

## Payment Solution Terms

### 1. SCOPE

- 1.1 These Payment Solution Terms apply to an SCC MSA Order Form (or other legally binding ordering document signed by authorised representatives of the parties) for SCC supplies that are stated to be subject to these Payment Solution Terms (a "Payment Solution"). In the event of any conflict between these Payment Solution Terms and the applicable ordering document and any other terms referenced therein, then the provisions in these Payment Solution Terms shall prevail.

### 2. OBJECT

- 2.1 SCC hereby agrees to hire to the Customer and the Customer agrees to take on hire from SCC the equipment comprised within the Payment Solution and to the extent that the Payment Solution comprises software, SaaS, subscription services or other Services or supplies the Customer agrees to the applicable terms and conditions governing the supply of the same (as identified in the applicable Payment Solution) including any applicable third party licence, subscription or access terms and conditions identified in the Payment Solution where the supplies are provisioned by SCC with a third party and not managed by or delivered by SCC personnel.
- 2.2 To the extent that the Payment Solution covers the provision of Services by SCC then the Services shall be provided in accordance with the applicable service descriptions agreed by the parties.

### 3. PAYMENT TERMS

- 3.1 Time shall be of the essence in relation to payment of the Charges payable by the Customer under a Payment Solution.
- 3.2 The Customer shall pay the Charges and all other sums due under each Payment Solution in full and in cleared funds without prior demand, notice or invoice and without set-off, deduction, counterclaim or withholding.
- 3.3 The Customer acknowledges that where SCC's role under a Payment Solution Order is limited to that of provisioning third party delivered services and/or hiring equipment then:
- (a) No warranty, guarantee or representation has been made by SCC or on SCC's behalf in relation to the equipment or third party delivered software or services comprised within the Payment Solution;
  - (b) the Customer may be separately entitled to separate remedies provided independently of SCC by the applicable equipment manufacturer or third party provider of such supplies; and
  - (c) the occurrence of any problems or issues with the equipment or third party supplies provisioned by SCC shall be without prejudice to and shall not affect the:
    - i. hiring of the equipment comprised within the Payment Solution, and
    - ii. Customer's obligation to pay the Charges for the Payment Solution, and
    - iii. Customer's liability for the same shall not be released nor otherwise reduced as a result of such problems or issues.

### 4. ACCEPTANCE

- 4.1 On the date that the Acceptance Condition is satisfied in relation to a Payment Solution the Customer shall sign a Certificate of Acceptance and send such certificate to SCC.
- 4.2 In the event that no Certificate of Acceptance has been received by SCC within thirty (30) days of Delivery under such Payment Solution, then the Customer shall be deemed to have signed and sent to SCC a Certificate of Acceptance.
- 4.3 A Certificate of Acceptance (and/or a Certificate of Acceptance which has been deemed to have been signed by the Customer and sent to SCC) shall constitute conclusive evidence

that the Customer has examined the supplies comprised within the Payment Solution and found them to be in good condition, complete and fit in every way for the purpose for which such supplies are intended.

## **5. TAXATION**

- 5.1 For the purpose of United Kingdom taxation, and irrespective of the accounting treatment to be adopted by the Customer, the Customer shall not be entitled to claim capital allowances on the equipment comprised within the Payment Solution. The Customer shall take such steps as SCC may reasonably require in connection with the application for and preservation of any available capital allowances for SCC benefit.

