

Side Letter to the iwoca Sales and Marketing Organisation Agreement entered into between iwoca Ltd and the Introducer (the “Agreement”)

1. Capitalised terms in this letter shall, except where otherwise defined in this letter, have the same meanings given in the Agreement. This letter is supplemental to, and should be read in conjunction with the Agreement. Any references to “Agreement” in the Agreement shall be interpreted to include this letter.
2. If there is any conflict between the terms of this letter and the Agreement, this letter shall prevail.
3. The iwoca Group (defined below) is an accredited lender under the Coronavirus Business Interruption Loan Scheme (“**CBILS**”) established by the British Business Bank (“**BBB**”) and guaranteed by the Secretary of State for Business, Energy and Industrial Strategy (the “**Guarantor**”). This letter aims to update the Agreement in relation to CBILS.

4. Variations to the Agreement

- 4.1. References in the Agreement to “iwoca” are taken to be references to iwoca Ltd other than in clauses 2.b., 2.f., 4, 5, 7 and 11 of the Agreement where references to “iwoca” are taken to be references to the iwoca Group (defined below).
- 4.2. References in the Agreement to “iwoca” are taken to be references to iwoca Ltd other than in clauses 2.b., 2.f., 4, 5, 7 and 11 of the Agreement where references to “iwoca” are taken to be references to the iwoca Group (defined below).
- 4.3. The definition of “Loan Agreement” in Clause 2.b. of the Agreement will be amended to mean the terms and conditions set out by iwoca Group and agreed with the Customer, where “**iwoca Group**” means iwoca Ltd and its subsidiaries, branches and affiliates.
- 4.4. The compensation of an Introducer pursuant to Clause 3 of the Agreement shall not apply to a CBILS Loan. However, if an Introducer wishes to receive Commission on CBILS Loans drawn down by Customers, it agrees that:
 - 4.4.1. it will notify iwoca (i) if in relation to a specific CBILS Loan either in advance or within 30 calendar days of the relevant CBILS Loan being drawn down by the Customer, that it would like to be paid the Commission as calculated in accordance with sub-clause 4.4.2; or (ii) if in relation to all CBILS Loans drawn down by Customers, either in advance or within 30 calendar days of the first CBILS Loan being drawn down by the Customer, that it would like to be paid the Commission as calculated in accordance with sub-clause 4.4.2;
 - 4.4.2. that the Commission payable on each CBILS Loan (including VAT) is 1% of the Loan Amount and will be subject to the receipt by the iwoca Group of the BIP in relation to such CBILS Loan;

- 4.4.3. the calculation and the payment of such Commission for CBILS Loans will be in accordance with clause 4.4 below; and
- 4.4.4. it will fully refund to the iwoca Group all Commission received in relation a CBILS Loan under clauses 4.4 and 4.5 if
 - 4.4.4.1. the Customer pays back more than fifty (50) percent of such CBILS Loan within 30 calendar days of the date that Loan Amount is drawn down by the Customer; or
 - 4.4.4.2. the Loan Agreement is terminated within 90 calendar days from the date of such Loan Agreement,such refund to be paid by Introducer to iwoca within 30 days of the date that iwoca at its sole discretion notifies the Introducer.
- 4.5. In relation to a CBILS Loan referred by an Introducer to iwoca and drawn down by the respective Customer:
 - 4.5.1. iwoca shall, using reasonable endeavours, notify the Introducer within one business day of such CBILS Loan being drawn down by the Customer;
 - 4.5.2. iwoca shall calculate the amount of Commission payable to the Introducer in arrears on a quarterly basis for the relevant March, June, Sept and December quarterly periods and shall notify the Introducer of the amount due within 14 calendar days of the end of each relevant quarterly period;
 - 4.5.3. the Introducer shall issue an invoice to iwoca once it receives the calculations referred to in clause 4.4.2 above;
 - 4.5.4. subject to the receipt by the iwoca Group of the BIP in relation to such CBILS Loan, such Commission will be payable within 30 calendar days of receipt by iwoca of the relevant Introducer invoice.
- 4.6. Notwithstanding Clause 4 of the Agreement, in relation to a CBILS Loan only, the iwoca Group will generally keep the offer open for the Approval Period, after which time a new application may be required. The iwoca Group may withdraw its offer at any time in its sole discretion.

5. Additional Obligations of the Introducer

- 5.1. The Introducer must accurately convey to the Prospect the features of CBILS and to supply the Prospect with sufficient information to ensure that the Prospect fully understands the features of CBILS.
- 5.2. Prospect eligibility:
 - 5.2.1. The Introducer shall use reasonable endeavours to introduce Prospects to the iwoca Group that fulfil the Eligibility Criteria. The

iwoca Group has sole discretion as to whether to approve or decline any CBILS application from a Prospect.

5.2.2. iwoca will notify the Introducer of any material changes to the Eligibility Criteria as soon as reasonably practicable after iwoca becomes aware of such changes.

5.3. The Introducer undertakes to prepare, update and maintain, until each CBILS Loan is fully repaid and discharged, the information necessary to assess and verify that each CBILS Loan complies with the Eligibility Criteria and to make such information available to iwoca Group and the Guarantor Related Parties (defined below).

5.4. If there are any deficiencies in the information referred to in clause [5.3] above as determined by the iwoca Group and/or the Guarantor Related Parties, the Introducer undertakes to promptly rectify such deficiencies in accordance with instructions given by the iwoca Group or the Guarantor Related Parties.

