

INTRODUCER AGREEMENT

Between

- (1) **EDINBURGH ALTERNATIVE FINANCE LIMITED**, a company incorporated and registered in Scotland (company number SC468392) whose registered office is at 23 Manor Place, Edinburgh, EH3 7DX ("**EAFL**");

and

- (2) **The Introducer**

WHEREAS

- (A) EAFL, trading as EAFL, operates a Small and Medium-sized Enterprises (SME) lending business
- (B) The Introducer may be able to recommend to certain businesses ("**Prospective Borrowers**") that they should apply for a loan through EAFL.
- (C) EAFL is willing to pay the Introducer a commission on the terms of this Agreement, where Prospective Borrowers successfully apply for loans through EAFL as a consequence of the Introducer's activities and such loans are subsequently fully funded.

IT IS HEREBY AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 EAFL appoints the Introducer on a non-exclusive basis to identify Prospective Borrowers.
- 1.2 The Introducer must be an entity that is authorised and regulated by the FCA. EAFL will check the FCA register regularly to ensure that introducer partners are still registered.
- 1.3 The Introducer shall provide EAFL in writing with the names and other information, as may be requested by EAFL, regarding their contact with Prospective Borrowers ("**Notified Prospective Borrowers**").
- 1.4 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, or constitute either party as the agent of the other party.
- 1.5 The Introducer shall not have authority, and shall not hold itself out, or permit any person to hold itself out, as being authorised to bind EAFL, or any EAFL funding entity, in any way. The Introducer shall not make or enter into any contracts or commitments or incur any liability for or on behalf of EAFL.
- 1.6 In the provision of government-backed loan schemes, the Introducer shall not hold itself out as being authorised to represent any UK Government entity.
- 1.7 EAFL shall inform the Introducer immediately if EAFL suspends or ceases to conduct the EAFL business.
- 1.8 Neither party shall be responsible for any costs or expenses incurred by the other unless such costs have been agreed in writing in advance by the other.

2. COMMISSION AND PAYMENT

- 2.1 The Introducer shall be entitled to Commission ("**Commission**") if any Notified Prospective Borrower successfully applies for a loan through EAFL and such loan is subsequently fully funded within 12 months of the provision of the name of the Prospective Borrower to EAFL in accordance with Clause 1.2 (a "**Relevant Application**").

- 2.2 Subject to clause 2.3, the Commission up to an agreed amount not greater than 5% of the requested Loan Amount (as defined in the EAFL terms and condition, as varied and applicable from time to time) but excluding the capitalisation of any Arrangement Fees payable by the Borrower to EAFL into the Loan Amount, will be payable by the Notified Prospective Borrower to EAFL exclusive of VAT. VAT shall not be charged by the Introducer on the Commission.
- 2.3 The Introducer shall invoice EAFL for the Commission payable, and EAFL shall pay such invoice within 30 days of receipt, provided always that:
- 2.3.1 The loan agreement is not subject to a government payment to the lender, in which case EAFL shall pay such invoice within 30 days of receipt of such a payment; and
- 2.3.2 A Notified Prospective Borrower has made a Relevant Application during the term of this Agreement; and
- 2.3.3 to the extent any Commission is paid by EAFL in respect of a Notified Prospective Borrower and such Notified Prospective Borrower defaults on its loan agreement within 12 months from the date that the loan funds are transferred to the Notified Prospective Borrower, the Introducer shall repay to EAFL on demand a proportion of any Commission paid in respect of such Notified Prospective Borrower as follows:

Month after transfer of loan funds in which default takes place	Proportion of Commission to be repaid
1st	12/12ths
2nd	11/12ths
3rd	10/12ths
4th	9/12ths
5th	8/12ths
6th	7/12ths
7th	6/12ths
8th	5/12ths
9th	4/12ths
10th	3/12ths
11th	2/12ths
12th	1/12ths

EAFL reserves the right to deduct from any Commission due to, and payable to, the Introducer, the amount of any Commission to be repaid pursuant to this clause 2.3.2.

