

Personal Contract Purchase (PCP) Explanation

Thanks for choosing Evolution Funding Limited to assist with your car purchase.

This document, which is three pages long, provides you with a general explanation of your credit agreement before you sign it.

It is important that you read this document and if you have any questions about the credit agreement, please do not proceed until you have spoken to your supplier or introducer.

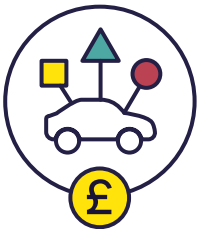
We'll begin by explaining a little about your supplier or introducer and Evolution's regulatory status.

Both are authorised and regulated by the Financial Conduct Authority for credit brokerage and we work with a number of carefully selected credit providers who may be able to offer you finance for your vehicle purchase.

Evolution and your supplier or introducer will both receive a commission for arranging your agreement. Details of our commission arrangements can be found in the Initial Disclosure Document we have provided to you. The supplier or introducer will provide you with details of their arrangements.



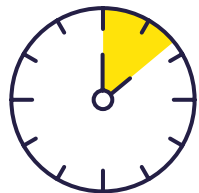
Please note we are not independent financial advisors and are unable to give you independent financial advice.



Once you have received your documents, or if signing online, you should allow sufficient time to read and understand the terms of the agreement before you sign them.

We will now give you a written explanation of the agreement. Only proceed to sign your agreement if you feel the terms and conditions meet your needs and circumstances and you believe the loan is affordable to you for the duration of the agreement.

The purpose of this agreement is to finance your vehicle purchase from the supplier and, if you have asked them, certain related products or services. It is not suitable for other purposes.



Please ensure that you take as much time as you need to read and understand the pre-contract credit information.

This section of the agreement document gives you essential information about your agreement, including the key features and cost of the credit. Please seek further explanations where required.



You are welcome to take away the pre-contract credit information, or you can come back later, before you complete your documents, if you are signing online.

Your credit agreement is a Personal Contract Purchase or PCP for short. PCP is a form of Hire Purchase agreement which is regulated by the Consumer Credit Act 1974.

Exceptions to this can be where a customer is borrowing over £60,260 or where the customer is a high net worth individual opting out of the act.

Confirmation of the type of credit agreement you have been offered is detailed in section two of the pre-contract credit information.



Here are some key features of your agreement that you should understand to ensure the product is suitable for your needs:

- 1** The lender owns the vehicle until you have made all the repayments due, including any option to purchase or completion fee detailed on the agreement.

Title then passes to you and you own the vehicle. Until this point you are just the registered keeper.

- 2** The loan is secured against the vehicle. If less than a third of the agreement is paid, the finance company can repossess the vehicle should you default or breach the terms of the agreement.

Where over a third of the agreement has been paid, the lender will require a court order to repossess the vehicle if you default.

- 3** As you do not own the vehicle, the lender will expect you to keep and maintain the vehicle in a good state of repair and maintenance, in line with the manufacturer's recommendations, and with a valid MOT certificate and road fund licence.

- 4** The vehicle should be in your possession and fully insured, in line with the contract terms and conditions, for the duration of the agreement.

Most lenders will require you to obtain and maintain comprehensive insurance for the vehicle, in your name, for the duration of the agreement.

This product is not suitable for you if you are disqualified from driving or unable to obtain vehicle insurance.

- 5** You should not sublet, lease, sell or hire the vehicle to a third party, use the vehicle yourself for hire, for reward, or for motor sports without the explicit consent of the lender.

- 6** Your agreement has fixed periodic payments, typically monthly, and a set contract term, often between TWO and FIVE years. At the end of contract, you have a final balloon repayment or the right to exercise your guaranteed future value. Throughout the contract, you have the right to full or partial early settlement.

- 7** At the end of the contract you will have **THREE** options.

Option **ONE** - Repay the final balloon repayment.

Option **TWO** - Part exchange your vehicle using any equity you may have as a deposit towards a different vehicle.

Option **THREE** - Return the vehicle to the lender with nothing further to repay, subject to the vehicle being in good condition, in line with the contract terms and within the contracted annual mileage.

If you exceed the total contract mileage, you will have to pay a penalty based on a pence per mile calculation. Your contract mileage and the cost per mile for exceeding this can be found in section THREE of the pre-contract credit information. To avoid excess mileage charges, you must ensure your stated annual mileage is an accurate reflection of the mileage you anticipate covering.

- 8** If you plan to take your vehicle out of the UK, you should check the terms of your agreement before doing so.

Lenders will typically allow vehicles to leave the country without written consent for short durations of up to a month, as long as the country is within the European Union. However, this restriction and duration does vary by lender.



If you are unsure whether the type of agreement you have been offered is suitable for your needs, you should speak to your supplier or introducer before entering into the contract.

Your repayment schedule, repayment amounts, and the total amount payable are detailed in section **two** of the pre-contract credit information and in your agreement.

Section **three** details the cost of the credit, including the interest rate, any fees and the Annual Percentage Rate or APR.



Please read all the information in section TWO and THREE carefully, and only enter into a credit agreement you believe is affordable to you.

Before you enter into this agreement you should make the supplier, introducer or Evolution aware of any future changes to your circumstances you are aware of that may affect your ability to make the repayments detailed in your agreement.

These changes will be communicated to the creditor's lending unit for further consideration.

Failure to make the payments as they fall due will mean that you have breached the terms of your agreement and could result in the creditor taking legal action against you.

Depending on the type of agreement you are entering into, this may include repossession of the goods and/or obtaining a charging order against a property you own.

You may incur additional costs and it could make it more difficult for you to obtain credit. Further details on the cost of late payment can be found in section **three** of the pre-contract credit information.

You have the right to withdraw from the Credit Agreement if the amount you have borrowed is **£60,260** or below.



You must notify the Creditor of your intent to withdraw within **14** days of the agreement beginning, commencing the day after receiving your copy of the executed credit agreement.

You will then have up to **30** days to settle the credit amount borrowed, plus any daily interest that has accrued. Further details can be found in section **four** of the pre-contract credit information or in your agreement.

Cancelling the credit agreement does not mean you can cancel the vehicle purchase. Instead, you would have to find alternative means to pay for the vehicle.

In the unlikely event that you wish to make a complaint about either the supplier, introducer or Evolution, you can telephone us on **01246 458 800**, write to us at **Evolution Funding Limited, Thompson Close, Chesterfield, S41 9AZ** or email us on **complaints@evolutionfunding.com**.

Your supplier or introducer will give you their contact details separately. Your lender's details will be provided when you sign your credit agreement.

You have the right to refer any unresolved complaint to the Financial Ombudsman Service.

 **0800 023 4567** or **0300 123 9123**

 **The Financial Ombudsman Service, Exchange Tower, London, E14 9SR**

 **complaint.info@financial-ombudsman.org.uk**

You can also find details of how to make a complaint on any of our company websites.



This explanation is not a substitute for reading your agreement before you sign it and is only a general explanation of its key features.

Should you have any further questions or concerns, you should speak to your supplier or introducer, or call Evolution on **01246 458 800**. Thank you for your time and we hope you enjoy your vehicle purchase.