## **6. TITLE, LOCATION AND INSPECTION**

- 6.1 SCC warrants to the Customer that, as long as the Customer is not in default of any of the provisions of the Payment Solution, SCC will not disturb the Customer's quiet and peaceful possession or use of the supplies comprising the Payment Solution.
- 6.2 The Customer shall have no right, title or interest in the supplies comprised within the Payment Solution except as expressly set forth in the applicable Payment Solution. The Customer shall (at the Customer's expense) protect and defend the Indemnified Party's title and interest in the supplies comprised within the Payment Solution.
- 6.3 The Customer shall keep the equipment comprised within the Payment Solution free and clear from any and all claims, liens, encumbrances and legal processes of the Customer's creditors and/or other persons.
- 6.4 The Customer shall immediately notify third parties of SCC rights in the equipment comprised within the Payment Solution (or that of any other Indemnified Party) in case of any attempt by them to allege or assert any claim in possession or execution of such equipment comprised within the Payment Solution and will promptly inform SCC of such claims;
- 6.5 The Customer shall bear all costs and expenses (including professional and legal costs) on a full indemnity basis which the Indemnified Party may incur to defend its rights as the owner of the equipment comprised within the Payment Solution (and the Customer hereby indemnifies the Indemnified Party on demand in respect of such costs and expenses).
- 6.6 All equipment comprised within the Payment Solution shall at all times be and remain personal property. The Customer shall affix such plates or marking to the equipment comprised within the Payment Solution as SCC require from time to time to indicate the interest of the Indemnified Party in such equipment comprised within the Payment Solution. The Customer shall not deface, obscure or remove any such plates or markings.
- 6.7 SCC shall have the right, on reasonable prior notice to the Customer, to enter into the premises at which such equipment comprised within the Payment Solution is located for the purpose of inspecting such equipment comprised within the Payment Solution.
- 6.8 The Customer shall, at SCC's request make the Customer records pertaining to the equipment comprised within the Payment Solution available to SCC for inspection and to make copies.
- 6.9 The Customer shall within five (5) days of SCC request notify SCC of the location of each item of equipment comprised within the Payment Solution.
- 6.10 The Customer will not move the equipment comprised within the Payment Solution to a different location without SCC's prior written request (such consent not to be unreasonably withheld). The Customer shall not in any event remove (nor permit nor suffer the removal of) all or any of the equipment comprised within the Payment Solution (in whole or in part) from the United Kingdom without SCC's express prior written consent.
- 6.11 The Customer shall always ensure that the equipment comprised within the Payment Solution remains identifiable as being the Indemnified Party's.

## **7. USE AND MAINTENANCE**

- 7.1 The Customer shall use the supplies comprised within the Payment Solution in a careful manner, in a proper and suitable environment and in compliance with the applicable operating

instructions and any applicable licence or subscription terms of use and for no other purpose than that for which such supplies comprised within the Payment Solution were designed.

- 7.2 The Customer shall not make any alterations, enhancements, modifications or attachments to the equipment comprised within the Payment Solution or remove any components from the equipment comprised within the Payment Solution without SCC express prior written consent. Any alterations, enhancements, modifications and attachments to the equipment comprised within the Payment Solution shall become a part of the equipment comprised within the Payment Solution and title thereto shall immediately pass to SCC (unless disclaimed by SCC in writing).
- 7.3 The Customer should not allow any person (other than SCC) to carry out maintenance, adjustments, calibration, repair, replacement and/or any other service whatsoever in respect of any of the equipment comprised within the Payment Solution without SCC's prior written consent.
- 7.4 The Customer shall (at the Customer's expense):
- (a) keep and maintain the equipment comprised within the Payment Solution complete and in good repair, condition and working order fair wear and tear excepted, including replacement of worn, damaged or lost parts and the Customer shall make good any damage to the equipment comprised within the Payment Solution; and
  - (b) obtain and maintain all permits required in connection with the equipment comprised within the Payment Solution and for the payment of all taxes, registration charges or other expenses applicable to the use of or operation of the equipment comprised within the Payment Solution; and
  - (c) maintain operating and maintenance records for the equipment comprised within the Payment Solution and make copies of such records readily available to SCC together with such additional information as SCC may reasonably require from time to time.

