

No Interest Loan Scheme Pilot Offer Letter and Contract for Services Variation

[INSERT NAME OF RL]

[INSERT DATE]

No Interest Loan Scheme Pilot

[Insert name and address]

[Insert date]

Dear [●]

Award of contract for the No Interest Loan Scheme Pilot

DATED _____ **[Insert Date]**

AGREEMENT FOR SERVICES

between

FAIR4ALL FINANCE LIMITED

AND

[Insert name of RL]

I N D E X

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THIS AGREEMENT is dated [Insert date]

BETWEEN

- (1) **FAIR4ALL FINANCE LIMITED** incorporated and registered in England and Wales with company number 11810533 whose registered office is at PO Box 2nd Floor, 28 Commercial Street, London, England, E1 6LS (**Fair4All Finance**).
- (2) [Insert name of RL] incorporated and registered in England and Wales with company number [●] whose registered office is at [●] (**Lender**).

BACKGROUND

- (A) Fair4All Finance has set up the Pilot with support from Treasury who have agreed to grant fund a portion of the Pilot costs.
- (B) The objectives of the No Interest Loan Scheme (“**Scheme**”) are:
 - To prove whether there is a model for sustainably delivering a permanent Scheme solution in the UK by determining the cost of the Scheme and therefore the support required to make the Scheme sustainable.
 - Evidence whether there are positive customer outcomes and wider fiscal and societal benefits of such a Scheme.
- (C) The Lender is a company incorporated to pursue social change and financial inclusion by working to provide access to fair, affordable and appropriate financial products and services to people in financially vulnerable circumstances in England. It follows the Affordable Credit Code of Good Practice.
- (D) The Lender has tendered to deliver, and Fair4All Finance has appointed the Lender to deliver, the Pilot and potentially further Schemes and/or other projects in England by offering Products and/or other products. Fair4All Finance has agreed to support the Lender on the terms set out in this agreement.

NOW IT IS AGREED HEREBY AS FOLLOWS:

1 Interpretation

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions:

Achieved KPIs	respect of any Service in any measurement period, the standard of performance actually achieved by the Lender in the provision of that Service in the measurement period in question (calculated and expressed in the same way as the KPI for that Service is calculated and expressed in Schedule 3.
Affordable Credit Code of Good Practice	the code set out in Schedule 2.
Best Industry Practice:	the standards which fall within the upper quartile in the relevant industry for the provision of comparable services which are substantially similar to the Services provided under this agreement, having regard to factors such as the nature and size of the parties, the KPIs, the Term, the pricing structure and any other relevant factors.
Business Day	a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.
Commencement Date	[●]

Confidential Information	means all confidential or proprietary information (however recorded or preserved) relating to the Pilot and the Project, including the Shared Personal Data as defined in Schedule 8,
Core Product Requirements	means the requirements set out in Part 1 of the Product Requirements
EIRs	the Environmental Information Regulations 2004 (SI 2004/3391) together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.
Eligible Customers	customers who are eligible to receive NILs in accordance with the Core Product Requirements and/or as otherwise agreed
Eligible Guarantee	means the guarantee by Fair4All Finance pursuant to Part 1 of Schedule 6 in respect of an Eligible Loan made available by the Lender in accordance with the terms of this agreement to an individual resident in the United Kingdom in accordance with applicable law;
Eligible Loan	means a NIL made by the Lender on or after [●] and before [●], with a term ending on or before [●] (or such later date as Fair4All Finance may agree in writing), for an amount not exceeding [£2,000];
Enhanced Product Requirements	means the requirements set out in Part 2 of the Product Requirements
Evaluation Term	the period following the Initial Term during which the final stages of the evaluation are completed and during which the Lender continues to provide reporting data.
Fair4All Finance Funded Lender	a Lender who enters into a Loan Agreement with Fair4All Finance to provide the capital to fund the Products.
FOIA	the Freedom of Information Act 2000 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.
Force Majeure Event	any circumstance not within a party's reasonable control including, without limitation: <ul style="list-style-type: none"> (a) acts of God, flood, drought, earthquake or other natural disaster; (b) epidemic or pandemic; (c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; (d) nuclear, chemical or biological contamination or sonic boom;

- (e) any law or action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition;
- (f) collapse of buildings, fire, explosion or accident; and
- (g) any labour or trade dispute, strikes, industrial action or lockouts (excluding any labour or trade dispute, strike, industrial action or lockout confined to the Supplier's workforce or the workforce of any Subcontractor of the Supplier).

Governmental Termination Plan	a plan to be implemented in the event of a Governmental Termination Scenario which would enable the parties to promptly bring the Pilot to an end while mitigating any losses to either party that may arise.
Governmental Termination Scenario	a situation in which HM Government decides that the Pilot is to be ended prior to the expiry of the Term of this Agreement.
Grant Agreement	the grant agreement dated 02 September 2021 between HM Treasury and Fair4All Finance relating to the Pilot.
Implementation Fee	the sum of £[●] (or such other amount as the parties may from time to time agree) to cover activities undertaken during the Set-up Phase(s).
Implementation Plan	the Lender's implementation plan including (i) key preparatory steps necessary to enable the Lender to commence delivery of the Scheme during the Set-up Phase which plan is incorporated in the Tender Response and subsequent documents (ii) Product deliverables to be achieved by the Lender including volumes of Products and timetable for delivery; as amended or varied from time to time by agreement in writing between the parties for making NILs including timing and volume.
Ineligible Expenditure	shall have the same meaning as in the Grant Agreement.
Information	has the meaning given under section 84 of FOIA.
Initial Term	the initial term of this agreement of [●] from the Lending Commencement Date.
Intellectual Property Rights	patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, Confidential Information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
Key Metrics Report	means the report to be delivered in accordance with clause 7.5 which includes the information listed in in accordance with

Part 1 of Schedule 1 or as such list of information may be amended by the parties from time to time.

KPIs	the key performance indicators set out in Schedule 3.
Lending Commencement Date	the date on which each of the parties confirms in writing that the Lender is able to offer NILs.
Loan Agreement	the loan agreement in agreed form to be made between the Lender and Fair4All Finance on the exchange of this agreement.
Mandatory Policies	<p>the Lender's business policies and codes set out in the Tender Response or as otherwise approved in writing by Fair4All Finance on:</p> <ul style="list-style-type: none">• Provisioning• IT resilience, physical and IT security, business continuity and disaster recovery• Anti-slavery and human trafficking• Corporate and social responsibility• Anti-Bribery and Anti-Corruption• Anti-money laundering• Ethics• Tax evasion• Data and Privacy
Maximum Liability	means £[●] assuming a loan value of the maximum amount of [£xx] for the initial [●] loans where this guarantee covers [80%] of the principal; or [80%] of the actual value of the initial [●] loans within the accepted range whichever is the lesser, or such other amount as Fair4All Finance may agree from time to time; with particular reference to the potential extension of the Pilot in scale and duration; the lender may also be entitled to Outcome-Based Payments as defined in the body of this agreement and at clause 8.4
Necessary Consents	all approvals, certificates, authorisations, permissions, licenses, permits, regulations and consents necessary to enable the Lender to carry on its business, to provide the services pursuant to this agreement and to offer NILs or any other product the subject of this agreement from time to time.
NIL or Product	a no interest loan made (or to be made) to an Eligible Customer by the Lender pursuant to the Scheme that complies with clause 4 and the Core Product Requirements and otherwise on terms in agreed form.
Outcome-Based Payment	for a Self Funding Lender, the outcome-based payment of 20 per cent of the Provisioned Default Losses of a Product advanced by the Lender for NILS to be made to the Lender

by Fair4All Finance in accordance with clause 8.4 if all the criteria set out in Schedule 3 are met.

Payment	all or any payment made or due to be made by Fair4All Finance to the Lender on the terms and conditions set out in this agreement comprising the Implementation Fee, the Unit Payment and the Outcome-Based Payment (or any of them).
Payment Request Form	the form contained at Schedule 4.
Pilot	the NILS Pilot being co-ordinated by Fair4All Finance and the subject of, inter alia, this agreement and if the parties agree to expand and/or extend the scope of this agreement as anticipated by clause 2.4, "Pilot" shall include any other pilot project being coordinated by Fair4All Finance and to be delivered in whole or in part by the Lender.
Product Requirements	means the requirements for a NIL as set out in the document titled 'NILS Product' as agreed in writing between the parties and amended from time to time, which initially is in the form set out in Schedule 7.
Project	shall have the same meaning as in the Grant Agreement.
Provisioned Default Losses	means losses in respect of NILs for which the Lender shall have made provision from time to time in accordance with the Provisioning Policy and Part 2 of Schedule 6.
Provisioning Policy	means the Lender's existing policy for making provisions in its accounts in respect of all lending including Eligible Loans as such policy may be agreed in writing from time to time between Fair4All Finance and the Lender. The prior existence and use of the Lender's provisioning policy may be audited by Fair4All Finance at any time to ensure that it has not been adapted inappropriately for the Scheme.
Quarter	each three-month period ending 31 March, 30 June, 30 September and 31 December in each calendar year during the term of this agreement.
Relevant Requirements	all applicable laws, statutes regulations and codes relating to: <ul style="list-style-type: none">• bribery, corruption and fraud;• money laundering;• tax evasion; and/or• anti-slavery and human trafficking.
Request for Information	a request for information or an apparent request under the Code of Practice on Access to Government Information, FOIA or the EIRs.
Scheme	the no interest loan scheme being co-ordinated by Fair4All Finance that is the subject, inter alia, of this agreement and if the parties agree to expand and/or to extend the scope of this agreement as anticipated by clause 2.4, "Scheme" shall be deemed to include any other scheme that is for the time being

coordinated by Fair4All Finance and that is subject, inter alia, to this agreement.

Self Funding Lender	a Lender who does not enter into a Loan Agreement with Fair4All Finance.
Services	the services to be provided by the Lender from time to time pursuant to this agreement.
Set-up Phase(s)	the period commencing on the Commencement Date and ending on the day immediately preceding the Lending Commencement Date of the first wave of lending, and the periods between the subsequent waves of lending, during which the parties will, inter alia, collaborate in developing the Product and enabling the Lender to take all requisite action and preparation so as to be able to offer NILs in accordance with this agreement.
State Subsidy Rules	the subsidy and control principles of the UK-EU Trade and Co-operation Agreement 2020 and other treaty obligations in connection with state subsidies set out in HM Government's Technical Guidance on the UK's international subsidy control commitments and any rules established under any applicable UK subsidy control legislation, regulations or guidance issued by any relevant authority and as interpreted by the courts.
Sub-Contract	any contract between the Lender and a third party pursuant to which the Lender agrees to source the provision of any of the Services from that third party.
Sub-Contractor	any contractor or supplier that enter into a Sub-Contract with the Lender.
Target KPI	the minimum level of performance for a KPI which is required by Fair4All Finance as set out against the relevant KPI in Schedule 3.
Tender Pack	the pack of tender documents pursuant to which the Lender bid to deliver NILS Products, including the market engagement slide deck and the invitation to tender produced by Fair4All Finance and the Tender Response, each in agreed form.
Tender Response	the Lender's tender submitted to Fair4All Finance by way of application for appointment to deliver the Pilot in England, Northern Ireland, Scotland and Wales.
Term	the term of this agreement being the Set-up Phase, the Initial Term, the Evaluation Term and any Term Extension.
Term Extension	each and any extension of the Term of this agreement for up to one year pursuant to clause 2.2.
Territory	United Kingdom
Treasury Grant	the grant made or agreed to be made by HM Treasury to Fair4All Finance

Unit Payment

£[●] per Product made by the Lender

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006
- 1.7 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.9 A reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.10 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.11 A reference to **writing** or **written** includes email but not fax, text or WhatsApp.
- 1.12 References to a document in **agreed form** are to that document in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.13 A reference to **this agreement** or to any other agreement or document is a reference to this agreement or such other agreement or document, in each case as varied supplemented amended and/or replaced from time to time.
- 1.14 References to clauses and Schedules are to the clauses and Schedules of this agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.15 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.16 The Tender Response shall form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Tender Response. In the event of conflict between (i) the express terms of this agreement (including the Schedules) other than the Tender Response and (ii) the Tender Response, the express terms of this agreement shall prevail.
- 2 Commencement and duration**
- 2.1 Subject to clause 2.2 and clause 21, this agreement shall commence on the Commencement Date and, subject to the rights to terminate in clause 24 will continue for the Initial Term of two years plus an Evaluation Term of one year or (if shorter) the duration of the Pilot.
- 2.2 This agreement may be extended by agreement of the parties for up to one year at the end of the Initial Term and at the end of each Term Extension up to a total Term of seven years from the Lending Commencement Date (or such longer period as the parties may agree).
- 2.3 The parties may from time to time agree:

- 2.3.1 to vary the Product Requirements and/or the Scheme, including increasing the volume of such NILs and/or the period of delivery;
 - 2.3.2 that where, in the opinion of Fair4All Finance, remedial action is required, all or part of the NILs loan book of one or more other lenders appointed by Fair4All Finance to deliver the Pilot and/or any other aspect of the Scheme be assigned and novated to the Lender on terms similar to this agreement.
- 2.4 The parties may from time to time expand and/or extend the scope of this agreement to incorporate additional services and/or products and/or projects as indicated in the Tender Pack and the terms of this agreement shall apply to any such extension and may be varied by mutual agreement to reflect pricing structures appropriate to particular additional products and cost efficiencies achieved during the Scheme or other product pilot period before extensions are agreed upon.

