

PledgeMe Borrower Agreement

Dated the day of 20

Parties

1. PledgeMe Limited or nominee (as Lending Agent)

2. _____ (**Borrower**)

And specifically:

_____ each being a director/trustee/Controlling Shareholder of the Borrower
(together the **Covenantors**)

Background

- A. The Borrower wishes to use the Services provided by PledgeMe in accordance with the Financial Markets Conduct Act 2013, the Financial Markets Conduct Regulations 2014 and all other applicable laws
- B. The Borrower intends to run a Campaign on the Platform. If the Campaign succeeds, a Loan will be Established between the Participating Lenders, the Lending Agent, and the Borrower on the terms set out in the Loan Contract.
- C. Before the Campaign launches, the Borrower, its directors or trustees and its Controlling Shareholders (together the **Covenantors**) enter into this Borrower Agreement.
- D. Capitalised terms used in this Agreement and not otherwise defined have the meaning given to them in the PledgeMe Crowd Lending Glossary.

2. **Agreement:**

2.1 The Covenantors agree:

- (a) that they have read the standard form Loan Contract and the Borrower Terms and understand their terms; and
- (b) that they will be bound by the terms of the Loan Contract formed upon the Establishment of the Loan.
- (c) that they will pay all applicable fees and charges to PledgeMe in consideration of PledgeMe providing the Services to you, as set out in the Borrower Terms.
- (d) to a period of exclusivity with PledgeMe from the date of this Agreement until the expiry of

120 days from the date that the offer to issue or sell the Loan via a Campaign goes live on the Website, during which period you will only pursue equity investment using the services of PledgeMe. If this Agreement is terminated for any reason or Loans are issued by you other than via the Website during this exclusivity period then a break fee of 2.5% of the total Target shall immediately become payable by you to PledgeMe.

2.2 You will be required, as a minimum, to publish the following documents on your Campaign page:

- (a) Certificate of incorporation / legal proof of registration;
- (b) A minimum of one image of your business or organisation;
- (c) basic information around your business organisation and the reason for the loan;
- (d) Financial accounts created by an accountant or extracted from accounting software (up to past three years depending on how long the company has been trading);
- (e) financial forecasts with reference to the underlying assumptions based on reasonable grounds for the next three years;
- (f) Total Loan Amount;
- (g) Term (in years);
- (h) Fixed interest rate;
- (i) Level of amortisation;
- (j) Repayment frequency;
- (k) Security attached to the loan (if any).
- (l) Explanation of the key risks faced by the Borrower; and
- (m) Rewards and a pitch video will be optional, but recommended.

3. Warranties and acknowledgement:

3.1 The Covenantors warrant that:

- (a) all information they have provided and will provide to PledgeMe is true and correct, and not misleading or deceptive or likely to mislead or deceive;
- (b) all information provided in the Campaign is true and correct, and not misleading or deceptive or likely to mislead or deceive; and
- (c) reasonable grounds exist for all representations, forecasts and assumptions made in the Campaign.

3.2 The Covenantors acknowledge that the Participating Lenders will make their Pledges and will enter into the Loan Contract in reliance on the information provided in the Campaign and that the Covenantors may ultimately benefit from those Loan Contracts. Participating Lenders are entitled to the benefit of the covenants and representations made by the Covenantors in terms of the Contract (Privity) Act 1982.

Dated:

Executed as a deed by each Covenantor:

Executed by the Borrower:

EXECUTED as a **DEED** for and on behalf
of _____

Director/Trustee/Controlling Shareholder [delete as appropriate]

in the presence of

Witness signature

Full name

Address

Occupation

Director/Trustee/Controlling Shareholder [delete as appropriate]

in the presence of

Witness signature

Full name

Address

Occupation

Director/Trustee/Controlling Shareholder [delete as appropriate]

in the presence of

Witness signature

Full name

Address

Occupation

Director/Trustee/Controlling Shareholder [delete as appropriate]

in the presence of

Witness signature

Full name

Address

Occupation

Director/Trustee/Controlling Shareholder [delete as appropriate]

in the presence of

Witness signature

Full name

Address

Occupation

Signed for and on behalf of **PledgeMe Limited:**

Signature

Signatory

Position held

PledgeMe Borrower Terms

1. Our services

- 1.1 PledgeMe Limited (**PledgeMe, we or us**) is a licensed peer-to-peer lending intermediary. We facilitate everyday people (**Lenders**) lending money (**Loans**) to people and organisations (**Borrowers**). Our intention is that by using our service, Lenders will earn a fair rate of interest on the money they lend, and Borrowers will receive funding at a fair market rate for their businesses.
- 1.2 We provide our services using a software platform operated on our website (**Platform**).
- 1.3 Before using the Platform as a Borrower you will need to apply and have your application approved by us in accordance with *section 3* below.

