

Lender Terms & Conditions

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 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 for their businesses and organisations at a reasonable cost.
- 1.2 We provide our services using a software platform operated on our website (**Platform**).
- 1.3 You should read our Disclosure Statement before accessing our Platform if you wish to use it as a Borrower, as a Lender or both.

2. The Loan Process

Campaigns

- 2.1 Borrowers with access to the Platform can use it to raise a Loan by creating a profile for that Loan (**Campaign**).
- 2.2 Each Campaign will specify:
 - 2.2.1 the minimum amount of money the Borrower wishes to raise from Lenders before the Loan is created (**Target**);
 - 2.2.2 the rate at which interest is paid in return for the Loan (**Fixed Rate**);
 - 2.2.3 the period over which the Principal and accrued interest are repaid (**Term**);
 - 2.2.4 the minimum amount the Lenders can offer to lend if they wish to participate (in New Zealand dollars) (**Minimum Contribution**);
 - 2.2.5 the frequency of repayments of Principal and interest; and
 - 2.2.6 other information set out in clause 7.1 of our Disclosure Statement.
- 2.3 Lenders with access to the Platform can browse the Campaigns created by Borrowers and use the Platform to offer to lend (**Pledge**) a specified amount to the Borrower. If sufficient Pledges are made and the Target for the 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 is collected by us and held in our Trust Account until the Loan is Established. See further information on How to Lend in section 6.

Establishment

- 2.4 Once we have collected sufficient Pledges and checked that any other conditions are met, we will deduct our fees and charges payable by the Borrower (see section 12 of the Disclosure Statement) and pay the balance of the Pledges to the Borrower. At this point a Loan Contract will arise between:
 - 2.4.1 the Borrower;

- 2.4.2 the various Lenders who have contributed to that Loan (each of whom will be a **Participating Lender** in respect of that Loan); and
- 2.4.3 PledgeMe, or a person nominated by PledgeMe, as the **Lending Agent**.
- 2.5 Each loan will be on the terms set out in each Campaign's **Loan Contract**.
- 2.6 The **Principal** of a Loan at a given point during the Term will consist of the aggregate of all Pledges paid by the Participating Lenders less any part of that money that has been repaid by the Borrower, and does not include the money earned as interest by the Participating Lenders.
- 2.7 The process of collecting Pledges, advancing Principal to the Borrower and forming the Loan Contract is referred to as **Establishment** of the Loan.
- 2.8 The fraction of the Principal that a Participating Lender contributes to a Loan is referred to as their **Contribution** of that Principal. Each Participating Lender will have a share in the Lenders' collective rights under the Loan (including rights to interest, repayment of Principal and enforcement rights) that is proportionate to their Contribution. The Lender's share in those rights is referred to as the Participating Lender's **Participation** in the Loan.

3. How to become a Lender

- 3.1 To become a Lender and use the Services you must submit an application to us using the Platform. You can either apply as an individual, or on behalf of a company for which you have authority. When you make an application you will be required to:
 - 3.1.1 create a PledgeMe account by clicking "Join Now", or, if you already have an account, login to your PledgeMe account;
 - 3.1.2 submit a **Lender Application** on the Website by clicking on the "Register to Lend" button on your PledgeMe account page;
 - 3.1.3 submit personal details which will include:
 - 3.1.3.1 if the applicant is an individual, the applicant's full legal name, date of birth and residential address and evidence that those details are correct, which may include a copy of the person's passport or driver's licence and proof of address (if the person is not ordinarily resident in New Zealand), such as a bank statement or utilities bill addressed to the person concerned (this information will also be required for each of the directors of an applicant which is a company);
 - 3.1.3.2 if the applicant is a company, the applicant's name, NZBN, company number, and the personal details described in clause 3.1.3.1 for each of the applicant's directors;
 - 3.1.4 provide an email address for communications and notices (it is important that a monitored email address is supplied, because the email address will be used for official notices in connection with any Loans the applicant Contributes to);

