

ITC COMPLIANCE
APPOINTED REPRESENTATIVE AGREEMENT
TERMS AND CONDITIONS
CONSUMER CREDIT

PARTIES

- 1 ITC Compliance Limited (t/a "ITC Compliance") with company registration number 04874285 and whose registered office is at 3 and 4 Monarch Court, Emersons Green, Bristol, BS16 7FH ("ITC"); and
- 2 Any person, firm, company, limited liability partnership or other entity who has accepted these terms by agreeing to and signing an order form to become a duly Appointed Representative (the "AR").

RECITALS

- (A) ITC is authorised by the FCA to undertake Regulated Activities.
- (B) The AR wishes to be appointed as ITC's Appointed Representative on a non-exclusive basis to undertake certain Regulated Activities including certain credit-related activities.
- (C) The AR is not authorised by the FCA and has agreed to the appointment on the terms and subject to the conditions of this Agreement.

AGREED TERMS

- 1 Interpretation
In this Agreement:
- 1.1 Including the Recitals the following words and expressions shall have the following meanings:
- "Appointed Representative" or "AR"**
shall have the meaning given to that term in section 39 of FSMA and for the purposes of this Agreement is set out in the schedule;
- "Approved Person"**
a person appointed by the AR in relation to whom the FCA has given its approval under the FSMA for the performance of the Controlled Functions;
- "Authorised Firm"**
a firm with permission from the FCA to carry out regulated activities as referred to in the FSMA;
- "Business"**
means the activities constituting Regulated Activities and all other activities which ITC has agreed the AR may conduct as specified in Schedule 1;
- "Business Day"**
any day which is not a Saturday, a Sunday or a Public Holiday;
- "Commencement Date"**
the date (which shall be the date when this Agreement takes effect) which ITC will notify to the AR as being the Commencement Date (and which will be the later of the date when the FCA registers the AR as an appointed representative of ITC with permission to commence Regulated Activities or the date when the FCA has approved the AR's Approved Person as such by including such Approved Person's details on the FCA register);
- "Complaint"**
any oral or written expression of dissatisfaction about any activity provided or withheld by the AR or ITC (whether justified or not);
- "Compliance Material"**

Compliance material as published by ITC, to be observed and implemented by ITC's network of Appointed Representatives including the AR and which ITC will issue to the AR from time to time;

"Confidential Information"

information of a confidential nature (including trade secrets and information of commercial value) known to and concerning ITC and the Products and which may be communicated to the AR by ITC from time to time;

"Customer"

a customer for the Business or any Products, and includes, where appropriate, a potential customer for the Business or any Product;

"Controlled Functions"

those prescribed by the Regulations and described therein as "controlled functions";

"FCA"

the Financial Conduct Authority or any successor organisation which has legal responsibility for the regulation of financial and services and products;

"FCA Handbook"

the Handbook of Rules and Guidance made by the FCA, as amended or replaced from time to time;

"Finance Documentation"

in relation to any Finance Product any and all such documentation that may be required under the FCA Handbook and Consumer Credit Act 1974 (and all associated secondary and European legislation, as amended from time to time);

"Finance Products"

such of the Products which constitute financing agreements, personal loans, personal contract purchase and hire-purchase agreements and any other type of agreements which constitute "regulated credit agreements" as defined by FSMA;

"FSMA"

the Financial Services and Markets Act 2000 (or any Act of Parliament which may amend, supersede or replace the Financial Services and Markets Act 2000);

"Industry Regulation"

the FSMA, the Companies Act 2006, the FCA Handbook, the Consumer Credit Act 1974, the Data Protection Act 1998, General Data Protection Regulations, Anti-money laundering legislation and guidance and all other relevant laws, statutes, regulations, codes of practice, statements and requirements of any government or any other competent regulatory authority or body relating to the Business and any other business conducted by the AR in force from time to time including without limitations and for the avoidance of doubt the FCA Statements of Principle and the FCA requirements under its Treating Customers Fairly "initiative";

"Intellectual Property"

any patent, copyright, registered design, unregistered design right, trademark or other industrial or intellectual property owned or used by ITC (registered or unregistered or in course of registration);

"Original Agreement"

means the Appointed Representative Agreement between ITC and the AR (as amended);

"Products"

those products and services listed in Schedule 1 of this Agreement (as may be amended, by deletion or addition as ITC may notify in writing to the AR from time to time) and in relation to which ITC permits the AR to carry out Business including any Finance Products;

"Product Provider"

an organisation authorised by the FCA (directly or indirectly) to provide a Product;

"Regulated Activities"

those activities specified for the purposes of section 22 and set out in Part IV of FSMA.

- Credit Broking
- Debt Adjusting (Limited to the settlement of vehicle finance)
- Debt-counselling (Limited to the settlement of vehicle finance)

1.2 Subordinate Legislation

Any references to a statutory provision shall include any subordinate legislation made from time to time under that provision.

1.3 Modifications etc of Statutes.

Any reference to a statutory provision or regulation or to the FCA rules shall include that provision, regulation or rule as from time to time modified or re-enacted.

1.4 General

References to Clauses and Schedules are to clauses and schedules of this Agreement. Any Schedules to this Agreement shall form part of this Agreement. Headings are for convenience only and shall be ignored in interpreting this Agreement.

1.5 Amendment and Restatement

This Agreement amends and restates the Original Agreement with effect from the date of the Agreement.

2 Appointment

2.1 With effect from the Commencement Date ITC hereby appoints the AR as its non-exclusive appointed representative to carry out the Business on the terms of this Agreement and the AR hereby accepts the appointment on those terms. ITC accepts responsibility for the AR in accordance with section 39, FSMA 2000 for Regulated Activities conducted by the AR that comprise the Business in accordance with this Agreement but not for any other activities.

2.2 During the term of this Agreement the AR shall at all times:

- 2.2.1 generally carry out its responsibilities under this Agreement in such manner to best promote the interests of the customer and ITC;
- 2.2.2 describe itself in all dealings when carrying on Business or relating to the Products (including, for the avoidance of doubt, in any promotional materials and at its premises) as the appointed representative of ITC;
- 2.2.3 not become an Authorised Firm (or take any steps with the intention of becoming an Authorised Firm);
- 2.2.4 not act in any way which will or may incur any liability for ITC nor shall the AR pledge the credit of ITC.

2.3 ITC may at any time by notice prohibit, suspend or restrict:

- 2.3.1 the kinds of Regulated Activities to which the AR engage in
- 2.3.2 the parties with whom the AR may engage with for the supply of regulated products or services

2.4 The AR is not permitted to undertake the Business until the Commencement Date.

2.5 The AR is not permitted to have any other appointment as an Appointed Representative on behalf of any other principal for any type of Regulated Activity while this Agreement remains in force without prior written agreement of ITC.