2. The Loan Process

Campaigns

- 2.1 If we approve you as a Borrower you can access the Platform to raise a Loan by creating a profile for that Loan (**Campaign**) in accordance with *section 3*. Each Campaign will specify:
 - 2.1.1 the minimum amount of money you wish to raise from Lenders before the Loan is created (**Target**);
 - 2.1.2 the rate at which interest is paid in return for the Loan (**Base Rate**)
 - 2.1.3 the period over which you promise to pay Principal and accrued interest (**Term**);
 - 2.1.4 the minimum amount Lenders can offer to lend if they wish to participate (in New Zealand dollars) (**Minimum Contribution**);
 - 2.1.5 the repayment intervals and an indicative amount of Principal and accrued interest that you will pay at each interval based on 100% of the Target being Pledged (the **Repayment Schedule**); and
 - 2.1.6 other information set out in clause 7.1 of our Disclosure Statement.
- 2.2 If sufficient Pledges are made and the Target for your Campaign is met, then Lenders who have made valid Pledges will be required to transfer to us the money they Pledged to the Borrower. That money will be collected by us and held in our Trust Account until the Loan is Established.

Establishment

- 2.3 Once we have collected sufficient Pledges and checked that any other conditions are met, we will deduct our fees and charges *section 6* and pay the balance of the Pledges to you. At this point a Loan Contract will arise between:
 - 2.3.1 You as the Borrower;
 - 2.3.2 the various Lenders who have contributed to that Loan (each of whom will be a **Participating Lender** in respect of that Loan); and;
 - 2.3.3 PledgeMe, or a person nominated by PledgeMe, as the **Lending Agent**.

- 2.4 Each loan will be on the terms set out in most recent version of our **Loan Contract**.
- 2.5 The process of collecting Pledges, advancing Principal to the Borrower and forming the Loan Contract is referred to as **Establishment** of the Loan.

3. How to become a Borrower

- 3.1 To become a Borrower and use the Services an applicant must:
- 3.1.1 create a PledgeMe account by clicking “Join Now”, or if the applicant already has an account, login to their PledgeMe account;
 - 3.1.2 submit information required by our **Borrower Assessment Tool**;
 - 3.1.3 submit a **Borrower Application** to the website by providing and/or uploading the following information:
 - 3.1.3.1 the applicants full name, registered office, incorporation number and a certificate of incorporation or registration (the precise details required will depend on the type of entity the applicant is);
 - 3.1.3.2 full name, date of birth and residential address of each of:
 - (a) the applicant's directors or trustees;
 - (b) any personnel of the applicant who report directly to the board or who will have principal responsibility for the Borrower's access and use of the Platform (**Senior Managers**); and
 - (c) any person who holds more than 50% of the shares in the applicant or who has the ability to appoint 50% (or more) of the directors or trustees of the applicant (**Controlling Shareholders**);
 - 3.1.3.3 a copy of the passport or driver's licence of the individuals referred to in paragraph 3.1.3.2 above;
 - 3.1.3.4 certain information about any proposed Campaign the applicant wishes to launch using the Platform including the Principal, proposed Fixed Rate of interest, Term and the purpose of the Loan; and
 - 3.1.3.5 a copy of the Borrower Agreement signed by all of the directors, trustees and any Controlling Shareholders of the Borrower;
 - 3.1.4 pay for and pass the following tests:
 - 3.1.4.1 identity checks, online checks (through search engines), credit checks and any other background or legal checks we wish to carry out on the applicant and the individuals described in paragraph 3.1.3.2 prescribed by us;
 - 3.1.4.2 Registry searches on the applicant, each of its directors/trustees and any Controlling Shareholders; and
 - 3.1.5 read and accept the PledgeMe Borrower Terms by clicking the “I accept” button.

3.1.6 receive from us an email acknowledging completion of the application process and acceptance of the applicant to be a Borrower, with a copy of the Disclosure Statement and this Borrower Agreement attached to the email address supplied by the applicant,

(together, the **Borrower Registration Process**).