## **8. INSURANCE AND RISK OF LOSS**

- 8.1 The risk of loss, theft, damage or destruction of the equipment comprised within the Payment Solution shall pass to the Customer on Delivery. The equipment comprised within the Payment Solution shall remain at the Customer's sole risk for the duration of the Payment Solution and any further period during which the equipment comprised within the Payment Solution are in the Customer's possession, custody or control ("the Risk Period") until such time as the equipment is received by SCC. During the Risk Period, the Customer shall (at the Customer's own expense) obtain and maintain the following insurances:
- (a) insurance of the equipment comprised within the Payment Solution to a value not less than its full replacement value comprehensively against all usual risks of loss, damage or destruction by fire, theft or accident, and such other risks as SCC may from time to time require in writing;
  - (b) insurance for such amounts as a prudent owner or operator of the equipment comprised within the Payment Solution would insure for and/or such amount as SCC may from time to time reasonably require to cover any third party or public liability risks of whatever nature and however arising in connection with the equipment comprised within the Payment Solution (being not less than five million pounds sterling (£5 million) per occurrence);
  - (c) insurance against such other or further risks relating to the equipment comprised within the Payment Solution as may be required by law; and
  - (d) such other insurance as SCC may from time to time consider reasonably necessary and/or require the Customer to obtain.
- 8.2 The Customer shall indemnify SCC, and keep SCC indemnified, on demand against all losses, costs, claims and demands which SCC may incur arising out of the Customer's failure to adequately insure the equipment comprised within the Payment Solution.
- 8.3 If the Customer fails to effect and/or maintain any of the insurances required under the Payment Solution, SCC shall be entitled to effect and maintain the same, pay such premiums

as may be necessary for that purpose and recover such sums from the Customer (and the Customer shall pay such sums within five (5) days of SCC demand).

- 8.4 The Customer shall co-operate and cause the Customer's insurers to co-operate with SCC with respect to the equipment comprised within the Payment Solution. The Customer shall have SCC's interest noted on the insurance policy and produce on request written evidence of insurance and of the payment of premiums.
- 8.5 The Customer shall notify SCC in writing within five (5) days of the occurrence of any event of accident or damage to any equipment comprised within the Payment Solution and/or of any Total Loss and at SCC's option the Customer shall:
- 8.6 (without prejudice to clause 7.4.1) place the equipment comprised within the Payment Solution in good repair, condition and working order at the Customer's sole cost and expense; or
- 8.7 replace such equipment comprised within the Payment Solution with like equipment from SCC or its authorised agents in good repair, condition and working order, with clear title thereto vested in SCC (or SCC nominee) at the Customer's sole expense, and following such replacement the new product(s) shall be deemed to be 'equipment' comprised within the Payment Solution for the purpose of the relevant Payment Solution; or
- 8.8 (in the event of a Total Loss only) pay to SCC within thirty (30) days of SCC's demand any sums due and/or which fall due under the Payment Solution plus the sums set out in clause 12.2.2 (and for the purposes of such calculation, the Payment Solution shall be treated as having terminated on the date on which the Total Loss occurred) plus any increased tax liability to SCC, including interest and penalties, arising from the loss to SCC of any tax benefits to which SCC may have been entitled with respect to the Payment Solution and the affected equipment comprised within the Payment Solution and on payment of such amounts to SCC in cleared funds the relevant Schedule shall terminate; or
- 8.9 apply the proceeds of any insurance paid with respect to any such occurrence at SCC option either towards:
  - (a) replacement, restoration or repair of the equipment comprised within the Payment Solution by the Customer; or
  - (b) payment in respect of any of the Customer's other obligations under the Payment Solution. The Customer hereby irrevocably appoint SCC as the Customer's agent in order to claim and/or receive payment of and to execute and endorse all documents, cheques or drafts issued with respect to such occurrence under any insurance policy relating thereto. The Customer shall hold any insurance proceeds on trust for SCC benefit absolutely.