- 2.4 No Commission shall, for the avoidance of doubt, be payable in respect of any application which is not a Relevant Application.
- 2.5 The Introducer acknowledges and agrees that no minimum level of Commission is payable pursuant to the terms of this Agreement.
- 2.6 With regard to a Relevant Application, where there is a refinance or additional lending, facilitated by EAFL, within the first 12 months of the original loan agreement, the Introducer will receive 30% of any arrangement fee levied on the borrower.

3. CONFIDENTIALITY

- 3.1 Each party undertakes that it will keep confidential the terms of this Agreement and all information, written or oral, concerning the business affairs of the other party that it shall obtain or receive as a result of the discussion leading up to or entering into this Agreement or during the term of it except with the written consent of the other party or as required by law.
- 3.2 EAFL may use all information disclosed to it by the Introducer relating to Notified Prospective Borrower, both during and after the term of the Agreement.

4. TERMINATION

- 4.1 The Agreement may be terminated by either party by written notice with immediate effect if:
 - 4.1.1 the other party commits a material breach or continuing breach of the Agreement that it fails to remedy within thirty (30) days of being requested to do so by the party not in breach of this Agreement;
 - 4.1.2 the other party ceases to carry on its activities, becomes unable to pay its debts when they fall due, becomes insolvent or apparently insolvent, has a receiver, manager, administrator, administrative receiver or similar officer appointed in respect of the whole or any part of its assets or business, makes any composition or arrangement with its creditors, takes or suffers any similar action in consequence of debt, an order or resolution is made for its dissolution or liquidation (other than for the purpose of solvent amalgamation or reconstruction) or enters into liquidation whether compulsorily or voluntarily or shall suffer any analogous event under any jurisdiction which it is subject to;
 - 4.1.3 to continue with the Agreement would cause the notifying party to be in breach of, any legal or regulatory requirement to which it is subject;
 - 4.1.4 a party ceases to hold any permissions needed to carry out its business or is subject to any regulatory enforcement action; or
 - 4.1.5 there is a change of control of the other party (within the meaning of section 1124 of the Corporation Tax Act 2010).
 - 4.1.6 with respect to government-backed loans, the Introducer, fails to act in accordance with the conduct and guidelines as specified by the British Business Bank or other government entity, and in doing so jeopardises the accreditation status within which EAFL participates as an originator.
- 4.2 Either party may terminate this Agreement by giving the other party two months prior written notice to that effect.
- 4.3 Termination of this Agreement howsoever arising shall not affect or prejudice the accrued rights of the parties as at termination or the continuation of any provision expressly stated to survive or implicitly surviving termination, and without limitation, EAFL shall continue to be liable to make payment to the Introducer in accordance with clause 2.1 in respect of Relevant Applications from Notified Prospective Borrowers prior to such date of termination in accordance with clause 1.2.

5. LIABILITY

The Introducer shall indemnify EAFL and keep EAFL indemnified fully and effectively against any and all claims, demands, actions, proceedings, losses, damages, liabilities, costs, charges and expenses (including reasonable legal costs and reasonable administration costs (which shall include any costs necessarily incurred by EAFL in communicating with its customers)) of

any nature which EAFL may sustain or incur which arise out of a breach of this Agreement by the Introducer.

6. ANTI CORRUPTION

In relation to this Agreement, the Introducer shall:

- 6.1 during the term of the Agreement, comply with all applicable laws, regulations, and sanctions relating to bribery and corruption, including, but not limited to, the Bribery Act 2010 (the **"Relevant Requirements"**);
- 6.2 put in place, maintain and comply with adequate procedures, including but not limited to adequate procedures under the Bribery Act 2010, designed to ensure compliance with the Relevant Requirements; and
- 6.3 promptly notify EAFL upon becoming aware that an activity related to the introduction of Prospective Borrowers to EAFL has contravened or may contravene the Bribery Act 2010.

