

DATED

xxx

and

SEVEN STARS LEGAL LIMITED

FACILITY AGREEMENT

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DATE:

PARTIES:

- (1) **XXX**, incorporated and registered in England and Wales with company number XXX whose registered office is at xxx (**Borrower**); and
- (2) **SEVEN STARS LEGAL LIMITED**, incorporated and registered in England and Wales with company number 14229552 whose registered office is at 1 Charterhouse Mews, London, EC1M 6BB (**Lender**),

each a Party, together the Parties.

RECITALS:

- (A) The Borrower wishes to secure a revised full recourse funding facility in order to repay its existing indebtedness under the Existing Facility Agreement and to further pursue Claims in relation to XXX claims and other such claim types as the Parties may agree from time to time. The Lender has agreed to provide the Borrower with a secured facility replacing the Existing Facility Agreement.
- (B) Such a facility shall require the registration of a Charge.
- (C) The Lender wishes to fund Claims in accordance with the terms of this Agreement.
- (D) The Lender wishes to become a strategic partner to the Borrower and as a result shall be afforded a first look and last matching right in respect of any subsequent financing requests the Borrower may issue from time to time in addition to the enjoyment of the Undertakings provided herein.
- (E) Both parties acknowledge that the Lender is relying on the Borrower's expertise and capability as a law firm with sufficient expertise to manage and progress cases.

IT IS AGREED THAT:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement (including the recitals) the following definitions shall apply:

Advance means each advance of funds made to the Borrower in accordance with the terms of this Agreement (which shall include the Initial Advance).

ATE Insurance means an after-the-event insurance policy, in a form approved by the Lender from time to time, such approval not to be unreasonably withheld and to be given in a timely manner, between a Claimant and the

ATE Insurer to cover certain liabilities of the Claimant in respect of a Claim.

ATE Insurer	means such provider of ATE Insurance to Claimants as approved by the Lender from time to time.
Availability Period	means the period from and including the date of this Agreement to and including the date falling 18 months from the date of this Agreement.
Borrowed Money	means any indebtedness of the Borrower for or in respect of: <ul style="list-style-type: none">(a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;(b) any bond, note, loan stock, debenture, commercial paper or similar instrument;(c) any acceptances under any acceptance credit facility (or dematerialised equivalent) or any note purchase or documentary credit facilities;(d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower if those receivables or financial assets are not paid when due;(e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;(f) any rental or hire charges under finance leases (whether for land, machinery, equipment or otherwise);(g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of contracts;(h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the

Borrower's balance sheet because they are contingent, conditional or otherwise);

- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurances against financial loss that the Borrower has given for any of the items referred to in paragraphs (a) to (i) of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

Business Day	means a day on which banks generally are open in the City of London for the transaction of normal banking business (other than a Saturday).
Charge	means a charge registered in favour of the Lender on a fixed and floating basis at Companies House.
Claim	means a claim in respect of which the Borrower is instructed by a Claimant, being XXXXX claims (and related heads of claim), or of a type approved by the Lender from time to time, and in relation to which a Claimant has (if required by the Lender) obtained ATE Insurance (which has not been cancelled and remains in full force and effect) and the 14 day cooling-off period under the ATE Insurance has expired, collectively referred to as the "Claims".
Claimant	means a client of the Borrower who has entered into an Engagement Letter in respect of a Claim.
Claim Proceeds	means the sum total of any and all value due to and/or received by, on behalf of, or in lieu of payment to, the Claimants in connection with or arising out of the Claim as a result of any judgment, award, order, settlement arrangement or compromise (including payment of any damages, compensation, interest, restitution, recovery, judgment sum, arbitral award, settlement sum, compensation payment, costs and interest on costs), whether in monetary or non-monetary form, whether actual or contingent, and

before deduction of any taxes which the Claimants may be liable to pay thereon;

Contingency Fee	means the fee payable by a Claimant to the Borrower pursuant to the Engagement Letter, being a specified proportion of the Claim Proceeds.
Costs	means the costs and expenses of servicing the Claims.
Data Protection Law	means the EU Data Protection Directive 95/46/EC, the Data Protection Act 2018 and any other legislation in force from time to time which implements that Directive, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive (2002/58/EC), the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) and any laws that replace or amend any of these (including without limitation the General Data Protection Regulation 2016 (Regulation (EU) 2016/679) (GDPR)), together with the equivalent legislation of any other applicable jurisdiction and all other applicable law, regulations, guidance and codes of conduct in any relevant jurisdiction relating to the processing of personal data and privacy including the guidance and codes of practice issued by the Information Commissioner's Office (ICO), the Article 29 Working Party, the European Data Protection Board or any other relevant supervisory authority from time to time.
Debenture	means the debenture dated on or about the date of this Agreement executed by the Borrower in favour of the Lender.
Defendant	means the respondent to a Claim.
Drawdown Date	means the date on which an Advance the subject of a Drawdown Notice is to be advanced or actually is or was advanced as the case may be.
Drawdown Notice	means a notice in the form set out at Schedule 2.
Effective Date	means the date on the front of this Agreement as fully executed by both parties.

Engagement Letter	means an engagement letter of the Borrower entered into by a Claimant, establishing the role and the responsibilities of the Borrower and each Claimant, and the fees payable to the Borrower (including but not limited to the Contingency Fee), the form of which is set out at Schedule 4.
Event of Default	means any event or circumstance listed in clause 15 (other than clause 15.24).
Existing Facility Agreement	means the facility agreement entered into between the Lender and the Borrower dated 23 August 2024.
Facility	means the loan facility made available under this Agreement.
Facility Fee	means the amount set out in clause 9.1.
Facility Limit	means the amount set out in clause 2.
Finance Document	means this Agreement, the Security Documents and any other document designated as such by the Lender and the Borrower.
Gross Claim Transaction Amount	means the aggregate amount of work in progress and/or disbursements required by the Borrower to fund and complete a Claim, being: £120 at the Effective Date; unless reduced or increased by the parties by mutual agreement in writing from time to time.
Initial Advance	[means a deemed first Advance on the Effective Date of £xxx being the total required to repay the existing indebtedness under the Existing Facility Agreement.
Initial Indebtedness	means the sum total of the Facility Fee, the Initial Advance and the first component (ie. 1/3 rd) of the Monitoring Advance.
Intervention	means an intervention into the practice of the Borrower by its regulator, being the SRA, when: <ul style="list-style-type: none"> (a) there are grounds to intervene; or (b) it is necessary for public protection as determined by the SRA from time to time,

designed to protect clients' interests and client monies.

Key Man	means xxx.
Legal Expenses	means costs directly associated with the progression of litigation claims on behalf of client claims.
Lending Requirements	means the completion and/or satisfaction of the following requirements by the Lender in order to fund an individual Claim as set out in this Agreement: <ul style="list-style-type: none">(c) the Preliminary Work; and(d) the entry into an Engagement Letter by the relevant Claimant.; and(e) the acceptance of funding of a Claim by the Lender.
Monitoring Advance	Means x% of the Facility Limit. Such advance shall be deemed to be drawn in three equal instalments upon execution of this Agreement, upon the first anniversary of the execution of this Agreement and the second anniversary of this Agreement.
Potential Event of Default	means any event or circumstance specified in clause 15.1 to clause 15.23 that would, on the giving of notice, expiry of any grace period or making of any determination under the Finance Documents, or satisfaction of any other condition (or any combination thereof), become an Event of Default.
Preliminary Work	means the preliminary work undertaken by the Borrower to establish whether a Claim is capable of being pursued by a Claimant by: (i) establishing at least one cause of action under applicable law with a reasonable prospect of achieving a Successful Outcome; (ii) establishing so far as is reasonably possible, that the quantum of the relevant Contingency Fee will be capable of repaying the proportion of any Advance attributable to the specific Claim; and (iii) confirming that the ATE Insurance can be obtained in respect of the Claim.