3 **Set-up Phase**

- 3.1 The Lender shall work with Fair4All Finance to develop the Product design. Fair4All Finance will issue a design product request and the Lender shall:
- 3.1.1 engage with Fair4All Finance, its advisers, any co-funders and other lenders appointed from time to time by Fair4All Finance in connection with the Scheme, to co-design and to refine the draft Product based on the insight and experience of the Lender and others;
 - 3.1.2 set out clearly what, if any, aspects of the Product's core elements the Lender cannot practicably implement as a standard product offered by the Lender; and
 - 3.1.3 assist in identifying and, so far as reasonably practicable, reducing any immaterial differences between the products implemented across different locations as part of the Scheme.
- 3.2 Subject to clause 3.3, during the Set-Up Phase, the Lender shall implement the relevant elements of the Implementation Plan and shall report on its progress to Fair4All Finance on a fortnightly basis.
- 3.3 Notwithstanding clause 3.2, in the three-week period leading up to the Lending Commencement Date the Lender shall report on its progress implementing the Implementation Plan to Fair4All Finance on a weekly basis.
- 3.4 The Lender shall notify Fair4All Finance when it considers that it has completed the Implementation Plan to the extent required to complete the Set-up Phase to a satisfactory standard and is ready to offer Products. Fair4All Finance shall notify the Lender as soon as practicable whether it agrees that the Lender is ready to offer Products based on the Lender's reporting against the Implementation Plan.
- 3.5 The Lender recognises the need to protect the reputation of the Scheme. The Lender undertakes that it shall not offer nor enter into any Product until it has received notice from Fair4All Finance under clause 3.4 that it may do so.

4 **Product requirements**

- 4.1 The Product is being designed for the purposes set out in the Tender Pack and must comply with any requirements stipulated in the Grant Agreement and the Product Requirements (and/or such other criteria as may be required from time to time by Fair4All Finance from time to time).
- 4.2 The Lender must utilise the Fair4All Finance provided duplicate prevention system to ensure an Eligible Customer is not issued multiple NILs (regardless of the identity of the lender). The Lender shall also use its own good practice to prevent multiple NILs being extended to an Eligible Customer.
- 4.3 The Lender may charge fees (such as default fees) with the prior written agreement of Fair4All Finance.
- 4.4 Fair4All Finance may request a variation to the Product Requirements based on information it receives during the Pilot.

5 Lender Services and Lender Covenants

- 5.1 The Lender shall participate in the Pilot and offer Products to Eligible Customers subject to clause 3.5.
- 5.2 The Lender shall procure that each NIL is made on terms approved in writing by Fair4All Finance and including such terms regarding the provision of data as may be required to enable the Lender to comply with the terms of this clause 5 and clause 7.
- 5.3 Without prejudice to the KPIs, the Lender shall provide the Services:
 - 5.3.1 in accordance with the Implementation Plan including the volume and other Product deliverables specified in that plan;
 - 5.3.2 with reasonable skill and care and in accordance with Best Industry Practice; and
 - 5.3.3 Fair4All Finance is also obliged to comply with such other relevant guidance on the administrative practices relating to the expenditure of public funds as notified by HM Treasury, where such compliance will be proportionately enforced; and should HM Treasury notify Fair4All Finance of a new obligation to comply with additional relevant guidance Fair4All Finance will notify the Lender where any such new guidance is relevant to the delivery of this agreement
- 5.4 The Lender shall at all times:
 - 5.4.1 procure that it shall be duly authorised and have Necessary Consents;
 - 5.4.2 comply with all relevant laws, rules and regulations to which it may be subject to; including the FCA Handbook/PRA Rulebook and State Aid or successive Subsidy Control Bill/rules;
 - 5.4.3 have a clearly defined social purpose set out in its constitutional documents to increase the financial resilience and wellbeing of people in vulnerable circumstances;
 - 5.4.4 have a clearly defined policy in relation to the distribution of post-tax profits and proceeds from the sale of assets to ensure that surpluses are principally used to achieve its purpose and that the post-tax pay-outs to shareholders are capped at less than 50% over time to ensure that there is not undue private gain from the activities of the Lender;
 - 5.4.5 be open to commission a social impact audit of its operation beyond the scope of the Scheme, the terms of reference for which will be reviewed and approved by Fair4All Finance; and
 - 5.4.6 ensure that conflicts are avoided, or, where they do arise, immediately inform Fair4All Finance of the situation before proceeding further.
- 5.5 In utilising the Payment and carrying out the services under this agreement, the Lender shall abide by the Affordable Credit Code of Good Practice. The Lender also recognises that payments made under the Grant Agreement and which fund Payments, may not be utilised for Ineligible Expenditure and must comply with the guidance issued by HM Treasury in August 2015 concerning the proper use of public funds. Accordingly it shall cooperate fully with Fair4All Finance to support it in complying with its obligations pursuant to the Grant Agreement.
- 5.6 The Lender shall engage and cooperate fully with Fair4All Finance and its externally appointed experts as required from time to time on operational optimisation of lending processes.
- 5.7 The Lender shall engage and cooperate fully with Fair4All Finance and its externally appointed marketing specialists and/or evaluation provider as required from time to time in relation to the Scheme.
- 5.8 The Lender shall provide Fair4All Finance with case studies of NILs granted and/or applied for during the Pilot and shall provide such additional information as Fair4All Finance may from time to time require to support its preparation of case studies.

- 5.9 The Lender recognises that the Grant Agreement brings Fair4All Finance in scope of the National Audit Office related audits. The Lender undertakes to support any audit of the Pilot whose scope extends to examining lenders and promptly to provide such information and access to its personnel and records as may from time to time be required by Fair4All Finance.
- 5.10 Fair4All Finance will also procure its own internal auditor to check for, inter alia, compliance by the Lender with the terms of this agreement and the Lender shall engage and fully cooperate with, and promptly provide any information and access to its records and personnel requested by, any auditor appointed from time to time by Fair4All Finance for such purpose. In particular, the prior existence and use of the lender's provisioning policy may be audited by Fair4All Finance at any time to ensure that it has not been adapted inappropriately for the Scheme.
- 5.11 The Lender shall maintain complete and accurate records howsoever relating to the Pilot and to the Scheme including records of all NILs applied for, considered, declined, offered and granted along with the provision of advice and referrals and shall keep such records for seven years after the conclusion of the Pilot or its involvement with the Scheme (whichever is the later) or for the maximum duration required by the Financial Reporting Council in respect of loan provisioning and/or bad debt treatment, whichever is the longer.
- 5.12 If at any time, Fair4All Finance considers that the Lender is not achieving the Product deliverables specified in the Implementation Plan or is not complying with its obligations under this agreement, then, without prejudice to any other right or remedy available to it, Fair4All Finance may request the Lender:
- 5.12.1 to provide (within such timescale as Fair4All Finance may agree) a remedial plan specifying the action to be taken by the Lender to recover and to remedy such non-performance;
 - 5.12.2 to implement such remedial plan once approved in writing by Fair4All Finance and to report to Fair4All Finance on such implementation; and/or
 - 5.12.3 to transfer, align and novate any and/or all of its rights and obligations in respect of any NIL that is then outstanding to such lender(s) as Fair4All Finance may nominate and, provided that any such lender is duly authorised, the Lender shall promptly comply with such request and cooperate fully and in good faith to ensure the smooth handover of all or part of its loan book that relates to the Scheme.

6 **KPIs**

- 6.1 Where any Service is to be subject to a specific KPI as set out in Schedule 3, the Lender shall provide that Service in such a manner as will ensure that the Achieved KPI in respect of that Services is equal to or higher than the corresponding Target KPIs to such specific KPI.
- 6.2 If the Services are varied or new Services are added, the Target KPIs for such varied or added Services will be determined and included in Schedule 3.
- 6.3 The Lender shall provide records of and management reports summarising the Achieved KPIs as provided for in clause 7 below.

7 **Reporting**

- 7.1 The Lender acknowledges that Fair4All Finance requires to understand the unit economics of the Pilot for the reasons set out in the Tender Pack.
- 7.2 The Lender shall adopt an open book accounting treatment in relation to all costs and expenditure in relation to the Services and delivering the Pilot and shall provide Fair4All Finance with such information and access to such of its personnel as it may from time to time require in relation to all such costs and expenditure including full information as to the items specified in paragraph 3 of Schedule 1.

- 7.3 Notwithstanding clause 20, Fair4All Finance shall keep confidential and shall not disclose any costs information provided to it by the Lender pursuant to clause 7.1 on an individual Lender basis (save as may be required by law or any regulatory authority and/or to its employees, officers and advisers). This does not preclude Fair4All Finance from publishing cost analytics as part of the Evaluation process on an aggregated and anonymised basis in which individual lenders data will not be identifiable.
- 7.4 It is acknowledged and agreed that the Implementation Fee will not be adjusted and no part of it shall be or become repayable as a result of information provided pursuant to clause 7.1.
- 7.5 During the Term and for a period of seven years thereafter, the Lender shall attend such meetings and provide Fair4All Finance with such data as it may from time to time reasonably require in relation to the Pilot, the Scheme and Eligible Customers and any other product or service subject to this agreement including attending the meetings and providing the reports specified in Schedule 1.
- 7.6 The Lender warrants that the reports specified in Schedule 1 will be compiled with due skill and care and will accurately reflect the data points set out in Schedule 1 with any anomalies on the mapping of data fields agreed in advance.
- 7.7 The Lender will ensure that all data submitted in the reports specified in Schedule 1 are checked for quality and accuracy.
- 7.8 If for any reason the reporting provided under this Agreement indicates underlying data quality issues, the Lender will seek to rectify these through its ongoing quality management processes and these will be discussed at the Quality Management meeting.
- 7.9 Fair4All Finance reserves the right to commission (at its own expense) a vulnerability scan and/or penetration test of the Lender's operational systems
- 7.9.1 prior to notifying the Lender under clause 3.4 that it agrees that the Lender is ready to offer Products; and
- 7.9.2 at any time thereafter until the expiry of the survival clauses (25);
to ensure that it is satisfied as to the resilience of the Lender's systems and processes. The Lender shall co-operate in full with Fair4All Finance in relation to these tests and shall promptly provide such information and such access to its personnel and its systems as Fair4All Finance may from time to time reasonably require.
- 7.10 The Lender shall comply with Part 3 of Schedule 6.
- 7.11 The obligations under this clause 7 shall continue notwithstanding the termination of this agreement or of the Pilot.