6. **Audit**

6.1. For the purposes of Clause 11 of the Agreement, references to “Regulatory Body” shall also include the BBB, the Guarantor and any of their affiliates, advisors, agents and auditor (the “**Guarantor Related Parties**”).

6.2. The Introducer agrees to, as soon as reasonably practicable, implement any agreed decisions arising out of, or in connection with the audit conducted by the iwoca Group and/or the Guarantor Related Parties.

7. **Visibility and Promotion**

7.1. The Introducer shall comply with the guidelines detailed in Schedule [1] to this letter, as may be updated from time to time. iwoca will notify the Introducer of any material changes to the visibility and promotion guidelines as required by the Guarantor as soon as reasonably practicable.

7.2. The Introducer will use reasonable endeavours to ensure that appropriate information and training in relation to the availability and operation of CBILS are provided to all its officers and employees that are involved in CBILS.

7.3. iwoca will conduct periodic quality assurance reviews on the Introducer to ensure the features of the CBILS are being conveyed accurately to Prospects.

8. **Introducer Indemnity**

8.1. The Parties agree to amend Clause 13.a. of the Agreement by adding a new limb 13.a.(v) is added as follows:

*“(v) any act or omission of the Introducer that results in the iwoca Indemnified Parties’ inability to make any valid claim under CBILS from the Guarantor (the “**Guarantee**”).”*

8.2. The Introducer agrees to notify iwoca of any breach in relation to Clause 13 of the Agreement.

9. General

9.1. This letter may be executed in any number of counterparts. Each counterpart shall constitute an original of this letter, but all of the counterparts together shall constitute one instrument.

9.2. This letter and any disputes or claims arising out of, or in connection with it (including any non-contractual obligations, disputes or claims) are governed by English law. The Parties agree that the courts of England have exclusive jurisdiction to settle any disputes or claims arising out of or in connection with this letter (including any non-contractual disputes or claims).

9.3. This letter will automatically terminate on termination of the Agreement.

9.4. This letter is supplemental to the Agreement and all other terms of the Agreement shall remain in full force and effect.

10. Definitions

“Approval Period” means 7 calendar days, unless otherwise notified in writing by the iwoca Group in its sole discretion from time to time.

“BIP” means the ‘Business Interruption Payment’ paid to the iwoca Group by the Guarantor under CBILS for the benefit of the Customer of a CBILS Loan.

“CBILS Eligibility Criteria” means the eligibility criteria provided by the Guarantor Related Parties, as amended and updated from time to time. A short CBILS SME Checklist has been provided by the BBB as a quick reference guide and this is not a complete list of eligibility criteria required under CBILS:
<https://www.british-business-bank.co.uk/wp-content/uploads/2020/05/CBILS-SME-Checklist-BBB.pdf>

“CBILS Loan” means a loan from an entity within the iwoca Group to the Customer drawn down under a Loan Agreement.

“Eligibility Criteria” means the (i) iwoca Group’s eligibility criteria, as notified in writing by iwoca to the Introducer from time to time and (ii) the CBILS Eligibility Criteria required by the Guarantor from time to time.

“Guarantee” means the guarantee agreement between the iwoca Group and the Guarantor under CBILS.

“Guarantor” means the Secretary of State for Business, Energy and Industrial Strategy

SCHEDULE 1

Visibility and Promotion Guidelines

1. Introduction

The Introducer shall ensure that all marketing communications sent through to Prospects regarding CBILS adheres to the Visibility and Promotion guidelines as set out by the BBB. The full guidelines can be found in the BBB Marketing Toolkit: <https://www.british-business-bank.co.uk/wp-content/uploads/2020/06/CBILS-Toolkit-v36.1-4June2020.pdf>, as amended and updated by the BBB from time to time.

2. Messaging

2.1. When communicating the scheme to Prospects, Introducers must make sure that the Prospect understands the following key points:

- 2.1.1. Personal guarantees cannot be taken for any facilities of £250,000 or below, however they may be required for facilities above £250,000.
- 2.1.2. There are no fees for Prospects to access the scheme
- 2.1.3. Interest and fees are paid by the Government for the first 12 months only

2.2. It is the responsibility of the Introducer to make it clear in writing to all Prospects that they are still 100% liable for the full amount borrowed under CBILS, and the Guarantee is solely for the benefit of the iwoca Group.

2.3. Introducers may use and share with internal colleagues the Guarantor's SME-focused FAQs which cover the main questions asked by SMEs and is regularly updated here: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/cbils-faqs-for-smes/>

2.4. All CBILS marketing material created by the Introducer, which includes anything on their website, must include the below legal notice:

The Coronavirus Business Interruption Loan Scheme (CBILS) is managed by the British Business Bank on behalf of, and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy (BEIS). Full details on CBILS and the list of participating CBILS Lenders can be found on the British Business Bank website at:

<http://www.british-business-bank.co.uk/CBILS>.

2.5. The Introducer will not represent that the provision of the Guarantee by the Guarantor or the UK Government is an endorsement of, or any warranty of the Introducer or the iwoca Group.

3. Marketing and Communication Tools

3.1. To help with raising awareness of CBILS both internally and externally, the BBB has designed a range of tools which can be downloaded from their website, on the CBILS 'For Accredited Lenders' Page here:

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/for-accredited-lenders/>

- 3.2. Introducers should use the messaging and tools provided to ensure up to date, correct CBILS content is on their websites and in any branded or marketing or social media materials they create. It is the responsibility of the Introducer to ensure all CBILS information displayed by them remains up-to-date at all times.