Security	means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Assignment	means the security assignment dated on or about the date of this Agreement executed by the Borrower in favour of the Lender.
Security Documents	means the Debenture and the Security Assignment.
Settlement	means an agreement between a Claimant and any Defendant in settlement of a Claim, whether in the proceedings relating to that Claim or otherwise, which shall include any waiver or compromise of the proceedings against a Defendant and shall include a decision by a Claimant to abandon or discontinue those proceedings.
SRA	means the Solicitors Regulation Authority.
SRA Code of Conduct	means the SRA Code of Conduct 2011, as updated and amended from time to time, or any successor thereof.
Successful Outcome	means a Claim that is finally decided in favour of the Claimant, whether by a court decision or Settlement or in any way that the Claimant derives benefit from pursuing the Claim. For the purposes of this definition, “finally” means that the Defendant: <ul style="list-style-type: none"> (a) has agreed to Settlement in full and final satisfaction of the Claim; (b) is not allowed to appeal against the court decision or Settlement; (c) has not appealed in time; and/or (d) has lost any appeal.
Term	means the period of 36 months following the Effective Date.
Transferred Personal Data	has the meaning given to it in clause 17.2.

VAT means value added tax at the rate for the time being in force (as may be varied from time to time by HM Revenue and Customs) or equivalent sales tax.

1.2 Interpretation

In this Agreement:

- 1.2.1 any reference to a recital, clause or Schedule is to the relevant recital, clause or Schedule of or to this Agreement and any reference to a sub-clause is to the relevant sub-clause of the clause or Schedule in which it appears;
- 1.2.2 a person includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium or other entity (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision;
- 1.2.8 a reference to a time of day is to London time;
- 1.2.9 a reference to writing or written includes email;
- 1.2.10 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.11 a reference to a Finance Document (or any provision of it) or to any other agreement or document referred to in any Finance Document is a reference to that Finance Document, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this agreement) from time to time;
- 1.2.12 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Agreement;

- 1.2.13 any words following the terms including, include, in particular, for example or any similar expression shall be interpreted as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.14 a reference to an amendment includes a novation, supplement or variation (and amend and amended shall be construed accordingly);
- 1.2.15 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.16 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- 1.2.17 a reference to continuing in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.18 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- 1.2.19 a reference to a disposal of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and
- 1.2.20 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Schedules

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.

2. The Facility

Subject to the terms of this Agreement, the Lender grants to the Borrower a Sterling loan facility of a total aggregate principal amount with a Facility Limit not exceeding £XXX (which includes the Initial Advance), on the terms, and subject to the conditions, of this Agreement.

3. Purpose

- 3.1 Subject to clause **¡Error! No se encuentra el origen de la referencia.**, the Borrower shall use all Advances under this Agreement to pursue Claims (as outlined in (B) of the Recitals) as well as any other case types or categories as may be agreed between the Parties in writing from time to time.
- 3.2 The Lender is not obliged to monitor or verify how any Advance made under this Agreement is used, but shall use reasonable endeavours to do so.

4. Conditions Precedent

- 4.1 The Borrower may not give a Drawdown Notice unless the Lender has received: (i) prior to the first Advance, all the documents and evidence specified in Schedule 1 in form and substance satisfactory to the Lender; and (ii) prior to any subsequent Advance, a duly completed Drawdown Notice in the prescribed form accompanied by a confirmation that the documents and evidence specified in Schedule 1 have not changed since the first Advance or, to the extent they have, the documents and evidence specified in Schedule 1 as amended. The Lender shall notify the Borrower promptly upon being so satisfied.
- 4.2 Subject to clause 4.3, the Lender's obligation to make any Advance is subject to the further conditions precedent that, on both the date of the Drawdown Notice and the proposed Drawdown Date (specified in the notice referred to in clause 4.1):
- 4.2.1 the representations and warranties in clause 11 are true and correct and will be true and correct immediately after the Lender has made the proposed Advance;
 - 4.2.2 no Event of Default or Potential Event of Default is continuing or would result from the proposed Advance; and
 - 4.2.3 the Lending Requirements have been satisfied.
- 4.3 Notwithstanding clauses 4.1 and 4.2, the making of any Advance under this Agreement shall be at the Lender's sole and absolute discretion.
- 4.4 The maximum amount of any Advance under this Agreement, excluding the Initial Advance, shall be £250,000.
- 4.5 Advances may be made no more frequently than monthly without the sole discretion of the Lender.
- 4.6 The conditions specified in this clause 4 are inserted solely for the Lender's benefit. The Lender may waive them, in whole or in part and with or without conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

5. Drawing

- 5.1 The Initial Indebtedness shall be deemed incurred upon the Effective Date of this Agreement.
- 5.2 Subject to clause 4, the Borrower may utilise the Facility to fund Claims by way of Advances of Pre-Agreed Portions of the Gross Claim Transaction Amount on any Business Day during the Availability Period. To do this, the Borrower shall give the Lender at least five Business Days prior notice of the date on which the Borrower wants to drawdown the Advance specifying the amount of the proposed Advance, the Business Day on which it is to be made and the bank account to which payment is to be made, as set out in a Drawdown Notice. The aggregate amount of all Advances shall not exceed the Facility Limit.

- 5.3 The Borrower shall serve a Drawdown Notice for the Initial Advance on the date of this Agreement, and the Drawdown Date for the Initial Advance shall be the date of this Agreement.
- 5.4 Any Drawdown Notice given under clause 5.1 or clause 5.3 will be irrevocable.
- 5.5 Any drawdown made by the Lender in accordance with clause 5.1 will only be made to the Borrower and, for the avoidance of doubt, no fee, no reimbursement of any cost, nor any payment will be made by the Lender directly to a Claimant.
- 5.6 Any amount of the Facility not drawn down during the Availability Period will be cancelled at the end of the Availability Period unless the Lender agrees otherwise in writing.

6. Interest

- 6.1 The Borrower shall pay interest on each Advance at the rate of XX% per annum. Each such payment will be applied to the longest outstanding Advance(s) first. With the exception of the Initial Advance, the first 6 months of interest shall be deducted from each Advance.
- 6.2 Interest shall accrue daily and shall be payable on each Advance initially after 12 months and then every six months calculated from the first Drawdown Date in respect of that Advance.
- 6.3 The Borrower shall pay a minimum of twelve months' interest on each Advance notwithstanding any other provision of this Agreement.
- 6.4 Where the provisions of clause 7.2 are invoked, interest shall continue to accrue on any monies which are retained by the Borrower and utilised in or towards pursuing new Claims and be payable in accordance with the terms of this clause 6.
- 6.5 If the Borrower fails to make any payment due under this Agreement on the due date for payment, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at an extra 10% per annum above the rate specified in clause 6.1. Interest accrued under this clause 6 shall be immediately payable by the Borrower on demand by the Lender.
- 6.6 Such rates as outlined in clause 6.5 shall also apply to any amounts outstanding at the end of the Term of the facility.

