"** the amount (or, where the context allows, a part of such amount) of any obligation or indebtedness, including any tax or duty payable, incurred by a Customer under a Contract of Sale;

**"Debtor Concentration Percentage"** the percentage specified as such in clause 3 of the Agreement;

**“Disapproved”** in relation to any Debt, not Approved.

**"Disbursements"** all bank charges and other costs, charges and expenses incurred by us in the operation of, or in connection with, this Agreement including legal costs and our standard rate disbursement charges which we will notify in writing to you on signing and from time to time;

**“Discount Charge”** the charges specified as such in clause 4 of the Agreement;

**“Early Termination Fee”** means the fee noted as such in clause 4 of the Agreement;

**“Event of Default”** means the occurrence of

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any of the following events or circumstances:

- (a) any Insolvency Proceedings relating to you;
- (b) if any step is taken or a petition is presented or an order made or a resolution passed or analogous proceedings are taken for appointing an administrator of or winding you up or if a notice is issued convening a meeting for the purpose of passing any such resolution (save for the purpose of and followed within four months by an amalgamation or reconstruction not involving or arising out of insolvency and on terms previously approved in writing by us);
- (c) if an encumbrancer takes possession or exercises or attempts to exercise any power of sale or otherwise enforces its security over you or a receiver, trustee in bankruptcy (or other similar official) is appointed over the whole or any part of your undertaking, property, assets, revenues or rights or if any security interest now or hereafter created by you becomes enforceable;
- (d) if any judgment or order made against you is not complied with within seven days or if an execution distress sequestration or other process is levied or enforced upon or sued out against any part of the undertaking, property, assets, revenues or your rights;
- (e) if you stop or suspend payment of your debts or declare a moratorium or are unable to pay your debts when they fall due or you give notice of or propose or enter into any composition or arrangement for the benefit of your creditors generally;
- (f) if you without our prior consent in writing cease or threaten to cease to carry on your business or any part thereof;
- (g) if any notice served upon you with a view to forfeiture pursuant to Section 146 of the Law of Property Act 1925 is not complied with within the period specified;
- (h) if any of the Facility Documents fails or ceases in any respect to have full force and effect or to be continuing or is terminated or disputed or is or becomes in jeopardy, invalid or unenforceable;
- (i) any breach or termination of any

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- covenant or undertaking given by any person in reliance on which we entered into or continued the Agreement or the withdrawal or attempted withdrawal of any waiver or release or agreement as to priorities in our favour in respect of any security right over any of your assets;
- (j) any breach of any warranty or undertaking given by you in the Agreement or of any of your Obligations which we consider to be material or which is not redressed by you within two Business Days of our request to you so to do;
  - (k) a breach of any agreement between you or any Group Company of yours and us for the provision of finance or otherwise;
  - (l) if any other event of default specified in any of the Facility Documents occurs;
  - (m) if any licence authorisation consent or registration at any time necessary or desirable to enable you to comply with your obligations to us or to carry on your business in the normal course shall be revoked withheld or modified or shall fail to be granted or perfected or shall cease to remain in full force and effect;
  - (n) if (i) any of the foregoing events occurs without our prior consent in writing in relation to any party to the Facility Documents (other than you or us); or (ii) any individual now or hereafter a party to any of the Facility Documents shall die or become of unsound mind or have a bankruptcy petition presented or order made against him;
  - (o) if any order (of any nature) is made against you or if an execution distress sequestration restraint or other process is levied or enforced upon or sued out against any part of your undertaking, property, assets, revenues or rights; or
  - (p) any circumstance(s) arise which give grounds in our sole opinion that you may not (or may be unable to) perform, or comply with, your obligations under any Facility Documents to which you are a party and/or there is any adverse change (in our sole opinion) in your financial position, business/operations or your consolidated financial position from that set forth in the last financial statements delivered to us;

**“Extended Service Charge”** means the fee  
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specified as such in clause 4 of the Agreement;

**“Facility Documents”** means this Agreement, the Security Documents and all documents now or hereafter entered into containing any charge, lien, indemnity or guarantee or security for any of your obligations under this Agreement or whereby any party has agreed that any indebtedness owed to such party by you be subordinated to your indebtedness to us or to your creditors generally or any other facility granted by us and entered into by you or any other document designated as a Facility Document by us;

