

Hokodo Customer Financing Agreement

1. Parties to this Agreement

1.1. This agreement (together with any policies and documents incorporated by reference) (together, the “**Agreement**”) is a financing agreement between you (“**you**”) and Hokodo Services Ltd (“**we**” or “**us**”), a company registered in England under Companies House number 11351988. It sets out the terms and conditions that apply to your use of our services. You agree that your acceptance of this Agreement, and ongoing use of our deferred payment solution, shall constitute your acceptance of this Agreement.

1.2. You represent that:

- 1.2.1. you are either a sole trader acting for the purposes of your business or profession, or you are a limited liability company or a limited liability partnership duly incorporated or registered and validly existing under the laws of England and Wales, Scotland or Northern Ireland; and
- 1.2.2. you have the power to enter into this Agreement and to exercise its rights and perform its obligations.

2. Scope of Services

2.1. We provide a technology platform which enables merchants to offer their customers the ability to pay for goods or services a number of days after making a purchase. To access our service, merchants notify us about a proposed purchase, and request our acceptance of the purchase. By accepting a purchase we agree to make a loan to the customer for the value of the purchase. The customer consents to the proceeds of the loan being paid to the Merchant in order to settle the cost of the purchase.

2.2. You wish to make a purchase (the “**Purchase**”) from a supplier (the “**Merchant**”). Under the terms of this Agreement, we agree to provide you with a fixed term loan in order for you to complete the Purchase . This loan is

referred to in this Agreement as a “**Deferred Payment**”.

2.3. The decision to grant you this Deferred Payment is made at our absolute discretion, and the proceeds of the Deferred Payment must be used only for the Purchase.

2.4. Prior to your accepting this Agreement we presented you with a schedule for settlement of the Deferred Payment (the “**Payment Schedule**”), which we will confirm by sending you an email. The Payment Schedule forms part of this Agreement.

2.5. By using Deferred Payment to complete the Purchase, you consent and direct us to pay (or one of our affiliates or related companies to pay) the Merchant for the Purchase on your behalf by applying the proceeds of the Deferred Payment. In consideration for the Deferred Payment, you agree to pay us, in accordance with this Agreement, the agreed amount(s) (the “**Payments**”) on the date(s) outlined in the Payment Schedule (“**Due Dates**”). If you miss a repayment to us, you also agree to pay us any late payment fees, as detailed in the Schedule (Late Payment Fees) to this Agreement.

2.6. You acknowledge that we do not have any control over, and are not responsible or liable for, the products or services purchased from Merchants and paid for using Deferred Payment. We cannot ensure that, following the payment of the Deferred Payment on your behalf to the Merchant, the Merchant you are dealing with will complete the Purchase transaction and notwithstanding any non-completion of the Purchase by the Merchant, you will remain liable to us for the Payments in accordance with the terms of the Agreement.

3. Purchase Request and Approval

- 3.1. All Purchases which you request us to complete using Deferred Payment are subject to our prior acceptance, at our absolute discretion. We may choose not to accept a Purchase using Deferred Payment, or may cancel an accepted Purchase before the goods or services are delivered or supplied by the Merchant, if:
 - 3.1.1. we reasonably consider this necessary in order to protect the integrity of our systems; prevent fraud; limit the risk of money laundering or terrorism financing; or otherwise protect us against legal, regulatory or non-payment risk;
 - 3.1.2. you do not pass our verifications or checks, including those described in Clause 3.2;
 - 3.1.3. we reasonably suspect, or are aware, that you have breached this Agreement or any other agreement with us in relation to other Purchases made using our Deferred Payment (including by failing to make any Payment when it fell due under this Agreement or another agreement);
 - 3.1.4. the Purchase does not meet our underwriting or fraud criteria; or
 - 3.1.5. we otherwise reasonably consider the Purchase to be suspicious.
- 3.2. As part of our approval process your data will be processed in order to confirm your identity and assess your ability to settle a Payment when it falls due. Through this process we aim to prevent your over-indebtedness and the fraudulent misuse of your personal data. To this end:
 - 3.2.1. you agree to provide any information or documentation we or the Merchant reasonably request to verify your identity;
 - 3.2.2. we may conduct a credit check against you or your company. This will be a soft credit search and will not affect your credit score;
 - 3.2.3. if you have provided us with a payment card, then we may conduct a pre-authorisation on your card. This involves placing funds in the account linked to your card on hold in order to verify the validity of the card. Once the card is validated, we immediately instruct your card provider to void this pre-authorisation transaction;
 - 3.2.4. the information we collect will be shared with fraud prevention agencies in order to protect you from the risk of fraud and money laundering. If we detect that you are perpetrating a fraud this could result in you being refused certain services, finance or employment. Further details of how this information will be used by us and by the fraud prevention agencies, and your data protection rights, can be found by visiting www.cifas.org.uk/fpn; and
 - 3.2.5. you can find further details on how your data is processed by us in our Data Privacy Statement.
- 3.3. While making a Purchase, you may have been able to choose from one or more **"Settlement Methods"** such as payment by card, direct debit or bank transfer, to settle Payments when they fall due. The first time you select card or direct debit as your Settlement Method, and in some cases for subsequent Purchases, you may have been asked to complete a **"Payment Authorisation"**, which allows us to collect the outstanding balance from you using this Settlement Method.
- 3.4. If we subsequently cancel an accepted Purchase for one of the reasons described in Clause 3.1 then:
 - 3.4.1. we will refund in full any amounts you have paid to us, and will cancel any future payments related to that Purchase. In the event the accepted Purchase is cancelled because a chargeback has occurred then this will be deemed to constitute a refund of the charged back amount;
 - 3.4.2. the Merchant will not be obliged to deliver the goods (or fulfil the services) which you have purchased, unless required to do so by law;
 - 3.4.3. you will have no obligation to make any further payments to us, or any other ongoing relationship with us, with respect to that Purchase; and
 - 3.4.4. if you wish to proceed with the Purchase from the Merchant, the