7. Repayment

- 7.1 Subject to remaining provisions of this clause 7, the Borrower shall, by no later than the 15th Business Day of each month, pay to the Lender:
- 7.1.1 100% of the aggregate Gross Claim Transaction Amount;
- 7.1.2 XX% of the aggregate Contingency Fees; and
- 7.1.3 the proceeds of any ATE Insurance,

in respect of all Claims where there has been a Successful Outcome in the preceding calendar month.

- 7.2 The Borrower shall replace any Claim where there has not been a Successful Outcome with a claim of the same type as the Claim being replaced, unless the Parties agree otherwise in writing.
- 7.3 During the period from the date of this Agreement up to the date falling eighteen months from the date of this Agreement, the Borrower may, subject to the written approval of the Lender (such approval not to be unreasonably withheld or delayed), repay and then re-borrow the aggregate Gross Claim Transaction Amount and the proceeds of any ATE Insurance that it would have otherwise repaid to the Lender under clause 7.1 in any particular month and apply those monies in or towards pursuing new Claims.
- 7.4 After the date falling eighteen months from the date of this Agreement, the Borrower shall, unless otherwise agreed in writing by the Lender, repay all aggregate Gross Claim Transaction Amounts and the proceeds of any ATE Insurance in respect of all Claims where there has been a Successful Outcome to the Lender.
- 7.5 Subject to the terms of this Agreement, any amount repaid under this Agreement may be re-borrowed subject to the Facility Limit.

8. Excluded Costs and Liabilities

- 8.1 The Lender will not pay, nor will it be liable under this Agreement for, any costs other than those explicitly referred to in this Agreement including but not limited to any of the following costs, sums or liabilities incurred by the Borrower which shall be excluded from this Agreement:
- 8.1.1 Costs and/or other sums incurred as a result of the Claimant's failure (on any one or more occasions) to co-operate with or to follow the advice of the Borrower or any other party actively involved in the Claim;
- 8.1.2 Costs and/or other sums incurred as a result of any default by the Claimant;
- 8.1.3 any liability for payment of the Claimant's costs or the Claimant's liability for fines or penalties;
- 8.1.4 Costs and/or other sums incurred prior to the date of this Agreement or following termination of this Agreement; or
- 8.1.5 any element of VAT which is recoverable by the Claimant.

9. Fees, Costs and Expenses

- 9.1 The Borrower shall further pay to the Lender a facility fee of X% of the Facility Limit, which shall be added to the Facility on the first Drawdown Date and paid to the Lender on the last day on which all amounts due to the Lender under this Agreement are repaid in full or, if earlier, when this Agreement is terminated in accordance with its terms. If the latter, this facility fee shall be paid to the Lender irrespective of whether the Borrower has drawn down any Advances under this Agreement. Interest shall accrue and be charged to the facility fee.

- 9.2 Each party shall bear their own costs and expenses (together with any value added tax on them) that they incur in connection with the preparation, negotiation, and execution, of the Finance Documents.
- 9.3 The Borrower shall pay to the Lender, promptly on demand, all reasonable costs and expenses (together with any value added tax on them) that they incur in connection with the alteration, preservation and enforcement of the Finance Documents
- 9.4 The Borrower shall pay to the Lender any stamp, documentary and other similar duties and taxes to which the Finance Documents may be subject, or give rise and shall indemnify the Lender against any losses or liabilities that it may incur as a result of any delay or omission by the Borrower paying any such duties or taxes.

10. Payments

- 10.1 All payments made by the Borrower under the Finance Documents shall be in Sterling and in immediately available cleared funds to the Lender at such account as the Lender may notify the Borrower from time to time.
- 10.2 If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.
- 10.3 All payments made by the Borrower under the Finance Documents shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, they shall:
- 10.3.1 ensure that the deduction or withholding does not exceed the minimum amount legally required;
 - 10.3.2 pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;
 - 10.3.3 furnish to the Lender, within the period for payment permitted by the relevant law, either:
 - 10.3.3.1 an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or
 - 10.3.3.2 if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
 - 10.3.4 pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

11. Borrower Representations and Warranties

The Borrower represents and warrants to the Lender on the date of this Agreement:

- 11.1 It:
- 11.1.1 is a duly incorporated limited company validly existing under the laws of England and Wales; and
 - 11.1.2 has the power to own its assets and carry on its business as it is being conducted; and
 - 11.1.3 has the power to enter into, deliver and perform, and has taken all necessary action to authorise their entry into, delivery and performance of, the Finance Documents and the transactions contemplated by them.
- 11.2 No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by the Finance Documents.
- 11.3 The entry into and performance by it of, and the transactions contemplated by, the Finance Documents, do not and will not contravene or conflict with:
- 11.3.1 its constitutional documents;
 - 11.3.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
 - 11.3.3 any law or regulation or judicial or official order, applicable to it.
- 11.4 It has obtained all required authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents and to make them admissible in evidence in England and Wales. All such authorisations are in full force and effect.
- 11.5 Its obligations under the Finance Documents are legal, valid, binding and enforceable in accordance with their terms.
- 11.6 It is not necessary to file, record or enrol any Finance Document (other than the registration of the Security Documents under the Companies Act 2006) with any court or other authority or pay any stamp, registration or similar taxes relating to any Finance Document or the transactions contemplated by any Finance Document.
- 11.7 No Event of Default or Potential Event of Default has occurred or is continuing, or is reasonably likely to result from making an Advance or the entry into, the performance of, or any transaction contemplated by the Finance Documents.
- 11.8 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on the Borrower or to which any of its assets is subject which has or is reasonably likely to have a

material adverse effect on its business, assets or condition or ability to perform its obligations under the Finance Documents.

- 11.9 No litigation, arbitration or administrative proceedings are taking place or pending, or, to the reasonable knowledge and belief of the Borrower, have been threatened against it, any of its directors or any of its assets, which, if adversely determined, might reasonably be expected to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under the Finance Documents.
- 11.10 Each set of financial statements delivered to the Lender by the Borrower under this Agreement was prepared in accordance with GAAP consistently applied and fairly presents the Borrower's financial condition and operations during the relevant accounting period and was approved by the Borrower's directors in compliance with section 393 of the Companies Act 2006.
- 11.11 There has been no material adverse change in the business, assets, financial condition, trading position or prospects of the Borrower since the date of this Agreement.
- 11.12 The information, in written or electronic format, supplied directly by the Borrower to the Lender and/or its representatives and/or its advisers in connection with the Facility and the Finance Documents was, at the time it was supplied or at the date it was stated to be given (as the case may be), to the best of its knowledge and belief having made all due enquiry:
 - 11.12.1 if it was factual information, complete, true and accurate in all material respects;
 - 11.12.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and made on reasonable grounds; and
 - 11.12.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
 - 11.12.4 not misleading in any material respect, nor rendered misleading by a failure to disclose other information,except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender. The Borrower and Lender acknowledge and accept that the Lender's decision to enter into this Agreement is solely based on the information supplied by the Borrower directly to the Lender and/or its representatives and/or its advisers and that, if any such information is inaccurate, untrue, incomplete, misleading or has not been disclosed to Lender and/or its representatives and/or its advisers, this may affect the Lender's decision to provide or continue to provide funding under this Agreement.
- 11.13 Save for any deficiency in the drafting and/or registration by the Lender's solicitors, the Security Documents create (or once entered into, will create):
 - 11.13.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by them; and

11.13.2 subject to registration under section 859A of the Companies Act 2006, perfected Security over the assets expressed to be subject to security in it,

in favour of the Lender, having the priority and ranking expressed to be created in the Security Documents and ranking ahead of all (if any) Security and rights of third parties except those preferred by law.

