

## PledgeMe Loan Contract

### 1. Parties

The Parties to this Loan Contract are:

- 1.1. The Borrower named in schedule 1 (the **Borrower** or **you**);
- 1.2. The **Participating Lenders** named in schedule 2 (who may change from time to time if a Participating Lender transfers part or all of his or her Participation in this Loan to another eligible person); and
- 1.3. PledgeMe Limited (**PledgeMe, we** or **us**) or a person nominated under clause 12, acting as the **Lending Agent** on behalf of the Participating Lenders.

### 2. The Loan

- 2.1. Each Participating Lender agrees to lend to the Borrower the Contribution corresponding to their name in Schedule 2.
- 2.2. The Borrower agrees to:
  - 2.2.1. use the Principal (after deduction of our Fees under clause 7) for the Purpose(s) described in Schedule 1;
  - 2.2.2. repay the Principal and interest during the Term set out in Schedule 1 in accordance with this Loan Contract.

### 3. Repayment Schedule

- 3.1. Your Repayment Schedule has been calculated so that if you make the payments required during the Term on time and in full:
  - 3.1.1. the amount you repay each [month/quarter] (**Scheduled Repayment**) stays the same throughout the Term (and will be the amount specified in Schedule 1); and
  - 3.1.2. at the end of the Term you will have repaid all the Principal and paid all of the interest.
- 3.2. Your Scheduled Repayment includes a combination of interest and Principal. At first, these payments will comprise mostly interest. As your Principal outstanding reduces, your Scheduled Repayment will include less interest and more Principal.
- 3.3. You must pay the Scheduled Repayment on each Repayment Date in accordance with the Repayment Schedule set out in Schedule 2.
- 3.4. All payments you are required to make to a Participating Lender or PledgeMe under this Loan Contract must be in cleared funds, without any set-off, deduction, or withholding, except required by law.
- 3.5. All payments by you to the Lenders must be made to the Lending Agent's Trust Account set out below:

<i>Account Name:</i>	PledgeMe Limited
<i>Bank/Branch:</i>	BNZ, Lampton Quay
<i>Account Number:</i>	02-0506-0031277-000
- 3.6. You will be notified by the Lending Agent if these bank account details change.

## 4. Interest

### *Fixed Rate Interest*

- 4.1. Interest will accrue on the Principal at the Fixed Rate specified in Schedule 1.
- 4.2. You will pay interest in the amounts and at the times specified in your Repayment Schedule.

### *Calculation*

- 4.3. Your Repayment Schedule has been calculated on the following basis:
  - 4.3.1. The interest you pay is calculated based on the balance of Principal that you have not repaid as at the end of the first day of each Repayment Period (**Outstanding Balance**);
  - 4.3.2. The interest you will pay for each Repayment Period will be the Outstanding Balance multiplied by the Fixed Rate and divided by 12 (if your Scheduled Repayments are monthly) or divided by 4 (if your Scheduled Repayments are quarterly) etc.

### *Default Interest*

- 4.4. Any amount which you are liable to pay, and which you fail to pay on or before the date required under this Loan Contract (including any Scheduled Repayment that is not paid or is paid late), will accrue interest at the Default Rate specified in Schedule 1 (**Default Interest**). Default Interest will accrue from the due date until the overdue amount has been paid in full. You must pay Default Interest immediately on demand by the Lending Agent, and the Default Interest accrued on an unpaid amount will compound monthly in arrears until that amount and any accrued Default Interest is paid in full.

## 5. Lenders' Rights to be exercised by the Lending Agent

- 5.1. 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**).
- 5.2. Each Participating Lender appoints the Lending Agent to exercise and enforce, at the Lending Agent's discretion, the Lenders' Rights of that Participating Lender.
- 5.3. 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:
  - 5.3.1. the Lending Agent is the only person who is entitled to exercise and enforce the Lenders' Rights; and
  - 5.3.2. 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.

## 6. Early repayment option

- 6.1. You can prepay all or part of your Principal early (**Voluntary Repayment**).

- 6.2. If you make a Voluntary Repayment we will recalculate and update your Repayment Schedule.
- 6.3. Once you have repaid the entire Principal together with any interest, fees, and charges payable by you under this Loan Contract, the Lending Agent will, on request, provide you with written confirmation of discharge of your Loan.