- 3.2 If your application is approved, at the conclusion of the process you will receive an email from us acknowledging acceptance of your application, with a copy of the Disclosure Statement and the Borrower Terms attached, to the email address supplied by the applicant.
- 3.3 By completing the Borrower Registration Process described above, the applicant warrants to PledgeMe that all information given by or on behalf of the applicant is true and accurate and, if the applicant is a body corporate, that the person completing the application has the authority to act on behalf of the body corporate and can bind it.
- 3.4 We reserve the right to request at any time further information from an applicant or approved Borrower that we deem necessary including details and proof of identity, occupation and address.
- 3.5 The Borrower Registration Process must be completed before we can authorise you to use our services.

4. Eligibility criteria for Borrowers

- 4.1 A Borrower will not be entitled to launch or maintain a Campaign on the Platform unless they have satisfied PledgeMe's eligibility criteria for Borrowers as set out below:
- 4.1.1 A Borrower must be one of the following entities:
- 4.1.1.1 a company incorporated in New Zealand and registered under the Companies Act 1993; or
 - 4.1.1.2 a trust board registered under the Charitable Trusts Act 1957; or
 - 4.1.1.3 an incorporated society registered under the Incorporated Societies Act 1908; or
 - 4.1.1.4 a school board of trustees constituted under the Education Act 1989 and/or the School Trustees Act 1989.
- 4.1.2 A Borrower must not be Insolvent or have any directors or trustees that have previously been Bankrupt. The board of PledgeMe retains the discretion to approve Borrowers with previously Bankrupt directors or trustees on a case by case basis.
- 4.1.3 A Borrower must have no directors or trustees with previous convictions for fraud or dishonesty. The board of PledgeMe retains the discretion to approve Borrowers with other convictions (of the Borrower or its directors or trustees) on a case by case basis.

5. How to become a Lender

- 5.1 The applicant must create a PledgeMe account and complete the Lender Registration Process as set out in the Disclosure Statement and the Lender Terms.

6. Fees & charges

Fees the Borrower Pays

- 6.1 In consideration for services provided by us in connection with the Establishment and administration of your Loan, you agree to pay us the following fees, which we may deduct from the Principal paid to you on Establishment of your Loan (**Establishment Fees**):

- 6.1.1 A CrowdfundingU programme fee of \$1,500+GST

- 6.1.2 A success fee of 4% of the Principal.

- 6.1.3 Payment processing fees as outlined in the "Fees" section under "FAQ" on the website.

- 6.1.4 Legal fees as outlined in the "Fees" section under "FAQ" on the website.

- 6.2 In addition to the Establishment Fees

- 6.2.1 If the Lending Agent decides to take any of the Enforcement Action described in clause 18 to recover from you any money you are required to pay to the Participating Lenders, you will pay the Lending Agent's actual costs incurred in taking that Enforcement Action, including legal costs (**Enforcement Costs**);

- 6.2.2 Without limiting the amount the Lending Agent is entitled to recover from you under clause 6.2.1, if the Lending Agent appoints a debt collection agency to recover from you any money you are required to pay to the Participating Lenders the Lending Agent will be entitled to a fee of 15% of the gross amount recovered from you (**Collection Fee**). We are entitled to recover that Collection Fee from you.

7. Rights of PledgeMe to alter fees and charges

- 7.1 We may increase or decrease our fees and charges from time to time. If we do we will:

- 7.1.1 Send an email to all registered Borrowers and Lenders advising of the change; and

- 7.1.2 Update this Disclosure Statement, the Pledgeme Borrower Terms and Pledgeme Lender Terms (as applicable).

- 7.2 A change to our fees and charges will not affect existing Loans unless they are made as a result of administration charges relating to our Trust Account. If we need to increase our fees as a result, we will give Participating Lenders and the Borrower no less than one month's prior notice of that change.

8. Our obligations

- 8.1 We will, in exercising any powers or performing any duties in relation to the Services provided under our peer-to-peer licence, exercise the care, diligence, and skill that a prudent licensee for that service would exercise in the same circumstances.
- 8.2 We may subcontract some or all of our functions in providing the Services. If we subcontract those functions, we will take all reasonable steps to:
 - 8.2.1 ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if PledgeMe was performing them directly; and
 - 8.2.2 monitor the performance of those functions by our subcontractors.