- 3.1.5 provide a bank account number, for Loan repayments;
- 3.1.6 provide the applicants IRD number for withholding tax calculation purposes;
- 3.1.7 provide any other information requested by us; and
- 3.1.8 confirm that you have received the Disclosure Statement and Lender Terms and have read and understood their content by clicking the 'I have received, read and understood' button,

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

- 3.2 We reserve the right to refuse an application to be a Lender and to suspend or cancel a Lender's access to the Platform. This right is described in more detail in section 15 of the Disclosure Statement.
- 3.3 If your application is approved, at the conclusion of the process you will receive from us an email acknowledging acceptance of your application, with a copy of the Disclosure Statement and this Lender Agreement attached to the email address supplied by the applicant.
- 3.4 By completing the Lender 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.
- 3.5 The Lender Registration Process must be completed before you will be able to browse Campaigns and Pledge to Contribute to a Loan.

4. Eligibility criteria for Lenders

- 4.1 To make an application to become a Lender:
 - 4.1.1 an individual must be over the age of 18 years and must not have been Bankrupt any time in the previous 3 years;
 - 4.1.2 a Company must not be Insolvent and each of the Company's directors and the person who makes the application on behalf of the Company must meet the eligibility criteria for individual applicants described in clause 4.1.1.
- 4.2 Some Campaigns may have additional eligibility criteria for Lenders and these will be published on the relevant Campaign page on the Platform.
- 4.3 You can only Contribute to a Loan if you are resident in New Zealand or are a person who is permitted to participate in peer-to-peer lending outside of New Zealand without restriction.
- 4.4 There may be laws within jurisdictions outside of New Zealand that apply to you that restrict or make it unlawful for us to allow you to make Pledges or Contribute to Loans.
- 4.5 If you are not a New Zealand resident or are not present in New Zealand you must ensure, and should consult a professional adviser to ensure, that we are entitled to offer you the opportunity to Pledge to a Campaign.

4.6 To the extent permitted by law, PledgeMe will not be liable for any loss that arises as a result of overseas Lenders using the Services or investing in Campaigns where such loss is caused by the investment being made in breach of laws applying outside of New Zealand.

5. Role of the Lending Agent

5.1 The Lending Agent is appointed by the Participating Lenders in respect of a Loan to administer the Loans and take enforcement action on behalf of the Participating Lenders. The Lending Agent will:

5.1.1 establish systems to ensure Borrowers know how and remember when to make payments of interest and repayments of Principal to Participating Lenders;

5.1.2 receive and distribute those payments to Participating Lenders in proportion to their Participation in that Loan; and

5.1.3 take reasonable enforcement action in accordance with PledgeMe's Enforcement Policy (see *section 16*) as necessary, which may include:

5.1.3.1 making written demands for overdue repayments and payment of Default Interest;

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

5.1.3.3 engaging debt collection agencies;

5.1.3.4 enforcing any **Security** for that Loan;

5.1.3.5 filing and prosecuting court proceedings; and

5.1.3.6 other measures deemed fit.

5.2 The Lending Agent will exercise its discretion as to which rights and remedies it will pursue on behalf of Participating Lenders. The Lending Agent will not necessarily take all enforcement action available to it if a Borrower is in Default and will only take enforcement action where it considers there to be a reasonable chance of recovering money from the Borrower that exceeds the costs of that enforcement action.

5.3 Under the Loan Contract, Participating Lenders are not entitled to assert or enforce their rights against Borrowers under the Loan Contract themselves, either directly or indirectly. The only person who can take action to enforce those rights is the Lending Agent.

6. How to become a Borrower

6.1 An applicant must create a PledgeMe account and complete the Borrower Registration Process as set out in the Disclosure Statement and the Borrower Agreement.