8 **Payment**

- 8.1 Fair4All Finance shall support the Lender in its participation in the Pilot by making Payments in accordance with this clause 8.
- 8.2 Fair4All Finance shall pay to the Lender the Implementation Fee on or after the Loan Commencement Date within 30 days of receipt of an appropriate invoice. Such Implementation Fee is to enable the Lender to defray the internal costs of establishing the Products and participating in the Pilot.
- 8.3 Fair4All Finance shall pay to the Lender the Unit Payment in respect of each NIL advanced by the Lender during the Pilot (or, if shorter, the term of this agreement), as follows:
- 8.3.1 Following the end of each Quarter, the Lender shall specify the number of Eligible Loans issued and pursuant to which monies have been advanced by the Lender in that Quarter and the total Unit Payments due to be paid to it as a result such information is to be provided in the Key Metrics Report delivered

under clause 7.5. The Key Metrics Report should be submitted by the Lender to Fair4All Finance by the 5th working day of the month.

8.3.2 The Lender shall provide to Fair4All Finance such additional evidence of such Eligible Loans having been issued and monies advanced as Fair4All Finance may reasonably require.

8.3.3 Fair4All Finance shall pay the aggregate Unit Payments accruing in respect of each Quarter within 30 Business Days of each such statement being received or (if later) of Fair4All Finance being provided with satisfactory evidence of the relevant NILs being made.

8.4 Following the end of each Quarter, Fair4All Finance shall pay to a Self Funding Lender the Outcome-Based Payment for Eligible Loans which are subject to the Eligible Guarantee under Schedule 6 and the criteria set out in Schedule 3. Fair4All Finance shall only make any such Outcome-Based Payments provided that the details are completed in a Payment Request Form which is provided to Fair4All Finance within five working days following the end of the previous Quarter.

8.5 All payments by Fair4All Finance shall be paid in cleared funds to such account in the name of the Lender as it may direct in writing.

8.6 The Implementation Fee is expressed to be exclusive of VAT and if VAT is payable in respect of the same the Lender shall submit an appropriate VAT invoice to Fair4All Finance before such fee shall be payable.

8.7 The Unit Payments and Outcome-Based Payments are inclusive of any VAT.

9 **Loan Agreement**

9.1 Fair4All Finance Funded Lenders shall enter into a loan agreement with Fair4All Finance in the form agreed between the parties.

9.2 ***[This clause to be retained if a lender intends to commence lending with their own capital before Fair4All Finance provides capital]***

A Self Funded Lender may request that Fair4All permit them to transfer to becoming a Fair4All Finance Funded Lender. Fair4All Finance may determine in its absolute discretion whether to accept this request.

9.3 If Fair4All Finance agrees to the request above, the Self Funded Lender shall enter into a loan agreement on the last day of a Quarter, in the form agreed between the parties. From the date the loan agreement is entered into, that Self Funded Lender shall be treated as a Fair4All Finance Funded Lender and all NILs made prior to the date of the loan agreement shall be deemed to have been subject to the applicable provisions affecting Fair4All Finance Funded Lenders. For the avoidance of doubt, from the date of the Loan Agreement, all provisions applicable to a Fair4All Finance Funded Lender shall apply and no amount shall be paid under the Eligible Guarantee or as an Outcome Based Payment.

10 **Eligible Guarantees**

10.1 Fair4All Finance shall reimburse a Self Funded Lender under the Eligible Guarantee on the terms and subject to the conditions set out in Part 1 of Schedule 6 Fair4All Finance shall only make any such reimbursements under the Eligible Guarantee provided that the details are completed in a Payment Request Form which is provided to Fair4All Finance within five working days following the end of the previous Quarter.

11 **Financial Coaching Services**

11.1 Fair4All Finance wishes to test whether financial coaching could move targeted Eligible Customers from risk of default to successful repayment of a NIL and potentially also improve their access to market-based affordable credit. The implementation intention for this aspect of the service is for Fair4All Finance, and its partners, to work with the Lender

to design the coaching solution and get the Lender's input on what the test should involve.

- 11.2 Following the completion of the scoping process set out in clause 11.1, Schedule 9 will be varied to reflect the way that the parties agree that coaching should be delivered.
- 11.3 For the initial pilot period Fair4All Finance is funding the coaching costs to deliver Schedule 9. In a future extension beyond the Initial Term, if the parties agree that coaching should continue and be delivered by the Lender directly, the following clauses will apply:
- 11.3.1 Once Schedule 9 is agreed, and after a recruitment period, the Lender shall offer and, where appropriate, provide Financial Coaching Services in accordance with this clause 11 and Schedule 9.
- 11.3.2 The Lender shall ensure that the Financial Coaching Services shall be provided with all due skill and care by duly qualified specialist well-being coaches and in accordance with the standard Scheme financial coaching methodology.
- 11.3.3 The Lender shall report to Fair4All Finance on the delivery and outcomes of the Financial Coaching Services in accordance with Schedule 9.
- 11.3.4 Subject to clause 11.3.5, where Fair4All Finance has given its prior written agreement, Fair4All Finance will reimburse the costs of providing the Financial Coaching Services during the Pilot at the rates specified in Schedule 9 subject to the Lender providing an appropriate invoice to Fair4All Finance together with such evidence of expenditure as Fair4All Finance may reasonably require. Such invoices may be submitted following the end of each Quarter and shall be paid within 30 days.
- 11.3.5 Fair4All Finance may terminate the Financial Coaching Services at any time on giving not less than 20 Business Days' written notice to the Lender with an appropriate wind down period to accommodate short-term contracting arrangements for the personnel involved.

12 **Key personnel**

- 12.1 Each party shall appoint the persons named as such in Schedule 5 as the individuals who shall be responsible for the matters allocated to such Key Personnel. The Key Personnel shall be those people who are identified by each party as being key to the success of the implementation and/or operation of the services provided. The Key Personnel shall have the authority to act on behalf of their respective party on the matters for which they are expressed to be responsible.
- 12.2 The Lender shall not remove or replace any of the Key Personnel unless:
- 12.2.1 requested to do so by Fair4All Finance;
- 12.2.2 the person is on long-term sick leave;
- 12.2.3 the person resigns from their employment with the Lender; or
- 12.2.4 the Lender obtains the prior written consent of Fair4All Finance.
- 12.3 The Lender shall inform Fair4All Finance of the identity and background of any replacements for any of the Key Personnel as soon as a suitable replacement has been identified. Fair4All Finance shall be entitled to interview any such person and may object to any such proposed appointment within 10 Business Days of being informed of or meeting any such replacement if, in its reasonable opinion, it considers the proposed replacement to be unsuitable for any reason.
- 12.4 Each party shall ensure that the role of each of its Key Personnel is not vacant (in terms of a permanent representative) for more than 10 Business Days. Any replacement shall be as, or more, qualified and experienced as the previous incumbent and fully competent

to carry out the tasks assigned to the Key Personnel whom they have replaced. A temporary replacement shall be identified with immediate effect from the Lender becoming aware of the role becoming vacant.

- 12.5 Fair4All Finance may require the Lender to remove, or procure the removal of, any of its Key Personnel whom it considers, in its reasonable opinion, to be unsatisfactory for any reason which has a material impact on such person's responsibilities.

13 **Representations and warranties**

- 13.1 The Lender makes the representations and warranties in clause 13.2 to clause 13.4 on the date of this agreement and on the last day of each and/or request for payment under the Eligible Guarantee.

13.2 *Status*

The Lender is a duly incorporated and validly existing under the law of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted.

13.3 *Power and authority*

The Lender has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, this agreement and the transactions contemplated by it.

13.4 *Non-contravention*

The entry into and performance by it of, and the transactions contemplated by, this agreement do not and will not contravene or conflict with the Lender's constitutional documents, any agreement or instrument binding on it or any law or regulation or judicial or official order, applicable to it.

14 **Compliance with Laws**

- 14.1 The Lender shall:

14.1.1 comply with all applicable laws, statutes, regulations, and codes from time to time in force including but not limited to the Relevant Requirements;

14.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

14.1.3 not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK;

14.1.4 not engage in any activity, practice or conduct which would constitute either:

14.1.4.1 a UK tax evasion facilitation offence under section 45(5) of the Criminal Finances Act 2017; or

14.1.4.2 a foreign tax evasion facilitation offence under section 46(6) of the Criminal Finances Act 2017;

14.1.5 have and shall maintain in place throughout the Term its own policies and procedures, including the Mandatory Policies to ensure compliance by the Lender and its officers and employees with the Relevant Requirements and clauses 14.1.1 - 14.1.4 and as are reasonable to prevent the facilitation of tax evasion by any person (including officers and employees of the Lender) and will enforce them where appropriate;

14.1.6 have and shall maintain in place throughout the Term all appropriate authorisation including authorisation by the FCA and shall comply with all applicable financial services terms and regulations including the FCA Handbook;

14.1.7 notify Fair4All Finance (in writing) if it becomes aware of any breach of clauses 14.1.1 - 14.1.6, or has reason to believe that:

- 14.1.7.1 it or any person associated with it has received a request or demand for any undue financial or other advantage;
 - 14.1.7.2 there is any actual or suspected slavery or human trafficking in a supply chain which has a connection with this agreement; or
 - 14.1.7.3 it or any person associated with it has received a request or demand from a third party to facilitate the evasion of tax within the meaning of Part 3 of the Criminal Finances Act 2017; or
 - 14.1.7.4 it or any person associated with it is or is likely to be the subject of any inquiry or disciplinary action from the FCA or any other regulatory authority;
- 14.1.8 immediately notify Fair4All Finance (in writing) if a foreign public official becomes an officer or employee of the Lender or acquires a direct or indirect interest in the Lender and the Lender warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the date of this agreement);
- 14.1.9 within one month of the date of this agreement, and annually thereafter, certify to Fair4All Finance in writing signed by an officer of the Lender, compliance with this clause 14.1 by the Lender and all persons associated with it under clause 14.4. The Lender shall provide such supporting evidence of compliance as Fair4All Finance may reasonably request.
- 14.2 The Lender shall ensure that any person associated with the Lender who is performing services in connection with this agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Lender in this clause 14 (**Relevant Terms**). The Lender shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to Fair4All Finance for any breach by such persons of any of the Relevant Terms.
- 14.3 The Lender represents and warrants that it has not been convicted of any offence under any of the Relevant Requirements; nor has it been the subject of any investigation, inquiry or enforcement proceedings regarding any offence or alleged offence under any Relevant Requirement.
- 14.4 Breach of this clause 14 shall be deemed a material breach under clause 24.1.1.
- 14.5 For the purpose of this clause 14, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this clause 14 a person associated with the Lender includes (but is not limited to)1 any subcontractor of the Lender.
- 14.6 For the purposes of clause 14.1.5, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017 and a person associated with the Supplier includes (but is not limited to) any subcontractor of the Supplier.
- 14.7 The Lender shall be solely responsible for ensuring that it and any Product or services offered or provided by it comply at all times and in all respects with all applicable laws and regulations and shall indemnify and keep fully and effectively indemnified Fair4All Finance against any liability damage cost claim and expenses arising as a result of the Lender or any such Product or services failing to comply howsoever with any such law or regulation.