9. Your warranties

- 9.1 You warrant to PledgeMe that all information you provide to PledgeMe is true, accurate, and complete, and there is no information which has not been provided which would impact on PledgeMe's decision to register you as a Borrower or to make your Campaign available on our Platform.
- 9.2 You must immediately inform us if any information you provide to us as part of the Borrower Application Process, creation of a Campaign or otherwise becomes incorrect or out of date and will immediately Correct that information. This might include where:
 - 9.2.1 The Borrower becomes insolvent; or
 - 9.2.2 A director, trustee or Controlling Shareholder becomes Bankrupt or is charged or convicted of a criminal offence involving dishonesty; or
 - 9.2.3 A person who was a director, trustee or Controlling Shareholder at the time your Borrower Application was made ceases to be a director, trustee or Controlling Shareholder; or
 - 9.2.4 A person who was not a director, trustee or Controlling Shareholder at the time your Borrower Application was made becomes a director, trustee or Controlling shareholder of the Borrower.

10. Inspection and Privacy

- 10.1 In order to assist us to determine whether you are complying or have complied with this Lender Agreement and New Zealand law, we may from time to time require you or any of your directors, trustees, officers, employees, contractors or any Associate of any of them to produce any documents (including electronic documents) for inspection or provide any information held by the person concerned.
- 10.2 You consent, for the Borrower and any of its directors, trustees, officers, employees, contractors in respect of whom we request Personal Information, to us providing that Personal Information to:
 - 10.2.1 the Financial Markets Authority at their request; and

10.2.2 Our service providers including Veda's credit reporting service and/or Cloudcheck for the purposes of our credit checks and identity verification .

10.3 You further understand and agree that:

10.3.1 Veda and/or Cloudcheck will give us information about you as part of our credit checks and verification procedures;

10.3.2 we will give your personal information to Veda and/or Cloudcheck and that Veda and/or Cloudcheck will hold that information on their systems and use it to provide their reporting service;

10.3.3 when other Veda and/or Cloudcheck customers use the Veda credit reporting or Cloudcheck service, Veda and/or Cloudcheck may give the information to those customers;

10.3.4 PledgeMe may use Veda's and/or Cloudcheck's monitoring services to receive updates if any of the information held about you changes; and

10.3.5 if you default in your payment obligations to PledgeMe or any Participating Lender under a Loan Contract, information about the default may be given to Veda and/or Cloudcheck and Veda and/or Cloudcheck may give information about the default to other Veda and/or Cloudcheck customers.

11. Conditions

11.1 We may by written notice to you, in our absolute discretion, impose additional conditions at any time that must be fulfilled by you to maintain the use of our Services.

12. Suspension or cancellation

12.1 We may at any time, and in our absolute discretion, do any one or more of the following, without giving any reasons or prior notice to you:

12.1.1 suspend all or any of our Services;

12.1.2 refuse to register you as a Borrower;

12.1.3 cancel a person's right to access the platform to launch, view or make Pledges to a Campaign as a Lender or a Borrower (which will not affect the rights or obligations of any person under a Loan Contract);

12.1.4 remove content from the Website;

12.1.5 refuse to publish content on the Website;

12.1.6 disclose any information on the Website or otherwise necessary to comply with this the Disclosure Statement, the Pledgeme Borrower Terms, Pledgeme Lender Terms and New Zealand law; and

12.1.7 publish a censure of, or statement relating to your conduct, or the conduct of any of your Associates, if we consider such conduct warrants such a censure. Except where we have acted in bad faith, you waive all claims you may have in respect of

such censure or statement and shall indemnify us against any such claims by you or by the persons referred to in the previous sentence.

12.2 We may immediately suspend or remove your access to our Services, disable your access to the Platform and/or cancel your registration as a Borrower if you breach any of the warranties set out in clause 9 or any cause any material breach of the terms set out in these Borrower Terms.

12.3 Without prejudice to our rights of immediate termination, either party may end this Agreement by giving 20 days written notice.

12.4 Termination will not affect any rights and obligations already accrued.

13. Intellectual Property

13.1 You acknowledge that we own all of the Intellectual Property rights in respect of PledgeMe, the Services and the Website.