## 7. Fees & charges

### *Fees the Borrower Pays*

- 7.1. 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**):
  - 7.1.1 A CrowdfundingU programme fee of \$1,500+GST
  - 7.1.2 A success fee of 4% of the Principal.
  - 7.1.3 Payment processing fees as outlined in the "Fees" section under "FAQ" on the website.
  - 7.1.4 Legal fees as outlined in the "Fees" section under "FAQ" on the website.
- 7.2. In addition to the Establishment Fees
  - 7.2.1. If the Lending Agent decides to take any of the Enforcement Action described in clause 9.2 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**);
  - 7.2.2. Without limiting the amount the Lending Agent is entitled to recover from you under clause 7.2.1, 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.

### *Fees the Participating Lenders Pay*

- 7.3. Participating Lenders will pay us a repayment fee of 1% of all Contributions that are repaid under a Loan, which includes Scheduled Repayments, Voluntary Repayments and late payments (**Repayment Fee**). The Lending Agent is authorised to deduct the Repayment Fee from the Scheduled Repayments and other payments received by the Lending Agent from the Borrower.
- 7.4. The Participating Lenders agree that the Lending Agent may deduct its Enforcement Costs from any amount recovered from a Borrower as a result of Enforcement Action. The Participating Lenders are not liable for Enforcement Costs to the extent they exceed the amount recovered from the Borrower.

## 8. Drawing down your Loan

- 8.1. On the Establishment Date we will:
  - 8.1.1. Check that you and your Covenantor(s) have executed the Borrower Agreement and delivered it to us;

- 8.1.2. Check that you are not in breach of the Borrower Terms;
  - 8.1.3. Confirm that any Security you offered in your Campaign is in place; and
  - 8.1.4. Confirm that all of the documents/information required to comply with the Borrower Identity Requirements have been delivered.
- 8.2. Once we are satisfied that the conditions described in clause 8.1 have been met we will transfer the balance of the Principal received from Participating Lenders to your Account after deducting our Establishment Fees.

## 9. Collection & enforcement

- 9.1. The Lending Agent will:
- 9.1.1. monitor all payment obligations under this Loan Contract including payment of Default Interest;
  - 9.1.2. take appropriate steps to contact you if you for payment arrears; and
  - 9.1.3. report any failure by you to make a Scheduled Repayment or any other amount required to be paid to Participating Lenders under this Loan Contract.
- 9.2. In addition to the action required under 9.1, 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 this 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:
- 9.2.1. Making a written demand for overdue payments and for payment of Default Interest;
  - 9.2.2. Appointing a debt collection agency on behalf of the Participating Lenders to recover any payments or other losses;
  - 9.2.3. Suspending or cancelling the Borrower's access to the Platform for future Loans;
  - 9.2.4. Enforcing any Security that is in place; and
  - 9.2.5. Filing and prosecuting court proceedings to recover any losses of the Participating Lenders.
- 9.3. You must promptly and fully comply with all requests and directions of the Lending Agent when it exercises these powers.

## 10. Default

- 10.1. If an Event of Default occurs, the Lending Agent may by notice to you declare all money outstanding under the Loan Contract (including all interest and fees) (**Outstanding Money**) to be immediately due and payable. In that case, you must immediately pay that Outstanding Money and it will accrue Default Interest under clause 4.4 until it is paid in full.
- 10.2. Any of the following will be an **Event of Default**:

- 10.2.1. Part or all of a Scheduled Repayment or any other payment due to the Participating Lenders under this Loan Contract is more than 60 days overdue;
- 10.2.2. If you or your [Covenantor] are or become bankrupt (as defined in the Insolvency Act 2006) or have a receiver appointed in respect of all or a substantial part of your assets; or
- 10.2.3. If you are a company, incorporated society or other body corporate and you have a liquidator, administrator, statutory manager or similar official appointed, a receiver is appointed in respect of all or a substantial part of your assets, or you become insolvent or are deemed by law to be so or an analogous event occurs; or
- 10.2.4. We discover that you (or any person acting on your behalf) provided us with false or misleading information in the course of registering as a Borrower or applying for the Loan; or
- 10.2.5. We discover that any information contained on your Campaign is or was false and misleading in any material respect.
- 10.2.6. A **Change of Control** of the Borrower occurs, without the prior written approval of the Lending Agent.
- 10.2.7. The Principal is used for a purpose materially different (in the Lending Agent's opinion) to the Purpose set out in Schedule 1.