15 **Subsidy Control**

- 15.1 For the purposes of this clause [151], the Subsidy Control Regime means the UK's subsidy control regime as set out in the Subsidy Control Act 2022; related statutory guidance; and any other subsidy control commitments arising from the UK-EU Trade and Co-operation Agreement and the UK's membership of the WTO

- 15.2 .In accepting and using the guarantee and arrangements establishment under this agreement the Lender shall take all steps to ensure that such acceptance and use comply with and facilitate compliance with the Subsidy Control Regime.
- 15.3 The Lender acknowledges that the details of the subsidy awarded will be published by Fair4All Finance in the public Subsidy Control Regime register and at its soke discretion Fair4All Finance will make the subsidy funds available 30 days after publication
- 15.4 In the event that all or any part of the arrangements established by this agreement or the otherwise arising from this agreement is deemed by a court or other agency of competent jurisdiction not to comply with the Subsidy Control Regime, (A) Fair4All Finance may at its sole discretion terminate this agreement, and (B) any amounts of the guarantee or other amounts paid by Fair4All Finance to the Lender pursuant to this agreement may become repayable by on the direction of Fair4All Finance (and the Lender agrees to comply with any order by any court or other agency of competent jurisdiction to that effect)..

16 **Sub-Contracting and assignment**

- 16.1 Subject to clause 16.3 and to clause 5.12, neither party shall assign, novate, subcontract or otherwise dispose of any or all of its rights and obligations under this agreement without the prior written consent of the other party, neither may the Lender sub-contract the whole or any part of its obligations under this agreement except with the express prior written consent of Fair4All Finance, such consent not to be unreasonably withheld.
- 16.2 In the event that the Lender enters into any Sub-Contract in connection with this agreement it shall:
- 16.2.1 remain responsible to Fair4All Finance for the performance of its obligations under the agreement notwithstanding the appointment of any Sub-Contractor and be responsible for the acts omissions and neglects of its Sub-Contractors;
 - 16.2.2 impose obligations on its Sub-Contractor in the same terms as those imposed on it pursuant to this agreement and shall procure that the Sub-Contractor complies with such terms; and
 - 16.2.3 provide a copy, at no charge to Fair4All Finance, of any such Sub-Contract on request.
- 16.3 Fair4All Finance shall be entitled:
- 16.3.1 to assign its rights and obligations under this agreement to a third party in connection with a disposal or restructuring of all or part of its business or of NILs; or
 - 16.3.2 to novate (and the Lender shall be deemed to consent to any such novation) this agreement to any other body which performs any of the functions previously performed by Fair4All Finance.

17 **Intellectual Property Rights**

Background IP

- 17.1 Nothing in this agreement shall affect the absolute ownership of any Intellectual Property Rights which are:
- vested either in Fair4All Finance or HM Treasury,
 - owned by the Lender prior to the date of this agreement, or
 - created by the Lender independently of this agreement
- (“**Background IP**”) which shall continue to be owned by the party contributing it and shall remain unfettered by this Agreement otherwise than as expressly set out in this clause 17.

- 17.2 The Lender hereby grants Fair4All Finance a royalty-free, non-exclusive, perpetual licence (with a right to sub-license) the Lender's Background IP to the extent required for Fair4All Finance for the purpose of the Scheme and including exercising its rights under and taking the benefit of this Agreement and complying with its obligations in the Grant Agreement.
- 17.3 If Fair4All Finance requires a licence of the Lender's Background IP for any purpose other than the purpose in clause 17.2, it shall obtain the prior written approval of the Lender (such approval not to be unreasonably withheld or delayed).
- 17.4 Fair4All Finance hereby grants to the Lender a royalty-free, non-exclusive, sub-licensable licence to use the Background IP in the Scheme documents for the purpose of complying with the Lender's obligations under this Agreement.

Foreground IP

- 17.5 The Lender acknowledges and agrees that ownership of any Intellectual Property Rights which are created or developed during the Term for the purpose of the Scheme ("**Foreground IP**") shall belong to and remain exclusively with Fair4All Finance or, to the extent that Fair4All Finance shall have assigned it, with HM Treasury.
- 17.6 The Lender hereby assigns to Fair4All Finance all and any such Foreground IP created or developed by the Lender and subsisting in the deliverables provided by the Lender under this agreement as and when such Foreground IP is created by way of present assignment of future Intellectual Property Rights absolutely with full title guarantee and in each case for the remainder of the term thereof including any renewals, reversions, extensions or revivals and including the right to take action for past acts of infringement (including proceedings for passing off or under laws of unfair competition).
- 17.7 In consideration of the assignment in clause 17.6, Fair4All Finance hereby grants to the Lender a royalty-free, non-exclusive, licence to use such Foreground IP for the purpose of complying with the Lender's obligations under this agreement

18 Disaster Recovery Plan

- 18.1 The Implementation Plan includes the Lender's disaster recovery plan and the Lender shall at all times comply with the relevant provisions of such plan.
- 18.2 Following the declaration of a disaster in respect of any of the Services, the Lender shall:
- 18.2.1 implement its disaster recovery plan;
 - 18.2.2 continue to provide the affected Services in accordance with that plan;
 - 18.2.3 restore the affected Services to normal within the period laid out in that plan.
- 18.3 To the extent that the Lender complies with the provisions of this clause 18 (and the reason for the relevant disaster was not a breach of any of the other terms of this agreement by the Lender) the KPIs to which the affected Services are to be provided during the continuation of the relevant disaster shall not be the KPIs as referred to in clause 6 but shall be the KPIs set out on the Lender's disaster recovery plan or, if none, the best services levels which are reasonably achievable in the circumstances.

19 Governmental Termination Scenario

- 19.1 The parties shall use their reasonable endeavours to agree a Governmental Termination Plan promptly following the date of this Agreement.
- 19.2 In the event of a Governmental Termination Scenario, the parties shall implement the Governmental Termination Plan.

20 Confidentiality

- 20.1 Each party undertakes that it shall not at any time disclose to any person the Confidential Information, except as permitted by clause 20.2 or 20.3.
- 20.2 Subject to clause 7.3, each party may disclose the other party's Confidential Information:

- 20.2.1 to its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this agreement. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 20; and
- 20.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- 20.3 Subject to clause 7.3, Fair4All Finance may disclose any information howsoever relating to the Pilot and/or the Scheme (and any additional product, scheme, or project that the parties may agree shall be subject to this agreement) that (acting reasonably) it considers necessary or appropriate to disclose to HM Treasury pursuant to the Grant Agreement and/or to any Project Partner, any co-funder of the scheme and/or to other lenders participating in the scheme.
- 20.4 The Lender acknowledges that HMT is subject to the Freedom of Information Act 2000 and agrees to co-operate with any request for information that Fair4All Finance may request from time to time howsoever relating to any request under that Act.
- 20.5 No party shall use any other party's Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with this agreement.
- 20.6 The obligations under this clause 20 shall continue notwithstanding the termination of this agreement or of the Pilot.
- 21 **Freedom of Information**
- 21.1 The Lender acknowledges that HM Treasury is subject to the requirements of the FOIA and the EIRs. The Lender shall:
 - 21.1.1 provide all necessary assistance and cooperation as reasonably requested by Fair4All Finance to enable Fair4All Finance and/or HM Treasury to comply with its obligations under the FOIA and EIRs;
 - 21.1.2 transfer to Fair4All Finance all Requests for Information relating to this agreement that it receives as soon as practicable and in any event within two Business Days of receipt;
 - 21.1.3 provide Fair4All Finance with a copy of all Information belonging to Fair4All Finance and/or HM Treasury requested in the Request For Information which is in its possession or control in the form that Fair4All Finance requires within five Business Days (or such other period as Fair4All Finance may reasonably specify) of Fair4All Finance's request for such Information; and
 - 21.1.4 not respond directly to a Request For Information howsoever relating to the Scheme and/or any Product or customer or potential customer unless authorised in writing to do so by Fair4All Finance.
- 21.2 The Lender acknowledges that Fair4All Finance and/or HM Treasury may be required under the FOIA and EIRs to disclose Information (including commercially sensitive information) without consulting or obtaining consent from the Lender. Fair4All Finance shall take reasonable steps to notify the Lender of a Request For Information received by it (in accordance with the Cabinet Office's Freedom of Information Code of Practice issued under section 45 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this agreement) Fair4All Finance shall be responsible for determining in its absolute discretion whether any commercially sensitive information and/or any other information is exempt from disclosure in accordance with the FOIA and/or the EIRs.
- 21.3 Notwithstanding any other term of this agreement, the Lender consents to the publication of this agreement in its entirety, subject only to the redaction of information that is exempt from disclosure in accordance with the provisions of the FOIA and EIRs.

21.4 Fair4All Finance shall, prior to publication of this agreement or any information pursuant to this clause 21, consult with the Lender on the manner and format of publication and to inform its decision regarding any redactions but shall have the final decisions in its absolute discretion. The Lender shall assist and co-operate with Fair4All Finance to enable Fair4All Finance to publish this agreement.

22 **Data Protection**

22.1 To the extent that the Parties are processing personal data in connection with the Pilot, they shall comply with the provisions of Schedule 8.

23 **Force majeure**

23.1 Provided it has complied with the remaining provisions of this clause 23, if a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (**Affected Party**), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations.

23.2 The corresponding obligations of the other party will be suspended to the same extent as those of the Affected Party.

23.3 The Affected Party shall:

23.3.1 as soon as reasonably practicable after the start of the Force Majeure Event but not later than three Business Days, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the agreement; and

23.3.2 use all reasonable endeavours to mitigate the effect of the Force Majeure Event.

23.4 An Affected Party cannot claim relief if the Force Majeure Event is attributable to the Affected Party's wilful act, neglect or failure to take reasonable precautions against the relevant Force Majeure Event. The Lender cannot claim relief if the Force Majeure Event is one which, in accordance with Best Industry Practice, the Lender should have foreseen and provided for the cause in question.

23.5 The Affected Party shall notify the other party in writing as soon as practicable after the Force Majeure Event ceases or no longer causes the affected party to be unable to comply with its obligations under this agreement. Following such notification, this agreement shall continue to be performed on the terms existing immediately before the occurrence of the Force Majeure Event unless agreed otherwise by the parties.

23.6 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than four weeks, the party not affected by the Force Majeure Event may terminate this agreement by giving 10 Business Days' notice to the Affected Party.

24 **Termination**

24.1 Without affecting any other right or remedy available to it, either party may terminate this agreement with immediate effect by giving written notice to the other party if:

24.1.1 the other party commits a material breach of any term of this agreement and (if such breach is remediable) fails to remedy that breach within a period of 14 days after being notified in writing to do so;

24.1.2 the other party repeatedly breaches any of the terms of this agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of this agreement;

24.1.3 the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts;

- 24.1.4 the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors other than (being a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;
 - 24.1.5 the other party applies to court for, or obtains, a moratorium under Part A1 of the Insolvency Act 1986;
 - 24.1.6 a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the other party (being a company, limited liability partnership or partnership) other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;
 - 24.1.7 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed, over the other party (being a company, partnership or limited liability partnership);
 - 24.1.8 the holder of a qualifying floating charge over the assets of that other party (being a company or limited liability partnership) has become entitled to appoint or has appointed an administrative receiver;
 - 24.1.9 a person becomes entitled to appoint a receiver over all or any of the assets of the other party or a receiver is appointed over all or any of the assets of the other party;
 - 24.1.10 a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the other party's assets and such attachment or process is not discharged within 14 days.
- 24.2 Without affecting any other right or remedy available to it, Fair4All Finance may terminate this agreement with immediate effect by giving written notice to the Lender if:
- 24.2.1 the Lender ceases to be authorised by FCA/PRA or is the subject of any disciplinary action or inquiry by FCA/PRA or any other regulator; or
 - 24.2.2 the co-funding contributions the Lender anticipated in their Tender Response fail to materialise or if any expected co-funding commitment to long term funding fails to materialise for any reason; or
 - 24.2.3 the Lender has not duly executed the Loan Agreement within one month of the date of this agreement, or the Loan under the Loan Agreement has not been drawn down on the dates specified in the Loan Agreement, or if the Lender is in material or persistent breach of the Loan Agreement; or
 - 24.2.4 the Grant Agreement has been terminated for any reason.
- 24.3 Without affecting any other right or remedy available to it, Fair4All Finance may terminate this agreement at any time on giving not less than 20 Business Days' written notice to the Lender.
- 25 **Survival**
- 25.1 Immediately upon giving or receiving any notice to terminate this agreement the Lender shall cease to offer any NIL and shall (so far as it is properly able to do so) withdraw any offer for a NIL that has been made and not accepted.
 - 25.2 Fair4All Finance and the Lender (together with other lenders participating in the scheme if required by Fair4All Finance) shall co-operate in good faith, following either party giving notice to terminate this agreement, to finalise an exit plan to include a plan for the orderly collection of the Lender's Loan Book that relates to the Scheme. The exit management plan will be produced by the Lender within 30 days of the signing of this agreement with

the Lender supplying to Fair4All Finance as soon as possible a draft exit management plan using a template that Fair4All Finance supply to indicate how it would arrange an orderly wind down and exit of the Scheme should a termination be triggered for whatever reason.