13.2 You agree not to challenge or do anything inconsistent with such ownership.

14. Liability and Indemnity

14.1 Subject to sections 14.1 and 14.4.2 below, we will use reasonable diligence, care and skill in providing our Services to you, including performing the checks we have undertaken to perform on borrowers and Lender and our express obligations as Lending Agent.

14.2 We do not guarantee any Loans. We are not responsible for any Pledge that is not paid. We do not warrant that information on Campaign page is true and correct. We accept no responsibility for, and are not liable to you for any Loss you incur as a result of:

14.3 a failure by a Borrower to pay any money owed to you under a Loan Contract in respect of which you are a Participating Lender;

14.4 a failure by a Lender;

14.4.1 a refusal by us to approve your application as a Borrower or Lender; or

14.4.2 a misrepresentation made by a Borrower in a Campaign on the Platform.

14.5 Except to the extent that we are not able to contract out of our liability under the Consumer Guarantees Act 1993 or otherwise at law, our liability to you for any Loss you incur as a result of using our Services, including liability under these Borrower Terms, or a Loan Contract to which you are a party, is limited to NZ\$10,000 in aggregate for any and all Claims you may have against us. You will not make any claim against us if and to the extent that the aggregate of all Claims you may make against us exceeds \$10,000.

14.6 You indemnify us against all Loss we incur as a result of any Claim made against us by any person (including a Participating Lender in respect of a Loan Contract to which you are a party, to the extent that Claim is a result of a breach by you of these Borrower Terms, a Borrower Agreement or a Loan Contract to which you are a party.

14.7 In this clause:

- 14.7.1 "we" and "us" include our Associates;
- 14.7.2 "you" includes your Associates;
- 14.7.3 "Loss" includes any loss, cost or damage,
- 14.7.4 "Claim" includes any claim, demand, action or proceeding under any cause of action including breach of contract or negligence).

14.8 Each clause in these Borrower Terms operates separately. If a court of competent jurisdiction decides that any of them are unlawful or unenforceable, the remaining conditions will remain in full force and effect.

15. Disputes

- 15.1 If you have any complaints or comments in connection with our Services, you should contact PledgeMe at contact@pledgeme.co.nz or in writing to PledgeMe at 115 Tory Street, Te Aro, Wellington 6011.
- 15.2 If a dispute arises following such complaint which the parties are unable to resolve by negotiation then you may refer the dispute to Financial Services Complaints Limited (FSCL) and its determination will be final and binding on the parties.
- 15.3 FSCL provides an independent and impartial dispute resolution service. PledgeMe is a participant of the scheme. You can contact FSCL by using an online form available at www.fscl.org.nz, emailing at complaints@fscl.org.nz, telephoning on 0800 347 257 or writing to FSCL, PO Box 5967, Wellington 6145. More information about FSCL's dispute resolution process is at www.fscl.org.nz.

16. Transfer & Assignment

- 16.1 You may not assign any of your rights under these Borrower Terms to any third party.
- 16.2 You will not allow any person to use your log-in details and password to access the Platform other than persons authorised to access and use the Platform on behalf of the Borrower. You will take reasonable steps to prevent any such person from obtaining your log-in details.
- 16.3 You will not use the Platform for the purposes of raising Loans for any person other than the Borrower.

17. Tax & returns

- 17.1 You will not be required to withhold or account to Inland Revenue for any RWT in relation to interest payments you make under a Loan. This is because the PledgeMe (as Lending Agent) holds a RWT Exemption Certificate.
- 17.2 In certain circumstances where a Participating Lender is not resident in New Zealand for income tax purposes, you may be required to:
 - 17.2.1 withhold and account to Inland Revenue for NRWT; or
 - 17.2.2 pay **AIL** to Inland Revenue, in relation to interest payments you make under the Loan.

17.3 However, PledgeMe will meet all NRWT or AIL obligations on your behalf from the Loan Repayments you make, immediately upon payment of the relevant interest into the PledgeMe trust account.

For this purpose, you:

17.3.1 authorise PledgeMe to act on your behalf and to do all things necessary (including, where required, completing Inland Revenue registration forms and providing all necessary information about you to Inland Revenue) to meet any NRWT or AIL obligations on your interest payments;

17.3.2 agree to provide PledgeMe with all necessary information (including your IRD number and any other relevant personal or tax-related information) for it to act effectively for the purposes described above.

