CHARGING POLICY

In this Charging Policy, expressions defined in the Terms shall have the same meaning and, in addition, the following expressions have the following meanings:

"Billing Period" means the period over which Charges are incurred and billed, such period commencing on the date set out in the Specific Charging Terms.

"Contracted Matter" means each Client matter in respect of which the Service is used by or on behalf of the User.

"Contracted Matter Charges" means the Charges payable by the User to LFS on a per Contracted Matter basis from the start of the Billing Period as set out in the Specific Charging Terms (as, subject to clause 4.2 of the Terms, updated and notified to the User from time to time).

"Monthly Contracted Matter Charges" shall have the meaning given in paragraph 3.2 of this Charging Policy.

"Year" means each twelve (12) month period following the start of the Billing Period.

1. The User shall pay the Contracted Matter Charges to LFS in respect of each Contracted Matter from the start of the Billing Period.

2. If the User elects to use the Service to carry out any identity check or bank check, or to send any text message, the User shall pay the associated Charges to LFS as set out in the Specific Charging Terms.

3. The following shall apply:

3.1 There are a number of pricing bands set out in the Specific Charging Terms based on volume of use for Contracted Matter Charges. The User shall pay the associated Contracted Matter Charges in accordance with these pricing bands depending on their volume of use each Year.

3.2 Prior to the start of the Billing Period and annually thereafter, the User's annual volume of use shall be estimated by the User acting reasonably and in good faith. Based on this volume of use, the User's annual Contracted Matter Charges for the forthcoming Year shall be calculated by reference to the pricing bands set out in the Specific Charging Terms. Those annual Contracted Matter Charges shall be divided by 12 (and may also be rounded down) to give the monthly Contracted Matter Charges ("**Monthly Contracted Matter Charges**"). These Monthly Contracted Matter Charges shall be a minimum commitment by the User. LFS shall invoice the User on a monthly basis in arrears in respect of **the greater of** these Monthly Contracted Matter Charges and the Contracted Matter Charges for the User's actual use of the Service in that month calculated by reference to the pricing bands set out in the Specific Charging Terms and how the User's volume of use falls within these pricing bands, together with any Charges associated with the Service being used to carry out/send any identity checks, bank checks and text messages on Contracted Matters during that month.

3.3 At the end of each Year, the User's estimated annual volume of use shall be reconciled against their actual use.

3.4 Where the reconciliation undertaken in respect of paragraph 3.3 shows that, during the last Year, the User's volume of use of the Service was **less than** was estimated, LFS shall not be obliged to refund the difference between the Contracted Matter Charges the User has paid and the Contracted Matter Charges the User would have paid for their volume of use of the Service on the basis that the Monthly Contracted Matter Charges the User has agreed to pay represent a minimum commitment by the User.

3.5 Where the reconciliation undertaken in respect of paragraph 3.3 shows that, during the last Year, the User's volume of use of the Service was **as was estimated**, no further Contracted Matter Charges shall be payable

by the User unless the figure was rounded down as referenced above and has not already been paid to LFS as part of the Contracted Matter Charges charged during the Year, in which case the User shall pay the amount of the round down.

3.6. Where the reconciliation undertaken in respect of paragraph 3.3 shows that, during the last Year, the User's volume of use of the Service was **more than** was estimated, the User shall pay for any Contracted Matter Charges to the extent they have not already been paid to LFS as part of the Contracted Matter Charges charged during the Year calculated by reference to the pricing bands set out in the Specific Charging Terms and how the User's volume of use falls within these pricing bands.

Worked example based on estimated annual volume of use being 1,300 Contracted Matters in a Year:

The User's annual volume of use is estimated at 1,300 Contracted Matters. Based on this volume of use, the User's annual Contracted Matter Charges for the forthcoming Year is estimated to be £8,700 taking account of how the volume of use falls within pricing bands. Those annual Contracted Matter Charges are divided by 12 to give £725, and are also rounded down, to give the Monthly Contracted Matter Charges which the User shall commit as a minimum to pay against invoices from LFS, being £700.

If, in a month, the User's use of the Service means that they should be charged £500 by reference to the pricing bands set out in the Specific Charging Terms and how the User's volume of use falls within these pricing bands, the User will pay the £700 in respect of the Monthly Contracted Matter Charges (being the greater of the two).

If, in a month, the User's use of the Service means that they should be charged £900 by reference to the pricing bands set out in the Specific Charging Terms and how the User's volume of use falls within these pricing bands, the User will pay the £900 and not the £700 in respect of the Monthly Contracted Matter Charges (being the greater of the two).

At the end of the Year, the User's estimated annual volume of use shall be reconciled against their actual use.

If this reconciliation shows that, during the last Year and by way of example, the User's volume of use of the Service was less than the estimated 1,300 Contracted Matters, LFS shall not be obliged to refund the difference between the Contracted Matter Charges the User has paid and the Contracted Matter Charges the User would have paid for their volume of use of the Service on the basis that the Monthly Contracted Matter Charges the User has agreed to pay represent a minimum commitment by the User.

Where this reconciliation shows that, during the last Year and by way of example, the User's volume of use of the Service was as was estimated at 1,300 Contracted Matters, no refund shall be required by LFS and no further Contracted Matter Charges shall be payable by the User unless the figure was rounded down as referenced above and has not already been paid to LFS as part of the Contracted Matter Charges charged during the Year, in which case the User shall pay the amount of the round down.

Where this reconciliation shows that, during the last Year and by way of example, the User's volume of use of the Service was more than the estimated 1,300 Contracted Matters, the User shall pay for any Contracted Matter Charges to the extent they have not already been paid to LFS as part of the Contracted Matter Charges charged during the Year calculated by reference to the pricing bands set out in the Specific Charging Terms and how the User's volume of use falls within these pricing bands. If the User should have paid £9,900 based on their volume of use and by way of example, if what the User has already paid to LFS as part of the Contracted Matter Charges charged during the Year is below this amount then they will be required to make up the difference.

4. In the event of any conflict between the terms in this Charging Policy and the terms in the Terms, the terms in this Charging Policy shall prevail.

5. LFS shall be entitled to invoice one-off items in arrears following completion of the associated work.

6. LFS's invoices shall be payable within fourteen (14) days of their date.