7. How to Lend

7.1 Each Campaign page sets out how a Lender can Pledge to make a Contribution to the Borrower's Loan.

- 7.2 As a Lender you can enter the amount of money you would like to lend to the Borrower (your **Pledge**) in the relevant place on the Campaign page, which calculates your Contribution to the Loan relative to the total Loan amount.
- 7.3 By clicking on the "Pledge" button you will be irrevocably agreeing to lend your Contribution to the Loan in the event that the conditions to establishment of the Loan are met.
- 7.4 Loans offered through a Campaign may have different terms and conditions, and therefore different rights and remedies as a Lender, compared to other Loans offered in other Campaigns. Check the terms carefully, and if you are comparing Campaigns, ensure you are comparing apples with apples.
- 7.5 Once the Target for a Loan you have Pledged towards has been reached, we will inform you and all other Lenders who have made a Pledge. You must pay that Pledge, either:
 - 7.5.1 by completing an electronic bank deposit (we will supply you with the bank account details of our Trust account on the completion of the Campaign); or
 - 7.5.2 by credit card through our secure transaction provider, Flo2Cash or any similar payment provider; or
 - 7.5.3 by providing your bank account details to PledgeMe and giving PledgeMe the authority, if requested, to debit the account for the amount of your Pledge.
- 7.6 We will then complete identity checks on you. We will advise you if any issues arise in the course of undertaking these checks and may seek further information from you. If we are unable to establish your identity to our satisfaction we may refuse to complete the transaction and your Pledge will be cancelled.
- 7.7 Once the identity checks are complete, we will process all verified Campaign Pledge monies into our Trust Account.
- 7.8 If a Loan reaches its Target, but not all Pledges are collected (for example if a Lender's identity cannot be verified or a Lender fails to meet their Pledge), then:
 - 7.8.1 if the amount of valid Pledges is at least 90% of the Campaign Target, the Campaign will be deemed to be successful and all Pledges will be processed by PledgeMe, the Loan will be Established and a Loan Contract will be issued and emailed to the Participating Lenders and the Borrower;
 - 7.8.2 if the number of valid Pledges amounts to less than 90% of the Campaign Target, the Campaign will be deemed to be unsuccessful and all Pledges will be refunded, pending credit card payments will not be processed, the Loan will not be Established and we will email the Borrower and all Lenders who made Pledges to that Campaign.

Pledgeme Loan Contract

- 7.9 On successful Campaign completion, a Loan Contract will be produced with all of the relevant details of the Loan. This will be entered into by the Borrower and PledgeMe as Lending Agent for you and all other the Participating Lenders.

7.10 Both Participating Lenders and Borrowers will be able to access details of the Loans that they are a party to on the Platform. We will not provide printed statements, but you will be able to print loan summaries from the Website.

8. How we deal with lender money

8.1 All monies received by us for Contributions to a Campaign will be held in our interest bearing trust account at Bank of New Zealand (in accordance with the obligations of a broker under the Financial Advisers Act 2008).

8.2 Any interest earned on Pledges and Periodic Repayments held in PledgeMe's trust account will be retained by PledgeMe as an administration charge.

9. How we deal with borrower repayments

9.1 All monies received by us as Repayments of a Loan will be held, briefly, in our interest bearing trust account at Bank of New Zealand, before being transferred to Participating Lender's bank accounts.

9.2 PledgeMe will deduct the applicable amount of Resident Withholding Tax, Non-Resident Withholding Tax, or Approved Issuer Levy from the interest amounts to be paid to you.

10. Fees & Charges

Fees the Lenders Pay

10.1 Participating Lenders will pay us a repayment fee of 1% of all their Contributions to the Principal that is repaid under a Loan, which includes Voluntary Repayments.

10.2 A Lender who makes a Pledge on a Campaign and does not pay that Pledge within 7 days of that Campaign closing will pay default interest on the amount overdue at the rate of 18% per annum until payment is made.

10.3 We reserve the right to recover from Lenders the full costs incurred by us (including solicitor/client costs) in recovering any money owed by Lenders to us as described in section 18.