2.6 Nothing in this Agreement permits the AR to conduct business outside the UK.

3 ITC's obligations

3.1 During the term of this Agreement ITC undertakes and agrees with the AR that it shall:

- 3.1.1 from the Commencement Date be authorised to carry on the Regulated Activities (ITC's FCA authorisation number is 313486 which is available for inspection on the FCA website);
- 3.1.2 act within the scope and limitations of its authorisation;
- 3.1.3 issue the Compliance material to the AR to assist the AR to comply with its obligations under this Agreement (together with up-dates to the same from time to time) which the AR acknowledges is ITC's exclusive property and the AR acknowledges that the copyright in the Compliance Material belongs to ITC and is ITC's Confidential Information;
- 3.1.4 keep at ITC's registered office a definitive copy of the Compliance Material as amended from time to time which, in the event of dispute as to its contents shall constitute the text in force at the material time;
- 3.1.5 make ITC's training and competence scheme available to the AR's Approved Persons and others as ITC sees fit.

4 AR's undertakings representations and warranties

4.1 During the term of this Agreement, the AR undertakes, warrants and represents to ITC that it:

- 4.1.1 shall have adequate financial resources available by way of working capital and otherwise be solvent as assessed (inter alia) in accordance with the FCA Handbook;
- 4.1.2 shall supply any information, material and documentation required by ITC or the FCA to verify compliance with the terms of this Agreement and shall permit ITC and its representatives (including auditors) and the FCA and its representatives to enter upon the AR's premises for the purposes of ascertaining whether the provisions of this Agreement are being complied with and shall allow such persons to remove such information, electronic data, material and documentation (including books, accounts and vouchers, and the records for the purpose of taking copies of them);
- 4.1.3 shall be and remain suitably and legally qualified to act for ITC in the capacity of appointed representative in accordance with the Industry Regulations and will comply and ensure that its Approved Persons and other staff comply, with all applicable Regulations relevant to the Business, including in particular the FSMA, the FCA Handbook, the Consumer Credit Act and any conditions, restrictions or prohibitions which the FCA may specify or impose under the FCA Handbook, in the conduct of Business and any other commercial activities carried on by the AR;
- 4.1.4 shall have no "close links" (as defined in the FCA Handbook) which would be likely to prevent the effective supervision of the AR by ITC;
- 4.1.5 shall be able to deliver the same level of protection to Customers in relation to their dealings with the AR as if such Customers had dealt with ITC itself;
- 4.1.6 shall maintain suitable and adequate controls over the Regulated Activities it carries on under this Agreement for which ITC has responsibility under FSMA and, where requested by ITC, to impose, maintain and comply with such controls

- and procedures as ITC may request from time to time;
- 4.1.7 shall conduct Business strictly in accordance with any instructions or directions given by ITC from time to time (in particular in the form of Compliance Material, as modified from time to time), and generally conduct Business in accordance with the FCA Handbook, good market practice and high standards of business integrity;
- 4.1.8 shall have and maintain adequate resources to monitor compliance with this Agreement;
- 4.1.9 shall continue to engage the required number of Approved Persons who meet the FCA's criteria for approval as such, and who shall carry out their Controlled Functions in accordance with the FCA's standards published from time to time;
- 4.1.10 shall have owners, controllers, directors, officers, proprietors and managers of the AR (as the case may be) that are of good character, competent and of sufficient financial standing to enable them to undertake their responsibilities under this Agreement;
- 4.1.11 has not, prior to the making of this Agreement, made an unsuccessful application to the FCA to become an Authorised Firm;
- 4.1.12 will forthwith disclose to ITC any application which it makes to the FCA to become an Authorised Firm and any documents relating to any unsuccessful application that is or may have previously been made by the AR to become an Authorised Firm;
- 4.1.13 the AR shall procure that its proprietors or directors or Approved persons as appropriate shall each execute a personal guarantee if required in favour of ITC, in a form stipulated by ITC.
- 5 General Responsibilities of the AR
- 5.1 Throughout the term of this Agreement the AR shall act towards ITC conscientiously and in good faith and in such manner as to enable ITC to comply properly with any limitations or requirements on its own permission to carry out Regulated Activities, and shall not allow its own interests to conflict with the duties that it owes to ITC under this Agreement and/or under the general law.
- 5.2 The AR will take any action reasonably required by ITC in consequence of any breach of this Agreement or any Complaint made.
- 5.3 The AR shall maintain at its own expense appropriate offices, display, administration facilities and systems as may be necessary for the effective performance of its duties under this Agreement, and shall take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
- 5.4 The AR hereby undertakes and agrees that it shall not accept (and it shall procure that none of its owners, partners, officers, employees or other representatives accept) any secret profit, income or other benefit or inducement (in whatever form the same may be offered or provided) from any Product Provider (or any other person, firm or company) which does or may provide an incentive or reason for the AR (or anyone connected with the AR) to promote or recommend any one Product or Products in preference to or more prominently than another Product or Products (including, without limitation, any gifts or vouchers or other like incentive).
- 5.5 In the event that any Product Provider imposes requirements on ITC and/or ITC's appointed representatives which are in addition to or supplement the obligations and responsibilities of the AR set out in this Agreement, ITC shall notify the AR of the same and such requirements shall be set out in Schedule 3 to this Agreement (which may be added to or amended by ITC from time to time on notice to the AR). The AR shall be bound by such additional requirements as soon as it has been notified of them by ITC and such requirements (as introduced or amended from time to time) shall be deemed to form part of the obligations of the AR as if they were set out in full in this Agreement. In the event of any conflict or inconsistency between any such additional requirements and the terms of this Agreement, the terms of this Agreement shall prevail and take priority.
- 6 AR's Approved Person(s)
- 6.1 During the term of this Agreement the AR shall ensure that the required number of its directors, partners, members or (where the AR is a sole trader) the principal (as the case may be) is approved under Section 59 of the FSMA for the performance of the Controlled Functions in relation to the Regulated Activities.
- 6.2 The AR shall inform ITC in writing of any proposed change of its Approved Person at least 90 days before the change of Approved Person is due to come into effect.
- 6.3 The Approved Person shall act at all times in accordance with the Regulations and the FCA's Statements of Principle for Approved Persons as amended or replaced from time to time.
- 6.4 The AR shall advise ITC in writing immediately of any factors that may affect the continued suitability of its Approved Person to perform the function of an Approved Person.
- 7 Training, Competence and Recruitment
- 7.1 The AR shall comply at all times with the FCA's recruitment rules on training and competence (including those relating to the recruitment of staff and other representatives) and shall ensure that any employees or other representatives of the AR in respect of whom the relevant rules apply, (including the Approved Person of the AR), are appropriately trained in accordance with the reasonable requirements of ITC, and undertake annual retraining as required by ITC from time to time.
- 7.2 The AR shall employ sufficient appropriately qualified staff, to meet the demand from clients and to permit the efficient conduct of Business, and ensure that all staff employed by the AR at the date of this Agreement are employed on terms that require them, and enable the AR, to comply with the terms of this Agreement.
- 7.3 If the AR intends to recruit an individual with a view to that individual engaging in Business it shall (in addition to ensuring compliance with the Regulations) as part of its recruitment procedures:
- 7.3.1 take into account the knowledge and skills of the individual in relation to the knowledge and skills required for the relevant role;
- 7.3.2 take all reasonable steps to obtain sufficient information about the individual's previous relevant activities and training (including in relation to any FCA recognised qualifications) from a suitable source within a reasonable time;
- 7.3.3 ensure that the individual undergoes such training with ITC and or a Product Provider (if