#### **11. PledgeMe's liability**

- 11.1. PledgeMe enters into this Loan Contract as agent for the Lenders, and not in its personal capacity. Accordingly, PledgeMe has no personal liability to you under this Loan Contract.

#### **12. Replacement of Lending Agent**

- 12.1. The Lending Agent may, at its discretion but subject to the terms of its License, assign any or all of its rights and/or obligations as Lending Agent under this Loan Contract to any person who, in the Lending Agent's reasonable opinion, is capable of performing the role of the Lending Agent under this Loan Contract.
- 12.2. If the Lending Agent assigns some or all of its rights or obligations under clause 12.1 it will promptly provide written notice to the Participating Lenders and the Borrower specifying the identity and contact details of the person to whom those rights and obligations have been assigned.

#### **13. Transfer of Loan Interests**

- 13.1. Participating Lenders may transfer part or all of their rights, title and interest under this Loan Contract (their **Participation**) to another Lender who has access to the Platform using a transfer system available on the Platform or another transfer system or marketplace approved by PledgeMe (**Authorised Transfer**). If an Authorised Transfer of a Participation or part of a Participation is made.
  - 13.1.1. The Participating Lender (lender A) will be deemed to have assigned that part of their Participation to the other person (lender B);
  - 13.1.2. lender B will be a Participating Lender in respect of that Participation;
  - 13.1.3. lender A's Participation will be reduced by a corresponding amount; and

- 13.1.4. if lender A sells their entire Interest, lender A will no longer be a Participating Lender in that Loan.
- 13.2. Among other things, before the Authorised Transfer occurs, Lender B must:
  - 13.2.1. be approved as a Lender, and gain access to the Platform; and
  - 13.2.2. provide their IRD number and bank account details to the Lending Agent via the Platform.
- 13.3. If Participation is transferred the Lending Agent will promptly update and re-issue Schedule 2 via the Platform.

#### **14. Security Registration**

- 14.1. Unless a form of Security is specified in schedule 1, the Loan is unsecured
- 14.2. If a Security is specified in schedule 1 then:
  - 14.2.1. the Borrower will register (or, if requested by the Lending Agent, assist in the Lending Agent to register) that Security on any register on which, in the opinion of the Lending Agent, it is advisable either to ensure the perfection, enforceability, validity and priority of that Security over any other security interest or to give full effect to that Security; and
  - 14.2.2. the Borrower will provide the Lending Agent with all such information and sign (or ensure the signing of) all such documents that the Lending Agent requires to effect registration; and
  - 14.2.3. the Lending Agent is entitled to enforce that Security on behalf of the Participating Lenders.

#### **15. Governing law**

- 15.1. This Loan Contract, the relationship between the Borrower, Participating Lender and the Lending Agent, and the use of PledgeMe's Platform and associated services are governed by New Zealand law, and the parties submit to the non-exclusive jurisdiction of New Zealand Courts.

#### **16. Acceptance**

- 16.1. The Borrower and the Covenantor(s) are deemed to have accepted this Loan Contract by executing the Borrower Agreement and will become party to this Loan Contract as soon as the Lending Agent transfers the balance of the Principal to their Account under clause 8.
- 16.2. The Participating Lenders are each deemed to have accepted and become party to this Loan Contract by transferring their Contributions to the Lending Agent.

## 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 Contact.

**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.

**Schedule 1: Loan Details**

Borrower	[entity name and registration details]
Participating Lenders	[schedule 1]
Covenantor	
Lending Agent	PledgeMe Limited
Establishment Date	
Loan Principal	\$
PledgeMe Fees	\$
Term	months
Fixed Rate	per annum
Default Rate	18% per annum
Scheduled Repayment	\$
Purpose of the Loan	
Repayment Dates and Amounts	See Schedule 2
Security	[None]
Borrower Bank Account	

**Schedule 2: Participating Lenders**

<b>Participating Lender</b>	<b>Pledge</b>	<b>Participation</b>
	\$	%
	\$	%
	\$	%
	\$	%
	\$	%

**Schedule 3: Repayment Schedule**

*[Amortisation Fixed equal instalments, full amortisation over loan life]*

<b>Repayment Date</b>	<b>Outstanding Balance</b>	<b>Cash Interest</b>	<b>Capital repayment</b>	<b>Total repayment</b>
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
...				