11. Rights of PledgeMe to alter fees and charges

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

11.1.1 send an email to all registered Borrowers and Lenders advising of the change; and

11.1.2 update the Disclosure Statement, the PledgeMe Borrower Terms and PledgeMe Lender Terms (as applicable).

11.2 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 of an increased administration charge, we will give Participating Borrowers and the Lender no less than one month's prior notice of that change.

12. Acceptance

- 12.1 In order to Pledge, a Lender must agree to these Lender Terms and the Disclosure Statement, and by agreeing you must follow through on your Pledge.
- 12.2 The Participating Lenders are each deemed to have accepted and become party to the Loan Contract by transferring their Contributions to the Lending Agent.

13. Our Borrower Assessment Tool

- 13.1 PledgeMe makes a judgement on a Borrower's suitability to borrow and repay their obligations based on the Borrower's financial and company profile; specifically age, size, solvency, liquidity, leverage and debt service coverage.
- 13.2 This is an indicative risk measure and is not a recommendation. Please make your own decisions based on your own checks and analysis of the information provided by the Borrower. Extra information can be requested directly from borrower through the Questions section of a Campaign page.

14. Monitoring of borrower compliance

- 14.1 Our Anti-Fraud Policy (which is published on the Website from time to time) outlines the background checks we do on Borrowers and Lenders, and how we maintain records and oversee funds Pledged on our platform to prevent or detect fraud at an early stage.
- 14.2 Our methodology is to:
 - 14.2.1 verify Borrower identity information;
 - 14.2.2 verify Lender identity information;
 - 14.2.3 check Borrower financial profile;
 - 14.2.4 check Borrower credit rating;
 - 14.2.5 check Borrower insolvency status;
 - 14.2.6 check Borrower activity and background; and
 - 14.2.7 check compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
- 14.3 Once a Loan is Established the Lending Agent will collect and distribute Loan Repayments and monitor compliance. However, we will not:
 - 14.3.1 monitor the activities or the financial or business performance of Borrowers; or
 - 14.3.2 monitor the use of the Lender Communication Portal on our Website by the Borrower and/or you and other Participating Lenders.

15. Our obligations

- 15.1 We do not guarantee any Loans. We cannot guarantee that Lenders will recover all of the Contributions they make to a Loan or any interest.

- 15.2 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.
- 15.3 We may subcontract some or all of our functions in providing Services. If we subcontract those functions, we will take all reasonable steps to:
- 15.3.1 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
 - 15.3.2 monitor the performance of those functions by our subcontractors.

16. Collection and enforcement

- 16.1 The Lending Agent will:
- 16.1.1 monitor all payment obligations under the Loan Contract including payment of Default Interest;
 - 16.1.2 take appropriate steps to contact the borrower for payment arrears; and
 - 16.1.3 report any failure by the borrower to make a Scheduled Repayment or any other amount required to be paid under the Loan Contract.
- 16.2 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:
- 16.2.1 making a written demand for overdue payments and for payment of Default Interest;
 - 16.2.2 appointing a debt collection agency on behalf of the Participating Lenders to recover any payments or other losses;
 - 16.2.3 suspending or cancelling the Borrower's access to the Platform for future Loans;
 - 16.2.4 enforcing any Security that is in place; and
 - 16.2.5 filing and prosecuting court proceedings to recover any losses of the Participating Lenders.
- 16.3 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.

17. Your rights

- 17.1 Each Participating Lender will have the right to interest, repayment of Principal, Default Interest on late payments and other rights, powers and remedies under this Loan Contract

in proportion to their Contribution, subject to the limitations and conditions that apply to those Lenders' Rights (**Lenders' Rights**).

17.2 Each Participating Lender appoints the Lending Agent to exercise and enforce, at the Lending Agent's discretion, the Lenders' Rights of that Participating Lender.