- 25.3 The Lender shall remain entitled to receive any Payment that shall have accrued but not been paid prior to the date of termination of this agreement save that the Lender shall not be entitled to any Outcome-Based Payment or any payment under an Eligible Guarantee following the termination of this agreement save to the extent expressly agreed by Fair4All Finance and Fair4All Finance is entitled to a corresponding payment under this Grant Agreement.
- 25.4 On or pending termination of this agreement (howsoever terminated) if required by Fair4All Finance, the Lender shall transfer and assign all its rights and obligations in respect of any and/or all of its NILs that are then outstanding to such other lender(s) as Fair4All Finance may specify provided only that such other lender(s) is duly authorised and the Lender shall cooperate fully and in good faith to ensure the smooth handover of its NILs loan book to another lender.
- 25.5 Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this agreement including:
- clause 5.7;
 - clause 5.8;
 - clause 5.9;
 - clause 5.11;
 - clause 7 (*Reporting*);
 - clause 10 and Schedule 6 (*Eligible Guarantees*) to the extent applying to NILs written before any notice to terminate this agreement shall have been given;
 - clause 17 (*Intellectual property Rights*);
 - clause 20 (*Confidentiality*);
 - clause 21 (*Freedom of Information*);
 - this clause 25;
 - clause 26 (*Announcements*);
 - clauses 30-36
 - paragraph 13.5 of Schedule 6

shall remain in full force and effect.

- 25.6 Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

26 **Announcements**

- 26.1 Fair4All Finance may from time to time, during or after the Term, publish evaluations of the Pilot including such information as it may from time to time determine (subject to clauses 7.3 and 19).
- 26.2 Fair4All Finance may from time to time, during or after the Term, share information with HMT in connection with its obligations under the Grant Agreement in relation to the use of the Guarantee where HMT must report these details to parliament.
- 26.3 The Lender shall not make, or permit any person to make, any public announcement concerning the existence, subject matter or terms of this agreement, the wider transactions contemplated by it, or the relationship between the parties, without the prior written consent of Fair4All Finance, except as required by law, any governmental or

regulatory authority (including, without limitation, any relevant securities exchange), any court or other authority of competent jurisdiction.

27 **Entire agreement**

27.1 This agreement together with the documents referred to in it (together **Documents**), constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

27.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Documents. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

28 **Costs**

28.1 Except as expressly provided in this agreement, each party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this agreement and any documents referred to in it.

29 **Variation**

No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

30 **Waiver**

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

31 **Dispute Resolution**

31.1 If a dispute arises out of or in connection with this agreement or the performance, validity or enforceability of it (**Dispute**) then the parties shall follow the procedure set out in this clause:

31.1.1 either party shall give to the other written notice of the Dispute, setting out its nature and full particulars (**Dispute Notice**), together with relevant supporting documents. On service of the Dispute Notice, the Key Personnel shall attempt in good faith to resolve the Dispute;

31.1.2 if the Key Personnel are for any reason unable to resolve the Dispute within 20 Business Days of service of the Dispute Notice, the Dispute shall be referred to the Director of Operations of Fair4All Finance and the Lender's CEO who shall attempt in good faith to resolve it; and

31.1.3 if the Director of Operations of Fair4All Finance and the Lender's CEO are for any reason unable to resolve the Dispute 20 Business Days of it being referred to them, the parties will attempt to settle it by mediation in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator shall be nominated by CEDR. To initiate the mediation, a party must serve notice in writing (ADR notice) to the other party to the Dispute, requesting a mediation. A copy of the ADR notice should be sent to CEDR. The mediation will start not later than 20 Business Days after the date of the ADR notice.

31.2 The commencement of mediation shall not prevent the parties commencing or continuing court proceedings in relation to the Dispute under 35 which clause shall apply at all times.

32 **Notices**

- 32.1 Any notice or other communication given to a party under or in connection with this agreement shall be in writing and shall be:
 - 32.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office for the time being; or
 - 32.1.2 sent by email to:
 - [●] (in the case of the Lender)
 - [●] (in the case of Fair4All Finance)
- 32.2 Any notice or communication shall be deemed to have been received if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this clause 32.2, business hours means 9.00am to 5.30pm Monday to Friday on a day that is not a public holiday in the place of receipt.
- 32.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

33 **Counterparts**

- 33.1 This agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
- 33.2 No counterpart shall be effective until each party has executed provided to the other at least one executed counterpart.

34 **Third party rights**

- 34.1 This agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
- 34.2 The rights of the parties to rescind or vary this agreement are not subject to the consent of any other person.

35 **Governing law**

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

36 **Jurisdiction**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

This agreement has been entered into on the date stated at the beginning of it.

Signed by [●]

.....
Director

Signed by [Sacha
Romanovitch] for and on
behalf of Fair4All Finance
Limited

.....
Director

Schedule 1
Draft Reporting framework

1 Required Reports

- The Lender shall provide the following reports in such a form as Fair4All Finance may reasonably require as set out below and in the form of the reporting template agreed between the parties. The following detail is suggested in the reports:

Key Metrics Report	Frequency: Monthly by the 5th working day of each month
<p>% and # total applicants & Scheme borrowers:</p> <ul style="list-style-type: none"> - Age - Gender - Location/postcode - Household situation - Housing type (tenure) - Disabilities - Caring responsibilities - Sexual orientation (includes 'prefer not to say') - Religion (includes 'prefer not to say') - Ethnicity (includes 'prefer not to say') - Employment status - Benefits - Income - Credit score - Income/expenditure - Debts/assets - Referral route & source 	<p>Volumes and loan types (applications and Scheme borrowers):</p> <ul style="list-style-type: none"> - Loan amount - Loan term - Total loans (volume) - Total loans (value) - Reason for loan - Reason for loan (customer application) - Approvals for the Scheme - Reason for decline / detailed decline analysis - Origination / referral including source - Repayment schedule - Number of repayments - Number of defaults - Current outstanding principal - Cumulative principal paid - Monthly payment amount - Current loan status - Number of extensions - Number of months in arrears - Current arrears balance - Loan default date - Principal at default - Loan provisioned - Repayments to date - Balance remaining - Payment flexibility reason and volume of flexibility requests approved - where provision of payment flexibility is illustrated elsewhere eg in outstanding balances that do not reduce - No. of Scheme customers who were eligible to use interest products following no interest loan - No. of Scheme customers who take second product (loan or savings) within 24 months

Pilot review	Frequency: After each wave of lending
Review of pilot progress	

Operational Management report (to include the information set out in bullet point below)	Frequency: Monthly – by the 5th working day of each month
<ul style="list-style-type: none"> • Conversion metrics (loan application volumes and dropouts by customer journey stage) • Customer complaints • Number of trained lender staff for each part of customer journey eg loan screening/ borrower support/ underwriting/collections • Loan status and provisioning • Loan application volumes by referral route • Declines reasons analysis • Borrower underwriting analysis and observations re borrower characteristics/circumstances leading to declines eg: <ul style="list-style-type: none"> - Percentage of declines attributed to gambling on open banking record - Percentage of declines attributed to affordability issues eg loan still not affordable even though without interest once detailed income and expenditure is completed 	

Analysis report	Frequency: After each wave of lending
<p>Detailed reporting/deep dives and retrospective analysis of loan book</p> <p>Unless the Lender is otherwise notified to the contrary by Fair4All Finance , the analysis reporting obligations described herein will be satisfied by the Lender providing the monthly Key Metrics Report and operational management report to Fair4All Finance at the agreed times in a form agreed with Fair4All Finance.</p>	

Eligible Guarantee reporting	Frequency: Quarterly – by the 5th working day of each month
<ol style="list-style-type: none"> 1 For loans covered by the Eligible Guarantee: Annual Report and Accounts requirements: <ul style="list-style-type: none"> • Quarterly information to support the existing liability balance as at 30 June, 30 Sept, 31 Dec and 31 March each financial year for updating the HMT General Ledger to include the total loan amount; term; repayments to date; and balance remaining • Information to support an assessment of the expected credit loss allowance (ECL) for the financial guarantee liability as per Accounting Standards. This will include undiscounted principal obligation; remaining term; discount rate; discounted principal and interest; probability of default; loss given default. Also, a credit risk assessment. Fair4All Finance may simplify this ask in discussion with lenders in order to meet its reporting obligations to HMT in the most proportionate way possible initially. The inputs for this reporting are nevertheless likely to be needed as set out here as the pilot evolves and reporting and analytics are refined and built on actual credit loss insight. 2 For loans not yet covered by the Eligible Guarantee but which are in arrears detailed reporting on the aggregate liability, the stage in the collections process and related information <p>Unless the Lender is otherwise notified to the contrary by Fair4All Finance, the guarantee reporting obligations described herein will be satisfied by the Lender providing the monthly Key Metrics Report and operational management report to Fair4All Finance at the agreed times in a form agreed with Fair4All Finance.</p>	

2 Meetings

Nature of Meeting	Agenda	Frequency of Meeting	Attendees
Lender fora	To share good practice and learning across Pilot locations	At key junctions in the pilot, likely ahead of / after each wave of lending	All Lenders
Design meeting	Product design and Product refinement	Ad hoc	Scheme product design team
Quality assurance meeting	To review Lender compliance with centralised Scheme processes	Monthly	Lender Fair4All Finance
Evaluation meeting	To look at post Pilot conversion of Scheme borrowers to commercial borrowers	At key junctions during the Pilot including provision of full data sets during and up to 18 months after the conclusion of the Pilot and attend meetings to discuss these data sets	Evaluation team
Insight meeting	To obtain qualitative insight on what is / is not working	Ad hoc and regular	All lenders Fair4All Finance
Anti-fraud and process optimisation meeting	To review current processes with Jaywing, a provider appointed by Fair4All Finance to advise relevant anti-fraud measures and any recommendations for improving Scheme lending processes	Ahead of launch	Lender Jaywing Fair4All Finance
Credit Reference Agency reporting meeting	To discuss and agree CRA reporting processes	Ahead of launch	All lenders All CRAs Fair4All Finance
Evaluation co-design	To input and help co-design the evaluation with our evaluation partner	Ahead of launch	All lenders Evaluation partner Fair4All Finance

Financial capability coaching co-design	To input and help co-design the financial capability coaching with our partner	Ahead of launch	All lenders Financial capability coaching delivery partner Fair4All Finance
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3 Full financial information required on a detailed open book accounting basis covering all costs incurred in delivery of loans including detailed breakdown of fixed and variable costs; costs per customer journey stage; including underlying cost base in accordance with 7.1:

- Non-exhaustive list of available open book accounting data to include: Costs contributing to the contract fee structure on:
 - Implementation Fee
 - Product Fee
 - Outcome-Based Award
- Infrastructure costs for infrastructure included to deliver the Scheme including but not limited to:
 - Hardware and software costs including SAAS
 - Salary and consulting costs
 - Marketing
 - CRA and Open banking costs
 - Banking, open banking and payment / charges costs relating to the dispersal and repayment of loans including continuous payment authority, request to pay, direct debit scheduling or other costs
 - Management overheads at all stages of the customer journey (eg supervisory costs for the underwriting team and others) and management costs delineated for the pilot overall
 - Telephony, SMS and other communications platform costs including the build, maintenance and hosting costs of any customer focussed apps or messaging platforms



Affordable Credit Code of Good Practice

Update for commercial lenders September 2023

Our Affordable Credit Code of Good Practice was first developed in 2020, codifying what we expected to see not for profit lenders who were part of our initial Scale Up programme to do. This has become a key part of our diligence on organisations we are investing in or funding.