- appropriate using ITC's on-line training and competence programmes) before engaging in the Business.
- 7.4 If the AR engages an employee whose work involves the Business, the AR shall maintain with each such employee at all times an effective contract of service which incorporates undertakings to observe and perform the terms of this Agreement insofar as they relate to such individual. The AR shall provide to ITC upon reasonable request a copy of its standard contract of service for such employees and shall provide details of all variations thereto within three business days of such variation being proposed.
- 7.5 ITC will provide training to the AR in the form of its on-line Training and Competence programme.
- 8 Information, Reporting and Notification requirements
- 8.1 ITC is responsible for promptly notifying the FCA of any change to the initial notification of the appointment of an Appointed Representative. The notification includes the following details:
- 8.1.1 the registered name of the Appointed Representative;
- 8.1.2 any change to any trading name under which the Appointed Representative carries on a Regulated Activity.
- The AR shall promptly notify ITC of any changes which ITC is required to notify to the FCA including but not limited to the changes described in this clause 8.1.
- 8.2 The AR shall promptly (and in any event within three business days) notify ITC if at any time the AR has breached the terms of this Agreement or if it becomes aware of any circumstance which may cause it to become in breach of this Agreement and shall also promptly provide any information to ITC which ITC may require and which is relevant to enable ITC to monitor the AR's continuing compliance with its obligations contained in this Agreement (including the warranties contained in clause 4 hereof).
- 8.3 The AR shall at all times fully and promptly co-operate with the FCA whenever the FCA gathers information on its own initiative and which requires the cooperation of the AR and the AR shall when requested give immediate access to authorised representatives of the FCA to its premises, documents, and personnel and the AR shall take reasonable steps to ensure that its employees and other representatives (and those within any group of companies of which the AR forms part) also co-operate fully and promptly with the FCA. The AR will also comply with any instruction which ITC may give concerning investigations which may be carried out by the FCA or which may result from the exercise of international powers by the FCA.
- 8.4 The AR shall give to the duly authorised employees and agents of ITC (including its auditors or reporting accountants), a right of access at all times to the AR's accounting and other records and documents relating to its obligations under this Agreement (in whatever form they are held). The AR shall allow ITC auditors or reporting accountants to copy documents or other material on its premises and to remove copies or hold them elsewhere, or give to the auditors or reporting accountants such copies on request. The AR's officers, partners or proprietors shall promptly and fully provide to ITC's representatives with all such information and explanations as they reasonably consider necessary for the performance of ITC's duties hereunder and pursuant to ITC's legal and regulatory obligations.
- 8.5 The AR shall maintain such up-to-date administrative records as will enable it to meet its obligations under this Agreement, and keep such records for such period as may be required by the FCA Handbook, and give ITC access to such records at reasonable times and, where appropriate, subject to reasonable advance notice.
- 8.6 If any compliance deficiencies are identified as a result of the audits or reviews performed pursuant to this clause, such deficiencies shall be addressed and rectified by the AR within such period as shall be reasonably stipulated by or on behalf of ITC and the costs thereof shall be borne by the AR. If any such compliance deficiencies are not rectified within such reasonable timescales to the satisfaction of ITC, ITC reserves the right to terminate this Agreement (by written notice) with immediate effect.
- 8.7 The AR agrees, authorises and confirms that it has taken such steps as may be required including the instruction under any required GDPR binding agreement with all supplying Finance providers and third party administrators to supply ITC COMPLIANCE LTD with such regular management information as it may reasonably require from time to time to enable ITC COMPLIANCE LTD to monitor continuing compliance with its regulatory obligations (as determined by ITC at its sole discretion) and the terms of this Agreement. For the avoidance of doubt such information will necessarily include, details of all Finance products supplied (and any subsequent changes), rates and terms at which the product(s) have been supplied, where ITC systems are not used for Direct quote and supply, details of agreements set up on the supplies system to enable cross checks. The AR acknowledges and confirms that should a Finance Product Provider be unable or unwilling to provide such information that the AR may be required (at ITC's Sole discretion) to cease to engage with said provider until such information is forthcoming.
- 9 Business – Customer Conduct
- 9.1 The AR shall, in the course of dealing with Customers and prospective Customers for the Products, bring to their notice the required information and documentation and make all necessary disclosures as prescribed by the Industry Regulations. In relation to Finance Products this shall include all the Finance Documentation and information including information prescribed in the FCA Handbook and under the Consumer Credit (Disclosure of Information) Regulations 2010, or the Consumer Credit (Disclosure of Information) Regulations 2004.
- The AR will in all cases provide Customers with the terms and conditions of the relevant Product and Product Provider and shall provide Customers with copies of such pre-contractual information (including an Initial/Status Disclosure Document and a Demands and Needs statement) as required by Industry Regulations and as ITC may specify from time to time (and all in forms set out in Compliance Material from time to time).
- 9.2 Where a sale is made over the telephone the AR shall incorporate into their telephone script (and adhere to such script at all times) such wording as ITC may provide from time to time for such purposes. Where required by ITC all telephonic communication with any Customer must be recorded

and the recording then stored in accordance with the procedures set out in Compliance Material.

All information provided to a Customer in relation to any Product must be clear, fair and not misleading.