## **9. RETURN OF PRODUCTS**

- 9.1 On the Termination Date the Customer shall forthwith cease using any supplies comprised in the Payment Solution and in respect of any equipment comprised in the Payment Solution the Customer shall (at the Customer's cost and risk) return the equipment to SCC by delivering it to such location within the United Kingdom as SCC shall specify, ensuring that the equipment:
  - (a) is uninstalled, crated and packed in the original packaging supplied by or on behalf of SCC;
  - (b) is complete with all components and manuals;
  - (c) is able to perform the function(s) for which they were originally designed in accordance with and within the manufacturers stated performance and accuracy specifications and tolerances when new;
  - (d) will have a certificate issued within sixty (60) days before such delivery that the equipment comprised within the Payment Solution has been tested and is functioning properly and are within such specifications and tolerances and
  - (e) (without prejudice to the foregoing) is in a condition which qualifies for a standard maintenance agreement programme with SCC at standard rates without any re-

conditioning, initial set-up or re-licensing charges (all the foregoing being “the Return Condition”).

- 9.2 SCC shall be entitled from time to time to waive all or any of the conditions set out in clause 9.1 by way of written notice to the Customer in respect of a particular item of equipment comprised within the Payment Solution.
- 9.3 If the Customer fails to return any item of equipment comprised within the Payment Solution in accordance with this clause 9 within ten (10) days from the Termination Date then SCC shall have the right without notice to enter upon any premises or part thereof where the equipment may be and to take possession of the same and the Customer hereby grants all such licences (or shall procure the granting of all such licences) necessary therefore. In addition, the Customer shall pay to SCC an amount equal to the Charges in effect for the associated element of the Payment Solution immediately prior to termination in respect of each month or part thereof until the Customer has complied with the provisions of this clause 9.
- 9.4 In the event that any item of equipment comprised within the Payment Solution is returned to SCC in a condition other than the Return Condition then at SCC option:
- (a) the Customer shall pay SCC on demand a sum that compensates SCC for the Customer failure to return the equipment comprised within the Payment Solution in the Return Condition (as such sum is determined by SCC acting reasonably, such determination being final and binding on the parties, save in the case of manifest error); or
  - (b) SCC shall have the right to have the equipment comprised within the Payment Solution repaired, tested and certified by SCC so as to put them in the Return Condition and the Customer shall on demand pay for the costs of such repair, testing and certification and for any parts, shipping materials, or repairs necessary to put the equipment comprised within the Payment Solution in such Return Condition.

## **10. TRANSFER OF RIGHTS AND THE CUSTOMER OBLIGATIONS**

- 10.1 The Customer shall not (without SCC’s prior written consent):
- (a) share or otherwise part with possession or control of the equipment comprised within the Payment Solution (in whole or in part);
  - (b) permit or suffer any third party to use the equipment comprised within the Payment Solution (in whole or in part);
  - (c) sell, dispose, transfer, assign, sublet, sublicense, mortgage, charge, declare a trust over, pledge, encumber or otherwise deal with and/or alienate any right or interest in the Payment Solution and/or in any equipment comprised within the Payment Solution (in each case whether in whole or in part);
  - (d) attach or affix the equipment comprised within the Payment Solution (in whole or in part) or any part thereof to any land or building so as to become (or is likely to have the effect of causing the equipment comprised within the Payment Solution to become) a fixture;
  - (e) permit or suffer any equipment comprised within the Payment Solution (in whole or in part) to be confiscated, seized or taken out of the Customers possession or control under any distress, execution or other legal process and shall notify SCC immediately if so confiscated, seized or taken and the Customer shall at the Customers sole expense use the Customers best endeavours to procure an immediate release of the equipment and shall indemnify the Indemnified Parties on demand against all losses, liabilities, costs, charges, damages and expenses incurred and/or arising as a result thereof and/or connected therewith;
  - (f) use the equipment comprised within the Payment Solution (in whole or in part) for any unlawful purpose;
  - (g) not to do or permit to be done anything which could invalidate any of the insurances referred to in clause 8.