This update to the code incorporates clarifications and positions alternative measures appropriate for all lenders to adopt, be they not for profit, for profit, or for profit with purpose.

We recognise that this code can be read alongside providers' obligations under the consumer duty and regulatory frameworks. We also recognise that where providers are working with us to test new propositions they may not yet comply fully with this code however we expect them to build this into their development and design over time.

The table below sets out the original code on the left, adaptations to it appropriate for profit lenders on the right, and where appropriate acknowledgment that the same standard should apply.

Original Code – for Not for Profit Lenders

Adaptation: for profit, or for profit with purpose lenders

1 Organisation set up and social purpose – the organisation will:

- | | |
|---|---|
| a Have a clearly defined social purpose set out in its constitutional documents to increase the financial resilience and wellbeing of people in vulnerable circumstances ¹ . | We expect commercial organisations that we appoint to have a strategic plan with clear prioritisation to serve customers in vulnerable circumstances effectively, typically with a stated aim of improving customers financial resilience, with the commitment of budget and resources to |
|---|---|

¹ We may insist on a golden share as a proxy for this mechanism for organisations that are for profit, or profit with purpose.

do so effectively. We anticipate that this will often be included in ESG and CSR framing for these organisations. The reporting and monitoring of these plans will also be in place.

<p>b Have a clearly defined policy in relation to the distribution of post-tax profits and proceeds from the sale of assets to ensure that surpluses are principally used to achieve its purpose and that the post-tax pay-outs to members are capped at <50% over time to ensure that there is not undue private gain from the activities of the organisation.</p>	<p>We welcome commercial providers commitments to reinvest profit in better serving customers in vulnerable circumstances and we note the evidence from our Covid study showing the positive customer loyalty, and negligible provider costs in proactively supporting customers with adaptations appropriate for that economic cycle eg interest free overdrafts and significant forbearance.</p>
<p>c Be able to demonstrate that the remuneration of its officers and employees, including salaries, benefits and all forms of distribution or other participation, is reasonable, proportionate and relative to market practice for social sector² organisations generally and is disclosed.</p>	<p>We typically expect the costs attributed to delivering work we are funding commercial organisations to deliver to be on an appropriately costed basis so that the delivery covers costs incurred but where profit is not excessive and ideally where providers commit to reinvesting in serving these customers. We rely on unit cost transparency and open book accounting to monitor this.</p>
<p>d Ensure that all their employees earn a real living wage or be working towards this.</p>	
<p>e Evaluate and measure its social impact and make reports publicly available.</p>	<p>As above we expect this reporting to be included against clear strategic priorities including specific sections on social impact reporting in annual reports. We are not prescriptive on the measures used but would observe that the impact on customers is key and the improvement of their circumstances over time, rather than the volume of customers served.</p>
<p>f Be open to undertaking an independent social impact audit.</p>	

² By which we typically mean not for profit organisations. As part of our due diligence for investment for example, we're typically looking at not for profit organisations where there is a pay ratio between the least and highest paid that is capped.

2 Approach to consumers – the organisation will:

- a Have a customer-centred culture; organisations will understand the needs of their customer base and will design products and services that suit their needs and help improve their financial resilience and wellbeing.
- b Have policies and processes for supporting customers in vulnerable circumstances that are fully embedded across the organisation. Organisations will understand the needs of their customers in vulnerable circumstances and this will inform product design and communications with customers. Team members will be well trained in vulnerability policies and in identifying and serving customers in vulnerable circumstances.

3 Lending – the organisation will:

- a Before providing credit, make a detailed assessment of a customer’s income and expenditure to determine that the loan is affordable and will not push customers into financial difficulty. We expect this of regulated and unregulated lenders including BNPL providers.
- b Communicate clearly and transparently with customers, ensuring they have understood how the loan will affect their financial situation. Customers should be provided with tools to understand the costs of repayment over different time periods, including comparison of the total cost of the loan. We expect BNPL providers to adopt the same transparency and pre-contract information approach.
- c Charge an APR and an underlying interest rate that is not excessive, taking into consideration risk and social impact objectives

Where risk based pricing applies, we would encourage lenders to demonstrate their provision of fair value to the customer by proactively offering interest rate switches where appropriate and reducing the interest rate where borrower payment performance warrants it
d We expect BNPL providers to utilise and report their data into credit ratings agencies

4 Repayment and recovery – the organisation will:

- a Allow customers to repay their loan early without incurring a fee or charge. Organisations should encourage customers to repay loans early, where this is affordable.
- b Take an empathetic approach to arrears and debt recovery, centred on agreeing an affordable and sustainable repayment plan with the customer. Customers in financial difficulty will be treated fairly and provided with appropriate support.

c We expect BNPL to waive late fees where customers appear to be showing signs of financial distress

5 Customer Support and Wrap around services – the organisation will:

- a Provide support for customers to build their financial resilience, either in house or through partnerships or referrals to a third party. This should include encouraging savings behaviour, building financial capability and helping customers access their full entitlement to grants and benefits.
- b Provide customers who are declined for credit with information about why the decision has been taken, alongside signposting to relevant guidance or support.
- c Work in partnership with free debt advice providers, maintaining an active channel to refer customers to when they are in financial difficulty at either the application stage or whilst they are a customer.
- d consistent with the Consumer Duty we expect providers to monitor whether the product a customer is utilising is appropriate to them and take an approach to referring them to better alternatives which does not leave customers without access to credit, this may entail for example, offering to substitute one product for another, or offering repayment or other adaptations to the customer's current product so it is more suitable for a finite period whilst someone builds up their credit file and therefore ability to shift to better solutions elsewhere

e we expect BNPL to prominently offer customers a way to turn off their line of credit

**Schedule 3
KPIs and Outcome-Based Payments**

The Outcome-Based Payments are to provide incentives to drive down bad debt/increase support to Lenders and shall be paid (in accordance with clause 8.4) if the key performance indicators set out below are met.

Settings for KPIs in contract	Proposed Lender setting
Appropriateness of loan underwriting	[XX] % of NILs comply with the Enhanced Product Requirements
Compliance with good practice collection activities	[XX] % consistency with collections policy
Number of engagements/reminders with borrowers in arrears	[xx] emails, [xx] texts. [xx] letter (or as otherwise agreed between the parties)
Number of in-depth support interventions provided to borrowers (generally and not when in arrears) to reflect higher cost to serve more complex needs of borrower group but potential impact of behavioural change support	[XX] attempted payment plan discussions with customers via preferred customer medium (or as otherwise agreed between the parties)
Maximum amount (financial) of loans 100% provisioned for in the initial lending period (or such other figure as may be agreed between the parties for any future extension)	[xx]
Effectiveness of collections activities in moving loans that have been provisioned in part, back into performing, where a new repayment plan is agreed with the borrower as expressed as a % volume of provisioned loans moving back into plan during the quarterly reporting period The reporting on the loans which are moved back into plan is also covered in Schedule 6 Conditions for Eligible Guarantees 13.5(i)	[xx] %

**Schedule 4
Payment Request Form**

Quarterly NILS guarantee and outcome based payment lender claims form / record

Period of claim:

Lender:

Loan number	Original principal amount	Amount outstanding	Date loan issued	Date loan fell into arrears	Provisioned at 100% (Y/N)	Referred to ELDS or CCJ (Y/N)	Loan settings in line with the NILS Core Product Requirements (Schedule 7 of NILS contract)* (Y/N)	Was the loan underwritten in line with the agreed NILS eligibility & affordability criteria* ? (Y/N)	Was the loan collected in line with the Lender's existing collections policy? (Y/N)	Were the minimum no. of engagements /reminders with the borrower in arrears met?**(Y/N)	Were the no. of in depth support intervention attempts met as per the NILS contract?**(Y/N)	Guarantee amount claimed - £ ([80%] of the outstanding principle)	Outcome based payment claimed - £ (20% of the outstanding principle)
Total													

Notes

* As per Schedule 7 of the NILS Contract for Services or as otherwise agreed

** As per the KPIs in Schedule 3 of the NILS Contract for Services

**Schedule 5
Key Personnel**

Lender Key Personnel

Accountable lead - CEO	<input checked="" type="checkbox"/>
Product design leads	<input checked="" type="checkbox"/>
Lending operations lead	<input checked="" type="checkbox"/>

Fair4All Finance Key Personnel

Schedule 6 Eligibility Criteria

Part 1

Conditions for Eligible Guarantees

- 1 The Lender must not make a loan or vary the terms and conditions of a pre-existing loan that is not a NIL with the specific intention of minimising its expected losses (after taking into account any recoveries made by the Lender under the Eligible Guarantee) on an existing loan by 'shifting' the default losses from outside the Eligible Guarantee scheme to inside the Eligible Guarantee scheme. For the avoidance of doubt, both the 'shifting of debt into the Eligible Guarantee' and the intent to minimise expected losses is required for this term to be violated. Therefore, this does not preclude the Lender making loans that shift loans into an Eligible Guarantee (commonly known as 'consolidation', 'top-up' or 'relending' loans) if the intent is not to gain access to an Eligible Guarantee but instead is a result of the Pilot and the Lender's consumer objectives. Where there is doubt as to whether this term is likely to be violated, the Lender must agree (in writing) an approach with Fair4AllFinance e.g. the consolidation loan route involving multiple lenders' products not just the Pilot.
- 2 Following [●], any Provisioned Default Losses made on NILs will not be subject to the Eligible Guarantee, except where Fair4All Finance has given explicit written permission.
- 3 Subject to clause 24 and the following provisions of this Schedule, Fair4AllFinance shall reimburse the Lender up to [80%] of its Provisioned Default Losses (otherwise than those arising by reason of the Lender's gross negligence or wilful misconduct) under the Eligible Guarantee where the Lender has not been reimbursed by the relevant Eligible Customer, provided that:
 - 3.1 the Lender shall provide reasonable details in writing to Fair4AllFinance of the amount of the NIL; the amount of the NIL unpaid in respect of any claim under the Eligible Guarantee, confirming that the relevant NIL was made by the Lender, that such NIL is an Eligible Loan and covered by the Eligible Guarantee and that the Lender has used reasonable commercial endeavours to recover the unpaid amount of the relevant NIL from the Eligible Customer for a period of not less than 3 months in accordance with instructions and processes agreed in writing with Fair4All Finance or (where it has been accepted in writing by Fair4All Finance) the Lender's own existing collections policy;
 - 3.2 if the Lender subsequently recovers any amount from an Eligible Customer in respect of a NIL covered by the Eligible Guarantee where Fair4All Finance has reimbursed the Lender under paragraph 3.1 above, the Lender shall promptly notify Fair4All Finance and remit to Fair4All Finance [80%] of the amount recovered by the Lender;
 - 3.3 the aggregate amount payable to the Lender by Fair4All Finance in respect of the Eligible Guarantees issued pursuant to the Scheme must not exceed the Maximum Liability; and
 - 3.4 The Lender must not issue Eligible Loans of more than £[xx] in the first six months of 2022/2023.
- 4 Subject to clause 25, and the provisions of this schedule Fair4All will repay [80%] of any principal of any NIL not repaid, unless the Lender waives its right to some of this guarantee. For the purpose of calculating the guarantee payments, it is assumed that all repayments will repay principal first, only once the principal has been repaid will fees, if any, charged by the Lender, be repaid.
- 5 The Lender may unilaterally waive its right to some or all of the protection afforded by the Eligible Guarantee if the Lender is prepared to fund NILs with higher default losses than those potentially eligible to be reimbursed by the Fair4All Finance under the Eligible Guarantee by notifying Fair4All Finance accordingly in writing.