7. WARRANTIES AND UNDERTAKINGS

- 7.1 Each Party warrants to the other that it has full capacity and authority and all necessary consents to enter into and carry out its activities as described in the Agreement.
- 7.2 The Introducer undertakes:
 - 7.2.1 to use all reasonable endeavours to introduce Prospective Borrowers to EAFL in accordance with this Agreement;
 - 7.2.2 that it is acting in accordance with the instructions and authority of each Prospective Borrower introduced to EAFL;
 - 7.2.3 to comply with all laws and regulations applicable to the conduct of its business;
 - 7.2.4 to inform EAFL if it intends to surrender their FCA authorisation OR the FCA has commenced supervisory activity on the Introducer with respect to their authorisation.
 - 7.2.5 not to do or omit to do anything that would bring EAFL into disrepute;
 - 7.2.6 to obtain and maintain all regulatory and other authorisations necessary for the conduct of its business and comply in all respects with such authorisations;
 - 7.2.7 where relevant to the operating model of the parties, not to breach, or request EAFL permission to breach, any relevant CAIS Agreements or CATO Agreements, or equivalents thereof;
 - 7.2.8 to permit the examination of relevant documents and records by, and provide written and oral explanations and other reasonable assistance to, representatives of any authority or regulator to which EAFL is subject;
 - 7.2.9 promptly provide EAFL with all necessary information and co-operation to enable it to comply with all legislation and regulations, so far as they relate to the Agreement and any Notified Prospective Borrower; and
 - 7.2.10 to co-operate fully with EAFL in the investigation and resolution of any complaints from Notified Prospective Borrowers.
- 7.3 The Introducer shall not produce any marketing material for EAFL or use EAFL's name, trading name, logo or trademarks on any marketing material without the prior written consent of EAFL.

8. DATA PROTECTION

- 8.1 The parties acknowledge that for the purposes of the Data Protection Legislation, each party shall act as a data controller in relation to any Personal Data collected, held or processed by them.
- 8.2 All Personal Data shall be processed by each party in accordance with the Data Protection Legislation.
- 8.3 The Introducer confirms to EAFL that it has a legitimate basis for the collection and processing of Personal Data in relation to the Prospective Borrower, its directors or partners and, in particular, the transfer to EAFL of any such Personal Data.
- 8.4 Prior to the transfer of any Personal Data to EAFL in relation to a Prospective Borrower, the Introducer must provide to each Prospective Borrower a hyperlink to a copy of EAFL's privacy notice (<https://www.lendingcrowd.com/policy>). The Borrower must provide to the Introducer their consent to be bound by EAFL's Privacy Policy prior to Personal Data being transferred to EAFL. In particular, the Introducer should obtain the Prospective Borrower's consent, via the Introducer's Privacy policy, that:
- 8.4.1 EAFL (or any third party acting on behalf of EAFL) will carry out credit checks or searches in relation to the Prospective Borrower and its directors or partners as part of any loan application; and
 - 8.4.2 information submitted by or on behalf of a Potential Borrower, supplemented by our own and information received from third parties, will be used to build a borrower profile. The borrower profile will be visible to all potential lenders.
 - 8.4.3 For government-backed lending, information will be communicated to each of the Guarantor Relevant Parties and will be used by the Guarantor and any Guarantor Related Parties
 - 8.4.3.1 for analytical and administrative purposes (including to keep a record of the types of borrowers and/or applicants applying for a government-backed lending scheme facility);
 - 8.4.3.2 to contact a Prospective Borrower in connection with a government-backed lending scheme;
 - 8.4.3.3 to make enquiries about the government-backed lending application;
 - 8.4.3.4 to take up references about a Prospective Borrower;
 - 8.4.3.5 to give information about a Prospective Borrower to any other Guarantor Related Party or to any official involved in running or monitoring a government-backed scheme; and
 - 8.4.3.6 to evaluate the effectiveness of such a scheme.
- 8.5 EAFL and the Introducer agree that each party may pass personal data to other parties insofar as is necessary in order them to provide their services as set in this Agreement and to HM Revenue & Customs, the Financial Conduct Authority and any other regulatory authority which regulates them and in accordance with all other applicable regulations provided that any such disclosure will be made only where permissible to do so under the Data Protection Legislation.
- 8.6 EAFL and the Introducer shall immediately inform the other party in the event that they are subject to any Information Commissioner's Office enforcement action or Financial Conduct Authority enforcement or supervisory activity.
- 8.7 In this clause:
Data Protection Legislation: means all applicable laws in force from time to time relating to the processing of personal data and privacy, including but not limited to (where applicable): the General Data Protection Regulation (EU) 2016/679 (GDPR) and any laws and/or regulations