9.3 Where the AR intends to provide an internet sales facility the AR shall not allow the relevant site to become operational (or otherwise made available for use by Customers) until it has been approved for use by ITC in writing.

9.4 The AR shall only be permitted to carry out the Business in relation to Finance Products to the extent that the Product Provider is expressly listed in Schedule 1 as amended from time to time by agreement in writing between ITC and the AR.

10 Restrictions on AR

10.1 The AR hereby agrees not to carry on or engage (whether directly or indirectly) in any other commercial or financial activity that is not the Business without ITC's prior written consent;

10.1.1 engage in or conduct Business other than in the manner prescribed by ITC and in accordance with Compliance Material;

10.1.2 make any of the following changes without ITC's prior written consent:

10.1.2.1 a change of ownership of the AR;

10.1.2.2 the appointment or termination of an Approved Person;

10.1.2.3 any change in legal status or form;

10.1.2.4 any change in the premises or any commencement of trade from any new premises;

10.1.2.5 any change in trading name or style;

10.1.2.6 any proposed sale, transfer, assignment, charge or sub-licensing of business or any part of it (for the avoidance of doubt, the AR shall at ITC's request provide ITC with a copy of the proposed contractual documentation relating to such actions);

10.1.3 sell any product or provide any service which is prohibited or restricted by ITC or which conflicts with the standards contained in or associated with this Agreement and/or Compliance Material;

10.1.4 do or omit to do any act or thing which may in our opinion bring ITC into disrepute or which may in ITC's opinion damage or conflict with the interests of ITC, its clients or ARs;

10.1.5 use ITC's name or Intellectual Property otherwise than in accordance with this Agreement, and shall not use ITC as part of the ARs trading name or corporate title;

10.1.6 make any statement, representation or claim and give no warranty to any person in respect of the Business or the Products provided in the course of the Business save such as are specifically authorised in Compliance Material in its form current at the time of the making by the AR of any such statement, representation, claim or warranty;

10.1.7 hold client money; or

10.1.8 incur any cost or expense on behalf of ITC.

Restrictions relating to Finance Products

10.2 The AR agrees to comply with the regulatory regime for Finance Products including the conduct requirements set out in the Consumer Credit Sourcebook of the FCA Handbook (CONC). IN particular, the AR agrees and confirms that it shall not under any circumstances:

10.2.1 Deviate from a standard rate corridor across all finance product classes greater than 3% APR of

the maximum sell out rate. For the avoidance of doubt if a maximum sell out rate on all standard PCP products is 14.9% APR the lowest standard rate that can be offered is 11.9% APR.

10.2.2 Make available a non-manufacturer vehicle specific promotion rate outside of a single pre agreed APR figure.

10.2.3 offer a financial or other incentive or inducement to a Customer to enter, immediately or quickly, into an agreement for a Finance Product;

10.2.4 effect an introduction to a lender or an owner or to another credit broker where the AR has considered whether the customer might meet the relevant lending or hiring criteria and it is or should be apparent to that the customer does not meet those criteria;

10.2.5 suggest to a customer that an application for credit will be met in full when a lower amount may be offered;

10.2.6 secure more credit for a customer than was requested where the object of doing so is for, or can reasonably be concluded as having been for, the personal gain of the AR or of a person acting on its behalf, rather than in the best interests of the Customer;

10.2.7 give preference to the Finance Products of a particular Finance Provider where the object of doing so is for, or can reasonably be concluded as having been for, the personal gain of the AR or of a person acting on its behalf, rather than in the best interests of the customer;

10.2.8 enter into any commission arrangements with a Finance Product Provider providing for differential commission rates or providing for payments based on the volume and profitability of business unless such payments can be justified based on the extra work of the AR involved in that business and unless approved by ITC in advance;

10.2.9 enter into agreements or arrangements with Finance Product Providers without the prior consent of ITC.

Remedies – Breach of restrictions

10.3 Following a breach of restrictions and until such a breach is remedied to ITCs sole discretion ITC may as its sole discretion request that a finance company withhold or claw back any finance payment made to or owing to the AR for any case that breaches any restriction or covenant required in 10.2 above. For the avoidance of doubt the AR gives its specific consent to such action and its agreement to these terms provides as suitable authority of ITC to require such action without further notice.

11 Complaints Handling

11.1 All Complaints related to the Business governed by this Agreement (written or otherwise) received by the AR shall be reported immediately to and copies of any written Complaint received by the AR shall be promptly forwarded to ITC Complaints, including those relating to any Regulated Authorities which may have been carried on before the commencement date, shall be handled, recorded and reported by the AR strictly in accordance with the procedure therefor set out in the Compliance Material and in accordance with the FCA Handbook. The AR hereby gives ITC authority to speak or write to any of the AR's clients concerning any complaint relating to services provided by the AR to them.