- 6 The purpose of the Eligible Guarantee is to give the Lender an incentive to reclaim debts owed; the Lender cannot pass on remaining risk without explicit written permission of Fair4All Finance. This does not preclude the Lender from following its proposed collections approach where it was approved in writing by Fair4All Finance in the procurement process including processes which involve outsourcing or selling on debts owed after an appropriate period has passed and where primary collections measures have been exhausted.

Repayment Obligation

- 7 The Lender shall not be entitled to any payment under the Eligible Guarantee (and shall repay any amount if that shall have been paid in contravention of this paragraph) in respect of any NIL that it shall have made in breach of paragraph 1 of this Schedule; or in respect of which it shall not have undertaken the requisite affordability assessment properly or where it shall have failed to comply with all applicable law and reputation or otherwise fail to comply with any provision of this agreement.

Part 2

Defining Provisioned Default Losses

- 8 For the purpose of calculating the Provisioned Default Losses, it is assumed that all repayments will repay principal first, only once the principal has been repaid will fees, if any, charged by the Lender, be repaid.
- 9 All NILs will be provisioned according to the Lender's Provisioning Policy and in accordance with FRC requirements as usual. Unless Fair4All Finance have agreed, in writing, a different definition of a NIL being "in default" with the Lender, a NIL treated as "in default" if:
- 9.1 the provisioned amount is 100% of its value; or
- 9.2 where provisioning is not at 100% but where a NIL has been referred to the ELDS (where relevant) or a CCJ.
- 10 The Lender will separately report to Fair4All Finance NILs which are treated as "in default" and therefore in scope of the Eligible Guarantee and also the total value of all provisioning (the gross provisioning charge) including NILs provisioned in part.
- 11 The Lenders shall not amend its provisioning policies to incorporate NILs within the Eligible Guarantee. Fair4All reserves the right to change the definition of a NIL being "in default".
- 12 The Lender shall subject NILs to the same debt recovery procedures as other loans the Lender makes. Different loan recovery procedures can be used only with the explicit written permission of Fair4All Finance. For the avoidance of doubt, Fair4All Finance does not need to give approval for each individual NIL, rather for the overall change in debt collection practices from the Lender's standard approach to debt collection for all its loans.

Part 3

Reporting requirements and repayment mechanism

- 13 The Lender shall provide the following annual report and accounts requirements. For the avoidance of doubt, until such time as the parties may otherwise agree, the Lender's obligations under this paragraph 11 will be satisfied by the Lender providing the monthly Key Metrics Report and operational management report to Fair4All Finance at the agreed times, together with:
- 13.1 Quarterly information to support its existing NIL liability balance as at 30 June, 30 Sept, 31 Dec and 31 March each financial year to include the total NIL amount; term; repayments to date; and balance remaining of all NILs made by the Lender.
- 13.2 Information to support an assessment of the expected credit loss allowance (**ECL**) for the Eligible Guarantee financial liability under this agreement as per Accounting

Standards. This will include undiscounted principal obligation of the Lender; remaining term; discount rate; discounted principal; probability of default; loss given default.

- 13.3 A credit risk assessment.
- 13.4 The lender will work collaboratively with Fair4All Finance to refine how Fair4All is using 11.1-11.3 to inform the ECL reporting for the whole pilot and refine this as learning about credit risk improves
- 13.5 The quarterly reports to be delivered by the Lender shall also include a statement of provisioned amounts across NILs made by the Lender which will show:
 - a) the gross provisioning charge (the aggregate amount of NILs lending for which provisioning allowance has been made by the Lender (noting that this may be a proportion of the total NIL loan value depending on the duration of the NIL being in arrears eg 30% at 30 days in arrears)
 - b) Any offset of the gross provisioning charge through:
 - (i) Amounts partially provisioned moving back into payment against a revised plan payment plan agreed with the borrower
 - (ii) Bad debts written off in full (100% provisioning) recovered
 - (iii) default fees (if applied by the Lender) received
 - (iv) Amounts recovered through collections process including ELDS, CCJs etc.
- 13.6 The report will also show the anticipated provisioning for the next quarter based on past performance and the planned lending volume in future quarters
- 13.7 For a period of not less than one year after the end of the Term, (the exact period to be agreed between the Parties) further reports will be provided by the Lender to provide evaluation data

Part 4

Financial control

- 14 The maximum principal amount of the NILs made by the Lender under the Scheme in the Initial Term is £[●] but the maximum aggregate amount that Fair4All Finance shall reimburse shall be limited to the Maximum Liability Amount
- 15 No more than £[●] of NILs can be issued by the Lender in the first [●] months of [●].
- 16 The total value of NILs made to an individual by the Lender as part of the Pilot must not exceed [£2,000] and not more than one NIL may be made to any Eligible Customer at any time. The Lender must utilise the Fair4All Finance provided duplicate prevention system to check with data we hold centrally to avoid duplicate NILs to the same individual and also use its own good practice to prevent duplicates.
- 17 Total NILs made by the Lender and outstanding at any given time must not exceed £[●] (subject to the Maximum Liability as specified above, noting that this is the maximum for the first [●] loans).

Schedule 7

Product Requirements

Part 1: Core product Requirements

- The maximum amount that may be offered under a NIL to any person is [£2,000].
- No more than one NIL may be made to any Eligible Customer at the same time.
- Each NIL must be at zero interest and at no cost to the NIL customer.
- The Lender must not charge any fee to the Eligible Customer that provides a return to it including, without limitation, like interest or any other amount that would otherwise provide a profit for the Lender (this requirement shall not prevent the Lender charging fees in accordance with clause 4.3 of the Agreement).
- Each NIL agreement shall be capable of being freely assigned by the Lender to any financial institution.
- Each NIL agreement shall contain such provisions as may be required to ensure that the Lender (and any successor in title to the Lender) may properly comply with its reporting obligations under the Agreement.
- The maximum term of the NIL shall be 12 months.
- No NIL shall be used by an Eligible Customer for:
 - Repaying rental arrears – individual should come to an agreement with their housing provider rather than take on debt
 - Repaying an IVA/costs associated with debt management plans
 - To pay for energy bills or other ongoing essential costs – NILS should not be used for ongoing costs (with the exception of Iceland for food in this specific use case for the pilot, which we will monitor)
 - Non-societal benefit reasons, including but not limited to; social functions (i.e. a party, or a stag or hen do; for house renovations that are not required to bring the relevant dwelling up to applicable building regulations or codes; for technology upgrades (where a current phone/laptop/tablet is still working and not having a material negative impact on the individual)

Part 2: Enhanced Product Requirements

1. Product design

1a. Loan details

- Loan amount: all loans to be set at flat £500 with no interest.
- Loan term: all loans to be set at 12 month term. Customers have the option to pay faster if it suits them. To be noted that whilst the underlying contract with the customer would not change, in practice customers may take longer than 12 months to repay their loan where they are unable to meet their full repayment obligations.
- Repayment frequency and methods in line with the Lender's current practices: monthly, 4 weekly, fortnightly and weekly.
- Product positioning: Product will be issued under the Lender's brand as a "Credit Starter Loan" but will be clearly identified as a bespoke pilot facilitated by the Lender.
- The average maximum term of the NILs shall be 12 months

1b. Payment holidays

Payment holidays will not be included in the Lender's terms and conditions initially. However this will be reviewed after each wave of lending. The Lender can offer a break in repayments at its discretion when a customer has sufficiently overpaid enough to earn one. This means that there is no impact or adjustment needed on the Lender's reporting to credit reference agencies.

1c. Reason for loan

For the Lender's NILS product, the options available to customers are limited to the retailers who are partnered on the shopping card. This includes:

- Furniture and items for the home (Argos, Dunelm, Carpetright, Middletons, Habitat, Currys)

- Medicines and items for babies such as nappies, baby food, maternity items (ChemistDirect)
Food (Iceland)

These retailers are subject to change at the Lender's discretion, however the Lender will notify Fair4All Finance of any such change.

For context, we have included the reasons that are in scope. This list is not exhaustive and will be subject to lender discretion. We have included here in case there is the option to add future retailers to the NILS shopping card.

In Scope

- Rental deposit to acquire safer/more appropriate housing, or furnishing a property that is unfurnished
- Education and training costs that supports access to work/increased salary. This might also include the costs of accessing education, for example if a season ticket for travel is needed. This also includes for family, for example covering the costs of school uniforms
- Costs directly related to accessing employment, ranging from transportation costs (including purchasing a vehicle) through to having to pay for childcare up front before a person can begin employment
- Costs related to healthcare for the individual or their family members, including for those related to short or long term disability
- Covering unexpected bills – this is broad ranging and might cover vets, healthcare, funeral costs and more
- Repairing or replacing essential items such as appliances or transportation
- Respite breaks, or wellbeing breaks, for families in vulnerable circumstances
- Consolidation loans to tackle problem debt where an interest-bearing solution is not available (noting the upper loan limit of £2000)
- Items relating to babies and childcare, ranging from cots, prams, nappies etc through to specialist equipment for those with healthcare needs

2. User journey – how will people access NILS?

Direct:

- A person applies for a loan directly, would be declined for interest bearing loan but is eligible for NILS.

Referrals:

- Nothing formalised yet

3. Customers and eligibility

Core rules

RULE/POLICY	NILS	CORE LENDING	NOTES
IVA / Bankruptcy	DECLINE	DECLINE	

Credit Score	IGNORE	ACCEPT / DECLINE	Scorecard built in-house. Isn't calibrated to Thin credit files, so will only run in background
Thin File	>=3 to <=6 Share records	>=3 to <=6 share records + loan amount requested <£400	This is key component of our NILS offering
No Credit File at current address	DECLINE	REFER	
Returning Customer Identified	DECLINE	REFER	

Open Banking

RULE/POLICY	NILS	CORE LENDING	NOTES
Returned Direct Debits >=5	DECLINE	DECLINE	
Gambling >=£100 in 90 days	DECLINE	REFER	
Days Overdraft Limit Breached >5	DECLINE	REFER	
>3 BNPL Transactions identified	DECLINE	REFER	

Affordability

RULE/POLICY	NILS	CORE LENDING	NOTES																		
Debt to income ratio >90%	DECLINE	<table border="1"> <thead> <tr> <th>Income bands</th> <th>% Buffer Required</th> <th>DTIR for Pass</th> </tr> </thead> <tbody> <tr> <td>£2751+</td> <td>5.0%</td> <td><95%</td> </tr> <tr> <td>£2001-2750</td> <td>6.0%</td> <td><94%</td> </tr> <tr> <td>£1501-2000</td> <td>7.5%</td> <td><92%</td> </tr> <tr> <td>£1001+1500</td> <td>10.0%</td> <td><90%</td> </tr> <tr> <td>£0-1000</td> <td>15.0%</td> <td><85%</td> </tr> </tbody> </table>	Income bands	% Buffer Required	DTIR for Pass	£2751+	5.0%	<95%	£2001-2750	6.0%	<94%	£1501-2000	7.5%	<92%	£1001+1500	10.0%	<90%	£0-1000	15.0%	<85%	System decline if DTIR exceeded for core loans, except for bottom band where we call Open bank to validate income
Income bands	% Buffer Required	DTIR for Pass																			
£2751+	5.0%	<95%																			
£2001-2750	6.0%	<94%																			
£1501-2000	7.5%	<92%																			
£1001+1500	10.0%	<90%																			
£0-1000	15.0%	<85%																			

Information used in Affordability assessment:

Income – as declared on application, then ratified and re-run with Open Bank data

- Mortgage / Rent – from Application form
- Loan / Credit card repayments – from Credit file
- Council tax – modelled from ONS data (split by income decile)

- Utilities – modelled from ONS data (split by income decile)
- Transport – modelled from ONS data (split by income decile)
- Food – modelled from ONS data (split by income decile)
- Clothing – modelled from ONS data (split by income decile)

4. Credit reference agencies

Reporting to all three CRAs

- Equifax
- Experian
- TransUnion

Differentiating NILS loans for reporting

Adding the unique prefix "NIL" to the start of the loan agreement number

5. Overlap with existing grant provision and income maximisation

- Signposting to a benefits calculator hosted by Policy in Practice via emails. Signposting to Turn2Us via our website. The Lender also signposts to MoneyHelper and StepChange.