17.4 You are not required to make any additional payment as a top-up for the NRWT or AIL deduction.

18. Collection and enforcement

18.1 The Lending Agent will:

18.1.1 monitor all payment obligations under the Loan Contract including payment of Default Interest;

18.1.2 take appropriate steps to contact the borrower for payment arrears; and

18.1.3 report any failure by the borrower to make a Scheduled Repayment or any other amount required to be paid under the Loan Contract.

18.2 In addition to the action required under 16.1, the Lending Agent may, on behalf of the Participating Lenders, take any and all recovery action that it considers to be reasonable in the circumstances to recover any losses, costs or damages of the Participating Lenders as a result of the failure by the Borrower to make a payment under the Loan Contract on time and in full or any other Event of Default (**Enforcement Action**). An Enforcement Action may include any or all of the following:

18.2.1 making a written demand for overdue payments and for payment of Default Interest;

18.2.2 appointing a debt collection agency on behalf of the Participating Lenders to recover any payments or other losses;

18.2.3 suspending or cancelling the Borrower's access to the Platform for future Loans;

18.2.4 enforcing any Security that is in place; and

18.2.5 filing and prosecuting court proceedings to recover any losses of the Participating Lenders.

18.3 The Lending Agent may deduct its Enforcement Costs from any amount recovered from a Borrower as a result of Enforcement Action taken in respect of a Loan. The Participating Lenders are not liable for Enforcement Costs to the extent they exceed the amount recovered from the Borrower.

19. Governing Law

19.1 This Agreement, the relationship between the parties and the use of our Services and the Website are governed by New Zealand law, and the parties submit to the jurisdiction of New Zealand Courts.

PledgeMe.Lend Glossary

Act means the Financial Markets Conduct Act 2013.

AIL means the approved issuer levy payable on certain interest payments, as set by the Inland Revenue Department.

Authorised Transfer means a Participating Lender's transfer of all or part of their Participation in a Loan to another Lender using a transfer system approved by PledgeMe.

Bankrupt has the meaning given in the Insolvency Act 2006.

Borrower means an organisation that has successfully registered with PledgeMe as a borrower.

Borrower Agreement means the agreement signed by the Borrower, its directors, trustees and Controlling Shareholders and any other party required by PledgeMe, under which those parties agree to be bound by the Loan Contract and the Borrower Terms.

Borrower Application means a person's application to become a Borrower, submitted through the Website.

Borrower Assessment Tool (or Campaign Readiness Evaluation for Debt) means the Website tool PledgeMe uses to collect information about a prospective Borrower through the Borrower Registration Process.

Borrower Registration Process means the process by which a person becomes a Borrower, as set out in clause [5.1] of the Disclosure Statement.

Borrower Terms means the terms and conditions which govern Borrowers' use of the Services.

Campaign means a profile created by a Borrower for a particular Loan.

Change of Control means change in the Control of a person, where Control means, in relation to a person (first person) the ability of another person or group of persons (the second person) to ensure that the activities or business of the first person are conducted in accordance with the wishes of the second person and the second person is deemed to have Control of the first person if it directly or indirectly:

- (a) has the ability to control the composition of more than one-half of the board or governing body of the first person;
- (b) is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the members, partners or shareholders of the first person;
- (c) legally holds, or is beneficially entitled to, more than one-half of the issued share capital, partnership interests or equity securities of the first person; or
- (d) is entitled to receive more than one-half of the distributions or profits of the first person.

Collection Fee means the fee payable by the Borrower to the Lending Agent when the Lending Agent appoints a debt collection agency to recover an amount owing to the Participating Lenders, amounting to 15% of the gross amount recovered from the Borrower.

Contribution means the fraction of the Principal that a Participating Lender contributed to a Loan.

Controlling Shareholder means a person who holds [50%?] or more of the shares in a Borrower, either directly or indirectly, or who has the ability to appoint [50%] or more of the Borrower's directors or trustees.

Default Interest means interest accrued at the Default Rate on any amount which a Borrower fails to pay on or before the date required under the Loan Contract.

Default Rate means the rate at which Default Interest accrues on any amount which a Borrower fails to pay on or before the date required under the Loan Contract, as specified in the Loan Contract.

Disclosure Information means the information that PledgeMe will disclose about the Borrower on each Campaign page, as set out in clause [7.1] of the Disclosure Statement.

Enforcement Action means any recovery action the Lending Agent may take to recover losses, costs or damages of the Participating Lenders as a result of an Event of Default or the Borrower's failure to make a payment under the Loan Contract on time.