- 11.2 The AR shall provide such access, information, records and documents as ITC or the FCA may request in the conduct of any investigation relating to any Complaint (or other matter which relates to any activities covered by this Agreement) made to, about or in any way involving the AR (whether before or after the termination of this Agreement) and the AR shall procure that its employees and other representatives are available at all reasonable times to answer questions in relation to such matters.
- 11.3 ITC reserves the right to require the AR to pay all costs and expenses incurred by ITC in dealing with any Complaint (including ITC's management time at ITC's usual hourly rates) in the event that the Complaint involves allegations of fraudulent activity or relates to any matter which involves a breach of these Terms and Conditions on the part of the AR.
- 11.4 Complaints received in relation to Finance Products shall be subject to Complaint handling charges as set out in Schedule 2. Such charges shall be determined and applied by ITC in its sole discretion and may be collected in accordance with the usual methods for payment agreed with the AR and ITC including without limitation through the [monthly] variable direct debit in place. The AR hereby agrees to these charges and the collection of such sums by ITC without prior reference to the AR.
- 11.5 ITC shall be entitled to recover the complaint handling charges in advance where known as set out in Schedule 2.
- 12 Fees and Charges
The fees and charges payable by the AR to ITC COMPLIANCE LTD in relation to the appointment of the AR as ITC COMPLIANCE LTD's representative pursuant to the terms of this Agreement, including the basis of their calculation and how frequently they are to be paid, are set out on the order form and or annual invoice which should be read as a schedule to this Agreement. All fees will be subject to an annual RPI (on the anniversary date of the agreement) plus 2% increase regardless of the agreed initial term for example if a two years agreement is confirmed at £x per year at the end of the first year the agreed fee will be subject to an increase by £x plus (RPI plus 2%) as above.
- Indemnity
- 12.1 Notwithstanding any other provision of this Agreement, the AR hereby undertakes and agrees to indemnify ITC (including all of its officers, employees and other representatives) and keep it (and them) indemnified at all times against all claims, costs, losses, liabilities, fines, expenses, demands and/or proceedings which ITC (and/or any of its officers, employees or other representatives) may suffer or incur or which may be made or brought against it (or any such person) arising out of or as a result of:
- 12.1.1 any act or omission or purported act or omission by the AR under this Agreement;
- 12.1.2 any act or omission or purported act or omission by the AR outside the terms of this Agreement and outside the authority given to the AR hereunder;
- 12.1.3 any breach by the AR of its obligations under this Agreement including (without prejudice to the generality of the forgoing) any fines, fees or other form of award or compensation which may be made or levied against ITC (whether by the Courts, the FCA, the Financial Ombudsman, the FOS or any other regulatory authority) as a result of any Complaint or allegation made by a Customer of the AR or a Product Provider or as a result of any breach (or alleged breach) by the AR (or anyone for whom the AR is responsible) of any Industry Regulation. This indemnity shall also extend to any costs or expenses incurred by ITC in investigating and defending any such Complaint or allegation or breach (or alleged breach) and any payment (whether by way of compensation or a fine or otherwise) made or required to be made by ITC as a result of any claim, complaint, arbitration, regulatory investigation or disciplinary or enforcement action taken, levied or incurred as a result of or arising out of any activity or omission on the part of the AR.
- 12.2 In the event that ITC suffers or incurs (or becomes liable to pay) any fine, penalty, levy or contribution to or at the direction of the FCA or Financial Ombudsman's Service (FOS) on behalf of or in relation to the AR (or in relation to any activity undertaken by the AR), then the AR will forthwith upon demand from ITC pay to ITC such fine, penalty, levy or contribution (or such part thereof as relates to or is attributable to the AR or its business).
- 13 Advertising and Promotion
- 13.1 ITC shall provide the AR with information on advertising and promotional requirements in relation to Regulated Activities.
- 13.2 All references to ITC must be approved in writing by the Chief Executive or Chief Operating Officer of ITC in advance of any public announcement.
- 13.3 All marketing material that includes any references to the involvement of ITC shall be destroyed or returned to ITC on termination of this Agreement.
- 13.4 The AR shall be solely responsible for the advertising and promotion of the Products within its organisation, on its website (where applicable) and in other publications in which it advertises (and the AR shall be solely responsible for all costs associated therewith).
- The AR shall ensure all financial promotions comply with the FCA rules and must be approved in writing by ITC prior to publication or distribution.
- 13.5 The AR shall forthwith withdraw and cease to use any advertising and promotional materials when requested to do so by ITC.
- 14 Compliance with Laws and Regulations
- 14.1 ITC and the AR shall comply at all times with:
- 14.1.1 the Industry Regulations and any applicable general law;
- 14.1.2 best market practice in relation to its business; and
- 14.1.3 Compliance Material;
- shall procure that any Approved Persons employed by the AR or ITC comply at all times with the FCA "Statement of Principles for Approved Persons" and the FCA Code of Practice for Approved Persons.
- 14.2 ITC shall give the AR as much advance notice as possible of any prospective or actual changes in Compliance Material and of any prospective or actual change in any condition or limitation on its authorisation by the FCA by the date of implementation of that change or as soon as is reasonably practicable thereafter.

- 14.3 In the event of any inconsistency between Compliance Material and the terms of this Agreement, the terms of this Agreement shall prevail.
- 15 Intellectual Property
- 15.1 The AR acknowledges that the Intellectual Property (including the goodwill connected therewith and with ITC's name and business) belong solely to and shall at all times remain vested solely in ITC.
- 15.2 The AR acknowledges and agrees that:
- 15.2.1 it is only permitted to use the Intellectual Property for the purposes of and during the term of this Agreement and only as authorised by ITC hereunder;
- 15.2.2 it shall not use any trademark or trade names or similar devices which resemble the ITC's trademarks or trade names or similar devices and which would therefore be likely to confuse or mislead the public or any section of the public;
- 15.2.3 it shall not remove, alter or otherwise tamper with any trademarks, trade names, logos or other means of identification on any of the Products which come into its possession or control, and shall not place any trademark or trade name of its own upon any of the Products or on any other materials used in connection therewith;
- 15.2.4 it shall not do or omit to do or authorise any third party to do or omit to do anything which would invalidate or be inconsistent with the Intellectual Property and/or ITC's ownership and control of the same;
- 15.2.5 where requested to do so by ITC it shall make an appropriate statement in any advertising material and promotional literature produced by or for it in connection with any of the Products as to the ownership of any Intellectual Property used or referred to therein.
- 16 Duration and Termination
- 16.1 This Agreement shall come into effect on the Commencement Date and shall (subject to any rights of earlier termination contained herein) continue in force for the minimum initial term of two years (the "Initial Term") and (subject as aforesaid) shall automatically continue thereafter until terminated as hereinafter provided.
- 16.2 ITC and the AR may terminate this Agreement on the expiry of the Initial Term or at any time thereafter by giving not less than six calendar months prior written notice provided that (notwithstanding such termination) those provisions of this Agreement which are intended to apply after the termination of this Agreement shall continue in full force and effect in accordance with their terms (and, for the avoidance of doubt, these shall include any obligations or liabilities on the AR in relation to the investigation and resolution of any breaches of this Agreement and/or any Complaints which are either unresolved as at the date of termination or which are made or received following termination).
- 16.3 ITC may give notice in writing to the AR terminating this Agreement with immediate effect (and at any time) if:
- 16.3.1 at any time ITC has reasonable grounds to believe that any of the conditions in clause 4.1 are not satisfied or are likely not to be satisfied, and the AR is unable to take immediate steps to rectify the matter to ITC's satisfaction;
- 16.3.2 the AR shall at any time fail to pay any amount due and payable to ITC on demand; or in any way seeks to interfere with the proper course of clause 10.3
- 16.3.3 the AR fails to submit to ITC in a timely manner any accounting or management information required or fails to submit its annual accounts in the time period prescribed by ITC;
- 16.3.4 the AR shall ITC's opinion is in breach of any rule or guidance in the FCA Handbook or Industry Regulation or fails to operate the Business in accordance with Compliance Material or conducts the Business in a manner which may prejudice our authorisation by the FCA;
- 16.3.5 the AR breaches any of the restrictions covered in clause 10
- 16.3.6 the AR's proprietors directors and/or key staff are no longer (in ITC's opinion) fit and proper to conduct the Business in accordance with the relevant standards set out in the FCA Handbook;
- 16.3.7 the AR purports to effect any assignment of any of the rights or licences granted under this Agreement;
- 16.3.8 the AR fails to obtain any written approval or consent from ITC expressly required by this Agreement;
- 16.3.9 the AR gives ITC any false or misleading information, omits to provide ITC with any material information or makes any misrepresentation in connection with obtaining this Agreement or at any time whilst this Agreement remains in force in connection with the Business;
- 16.3.10 any material change occurs in the AR's management, ownership or control of the Business otherwise than in accordance with the provisions of this Agreement;
- 16.3.11 any of the proprietors, directors or key staff (as appropriate) die or are incapacitated for any reason;
- 16.3.12 the AR or any Approved Person are convicted of any criminal offence or shall be found to have acted dishonestly or to have induced any person to enter into any investment by means of misrepresentation either under common law or statute;
- 16.3.13 the AR or any Approved Person or any proprietor or director of the AR otherwise neglects or fails to perform or observe any of the provisions of this Agreement or commits any breach of this Agreement, which breach if remediable is not remedied to ITC's satisfaction within [five] days of notice in writing being given to the AR requesting its remedy, provided that ITC shall not be obliged to give such notice in the case of a persistent breach which shall be one which has occurred more than twice in any twelve month period;
- 16.3.14 ITC is required to do so by the FCA.
- 16.3.15 the AR carries on or threatens to carry on any Regulated Activities in breach of the general prohibition in section 19 of the FSMA;
- 16.3.16 the AR becomes an Authorised Firm;
- 16.3.17 the AR becomes an appointed representative of another network (namely one in which ITC does not have any involvement);