11.14 It has not granted (or purported to grant) any Security, including over the Claims or the Contingency Fees, in favour of any person (other than the Lender).

11.15 It has agreed irrevocably to apply Claim Proceeds in discharging all amounts due to the Lender under this Agreement (and prior to any other purpose the Borrower may contemplate).

11.16 Each of the representations and warranties in this clause 11 is deemed to be repeated by the Borrower on:

11.16.1 the date of each Drawdown Notice requesting drawdown of an Advance;

11.16.2 the date that each Advance is actually drawn down; and

11.16.3 each date immediately succeeding the date on which interest is paid under this Agreement in accordance with clause 6.2,

by reference to the facts and circumstances existing on each such date.

12. Lender Representations and Warranties

The Lender represents and warrants to the Borrower on the date of this Agreement:

12.1 It:

12.1.1 is a duly incorporated limited company validly existing under the laws of England and Wales; and

12.1.2 has the power to own its assets and carry on its business as it is being conducted; and

12.1.3 has the power to enter into, deliver and perform, and has taken all necessary action to authorise their entry into, delivery and performance of, the Finance Documents and the transactions contemplated by them.

12.2 No limit on its powers will be exceeded as a result of the borrowing or benefit of security contemplated by the Finance Documents.

12.3 The entry into and performance by it of, and the transactions contemplated by, the Finance Documents, do not and will not contravene or conflict with:

12.3.1 its constitutional documents;

- 12.3.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- 12.3.3 any law or regulation or judicial or official order, applicable to it.
- 12.4 It has obtained all required authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents and to make them admissible in evidence in England and Wales. All such authorisations are in full force and effect.
- 12.5 Its obligations under the Finance Documents are legal, valid, binding and enforceable in accordance with their terms.

13. Information Undertakings

The Borrower undertakes to the Lender that, from the date of this Agreement until all its liabilities under the Finance Documents have been discharged:

- 13.1 It will deliver to the Lender, within 10 Business days after the end of each month, its monthly management accounts.
- 13.2 It shall provide monthly bank statements for segregated litigation funding accounts and its office accounts.
- 13.3 It shall provide certification of financial stability at the end of each calendar quarter in a form agreed between the Lender and the Borrower.
- 13.4 It shall confirm ,at the end of each calendar quarter, that professional indemnity insurance remains in place.
- 13.5 It shall immediately notify the Lender of any material changes in firm personnel.
- 13.6 It shall promptly disclose any new professional conduct complaints.
- 13.7 It will deliver to the Lender, within 10 Business Days after the end of each month, a monthly report detailing current Claims, Claims where there has been a Successful Outcome, Claims where there has not been a Successful Outcome, and replacement Claims, such report to be in form and substance satisfactory to the Lender.
- 13.8 Risk Assessment Reporting
 - 13.8.1 The Borrower shall provide monthly updated case risk analyses using a standardised rating methodology following a format agreed between the Borrower and the lender.
 - 13.8.2 The Borrower shall immediately notify the Lender of any newly identified legal or factual risks impacting case valuation.
- 13.9 External Events Reporting

13.9.1 The Borrower shall immediately notify the Lender of any regulatory investigations, legislative developments, media coverage, or third-party interactions relating to the claims;

13.9.2 The Borrower shall notify the Lender of any insolvency filings by parties or key witnesses.

13.10 Compliance Reporting:

13.10.1 The Borrower shall certify at the end of each calendar quarter, compliance with all terms of the Funding Agreement.

13.10.2 The Borrower shall confirm adherence to court deadlines, court orders, GDPR, data protection, anti-money laundering regulations, and SRA Accounts Rules.

13.10.3 The Borrower shall verify maintenance of legal professional privilege, protective orders, and disclosure obligations.

13.10 ATE Insurance Reporting

13.10.1 The Borrower shall immediately notify the Lender of any circumstances that might give rise to a claim under ATE insurance policies.

13.10.2 The Borrower shall report at the end of each calendar quarter on the adequacy of the Limit of Indemnity.

13.10.3 The Borrower shall report any communications with insurers regarding coverage or claims under the ATE policy.

13.11 Professional Standing Undertakings:

13.11.1 The Borrower shall confirm that all solicitors and fee earners working for the Borrower are in good standing with the SRA.

13.11.2 The Borrower shall disclose any pending disciplinary proceedings against any solicitor or fee earner.

13.11.3 The Borrower shall certify that the firm has no conflicts of interest affecting representation.

13.11.4 The Borrower shall disclose any circumstances that might lead to disqualification.

13.11.5 The Borrower shall confirm at the end of each calendar quarter that it continues to have sufficient expertise and experience in the relevant area of law.

13.11.6 The Borrower shall certify that it has adequate resources to handle the litigation on all files that are currently retained.

13.11.7 The Borrower shall confirm the absence of prior sanctions for litigation misconduct.

- 13.11.8 The Borrower shall disclose any previous adverse judicial comments.
- 13.12 It will promptly upon request by the Lender provide any other information and/or copies of any documentation in relation to any Claim which the Lender reasonably requires, to allow the Lender to monitor the status of any Claim, the timing to recovery in respect of any Claim, and the potential value of Claims Proceeds which are accrued but not paid. The Borrower agrees to give access to the Lender (and procure that access is given to the Lender's auditors as well as its agents and representatives) to all agreements, documentation and written information relating to all Claims for these purposes (including but not limited to ATE Insurance, Engagement Letters, expert reports, offers and counter offers, and court hearing details) which shall include giving access to the Borrower's premises on reasonable notice during usual business hours. The Borrower shall obtain consent from each Claimant to disclose all relevant information and documentation relating to that Claimant, and each relevant Claim, to the Lender.
- 13.13 It will, so far as it is able, promptly facilitate and provide access to any ATE Insurer if the Lender wishes to discuss the status of any Claim with that ATE Insurer.
- 13.14 It will promptly, after becoming aware of them, notify the Lender of any litigation, arbitration or administrative proceedings.
- 13.15 It will notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.
- 13.16 In the event the Borrower no longer wishes to deal with Claims of the type set out in this Agreement, it will notify the Lender immediately and the Lender shall have the right to reallocate the case files to which the Facility relates to another firm of solicitors and the Borrower undertakes to take all such actions as are set out in clause 15.25.
- 13.17 If the Lender is obliged for any reason to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower will, promptly upon the request of the Lender, supply (or procure the supply of) such documentation and other evidence as the Lender may reasonably require in order for the Lender to be able to carry out, and be satisfied that it has complied with, all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- 13.18 The Borrower will obtain and promptly upon the request of the Lender supply (or procure the supply of) all such information, documentation or other evidence relating to any "know your customer" or similar identification procedures, any anti-money laundering procedures or combating the financing of terrorism ("AML/CFT") checks in respect of Claimants as the Lender may reasonably require and will either provide to the Lender (i) to the extent it is lawfully permitted, the results of its findings with relevant copies of documents evidencing such findings or (ii) if such identification information must remain confidential based on applicable laws, reports on its findings pointing out in particular any AML/CFT red flag or risk identified with respect to a Claimant or any other counterparty involved in any Claim.