Enforcement Costs means the costs the Lending Agent incurs in taking an Enforcement Action (including legal costs), for which the Borrower is liable.

Establishment means the establishment of a Loan through the process of collecting Pledges, advancing the Principal to the Borrower, and forming the Loan Contract.

Establishment Date means the date on which the Principal is advanced to the Lender.

Establishment Fees means the fees which PledgeMe may deduct from the Principal paid to the Borrower on Establishment of the Loan, as set out in the Loan Contract.

Event of Default means an event of default specified in the Loan Contract, the occurrence of which entitles the Lending Agent to demand that the Borrower repay all money outstanding under the Loan Contract.

Fixed Rate means the rate at which interest will accrue on the Principal, as specified in the Loan Contract.

Insolvent means, in respect of a company, incorporated society or other body corporate, that that entity has a liquidator, administrator, statutory manager or similar official appointed, a receiver is appointed in respect of all or a substantial party of that entity's assets, or that entity becomes insolvent or is deemed by law to be so, or suffers any analogous event.

Lender means a person who has successfully registered with PledgeMe as a lender.

Lender Application means a person's application to become a Lender, submitted through the Website.

Lender Registration Process means the process through which a person becomes a Lender, as set out in clause [3.1] of the Disclosure Statement.

Lenders' Rights means the Participating Lenders' rights, powers, privileges, priorities and remedies under the Loan Contract.

Lending Agent means PledgeMe or a person nominated by PledgeMe to administer the Loans and take Enforcement Action on behalf of the Participating Lenders.

Loan means a loan made by Participating Lenders to a Borrower through the Platform.

Loan Contract means the agreement between the Borrower, the Borrower's [Covenantors/directors, trustees and Controlling Shareholders], PledgeMe and the Participating Lenders setting out the terms of the Loan.

Minimum Contribution means the minimum amount Lenders can offer to lend a Borrower if they wish to contribute to that Borrower's Loan (in New Zealand dollars).

NWRT means non-resident withholding tax, as set by the Inland Revenue Department.

Outstanding Balance means the balance of Principal that a Borrower has not repaid.

Outstanding Money means all money outstanding under a Loan Contract, including the Principal, interest and fees.

Participating Lender means a Lender who has contributed to a Loan.

Participation means a Participating Lender's share in the Participating Lenders' collective rights under the

Loan Contract (including rights to interest, repayment of Principal and enforcement rights) that is proportionate to that Participating Lender's Contribution.

Personal Information means all personal information governed by the Privacy Act 1993, being any information about an identifiable individual.

Platform means the software platform operated by PledgeMe on its website through which the Services are offered.

Pledge means a Lender's commitment to lend an amount to a Borrower in relation to a Campaign.

PledgeMe means PledgeMe Limited (company number 3361892).

Principal means the aggregate of all Pledges paid by Participating Lenders less any amount repaid by the Borrower, and does not include interest.

Purpose means the reason for the Loan and the purposes for which the Borrower will use the Loan, as described on the Campaign page.

Repayment Fee means the fee payable by the Participating Lenders to PledgeMe of 1% of all Contributions that are repaid under a Loan, including Scheduled Repayments, Voluntary Repayments and late repayments.

Repayment Period means the period between each Scheduled Repayment, as set out in the Loan Contract.

Repayment Schedule means the schedule of repayments the Borrower is to make, as set out in the Loan Contract.

RWT means resident withholding tax, as set by the Inland Revenue Department.

Scheduled Repayment means the amount a Borrower repays each month or quarter, as set out in the Loan Contract.

Security means any security taken by the Lending Agent on behalf of the Participating Lenders to secure repayment of the Loan.

Senior Managers means any personnel of a Borrower who report directly to the Board or have principal responsibility for the Borrower's access and use of the Platform.

Services means the crowd lending services performed by PledgeMe.

Voluntary Repayment means a Borrower's early repayment of all or part of its Principal.

Target means the minimum amount of money the Borrower must raise from Lenders before the Loan is created, as specified on the Campaign page.

Term means the period over which the Borrower must repay the Principal and accrued interest.

Trust Account means PledgeMe's designated trust account at Bank of New Zealand.

Website means the PledgeMe website, available at <https://www.pledgeme.co.nz>.

Working Day means a day of the week other than Saturday, Sunday or a public holiday in Auckland.