- 16.3.18 ITC receives notification that its permission from the FCA to carry out Regulated Activities has been or is to be withdrawn;
- 16.3.19 ITC is no longer able to comply properly with any limitations or requirements on its own FCA permission or loses its permission to carry out Regulated Activities by the FCA;
- 16.3.20 the AR is in breach of any other agreement with ITC;
- 16.3.21 an order is made or a resolution is passed for the winding-up of the AR or an order is made for the appointment of an administrator to manage the affairs, business and property of the AR, or such an administrator is appointed or documents are filed with the court for the appointment of an administrator or notice of intention to appoint an administrator is given by the AR or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a receiver and/or manager or administrative receiver is appointed in respect of all or any of the AR's assets or undertaking or circumstances arise which entitle the Court or a creditor to appoint a receiver and/or manager or administrative receiver or which entitle the Court to make a winding-up or bankruptcy order or the AR takes or suffers any similar or analogous action in consequence of debt or other liability;
- 16.3.22 the AR ceases, or threatens to cease, to carry on business;
- 16.3.23 the AR assigns or purports to assign its rights or obligations under this Agreement.
- 17 Effects of Termination**
- 17.1 Termination of this Agreement however caused shall be without prejudice to any rights or liabilities accrued at the date of termination.
- 17.2 Upon termination of this Agreement for any reason:
- 17.2.1 the AR shall cease to carry on the Business and refrain from promoting, marketing, advertising or selling any of the Products;
- 17.2.2 the AR shall immediately cease to describe itself as an "Appointed Representative" of ITC and shall cease to use all trademarks or brand names of ITC (and any other Intellectual Property);
- 17.2.3 the AR shall at its own expense within 30 days return to ITC all advertising, promotional or sales material relating to the Products that are in the possession of the AR or otherwise dispose of the same as ITC may instruct.
- 17.3 For the avoidance of doubt, the provisions of Clause 5 shall, notwithstanding termination, continue in force in relation to all sales of the Products where the sale has been concluded before the date of termination.
- 17.4 Termination shall not affect the operation of those clauses of this Agreement which are, by their nature, intended to survive and continue in force notwithstanding the termination of this Agreement.
- 17.5 Subject as herein provided and to any rights or obligations accrued prior to termination, neither party shall have any further obligation to the other under this Agreement.
- 17.6 In the event that ITC terminates this Agreement prior to the expiry of the Initial Term pursuant to any one of the sub-clauses set out in clause 16.3 (other than in circumstances where ITC no longer has the required authorisation from the FCA) then the AR shall forthwith pay to ITC any unpaid balance of the Annual Fee set out in Schedule 2 to this Agreement for the remainder of the Initial Term (or, where the Initial Term has expired, for the period which is the shorter of six months or, if either party has previously given six months' notice to terminate this Agreement, the remainder of such six months' notice period). The AR accepts and acknowledges that such payments are a genuine pre-estimate of the loss which ITC is likely to suffer as a result of the termination of the Agreement in such circumstances.
- 17.7 In the event of termination of this Agreement by either ITC or the AR, no refund of any fees paid by the AR to ITC shall be made.
- 18 Confidentiality**
- 18.1 The AR agrees that it shall at all times (both during the term of this Agreement and after its termination) keep confidential, and shall not use (other than strictly for the purposes of this Agreement) and shall not without the prior written consent of ITC disclose to any third party any Confidential Information, unless the information:
- 18.1.1 was public knowledge or already known to the AR at the time of disclosure to it; or
- 18.1.2 subsequently becomes public knowledge other than by breach of this Agreement by the AR; or
- 18.1.3 subsequently comes lawfully into the possession of the AR from a third party without any obligation of confidentiality.
- 18.2 To the extent necessary to implement the provisions of this Agreement (but not further or otherwise), the AR may disclose the Confidential Information to any Customers or prospective Customers, to any relevant governmental or regulatory body or authority (including the FCA), and to any employees of the AR or of any of the above provided that before any such disclosure the AR shall make those persons aware of its obligations of confidentiality under this Agreement and shall obtain a binding undertaking as to confidentiality from all such persons (other than any governmental or regulatory body or authority).
- 18.3 All documents and other records (in whatever form) containing Confidential Information supplied to or acquired by the AR from ITC shall be returned promptly to ITC upon termination of this Agreement (and no copies shall be kept by the AR).
- 19 Data Protection**
- GENERAL DATA PROTECTION REGULATIONS (GDPR)**
- 19.1.1 Both ITC Compliance Limited and the AR warrants that it shall duly observe all its obligations under General Data Protection Regulations which arise in connection with this Agreement.
- 19.1.2 ITC Compliance Limited will act as Data Processor and will capture and hold personal data on employees engaging in regulated activity including details of their date of birth, job title, employment and education history. ITC will also process personal data relating to customers purchasing regulated products including their name, date of birth, address, limited financial information, responses to pre-defined questions to assist in the selection of regulated products. All information will be held indefinitely for the purpose of complaints administration and meeting its obligations as Principal firm as required under the Financial Services and Markets Act as amended from time to time.