Merchant may accept an alternative payment method in its discretion, or if required to do so by law.

4. Payment settlement

- 4.1. You agree to ensure that Payments are made to us in accordance with the Payment Schedule.
- 4.2. If you have selected direct debit or card as your Settlement Method then:
 - 4.2.1. prior to each Payment falling due (typically 3-5 calendar days prior), we will send you a payment reminder by email using the email address (or one of the email addresses) you provided to us or to the Merchant, summarising the amount and timing of the Payment which is due. You may wish to add www.hokodo.co to your white-listed email domains as we shall not be liable if you do not see these reminders due to the operation of your firewall, spam filtering or other IT or system failure. The emails are sent as a courtesy, and non-receipt of the emails by you for any reason whatsoever does not affect your obligations under this Agreement;
 - 4.2.2. we will automatically process Payments in accordance with the Due Date(s) stated on the Payment Schedule. You authorise us to process the Payments using the Settlement Method you provided. You are responsible for ensuring that you have sufficient funds available on the card or bank account and we shall not be liable for any fees or charges imposed by your card provider or bank if you fail to do so. If a Payment fails on any of the dates specified in your Payment Schedule, we may re-attempt to process the Payment at a later time or date. You may also make early payment by contacting us using the contact details provided on our website;
 - 4.2.3. should the Payment fail or be reversed due to: a lack of sufficient funds on the card or in the bank account; an unjustified objection on the part of the bank account or card holder; false or incorrect information being provided in the Payment Authorisation; or the closure of the bank account or card, then you shall be in "Default" without any separate warning;
- 4.2.4. if a Default occurs then any fees charged by the payment processor to us shall be passed on to you including an administration fee as specified in the Schedule (Late Payment Fees) to this Agreement. These Late Payment Fees will be added to your outstanding balance and shall be immediately payable by you to us;
- 4.2.5. given the high costs associated with rejected direct debit and card payments, we kindly request that, in the event of a return of goods to the Merchant, or any other valid reason for non-payment, you do not simply cancel the Payment Authorisation. Instead, you should notify the Merchant as soon as the reason for non-payment arises. If the Merchant agrees, they will then notify us and we will automatically adjust, or cancel, the payment collected via your Payment Authorisation.
- 4.3. If you have chosen a bank transfer as your Settlement Method (sometimes known as payment by invoice) then:
 - 4.3.1. following completion of the Purchase, we will email you to inform you of the details of the bank account to which you should make Payments. You must ensure that each Payment reaches the bank account we specify on or before the Due Date of the Payments stated on the Payment Schedule;
 - 4.3.2. we will send you a payment reminder by email, summarising the amount and timing of the Payment which is due within 7 calendar days of the Due Date specified in the Payment Schedule;
 - 4.3.3. if we have not received the Payment by the Due Date specified in the Payment Schedule, then you will be in "Default" without having to have received a separate reminder; and
 - 4.3.4. if you remain in Default for more than 14 calendar days, then you may be charged an administration fee as specified in the Schedule (Late Payment Fees) to this Agreement. These fees will be added to your

outstanding balance and shall be immediately payable.

- 4.4. Whichever Settlement Method you choose for a specific Purchase, if a Payment is not made by the Due Date specified in the Payment Schedule, then we may take payment using any other Payment Authorisation which you have provided to us. If we owe you funds in relation to another Purchase (such as a refund on that Purchase) then we may choose to offset the missing payment against the funds we owe you.