- 10.2 Any such consent (referred to in clause 10.1) shall not relieve the Customer from the Customer's obligations in the Payment Solution and/or otherwise in respect of the equipment comprised within the Payment Solution.
- 10.3 SCC may transfer, assign, mortgage, charge, declare a trust over, pledge, encumber or otherwise deal with and/or alienate SCC interest in each Payment Solution and/or in any equipment comprised within the Payment Solution (in whole or in part).
- 10.4 The Customer acknowledges and accepts that in entering into this Payment Solution SCC may be acting as agent on behalf of a third party principal in respect of the financial obligations owed by the Customer under the Payment Solution.

## **11. GENERAL INDEMNITY**

- 11.1 The Customer hereby indemnifies and holds each Indemnified Party harmless from and against any and all claims, cost, expenses, damages, losses and liabilities (including storage and legal fees on a full indemnity basis) for which SCC may be liable, suffer or incur arising directly or indirectly out of or in connection with:
- (a) the Customer's breach or negligent performance or non-performance of the Payment Solution;
  - (b) the enforcement of the Payment Solution;
  - (c) any claim made against the Indemnified Party whether in contract, tort (including negligence) or breach of statutory duty or otherwise in relation to the lease, manufacture, design, possession, licensing, operation, control, use, maintenance, delivery or return of the equipment by the Customer and/or any other person. The Indemnified Party may (at its option and expense) join as a party to and participate in any such action with the legal advisers chosen by it;
  - (d) any Event of Default.
- 11.2 The indemnity in clause 11.1 shall apply whether or not the Indemnified Party has been negligent or at fault.
- 11.3 If a payment due from the Customer under clause 11.1 is subject to tax (whether by way of a direct assessment or withholding at its source), the Indemnified Party shall be entitled to receive from the Customer such amounts as shall ensure that the net receipt, after tax, to the Indemnified Party in respect of the payment is the same as it would have been were the payment not subject to tax.

## **12. DEFAULT**

- 12.1 An Event of Default shall occur if:
- (a) The Customer fails to pay any Charges under the Payment Solution within five (5) days of the due date whether formally demanded or not; or
  - (b) The Customer fails to perform or observe any other obligation under the Payment Solution and, in the case of a breach being capable of being remedied, shall fail to remedy such breach within ten (10) days after being required by SCC in writing to do so; or
  - (c) The Customer is in material breach of any other lease and/or other agreement at any time between the Customer and SCC and/or a member of SCC's Group; or
  - (d) a member of the Customer Group is in material breach of any lease, Financed Receivable and/or other agreement at any time between such member of the Customer's Group and SCC and/or a member of SCC Group; or
  - (e) the equipment, or any part thereof, are abused, illegally used, misused or confiscated; or
  - (f) The Customer are a local authority within the meaning of the Local Government Act 1972, and (i) are likely to be dissolved deconstituted or reconstituted, (ii) are dissolved deconstituted or reconstituted, and/or (iii) an extraordinary audit is carried out by the Audit Commission in respect of The Customer.

- 12.2 On the occurrence of any Event of Default, SCC may, at SCC option, exercise any one or more of the following remedies (without prejudice to SCC other rights):
- (a) by notice terminate all or any Payment Solutions (whether or not such Event of Default relates to such Payment Solutions) whereupon all the Customer rights to use the equipment listed on such terminated Payment Solutions will cease absolutely. the Customer shall, at SCC request and at the Customer's expense return the equipment to SCC in accordance with clause 9;
  - (b) on termination of any Payment Solution and/or the hiring of any equipment for any reason, the Customer shall pay SCC:
    - i. all arrears of Financed Receivables and other sums due hereunder and under the relevant Payment Solution as at the date of termination; plus
    - ii. an amount equal to the aggregate of the Financed Receivables which would, but for such termination, have become due and payable from the date of termination up to the end of the Fixed Period discounted at the rate of two percent (2%) per annum for early termination of such Payment Solution; plus
    - iii. (where SCC are unable to recover possession of the equipment comprised within the Payment Solution or any of them for any reason (including where any of the equipment comprised within the Payment Solution is a Total Loss)), an amount equal to the Residual Value of such equipment comprised within the Payment Solution (calculated on the date of termination).
- 12.3 Following return of the equipment comprised within the Payment Solution to SCC pursuant to this clause 12, SCC shall be entitled to sell or re-hire the equipment comprised within the Payment Solution to any third party and/or otherwise deal with the equipment comprised within the Payment Solution in such a manner as SCC deem appropriate at SCC's sole discretion.
- 12.4 The Customer shall be liable for and shall indemnify SCC in respect of all costs, claims, expenses, liabilities, losses and/or damages incurred and/or arising including in connection with:
- (a) repossessing, storing, repairing and/or restoring the equipment comprised within the Payment Solution and/or selling or re-hiring the equipment comprised within the Payment Solution to a third party;
  - (b) legal and professional costs on a full indemnity basis,
- incurred and/or arising as a result of and/or in connection with an Event of Default.