of the United Kingdom that implement and/or exercise derogations under it; the Data Protection Act 1998; the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003).

Data Subject: has the meaning given to it in the Data Protection Legislation.

Guarantor Relevant Parties: in the case of government-backed lending, means each of:

- i. The Secretary of State for Business, Energy and Industrial Strategy its agents and auditors (the “Guarantor”);
- ii. the British Business Bank plc, any affiliate of the British Business Bank plc and any of their advisers, agents or contractors including professional advisers and consultants, auditors and advisers carrying out due diligence;
- iii. processing agents, fund managers, delivery partners and companies providing services to the British Business Bank and its affiliates; and Government departments and Devolved Administrations (including but not limited to the National Audit Office, Office for National Statistics, HM Treasury and the Department for Business, Energy and Industrial Strategy) and other politicians or government members (i.e. ministers).

Personal Data: has the meaning given to it in the Data Protection Legislation.

9. GENERAL

- 9.1 This Agreement supersedes all prior agreements and arrangements of whatever nature and sets out the entire agreement and understanding between the parties relating to its subject matter.
- 9.2 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
- 9.3 The Introducer shall not, nor shall it purport to, assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it without the prior written consent of EAFL. Any purported assignation in contravention of this clause 9.3 shall be void.
- 9.4 The Introducer accepts that EAFL will conduct due diligence checks at the point of onboarding and subsequently annually, as a minimum, to ensure that information held on the Introducer is correct and there have been no material changes to the entity.
- 9.5 Any notices to be given must be given in writing and sent to the address of the other party as set out in this Agreement or such other address as a party may designate in writing to the other party from time to time. Any such notice may be delivered: (i) personally by hand; or (ii) sent by pre-paid recorded delivery, special delivery or registered post.
- 9.6 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of England and shall be subject to the non-exclusive jurisdiction of the English courts.

10. BUSINESS CONDUCT

- 10.1 An Introducer (via its EAFL facing employees) must complete a EAFL Training Course, created by EAFL, prior to introducing any Prospective Borrowers.
- 10.2 Introducers bringing government-backed loan applications to EAFL are seen as an extension of EAFL and must adhere to any and all rules as set out from time to time in the British Business Bank marketing toolkits and best practice guides (latest version available from the British Business Bank website and on request from EAFL).

- 10.3 EAFL will operate a panel of commercial partners for loan origination and any Introducer on this panel will be expected to follow the correct messaging and guidelines as set out in any government toolkit and defined by EAFL within our product guide and training material.
- 10.4 Introducers must not misrepresent EAFL loan information, eligibility criteria or in any way cause damage to EAFL, the LendingCrowd brand, the British Business Bank or any relevant UK government entity.
- 10.5 The Introducer will not charge the client an upfront fee or levy any additional fees outside of the loan structure. Failure to comply with this may force EAFL to expel the Introducer from its panel.
- 10.6 The Introducer accepts that EAFL will have the right to periodically audit their promotions and processes to ensure adherence to the guidelines. Note, this right extends to contacting Prospective Borrowers to ensure adherence by the Introducer to the terms of this agreement.