14. General Undertakings

The Borrower undertakes to the Lender that, from the date of this Agreement until all its liabilities under the Finance Documents have been discharged:

- 14.1 it will promptly obtain all consents or authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Finance Documents in England and Wales;
- 14.2 it shall disclose any pending or threatened financial claims;
- 14.3 it shall certify compliance with its tax filing and payment obligations and immediately disclose any enquiries opened by HMRC;
- 14.4 it will procure that any of its unsecured and unsubordinated obligations and liabilities under the Finance Documents rank, and will rank, at least pari passu in right and priority of payments with all its other unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by law of general application to companies;
- 14.5 it will use reasonable endeavours to carry on and conduct its business in a proper and efficient manner and will not make any change to the general nature or scope of its business as carried on at the date of this Agreement.
- 14.6 It will not:
 - 14.6.1 create, or permit to subsist, any Security on or over any of its assets (including but not limited to the Claims or Contingency Fees) other than Security created pursuant to the Security Documents;
 - 14.6.2 sell, transfer or otherwise dispose of any of its assets on terms whereby such assets are or may be leased to or re-acquired or acquired by it;
 - 14.6.3 sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - 14.6.4 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts;
or
 - 14.6.5 enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Borrowed Money or of financing the acquisition of an asset.
- 14.7 It will not sell, transfer otherwise dispose of any of its assets (including but not limited to the Claims) other than in the ordinary course of business.
- 14.8 It will not incur or permit to subsist, any obligation for Borrowed Money.

- 14.9 it shall give a specific undertaking that funds will be used only for authorised litigation expenses.
- 14.10 it shall comply with SRA Accounts Rules.
- 14.11 it shall maintain agreed levels of professional indemnity insurance.
- 14.12 it shall promptly notify the Lender of any material changes to insurance coverage.
- 14.13 it shall maintain adequate data security measures to protect case information.
- 14.14 It shall maintain the current partnership or corporate structure unless otherwise approved by the Lender.
- 14.15 it shall notify the Lender of any planned significant organisational changes.
- 14.16 it shall not permit the formation of new Associated companies Group Companies or subsidiaries without Lender consent.
- 14.17 It will not amend the Engagement Letter (other than to insert factual details or to correct a typographical or administrative error) without the prior written consent of the Lender (not to be unreasonably withheld).
- 14.18 It will disclose all material transactions with related parties.
- 14.19 It will ensure that the Claim Proceeds and (if applicable) the proceeds of any ATE Insurance are kept separate from its own funds in a designated account pending payment in accordance with clause 7.
- 14.20 It will, where it is in the Claimant's best interests to do so, use its best endeavours to recover any Claim Proceeds as quickly as possible.
- 14.21 It will, in respect of each Claim, exercise reasonable skill, care, prudence, efficiency, and timeliness which would be expected from a suitably skilled and experienced person engaged as a solicitor engaged in conducting claims of the same or a similar nature as the Claims, and it shall act in accordance with the SRA Code of Conduct (including the requirement to have appropriate professional indemnity insurance and requirements relating to insurance distribution activities).

15. Events of Default and Termination

Each of the events or circumstances set out in this clause 155 is an Event of Default.

- 15.1 The Borrower, in the reasonable opinion of the Lender, acts in relation to the Claims in a negligent manner.
- 15.2 The Borrower provides the Lender with materially misleading or inaccurate information.
- 15.3 The Borrower fails to pay any sum payable under this Agreement, unless such failure to pay is caused solely by an administrative error or technical problem and payment is made within 3 Business Days of its due date.

- 15.4 The Borrower fails (other than by failing to pay), or the Lender reasonably believes that the Borrower has failed (other than by failing to pay), to comply with any provision of any Finance Document and (if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 20 Business Days of the earlier of:
- 15.4.1 the Lender notifying the Borrower of the default and the remedy required;
 - 15.4.2 the Borrower becoming aware of the default.
- 15.5 A Key Man or alternate, once appointed as a director, ceases to be a director of the Borrower.
- 15.6 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, any Finance Document is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.
- 15.7 If:
- 15.7.1 any Borrowed Money is not paid when due or within any originally applicable grace period; or
 - 15.7.2 any Borrowed Money becomes due, or is declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described);
 - 15.7.3 any commitment for Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default (howsoever described); or
 - 15.7.4 any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (howsoever described).
- 15.8 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits inability to, pay its debts as they fall due.
- 15.9 The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).
- 15.10 A moratorium is declared in respect of any of the Borrower's indebtedness.
- 15.11 Any action, proceedings, procedure or step is taken against the Borrower for:
- 15.11.1 the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise);
 - 15.11.2 the composition, compromise, assignment or arrangement with any creditor;
 - 15.11.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer;

- 15.11.4 the enforcement of any security over any of Borrower's assets;
- 15.12 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties);
- 15.13 A winding-up petition that is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised shall be excluded from clause 15.6 to clause 15.12. The ending of any moratorium referred to in clause 15.10 shall not remedy any Event of Default caused by that moratorium.
- 15.14 A distress, attachment, execution, expropriation or sequestration is levied, enforced or sued out on, or against, the Borrower and is not discharged or stayed within 21 days.
- 15.15 The lender discovers a material conflict of interest that was not disclosed by the borrower.
- 15.16 The Borrower Forms or permits the formation of new companies or entities without written consent of Lender.
- 15.17 This Agreement becomes invalid, unlawful, unenforceable and ceases to have full force and effect.
- 15.18 The borrower repudiates or evidences an intention to repudiate any Finance Document.
- 15.19 The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of their business.
- 15.20 There is a change of control in the Borrower, meaning a change in the direct or indirect ownership (whether by single transfer or series of transfers at different times) of more than 50% in aggregate of the voting power on the board or members of the Borrower without the prior written consent of the Lender.
- 15.21 The Borrower is the subject of an Intervention.
- 15.22 Any event occurs (or circumstances exist) which, in the Lender's opinion (acting reasonably), has or is likely to materially and adversely affect the Borrower's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this Agreement.
- 15.23 If at any time it is unlawful or contrary to any regulation for the Lender to make the Facility available under this Agreement.
- 15.24 At any time after the occurrence of an Event of Default which is continuing the Lender may
- 15.24.1 by notice to the Borrower:
- 15.24.1.1 cancel all outstanding obligations of the Lender under this Agreement whereupon they shall immediately be cancelled; and/or