17.3 Each Participating Lender agrees that for so long as a Lending Agent is appointed under this Loan Contract and has standing to exercise and enforce the Lenders' Rights:

1.1.1. the Lending Agent is the only person who is entitled to exercise and enforce the Lenders' Rights; and

1.1.2. that Participating Lender will not enforce, or seek or purport to exercise or enforce their Lenders' Rights, except through the Lending Agent acting as the Participating Lender's agent.

18. Your warranties

18.1 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 Lender.

18.2 You warrant and confirm that you will comply with all New Zealand laws in connection with the use of our Services.

18.3 You warrant and confirm that you will comply with, agree to and be bound by:

18.3.1 this Agreement; and

18.3.2 The fair dealing obligations in Part 2 of the Act.

19. Early repayment option

19.1 A borrower can repay all or part of the Principal early by giving one month's notice (**Voluntary Repayment**).

19.2 If the borrower makes a Voluntary Repayment we will recalculate and update the Repayment Schedule.

20. Inspection and Privacy

20.1 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.

20.2 You consent, for the Lender and any of its directors, trustees, officers, employees, contractors in respect of whom we request Personal Information, to provide that Personal Information to:

20.2.1 the Financial Markets Authority at their request; and

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

20.3 You further understand and agree that:

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

20.3.2 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;

20.3.3 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;

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

21. Conditions

21.1 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.

22. Suspension or cancellation

22.1 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.

22.2 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:

22.2.1 refuse to register you as a Lender;

22.2.2 cancel your rights 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);

22.2.3 suspend all or any of our Services;

22.2.4 remove content from the Website;

22.2.5 refuse to publish content on the Website;

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

22.2.7 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.

22.3 We may immediately suspend or cancel your access to our Services, disable your access to the Platform and/or cancel your registration as a Lender if (in our reasonable opinion) you breach these Lender Terms or any of the information submitted by you as part of the Lender Registration Process or a warranty in *section 18* is incorrect in any material respect.

22.4 You can stop using our Services at any time.

22.5 Suspension or cancellation of our Services, or your decision to cease using our Services, will not affect any liability or obligation you have to us or to a Borrower or any liability or obligation of us or you under a Loan Contract in respect of which you

23. Intellectual Property

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

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

24. Liability and Indemnity

24.1 Subject to sections 24.1 and 24.4.2 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.

24.2 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:

24.3 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;

24.4 a failure by a Lender;

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

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

24.5 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 Lender 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.

24.6 You indemnify us against all Loss we incur as a result of any Claim made against us by any person (including a Participating Borrower) 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 Lender Terms, a Borrower Agreement or a Loan Contract to which you are a party.

24.7 In this clause:

24.7.1 "we" and "us" include our Associates;

24.7.2 "you" includes your Associates;

24.7.3 "Loss" includes any loss, cost or damage,

24.7.4 "Claim" includes any claim, demand, action or proceeding under any cause of action including breach of contract or negligence).

24.8 Each clause in these Lender 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.

25. Transfer and Assignment

25.1 You may not assign any of your rights under these Lender Terms to any third party.

25.2 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 your behalf. You will take reasonable steps to prevent any unauthorised person from obtaining your log-in details.

26. Governing Law

26.1 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.

27. Requesting information from PledgeMe

27.1 All information available from PledgeMe in relation to Borrowers, their current Campaigns, current disclosure documents, the Disclosure Statement, PledgeMe policies and rules, terms and conditions, Borrower Terms and Lender Terms are available on our Website and can be downloaded.

27.2 You are welcome to contact PledgeMe (contact details are set out in section 1 of the Disclosure Statement) should you require any other information. PledgeMe will endeavour to provide requested information (provided it is within its power to do so and the laws of New Zealand are being complied with).

27.3 The Website contains links to other useful websites including:

27.3.1 New Zealand Companies Office;

27.3.2 New Zealand Financial Markets Authority; and

27.3.4 New Zealand Trade and Enterprise.

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 part 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.