### 13. GENERAL

- 13.1 Each (i) member of the SCC Group, and (ii) Indemnified Party shall have the right to enforce the Payment Solution in accordance with the Contracts (Rights of Third Parties) Act 1999. Subject as aforesaid, no person other than the parties to this Payment Solution shall have rights under this Payment Solution. Notwithstanding the foregoing, the terms of any Payment Solution may be varied, amended or modified or be suspended, cancelled or terminated by agreement in writing between the parties or may be rescinded (in each case) without the consent of any third party.

### 14. DEFINITIONS

- 14.1 In these Payment Solution Terms, the following terms shall have the following meanings:

Term	Meaning
<b>Acceptance Condition</b>	means, in relation to any Payment Solution, one of the following: <ul style="list-style-type: none"> <li>a) 'Delivery'. This means delivery of equipment or commencement of use or access to a software or service; or</li> <li>b) in respect of equipment 'Delivery and Installation'. This means (i) Delivery and (ii) installation in accordance with SCC's standard installation procedures from time to time;</li> </ul>

Term	Meaning
<b>Beyond Economic Repair</b>	means in respect of any damaged equipment comprised within the Payment Solution and in respect of which: <ul style="list-style-type: none"> <li>a) the cost to make the equipment properly functional (for the avoidance of doubt, excluding any labour costs) will exceed fifty percent (50%) of the current list or new replacement equipment price, as determined by SCC (acting reasonably); and/or</li> <li>b) any required spare parts or components are no longer available from the manufacturer;</li> </ul>
<b>Certificate of Acceptance</b>	means, in relation to a Payment Solution, a certificate in a form specified by SCC and countersigned by the Customer;
<b>Delivery</b>	means the date of the transfer of physical possession of the equipment comprised in the Payment Solution to the Customer at the location specified in the Financed Order (or such other places as SCC may agree from time to time in writing).
<b>Event of Default</b>	means one of the events specified in clause 12.1;
<b>Indemnified Party</b>	SCC, SCC's assignees, and/or any person to whom SCC or SCC's assignees has granted any security interest in relation to a Payment Solution and/or Payment Solution;
<b>Payment Dates</b>	means the date set out in the SCC MSA Order Form or other legally binding order document signed by authorised representatives of the Parties;
<b>Payment Solution</b>	has the meaning given in clause 1 (Scope) of these Payment Solution Terms;
<b>Residual Value</b>	in relation to any equipment comprised within the Payment Solution means the amount (excluding VAT) which SCC would expect to receive if SCC sold such equipment in an arm's length transaction between a willing buyer and a willing seller;
<b>Services</b>	means any Services comprised within the Payment Solution the performance of which is managed by SCC;
<b>Term</b>	means the duration of the Payment Solution specified in the MSA Order Form or other legally binding ordering document signed by authorised representatives of the parties);
<b>Termination Date</b>	means the date on which a Payment Solution terminates or, if sooner, the expiry of the applicable Term; and
<b>Total Loss</b>	in relation to any equipment comprised within the Payment Solution, means such Product being lost, stolen, destroyed, requisitioned or being (in SCC's opinion or that of the insurer of such equipment) damaged Beyond Economic Repair.