- 15.24.1.2 declare that all Advances (and all accrued interest and all other amounts outstanding under the Finance Documents) are immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - 15.24.1.3 Declare that all Advances be payable on demand, whereupon they shall be immediately payable on demand by the Lender; and/or
 - 15.24.1.4 terminate this Agreement; and/or
- 15.24.2 exercise any of all its rights, remedies, powers and discretions under the Security Documents.
- 15.25 On and at any time following the occurrence of an Event of Default which is continuing, the Borrower undertakes, on demand by the Lender, to:
 - 15.25.1 enter into such agreements as the Lender may consider necessary or desirable to ensure the prompt transfer of all files relating to Claims as may be required and to cooperate in the provision of information and access to systems which relate to the electronic transfer of files relating to Claims and in the retrieval of physical case files relating to Claims;
 - 15.25.2 write to all Claimants whose files are to be transferred to advise of the transfer and provide details of the new law firm which will handle their case to a conclusion; and
 - 15.25.3 request that those Claimants dis-instruct the Borrower and agree to the transfer of their case files to an alternative firm of solicitors nominated by the Lender or, if any Claimant wishes to instruct another law firm, with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed), and to provide all necessary assistance as the Lender may require to effect the transfer of those case files, and not to do any act or omit to do anything which would entice or persuade the Claimants to do otherwise.
- 15.26 Without prejudice to this clause 15 and clause 16.1 (the provisions of clause 16.1 to survive termination of this Agreement) and subject to earlier termination of this Agreement in accordance with its terms, this Agreement shall continue in full force and effect for a period of three years from the date of this Agreement or until all amounts due and payable to the Lender have been paid, whichever is the earlier, provided that the Lender shall be entitled to give at least one month's written notice to the Borrower to terminate this Agreement on the date falling eighteen months from the date of this Agreement.
- 15.27 The Borrower and the Lender may at any time agree, by mutual consent in writing, terminate this Agreement in which event they shall serve notice of such suspension or termination on each other.
- 15.28 Termination of this Agreement shall not affect any accrued rights or liabilities, nor will it affect the coming into force or the continuance in force of any provision which is expressly or by implication intended to come into or continue in force on or after such termination.

16. Confidentiality

- 16.1 The Parties agree to keep confidential and, where appropriate, maintain any privilege belonging to the Claimants, in all documents and information supplied by the Borrower, the Lender and/or their representatives including (unless otherwise agreed) the existence and/or terms of this Agreement. The Borrower agrees that it will not disclose to any third party who is not either a Claimant, ATE Insurer, or another professional advisor of a Claimant with a duty of confidentiality to that Claimant, any information in connection with the performance of this Agreement. It is agreed that the provision of privileged documents does not amount to any waiver of privilege, and the Parties shall not use these for any purpose other than in respect of this Agreement, except a purpose to which the Parties have consented or as required by law or regulation. The Borrower agrees that the Lender may disclose such documents and information and procure that it will inform the Claimants of such disclosures in accordance with applicable laws:
- 16.1.1 to its advisers, including litigation and investment advisors, auditors and legal advisers;
 - 16.1.2 where the Lender is under a legal or regulatory obligation to make such disclosure but limited to the extent of that legal obligation;
 - 16.1.3 to the extent that it is already in the public domain (other than as a result of the Lender's breach of this Agreement);
 - 16.1.4 with the prior written consent of the Borrower; and/or
 - 16.1.5 to the extent necessary to take legal action to enforce the Lender's rights under this Agreement or to defend such action.
- 16.2 The Lender shall procure that any persons receiving confidential documents or information pursuant to sub-clause 16.1.1 shall comply with the obligations imposed on the Lender pursuant to sub-clause 16.1.
- 16.3 Nothing in this Agreement shall prevent the Lender from instructing one or more agents to undertake any action or review documents, evidence or information which the Lender would be entitled to undertake pursuant to this Agreement save that the Lender shall procure that any agent acting on its behalf shall comply with the obligations imposed on the Lender under this Agreement.
- 16.4 The Lender will immediately inform the Borrower of any request or order to disclose its privileged documents or any other privileged information held by the Lender, except where informing the Borrower would contravene any law or regulation.

17. Data Protection

- 17.1 For the purposes of this clause 17, the terms "controller", "processor", "personal data", "personal data breach", "data subject" and "process" (and their cognate terms) shall have the meaning given to them under the applicable Data Protection Law, and "Transparency Requirements" means the requirements to ensure that processing is fair and transparent, as set out in the Data Protection Law (including, in particular, the first data protection principle and the measures set out in Article 5(1)(a) and Article 13 and 14 of the GDPR, as applicable).

- 17.2 The Parties agree that each Party is an independent and separate controller in relation to the processing of Transferred Personal Data. To the extent that a Party discloses (Disclosing Party) any personal data to the other Party (Receiving Party) (Transferred Personal Data), the Disclosing Party acknowledges and agrees that the Receiving Party determines, in its sole discretion, the purpose for processing the Transferred Personal Data, the means of processing the Transferred Personal Data (in particular, the method and manner in which the Transferred Personal Data is processed) and the legal basis for such processing. The data sharing particulars set out in Schedule 3 shall apply to the sharing of Transferred Personal Data under this Agreement.
- 17.3 Neither Party contributes to, nor has any control over, the other Party's privacy notice applicable to Claimants and, as such, each Party acknowledges and agrees that it has sole responsibility for its compliance with the Transparency Requirements.
- 17.4 The Disclosing Party warrants and undertakes that:
- 17.4.1 in relation to its collection, receipt, processing, and disclosure of Transferred Personal Data to the Receiving Party, it has:
- 17.4.1.1 obtained valid consent and maintains a record of all such consent for evidential purposes in accordance with the Data Protection Law (and shall allow inspections of such record by the Receiving Party upon reasonable notice); or
- 17.4.1.2 determined a legal basis for processing Transferred Personal Data that complies with the Data Protection Law,
- and that, without prejudice to the foregoing, that the Disclosing Party does not supply any Transferred Personal Data to the Receiving Party in relation to a data subject to whom a copy of the other Party's privacy notice (as required under the Data Protection Law) has not been provided at the time the Transferred Personal Data was collected; and
- 17.4.2 all Transferred Personal Data supplied to the Receiving Party is accurate and complete, and it shall notify the Receiving Party promptly in writing as soon as it becomes aware of any Transferred Personal Data that is inaccurate or out of date.
- 17.5 Each Party shall:
- 17.5.1 process the Transferred Personal Data fairly and lawfully and in accordance with the Data Protection Law;
- 17.5.2 not do anything that causes or is likely to cause the other Party to be in breach of Data Protection Law;
- 17.5.3 promptly (and in any event within 72 hours) notify the other Party in writing if it suffers a personal data breach in respect of the Transferred Personal Data which has, or is likely to, affect the first Party's processing of such personal data;

- 17.5.4 promptly provide such information, assistance and/or access (at the requesting Party's cost) as the requesting Party or supervisory authority may reasonably require in responding to any request from a data subject and in ensuring compliance with its obligations under the Data Protection Law with respect to security, breach notifications, audit, impact assessments and consultations with supervisory authorities and/or regulators; and
- 17.5.5 have in place appropriate technical and organisational security measures in order to prevent unauthorised or unlawful processing of the Transferred Personal Data or the accidental loss or destruction of, or damage to such personal data, and to ensure a level of security appropriate to the harm that might result from such unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the Transferred Personal Data to be protected.