- 19.1.3 In particular, and without limitation, as required by Article 28 of the General Data Protection Regulations ITC Compliance Limited will:
- 19.1.4 only act on the written instructions of the AR as controller; (including when making an international transfer of personal data) unless required to do so by law
- 19.1.5 ensure that people processing the data are subject to a duty of confidence;
- 19.1.6 take appropriate measures to ensure the security of processing;
- 19.1.7 only engage sub-processors with the prior consent of the AR and under a written contract;
- 19.1.8 assist the AR in providing subject access and allowing data subjects to exercise their rights under the GDPR;
- 19.1.9 assist the AR in meeting its GDPR obligations in relation to the security of processing, the notification of personal data breaches and data protection impact assessments;
- 19.1.10 delete or return all personal data to the AR as requested at the end of the contract unless it is required to meet regulatory requirements as defined in the Financial Services and Markets Act and or relevant Financial Conduct Authority Sourcebooks
- 19.1.11 submit to audits and inspections, provide the AR with whatever information it needs to ensure that they are both meeting their Article 28 obligations, and tell the AR immediately if it is asked to do something infringing the GDPR or other data protection law of the EU or a member state.
- 20 **Standards**
- 20.1 Both parties agree to observe high standards of market conduct and for this purpose, ITC reserves the right to make and issue such instructions or regulations as it deems appropriate in order to enforce any Industry Regulation in force from time to time, or relating to any investigation carried out by the FCA or the exercise of any intervention power by the FCA, or to otherwise protect and/or develop ITC's business and/or reputation, and the AR hereby agrees to comply with any such instruction or regulation.
- 20.2 The AR shall comply with ITC's instructions to commence proceedings (in accordance with applicable employment and/or contract laws and regulations) to remove a director, Approved Person or a key member of staff in the event that they are no longer, in ITC's opinion, fit and proper to conduct the Business in accordance with the relevant standards set out in the FCA Handbook.
- 20.3 Any instruction or regulation issued by ITC pursuant to clause 20.1 shall be effect immediately upon being given to the AR in writing or in some other electronic form unless the instruction or regulation is expressed to take effect at some later date in which case it will come into effect at such time and on such date as specified in such instruction or regulation.
- 21 **Suspension**
- 21.1 ITC may if it knows or suspects:
- 21.1.1 a breach or potential breach by the AR of any provision of this Agreement (as amended from time to time); or
- 21.1.2 a breach or potential breach by the AR of any Industry Regulation;
- 21.2 At any time suspend the AR's right and licence to operate the Business by notice in writing by the AR,
- such suspension to have effect immediately on the giving of such notice until such time as ITC may reinstate such right and licence. The effect of suspension shall be that the AR and the Approved Persons shall cease to conduct the Business and shall until the end of the suspension cease in any way to use all or any part of the Compliance Material, Confidential Information or the Intellectual Property.
- 21.3 ITC shall be entitled to require the AR by notice to cease to allow any Approved Persons to carry on the Business or from using Compliance Material, Confidential Information or the Intellectual Property if in ITC's opinion the interest of ITC, its clients or prospective clients or ITC's other ARs would be best protected by such cessation.
- 21.4 During a period of suspension the AR shall remain an Appointed Representative but shall not carry on any suspended activities under this Agreement unless specifically permitted by ITC in writing. The AR shall refer to ITC any matters requiring action which the AR is not able to perform as a result of the suspension.
- 22 **Force Majeure**
- 22.1 The obligations of each party under this Agreement shall be suspended during the period and to the extent that that party is prevented or hindered from complying with them by any cause beyond its reasonable control including (insofar as beyond such control but without prejudice to the generality of the foregoing expression) strikes, lock-outs, labour disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm, difficulty or increased expense in obtaining workmen, materials, goods or raw materials in connection with the performance of this Agreement.
- 22.2 In the event of either party being so hindered or prevented, the party concerned shall give notice of suspension as soon as reasonably possible to the other party stating the date and extent of the suspension and its cause and the omission to give such notice shall forfeit the rights of that party to claim suspension. Any party whose obligations have been suspended as aforesaid shall resume the performance of those obligations as soon as reasonably possible after the removal of the cause and shall so notify the other party. In the event that the cause continues for more than six months either party may terminate this Agreement by giving the other party 30 days' written notice.
- 23 **Entire Agreement**
- This Agreement (and the documents and materials referred to herein) constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations and discussions between the parties relating to it.
- 24 **Amendments**
- Save as expressly provided in this Agreement, no amendment or variation of this Agreement shall be effective unless in writing and signed by each of the parties to it (or by a duly authorised representative of each of the parties).
- 25 **Assignment**
- The AR shall not assign, transfer, charge or deal in any other manner with this Agreement or its rights under it (in whole or in part), or purport to do any of the same,

nor sub-contract nor appoint sub-[appointed/authorised] representatives or delegate any of its obligations under this Agreement (save with the specific prior written consent of ITC).

26 Freedom to contract

The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver, and to exercise their rights and perform their obligations under this Agreement.

27 Waiver

The failure of a party to exercise or enforce any right under this Agreement shall not be deemed to be a waiver of that right nor operate to bar the exercise or enforcement of it at any time or times thereafter.

28 Severability

If any part of this Agreement becomes invalid, illegal or unenforceable the parties shall in such an event negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the invalid, illegal or unenforceable provision which as nearly as possible gives effect to their intentions as expressed in this Agreement. Failure to agree on such a provision within six months of commencement of those negotiations shall result in automatic termination of this Agreement. The obligations of the parties under any invalid, illegal or unenforceable provision of the Agreement shall be suspended during such negotiations.

29 Rights of Third Parties

No term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party.

30 Set Off

The AR agrees that any claim by the AR under this Agreement or otherwise against ITC shall be the subject of a separate claim and action against ITC and accordingly the AR hereby waives any rights of set off and agrees to pay any amounts due hereunder regardless of any equity, setoff or cross-claim relating to any payment made by the AR to ITC or any credit owed (or allegedly owed) by ITC to the AR.

31 Insurance

31.1 Save where ITC requires the AR to obtain and maintain its own Professional Indemnity Insurance ("PII") ITC will obtain PII on the AR's behalf. In either case such PII shall be to the level required by ITC and/or the FCA from time to time and details of the cover as amended from time to time will be made available by ITC to the AR (or vice versa as the case may be) within 28 business days of the commencement of such insurance. In the event that any claim is made under such policy as a result of any act or omission on the part of the AR, the AR shall pay to and otherwise indemnify and keep ITC indemnified forthwith on demand in respect of any sum(s) payable by ITC in relation to such claim (including, without prejudice to the generality of the foregoing, any policy excess payable by the insured party thereunder).