**“Facility Limit”** the monetary limit specified as such in clause 3 of the Agreement;

**“Funding Limit”** the limit established under condition 3.4 in relation to any Customer for the purpose of determining which Debts owing by that Customer are to be Approved for funding;

**“Group Company”** any company of which the relation to us is that of "parent undertaking" or "subsidiary undertaking" or any "subsidiary undertaking" of that "parent undertaking" in accordance with the meanings given to those expressions in section 1162 of the Companies Act 2006;

**"Insolvency Proceedings"**

- (i) the issue of a petition for winding up or bankruptcy; or
- (ii) an application to appoint an administrator under paragraph 12 of Schedule B1 to the Insolvency Act 1986 ("the Act") or the appointment of an administrator under paragraph 14 or paragraph 22 of the said Schedule B1; or
- (iii) the service of a notice of intention to appoint an administrator; or
- (iv) a proposal for a voluntary arrangement under the Act; or
- (v) a breach of an existing voluntary arrangement; or
- (vi) the calling of any meeting of creditors; or
- (vii) the appointment of a receiver in respect of any part or the whole of your business or property;

**“Insurer”** the insurer by which the Policy has been issued;

**“Maximum Credit Period”** the period specified

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as such in clause 3 of the Agreement;

**"Memorandum Current Account"** a memorandum account maintained by us to which will be (i) credited all payments received by us in respect of Debts or from you or by reason of recoveries or realisation of any of the Related Rights; and (ii) debited our payments to you and all other amounts debited by us to you on the Client Account except in respect of credit notes or Debts we have asked you to repurchase from us at the Repurchase Price;

**"Modified Recourse"** the protection of certain Debts in accordance with condition 7.2;

**"Modified Recourse Charge"** the fees specified as such in clause 4 of the Agreement;

**"Modified Recourse Guidance"** means the Modified Recourse guidance provided to you by us;

**"your Obligations"** all your present and future monetary and other actual or contingent or prospective obligations incurred at any time to us, or to any Group Company, whether arising under the Agreement, Facility Agreements or otherwise;

**"Outstanding"** in relation to any Debt, purchased by us and remaining unpaid;

**"Personal Data"** any personal data (including sensitive personal data) that we, our employees, agents or sub-contractors process on our behalf in performing our obligations under or in connection with this Agreement;

**"Policy"** the policy of credit insurance;

**"Prepayment"** a payment by us to you on account of the purchase price of any Debt up to the Prepayment Percentage of the Debt as notified to us;

**"Prepayment Percentage"** the percentage specified in clause 3 of the Agreement;

**"Privacy Policy"** a policy as to the manner in which we shall process, and your rights in connection with, Personal Data, in a form supplied by us to you from time to time and can be found at [Privacy Policy - HBL Bank \(hblbankuk.com\)](https://www.hblbankuk.com/privacy-policy);

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**"Related Rights"** in respect of any Debt all of the following: (i) all your rights under the Contract of Sale (other than your rights to any goods) (ii) the benefit of all guarantees indemnities insurances and securities given to or held by you (iii) all cheques bills of exchange and other instruments held by or available to you (iv) all ledgers computer data records and documents on or by which any Debt is recorded or evidenced (v) any goods the subject of a Contract of Sale returned or rejected by the Customer or repossessed by you and any interest to which you become entitled in relation to the Debt as a result of any statutory enactment or any rule or regulation of government;

**"Repurchase Price"** an amount equivalent to the notified amount of the Debt;

**"Reserve"** such restriction as we may make against any Prepayment to you on account of any event, circumstance, agreement or right whereby the amount of a Debt may be reduced including, without limitation, accrued rebates and contra accounts;

**"Security Documents"** means those documents and/or instruments including but not limited to those stated in clause 3 (Security Documentation) in such form and substance as we may require.

**"Service Charge"** the fees as specified as such in clause 4 of the Agreement.

**"Specified Account"** the account as detailed in clause 3 of the Agreement.

**"UK Money Laundering Regulations"** means all statutes, laws, secondary legislation and regulations pertaining to anti-money laundering, counter-terrorist financing and counter proliferation financing regime, including but not limited to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692), the UK Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (SI 2019/1511) and any other regulations or any relevant national laws implementing or amending the United Kingdom anti money laundering counter-terrorist financing and counter proliferation financing regime; (Edition 1/2024)

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