18. Set-off

- 18.1 The Lender may, with reasonable and demonstrable cause only, set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under any Finance Document. Any exercise by the Lender of its rights under this clause 18.1 shall not limit or affect any other rights or remedies available to it under the Finance Documents or otherwise.
- 18.2 The Lender is not obliged to exercise any of its rights under clause 18.1. If it does exercise those rights it must promptly notify the Borrower of the set-off that has been made.

19. Calculations, Accounts and Certificates

- 19.1 Any interest or fee under any Finance Document shall accrue on a day-to-day basis, calculated according to the number of actual days elapsed and a year of 365 days.
- 19.2 The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. The Lender undertakes to deliver to the Borrower within 10 Business days after the end of each month a copy of such accounts. Entries in those accounts shall, with agreement of the Borrower (acting reasonably), be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.
- 19.3 Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

20. Amendments, Waivers and Consents and Remedies

- 20.1 No amendment of any Finance Document shall be effective unless it is in writing and signed by, or on behalf of, each Party (or its authorised representative).
- 20.2 A waiver of any right or remedy under any Finance Document or by law, or any consent given under any Finance Document, is only effective if given in writing by the waiving or consenting Party and shall not be deemed a waiver of any subsequent right or remedy.

It only applies to the circumstances in relation to which it is given and shall not prevent the Party giving it from subsequently relying on the relevant provision.

- 20.3 A failure by the Lender to exercise, or delay by it in exercising, any right or remedy provided under any Finance Document or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm any Finance Document. No single or partial exercise of any right or remedy provided under any Finance Document or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm any Finance Document by the Lender shall be effective unless it is in writing.
- 20.4 The rights and remedies provided under the Finance Documents are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

21. Partial Invalidity

- 21.1 If, at any time, any provision of any Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
- 21.2 If any provision of any Finance Document becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, the Parties agree to negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving so nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable and each Party shall take any step required, including executing any further documentation, in order to give effect to the Parties' intention in entering into this Agreement.

22. Assignment and Transfer

- 22.1 At any time, without the consent of the Borrower, the Lender may assign any of its rights or transfer any of its rights and obligations under the Finance Documents upon giving the Borrower five Business Days' notice of its intention to do so provided: (i) such assignment is for the purposes of the Lender restructuring its business; and (ii) the operators and controllers of the assignee are the same or substantially the same as the Lender at the date of the assignment.
- 22.2 At any time, only with the consent of the Borrower (not to be unreasonably withheld), the Lender may assign any of its rights or transfer any of its rights and obligations under the Finance Documents upon giving the Borrower five Business Days' notice of its intention to do so.
- 22.3 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Finance Documents and the transactions contemplated by them provided such disclosure is subject to the same terms of confidentiality as set out at Clause 16 of this agreement.

22.4 The Borrower may not assign any of its rights or transfer any of its rights or obligations under any Finance Document or enter into any transaction which would result in any of those rights or obligations passing to another person, nor sub-contract any of all of its obligations under this Agreement, without the prior written consent of the Lender, such consent not to be unreasonably withheld.

23. Counterparts

23.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

23.2 Transmission of an executed counterpart of this Agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each Party shall provide the other Party with the original of such counterpart as soon as reasonably possible thereafter.

23.3 No counterpart shall be effective until each Party has executed at least one counterpart.

24. Third Party Rights

24.1 Except as expressly provided elsewhere in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Agreement.

24.2 Notwithstanding any term of this Agreement, the consent of any person who is not a Party to this Agreement is not required to rescind or vary this Agreement at any time.

25. Matching Right

25.1 The Borrower undertakes to provide to the Lender in writing a summary of any financing request (beyond any contemplated under this Agreement) the Borrower wishes to make in respect of its business in sufficient detail to enable the Lender to confirm whether it wishes to fulfil or decline such request, the request to be made on the same terms as the Borrower may seek from another party (**Financing Request**).

25.2 The Lender undertakes to use reasonable endeavours to provide to the Borrower written confirmation whether it wishes to fulfil or decline the Financing Request within 14 calendar days of the Financing Request.

25.3 If the Lender's decision is to seek to fulfil such Financing Request, the parties shall then use reasonable endeavours to agree the specific agreements required to meet the Financing Request and sign binding agreements in that regard within 30 calendar days of the Financing Request. Failing which agreement, the Borrower shall be free to extend the Financing Request to other parties.

26. Notices

26.1 Any notice or other communication given to a Party under or in connection with, any Finance Document shall be:

- 26.1.1 in writing;
- 26.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by email; and

26.1.3 sent to:

26.1.3.1 the Borrower at:

the address stated at the beginning of this Agreement

Email:

Attention:

the Lender at:

the address stated at the beginning of this Agreement

Email: andrew@7stars.legal or duncan@7stars.legal

Attention: Andrew Neal or Duncan Webster,

or to any other address or email address notified in writing by one Party to the other from time to time.

26.2 Any notice or other communication that either Party gives to the other Party under or in connection with, any Finance Document shall be deemed to have been received:

26.2.1 if delivered by hand, at the time it is left at the relevant address;

26.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; or

26.2.3 if sent by email, when received in readable form.

A notice or other communication given as described in this clause 26 (other than as described in clause 26.2.2) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed instead to have been received on the next Business Day.

26.3 This clause 26 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.

27. Lender/Borrower Dispute Resolution

27.1 The Parties agree that, in the event of any dispute between the Lender and the Borrower relating to:

27.1.1 the calculation of the amounts of Claims Proceeds and/or amounts to be drawn down or repaid under this Agreement; and/or

27.1.2 any termination of this Agreement

such dispute shall be referred to an independent King's Counsel, unconnected to any operator of the Lender or Borrower, whose identity is to be agreed between the Lender and the Borrower or, in lieu of such agreement, to be nominated by the Chairman of the Bar Council. Such King's Counsel shall be deemed to be jointly instructed by the Borrower and the Lender.

27.2 In the event of a dispute over the Settlement of a Claim, the Borrower shall use its best endeavours to procure that the Claimants shall instruct a King's Counsel to provide an opinion which shall be final and binding on each Party. The Borrower shall procure that it and the Claimants and the Borrower will not take any further steps to settle the Claim pending the release of such opinion or subject to the agreement of the Lender and the Borrower.

27.3 In the event of a dispute over the termination of this Agreement, a King's Counsel shall be instructed to provide an opinion on the rights and entitlements of each of the Lender and the Borrower. The Lender and the Borrower agree that the King's Counsel's opinion on this issue in dispute shall be final and binding on each of them.

28. Law and Jurisdiction

28.1 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

28.2 Save for any dispute resolved finally pursuant to clause 27, any dispute arising out of or connected to this Agreement, including the validity or termination thereof, shall be finally resolved by a sole arbitrator under the arbitration rules of the London Court of International Arbitration (LCIA). The seat of the arbitration shall be London, the language of the arbitration shall be English, there shall be one arbitrator, and the arbitrator shall be a practising member of the English Bar. The arbitrator shall be appointed by the agreement of the Parties, provided that, if the Parties cannot reach agreement on the appointment of the arbitrator within 30 days, then either Party may apply to have the arbitrator appointed by the LCIA.