5. Severe default

- 5.1. In the event that:
- (i) a Payment by you in relation to this Agreement; or
 - (ii) a Payment by you in relation to any other customer financing agreement entered into between us and you in respect of a Deferred Payment we have made available to you,
- remains outstanding 20 calendar days after it was due, then unless we have agreed an alternative repayment plan with you in writing, your account shall move into a state of "**Severe Default**". At this point, the following will occur:
- 5.1.1. all outstanding Payments due to us in relation to any Purchases from any Merchants, which were made using Deferred Payment (the "Outstanding Balances") shall immediately become due and payable;
 - 5.1.2. we shall have the right to require immediate settlement of the Outstanding Balances via bank transfer to an account specified by us; and
 - 5.1.3. we may transfer responsibility for collecting the Outstanding Balances to a specialist debt collection firm. In this case the costs of the debt collection, plus interest, as specified in the Schedule (Late Payment Fees) to this Agreement, will be added to the Outstanding Balances and will become immediately due and payable.
- 5.2. In the event that you commence insolvency or bankruptcy proceedings, then your account shall also be moved

into a state of Severe Default, and Clauses 5.1.1 to 5.1.3 shall apply.

6. Changes to Purchases

- 6.1. After you have placed an order with the Merchant it is possible that the value of the Purchase may change ("**Purchase Changes**"). This can happen for a number of reasons, including:
- 6.1.1. Cancellation: the Merchant may cancel part of your order, either at your request, or because the Merchant does not have stock available to fulfil your order; and/or
 - 6.1.2. Refund: the Merchant may accept the return of all or part of your order and agree to provide you with a full or partial refund on the value of your Purchase.
- 6.2. Once the Merchant has notified us about a Purchase Change, and - where relevant - issued a refund to us for the Purchase Change, we will adjust your Payment Schedule accordingly. Where possible, we will simply adjust the future scheduled payments to reflect the impact of the Purchase Change. If this is not possible, for example because we have already collected full payment for the Purchase, then we will refund you whatever amount is required in order to ensure that the total amount you pay reflects the Purchase after taking account of the Purchase Change.
- 6.3. It is your responsibility to notify the Merchant if you intend to return any goods or make any other Purchase Change, and you must comply with any returns policy set by the Merchant. Unless we are notified of a Purchase Change by the Merchant, we will continue to collect Payments from you in accordance with the original Payment Schedule.
- 6.4. Until such time that the Merchant has confirmed a Purchase Change to us and - where relevant - issued a refund to us for the Purchase Change, you will remain liable to us for the full payment of the Purchase, in accordance with your Payment Schedule.

7. Cancellation rights

- 7.1. You may cancel and settle the Deferred Payment at any time before the final repayment falls due by repaying to us the unpaid balance of the Deferred Payment. If you wish to exercise your cancellation and settlement right, you can contact us using the contact details on our website.

8. Disputes and complaints

- 8.1. If you are dissatisfied with the goods or services purchased, or have a dispute in relation to the goods or services then you should contact the Merchant directly to resolve this.
- 8.2. Whilst we will endeavour to facilitate communication between you and the Merchant to enable a resolution to any dispute, the outcome of your dispute with Merchant will not affect our rights and remedies under this Agreement or your obligation to meet any Payments due to us, except as expressly provided in Clause 6.
- 8.3. If you are dissatisfied with the service you receive from us, or have any complaints or feedback, please contact us by emailing support@hokodo.co. We aim to respond to all complaints within 3 working days.

9. General Provisions

- 9.1. We may transfer our rights and obligations under this Agreement to someone else without your prior consent. We will notify you of such transfer only if it changes the terms of settlement of your Purchase. You cannot transfer any rights or obligations you have under this Agreement.

- 9.2. A person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement. This does not affect any right or remedy of a third party that exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

- 9.3. Any correspondence under this Agreement shall be made in writing by letter or by email. You must contact us using the contact details on our website. We will contact you using the contact details you provided when you requested the Deferred Payment.

- 9.4. Amendments to this Agreement must be made in written form.

- 9.5. Should a provision of this Agreement become invalid or unenforceable, this will not affect the other provisions, nor the validity of this Agreement, which shall remain in full force and effect in all other respects.

- 9.6. If we do not, at any time, enforce any provision of this Agreement, this does not affect our ability to subsequently enforce that or any other provision of this Agreement.

- 9.7. The Agreement and any non-contractual obligations connected with it shall be governed by English law. You agree that the courts of England and Wales are to have exclusive jurisdiction to determine any claim, dispute or difference arising under or in connection with the Agreement, or of any non-contractual obligations connected with it.

Schedule - Late Payment Fees

Event	Charge
Payment via Direct Debit or Payment Card: <ul style="list-style-type: none">- Failed payment request due to your actions or negligence	£25 administration fee per failed payment, plus any costs incurred by us
Payment by bank transfer: <ul style="list-style-type: none">- In Default under Clause 4.3 (14 days after Due Date)	£40 administration fee
Any Settlement Method: <ul style="list-style-type: none">- Severe Default (20 days after Due Date)	Debt collection costs as incurred by us, plus interest, which will be incurred at an annual rate of 8% over the Bank of England base rate (as published by the Bank of England from time to time) from the due date up to the actual payment (both before and after judgment). Any such interest accruing shall be immediately payable by you on demand by us.