31.2 The PII cover provided by ITC pursuant to this clause 30 is limited to those risks detailed therein and is subject to the excesses applicable thereto. The AR specifically acknowledges that it may require additional cover for risks not covered under the PII provided by ITC and may also require run off cover for activities undertaken prior to becoming an appointed representative of ITC and following termination of this Agreement.

32 Client Money

The AR undertakes and agrees not to hold or receive any client money as defined and amended by the FCA from time to time.

33 Notices

Any notice under this Agreement must be in writing and may be given by delivery, post, or fax addressed to the other party at the address stated on this Agreement. Notices sent by first class mail shall be treated as having been received 48 hours after posting, notices sent by second class post shall be treated as having been received 72 hours after posting and notices sent by fax on dispatch.

34 Governing Law and Jurisdiction

34.1 This Agreement shall be construed in accordance with and governed by English law and the parties hereby submit to the non-exclusive jurisdiction of the English and Welsh Courts in relation to any dispute arising in connection with this Agreement.

35 Mediation

35.1 The Parties shall use their reasonable endeavours to negotiate in good faith and settle amicably any dispute arising out of or relating to this Agreement in accordance with the following procedure:

35.1.1 the contract manager of each party (or an individual of similar seniority within the relevant party) will meet within five working days (or such other period as is agreed) of receipt of a written notice to meet from the other party to negotiate in good faith to settle the dispute;

35.1.2 if, within five working days of the first meeting the relevant individuals cannot reach agreement the matter will be referred in writing to the managing directors of each party (or to nominated alternative individuals of similar seniority within the relevant party) who will meet within five working days (or such other period as is agreed).

35.2 The parties shall each ensure that their representatives shall use all reasonable endeavours to reach a reasonable and amicable resolution to the dispute.

35.3 If any such dispute cannot be settled amicably through ordinary negotiations by appropriate representatives of the parties pursuant to clause 33.1 then either party may take whatever action is available to it at law and apply to the Courts of England and Wales for resolution of the dispute or the parties may agree to refer the dispute to the Centre for Dispute Resolution for resolution using its mediation procedure.

35.4 The parties reserve all their respective rights in the event that no agreed resolution shall be reached and neither party shall be deemed to be precluded from taking steps as may be considered necessary to protect such party's position while negotiations, mediation or other procedure is pending or continuing.

SCHEDULE 1

Appointed Representative Business and Products

Appointed Representative

As shown on related and duly signed order form

Products

Finance products and providers as shown on ITCs administration system as amended from time to time

Note: ITC may change, restrict or alter this list by notice in writing to the AR from time to time and at its sole discretion.

SCHEDULE 2

Term, Fees and Early Termination

Initial term of Agreement two years (starting on the Commencement Date) unless otherwise and agreed on duly signed order form

Annual Fee: as reflected on duly signed order form per annum (plus VAT if applicable). Whilst this Annual Fee is fixed for the term of the Agreement, ITC reserves the right to vary this Annual Fee in the event that any of the assumptions on which this fee is calculated and based (as set out on the initial order form) change during the term of the Agreement. In the event that ITC wishes to increase the Annual Fee for such reason during the term of the Agreement the AR shall have the right to either accept such revised Annual Fee (in which case the revised Annual Fee shall apply for the remaining term of the Agreement subject always to ITC's right to further revise the Fee if any of the assumptions on which such revised Fee is based change further) or to reject such revised Fee. In the event that the AR rejects such increased Annual Fee then ITC shall have the option of either:

- a) continuing the Agreement on its existing terms (and at the Annual Fee which applied before ITC's proposed increase); or
- b) giving notice to terminate the Agreement after a further period of six months (in which event the increased Annual Fee, as varied by ITC, shall take effect during the six months' notice period)

The AR shall be deemed to have accepted any increase in the Annual Fee as so notified to it by ITC if it does not notify ITC (in writing) of its rejection of the revised Fee within seven days of ITC first notifying it of the increase. In the event that the AR does not so reject the increased Fee within such seven day period the AR shall be deemed to have accepted the increased Fee, and the increased Annual Fee (subject to ITC's right to further revise the Fee in the circumstances set out above) shall thereafter continue to apply as from the date of ITC's notification of the increase until the end of the Initial Term of the Agreement.

Payment Terms: as defined on duly signed order form

The criteria upon which the Annual Fee are calculated are as follows:

- a) Type/class of business
- b) Estimated numbers of each policy class to be sold in the first 12 months;
- c) Estimated number of finance agreements to be written
- d) Estimated total finance balances
- e) Estimated gross commission for the first 12 months by class;
- f) Sales process (eg. internet, telesales, face to face);
- g) In the case of telesales or face to face;
 - number of staff involved;
 - number of locations

The AR is obliged to promptly notify ITC if any of the criteria set out above are no longer applicable or if the position of the AR (or its business) no longer reflects any of these criteria in any material manner (and a divergence of 10% in relation to any of the criteria shall be deemed to be a material change for these purposes).

Early Termination

In the event that the AR wishes to terminate the Agreement prior to the expiry of the Initial Term of the Agreement other than in circumstances where the AR has a right to terminate due to some default or breach on the part of ITC and the AR validly terminates the Agreement in these circumstances in accordance with its terms) then the following cancellation charges shall apply:

- a) where the AR has paid the Annual Fee until the end of the contractual term of the Agreement in full, then

no refund of any part of the Annual Fee shall be made Provided That if the AR has not paid any part of the Annual Fee when due such payment shall become immediately due and owing by the AR to ITC in full;

- b) where any part of the Annual Fee remaining to be paid under the Agreement to the end of the contractual term of the Agreement remains to be paid (and has not yet fallen due for payment), then the full balance of the unpaid Annual Fee shall become immediately due and owing by the AR and shall be paid within seven days of the AR notifying ITC that it wishes to cancel the Agreement).

Complaints Handling Charges in relation to Finance Products.

The following charges shall be applied for all Complaints received as set out in Clause 11.4-5

Simple Complaint - one that does not require recourse to the Financial Ombudsman's Service - £50

Ombudsman Complaint – statutory ombudsman's fee (as applied at the time of invoice)

Court Cases – charged on a time costs basis at a rate of £150 per hour.

The above complaint handling fees will be reviewed on a 6 monthly basis and are subject to change should an above average increase in activity be observed