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

Schedule 1 - Conditions Precedent

1. Constitutional Documents

- 1.1 A copy of the constitutional documents of the Borrower.
- 1.2 A copy of the resolutions duly passed by the Borrower's board of directors:
 - 1.2.1 approving the entry into, and terms of, and transactions contemplated by, the Finance Documents and resolving that it execute, deliver and perform the Finance Documents;
 - 1.2.2 authorising a specified person or persons to execute the Finance Documents on its behalf, to give notices and take all other action in connection with the Finance Documents; and
 - 1.2.3 confirming that entry into the Finance Documents is in the commercial interests of the Borrower (stating the reasons for such conclusion).
- 1.3 A specimen of the signature of each person authorised under paragraph 1.2 of this Schedule 1
- 1.4 A copy of a resolution signed by all the holders of the issued shares in the Borrower, approving Finance Documents.
- 1.5 A certificate of the Borrower (signed by two signatories, a director and a qualified Solicitor of the Borrower):
 - 1.5.1 confirming that borrowing the Facility or granting security in respect of the Facility would not mean any borrowing or security) (or similar limit binding on the Borrower) would be exceeded; and
 - 1.5.2 certifying that each copy document relating to it that it has provided under this paragraph 1 of Schedule 1, is correct, complete and in full force and effect at a date no earlier than the date of this agreement; and
 - 1.5.3 certifying that all claims presented for funding are viable claims based on the Solicitor's expertise and judgment.

2. Finance Documents

- 2.1 This Agreement, duly executed by the Borrower.
- 2.2 The Security Documents duly executed by the Borrower.
- 2.3 Each notice required to be sent under the Security Documents substantially in the form set out in the Security Documents.

3. Financial Information

- 3.1 A copy of the Borrower's unaudited financial statements for the trading period ended March 2025.

3.2 All information required by the Lender to enable it to comply with any “know your customer” or similar identification procedures under all applicable laws and regulations.

4. Other Documents and Evidence

4.1 If applicable, evidence that all outstanding Security granted by the Borrower or affecting its interest in the assets subject to the Security Documents has been, or will be, discharged by the first Drawdown Date.

4.2 Evidence that the costs and expenses then due from the Borrower pursuant to clause 9 have been paid or will be paid by the first Drawdown Date.

4.3 The form of monthly report referred to in clause 13.

4.4 Evidence that the Borrower is authorised to practice law by the SRA.

4.5 A copy of any other authorisation, document, opinion or assurance that the Lender considers necessary or desirable for the entry into, and performance of, the transactions contemplated by the Finance Documents, or for the Finance Documents to be valid and enforceable.

Schedule 2 - Drawdown Notice

To: Seven Stars Legal Limited

From: [●] (Borrower)

Date: [●]

Re: Facility Agreement dated [●] between Seven Stars Legal Limited (Lender) and the Borrower (Facility Agreement)

- 1. We refer to the Facility Agreement. This is a Drawdown Notice. Words and expressions defined in the Facility Agreement have the same meaning in this Drawdown Notice unless given a different meaning in this Drawdown Notice.
- 2. We give you notice that we wish drawdown the following Advance:

[●]% of the amount of Gross Claim Transaction Amount, being £[●] (AMOUNT WRITTEN IN WORDS).

Payment Instructions:

Remittances of Gross Claim Transaction Amount (£[●]) to:

Account Name: [●]

Sort Code: [●]

Account Number: [●]

- 3. We confirm that, pursuant to clause 6.3 of the Facility Agreement, the minimum interest payment due to the Lender in connection with this drawdown shall be £[●].
- 4. We confirm that, on today’s date and on the Drawdown Date:
 - 4.1 the representations and warranties at clause 11 of the Facility Agreement are true and correct, and will be true and correct immediately after the proposed Advance;
 - 4.2 no Event of Default or Potential Event of Default is continuing or would result from the proposed Advance; and
 - 4.3 none of the Claims to be funded under this Drawdown have been funded in part or in whole by another funder.
- 5. We attach, at Appendix 1, the details of the Claimants to be funded by this Advance.
- 6. This Drawdown Notice is irrevocable.

Yours faithfully

<p>.....</p> <p>Authorised Signatory / Director</p>	<p>.....</p> <p>Senior Solicitor</p>
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Approved:

.....
 Signatory for Seven Stars Legal Limited

Appendix 1 - Claimants

Reference	Client Name	Postcode	Claim value	Drawdown

Schedule 3 - Data Sharing Particulars

The necessity and aims of the sharing of the Transferred Personal Data	<p>We will use Transferred Personal Data from you relating to Claims, in order to enter into this Agreement with you and to administer this Agreement.</p> <p>We will use the Transferred Personal Data to process drawdown requests, to obtain updates regarding the progress of any Claim, and to contact you or the Claimant of any Claim regarding any other matter relating to this Agreement or any Claim.</p>
Benefits of the data sharing to the data subjects	This Agreement will enable you to progress the Claims on behalf of the Claimants.
Third parties involved in the data sharing and reasons for sharing with such third parties	We may pass the Transferred Personal Data to companies within our Group, who may use and update the Transferred Personal Data to assess lending risks, to administer our Agreement with you or the Claimant of any Claim, to recover debts, to prevent, detect and prosecute fraud and other crimes, and to manage our and any member of our Group's relationship with you or the Claimant of any Claim.
Data protection officer (or equivalent) of each party	<p>Seven Stars Legal Limited: Data Protection Officer, Andrew Neal</p> <p>Xxxxx Ltd: Data Protection Officer, Xxxxx</p>
Types of Transferred Personal Data (including any sensitive or special category personal data) and data subjects to whom they relate	Claimant: name, address, contact details, status and details of the Claim, disbursements relating to the Claim, details of the Legal Expense Insurance Policy.
The lawful bases for the data sharing for each party	This is necessary for the purposes of our legitimate interests in establishing any risks in entering into the Agreement with you or the Claimant of any Claim, enabling us to recover any debt owed to us by you, and for the administration of the Agreement with you or the Claimant of any Claim.
Procedures for complying with data subject rights	You will notify us, and we will notify you, of any Data Subject Access Request (SAR) relating to Transferred Personal Data, and each party will provide the information required to satisfy the request.
Governance arrangements	<ul style="list-style-type: none"> • We will work with you to agree data definitions, and avoid the inclusion of irrelevant or excessive information being disclosed in Transferred Personal Data; • You will take reasonable steps to ensure the Transferred Personal Data is accurate, for example by requiring a periodic sampling exercise; • You will share your rules with us for the retention and deletion of Transferred Personal Data items;

- We will agree technical and organisational security arrangements for sharing Transferred Personal Data with you, including procedures for the transmission of the data and dealing with any breach of the agreement;
- We will agree procedures for dealing with access requests, complaints or queries from members of the public with you;
- We will regularly review the ongoing effectiveness of this Agreement and the procedures to share Transferred Personal Data;
- We will agree procedures with you for dealing with the termination of the data sharing initiative required as part of this Agreement, including the deletion of shared data after termination.

Schedule 4 - Engagement Letter

Schedule 5 – Form of assignment notice for cases funded

EXECUTION PAGE TO FACILITY AGREEMENT

Borrower

Signed by [Xxxxx] for and on behalf of
Xxxxx Ltd

.....
Director

Lender

Signed by [Andrew Neal]/[Duncan
Webster] for and on behalf of Seven Stars
Legal Limited

.....
Authorised signatory