6. Wraparound/additional services for NILS applicants (approved and declined)

- Integrating Debt Free Advice financial coaching offer when it is available

7. Draft loan volume by wave breakdown

- [•]

**Schedule 8
Data Sharing Agreement**

AGREED TERMS

1. Definitions and interpretation

1.1. Schedule 8 is incorporated into the Agreement. In the event of a conflict or ambiguity between the provisions of Schedule 8 and the body of the Agreement, the provisions of Schedule 8 shall prevail.

1.2. The following additional definitions apply in this Schedule 8:

Data Protection Legislation	means all applicable data protection and privacy legislation in force from time to time in the UK, including the UK GDPR, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003 (SI 2003 No. 2426) and any other legislation and regulatory requirements which apply to the processing of Shared Personal Data (including, without limitation the Data Sharing Code) as well as guidelines and codes of practice issued by the relevant Supervisory Authority;
Data Subject Request	means the exercise by a data subject of his or her rights under Articles 15 – 22 of the UK GDPR;
Disclosing Party	means each party to the extent it (or any person acting on its behalf) discloses or otherwise makes accessible any Shared Personal Data to the other party (or any person acting on the other party's behalf);
Receiving Party	means each party to the extent it receives or accesses any Shared Personal Data disclosed or made available by the other party (or any person acting on the other party's behalf);
Shared Personal Data	means the personal data shared between the Parties in connection with the Pilot, as specified in Annex A;
Supervisory Authority	means the Information Commissioner Office and any other relevant supervisory, regulatory or governmental body or authority with jurisdiction over the data sharing activities contemplated by this agreement;
UK GDPR	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018) and s. 205(4) Data Protection Act 2018.

- 1.3. For the purposes of this agreement, “controller”, “data subject”, “personal data”, “process” and “personal data breach” shall have the meanings given to them in the Data Protection Legislation.

2. Processing roles

- 2.1. The Parties agree that for the purposes of the Data Protection Legislation, insofar as the Parties process the Shared Personal Data in connection with the Pilot (throughout the duration of the Pilot and following full repayment of the loan within the Pilot), they will do so as joint controllers. Annex A sets out the details of the Shared Personal Data that will be processed by the Parties as joint controllers under this Schedule 8.

3. Permitted Purpose

- 3.1. Insofar as the Parties are processing the Shared Personal Data as joint controllers, the Parties shall only process personal data in connection with the Pilot (to carry out their obligations and to exercise their rights under the Agreement and to comply with their obligations under applicable law (including Data Protection Legislation) (the “**Permitted Purposes**”) (further specified in Annex A).
- 3.2. Insofar as the Lender is processing personal data for its own purposes outside the parameters of the Pilot, it does so as an independent controller outside the scope of this DSA.

4. Compliance with the law

- 4.1. The Parties, who are jointly responsible for complying with the requirements of Data Protection Legislation when processing Shared Personal Data, agree the provisions of Schedule 8 in fulfilment of the legal obligations under Article 26 of the UK GDPR.
- 4.2. Each Party shall ensure that it processes the Shared Personal Data lawfully and fairly, in accordance with Data Protection Legislation and this Schedule 8.
- 4.3. Each Party, complying with its obligations under Article 26 of the UK GDPR:
 - 4.3.1. acknowledges that data subjects may exercise their rights under the UK GDPR in respect of and against each Party in accordance with Article 26(3) of the UK GDPR; and
 - 4.3.2. agrees to provide to the other such cooperation as may reasonably be required to assist that other Party in compliance with their obligations under Article 26 of the UK GDPR.
- 4.4. Where the Parties jointly collect personal data for the purposes of the Pilot, prior to commencing the collection of any personal data, the Lender shall:
 - 4.4.1. provide the data subjects, at the time of first contact, with clear and sufficient fair processing information, as required by Articles 13 and 14 of the UK GDPR, relating to the intended processing of their personal data in connection with the Pilot, including the sharing of the personal data with the other Party (the “**Privacy Notice**”, as drafted by Fair4All Finance);
 - 4.4.2. to the extent that the lawful basis relied on is consent, obtain valid consents from the data subjects to enable both Parties to process the Shared Personal Data in connection with the Pilot and notify the other Party without undue delay if any consent is withdrawn; and

- 4.4.3. make available to data subjects the essence of the arrangement contemplated by this Schedule 8, as required by Article 26(2) of the UK GDPR.
- 4.5. The Parties shall designate a joint point of contact for data subjects and include their contact details in the Privacy Notice.
- 4.6. If a Party engages a processor to process the Shared Personal Data, the Party shall ensure that it complies with, as a minimum, the requirements of Article 28 of the UK GDPR, and that Party shall be wholly liable for the acts and omissions of each of its processors.

5. Assistance and cooperation between the Parties

- 5.1. Each Party shall promptly (and without undue delay) notify the other Party if:
 - 5.1.1. it receives a Data Subject Request, which relates to the Shared Personal Data (and shall promptly and without undue delay forward that Request to the other Party); or
 - 5.1.2. it receives enquiry, complaint or claim from a data subject, or a notice or communication from the Supervisory Authority, or if it becomes subject to an investigation or enforcement proceedings by the Supervisory Authority, in each case, which relates to either Party's actual or alleged non-compliance with the Data Protection Legislation with respect to the Shared Personal Data; or
 - 5.1.3. it becomes aware of an actual or reasonably suspected personal data breach with respect to the Shared Personal Data, irrespective of whether there is a requirement to notify any Supervisory Authority or Data Subjects,

and the notified Party shall provide the notifying Party with such assistance and cooperation as is reasonably requested by that Party in order to address and resolve the Data Subject Request, complaint, claim, notice, communication, proceedings or personal data breach in an expeditious and compliant manner.

6. Data Security

- 6.1. The Disclosing Party shall transfer the Shared Personal Data to the Receiving Party in accordance with secure transfer methods agreed by the Parties in writing prior to the transfer. Both Parties are responsible for ensuring that the Shared Personal Data is transferred and received securely.
- 6.2. The Receiving Party shall:
 - 6.2.1. implement and maintain, in accordance with accepted international best practices, high security standards, processes, procedures, practices and controls appropriate to the nature of the Shared Personal Data and the harm that would be caused by its loss or unauthorised disclosure;
 - 6.2.2. ensure that the Shared Personal Data is stored on a secure system and that all computer terminals and other means of access are maintained securely in secured premises;
 - 6.2.3. ensure that the Shared Personal Data can only be accessed and processed by authorised persons and that the access to the Shared Personal Data is at all times managed and auditable;
 - 6.2.4. ensure that all persons authorised to access the Shared Personal Data are suitably trained, understand their obligations to ensure the confidentiality and integrity of the

Shared Personal Data and provide confidentiality undertaking in relation to the Shared Personal Data.

6.3. Each Party shall:

- 6.3.1. at all times process the Shared Personal Data in a manner that ensures appropriate security of the Shared Personal Data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical and organisational measures which, at a minimum, meet the standard required by Article 32 of the UK GDPR);
- 6.3.2. process the minimum amount of personal data necessary (for example by limiting the scope of personal data shared and using value ranges or aggregate data rather than personal data, whenever sufficient).

7. Indemnity

7.1. The Lender shall indemnify, keep indemnified and hold harmless Fair4All Finance against all liabilities, costs, expenses, damages and losses suffered or incurred by the indemnified party arising out of or in connection with the failure to comply with this Schedule 8 or the Data Protection Legislation by the indemnifying party, its employees or agents, provided that the indemnified party gives to the indemnifier prompt notice of such claim and full information about the circumstances giving rise to it.

7.2. The Lender must maintain a comprehensive policy or policies of insurance to cover its liability under this Schedule 8 and shall provide appropriate evidence of the insurance policy or policies upon written request.

8. Data retention and deletion

8.1. The Disclosing Party shall not retain or process Shared Personal Data for longer than is necessary to carry out the Permitted Purposes.

8.2. Notwithstanding Clause 8.1, the Parties shall continue to retain Shared Personal Data in accordance with any statutory or professional retention periods applicable to them.

9. Survival

9.1. The provisions of this Schedule 8 shall continue to apply at all times when one or both of the Parties are processing the Shared Personal Data notwithstanding the termination or expiry of the Agreement.

Annex A

Specification of the Shared Personal Data:

<p>1. Categories of personal data processed by the Parties as joint controllers</p>	<ul style="list-style-type: none"> • Basic identifiers including the unique borrower identifier in the lenders system, financial information, loan application information, loan payment information, lifestyle information (including details of any benefits individuals receive).
<p>2. Does this agreement involve the sharing of</p> <p>(i) special categories of personal data or</p> <p>(ii) criminal offence data?</p> <p>If yes – please describe</p>	<ul style="list-style-type: none"> • At the time of this Agreement, the Parties do not envisage sharing criminal offence data. • The Parties agree to share the following types of special category personal data in connection with the Pilot: <ul style="list-style-type: none"> ○ personal data revealing racial or ethnic origin; ○ personal data revealing religious or philosophical beliefs (e.g. in connection with customers requiring loans confirming to Islamic Law (Sharia)); ○ personal data concerning health (e.g. if the customer discloses health issues as being the reason for their loan application).
<p>3. Purposes</p>	<p>The Parties agree to process the Shared Personal Data only for the Permitted Purpose as set out in clause 3.1 of the DSA. Specifically, this will include:</p> <ul style="list-style-type: none"> • Collecting personal data required to identify eligible applicants and approve loans within the Pilot. • Collecting personal data required to enable tracking the performance of the loans/borrowers within the Pilot against specific characteristics; to enable the Parties to refine product offering/iterate product design within the Pilot and possible further stages; and sharing data with to HM Treasury pursuant to the Grant Agreement and/or to any Project Partner, any co-funder of the scheme and/or to other lenders participating in the scheme in accordance with Clause 18.3 of the Agreement for these purposes. Noting that the sharing with HMT or co-funders will only be on an aggregated and anonymised basis.

	<ul style="list-style-type: none">• Collection of personal data relating to borrowers' financial circumstances over certain period of time following full repayment of the loan within the Pilot (including any further loans from the lenders) to assess the Pilot's intended outcomes. <p>The purposes for which the parties act as joint controllers DO NOT INCLUDE any processing of personal data by the Lender related to entering into a contract with potential customers, to administering any such contracts, or exercising any rights and/or obligations arising out of such contract, as the Lender will be an independent controller in relation to all processing activities carried out for such purposes.</p>
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Schedule 9

Financial Coaching Services

This schedule has been added to reflect the additional funding Fair4All Finance has secured to offer a financial coaching strand to the Pilot. This clause addresses that element and provides for Lenders to either directly appoint coaches (funded by Fair4All Finance through its funding partners) or appointed by Fair4All Finance's Coaching partner to work on their behalf. The intention, not yet confirmed, is to offer coaching to some but not all Scheme customers so as to have a A vs B test (a counterfactual to show impact, if any, of coaching vs instances where it is not provided). The intention is to work with Lenders to refine the approach and methodology for coaching so that there is a co-design aspect upfront.

Once co-design work with lenders has completed, this schedule will be updated with purpose and details of the financial capability coaching services to be offered and where appropriate provided by the Lender. Such services should be included in the Tender Pack and cross reference to that could be made. Reference should be made inter alia to (i) levels of service (ii) amount of coaching to be provided (iii) number of coaches, 1FTE or multiple roles (iv) fees payable by Fair4All Finance (v) reporting obligations of Lender