

# Simple Crowdfunding - Investor Terms and Conditions

This version dated 19 February 2020

These terms and conditions (“**Conditions**”) apply to each person who registers as an “investor” on the ‘Simple Crowdfunding’ website at [www.SimpleCrowdfunding.co.uk](http://www.SimpleCrowdfunding.co.uk) (the “**Simple Crowdfunding Platform**”) as part of considering and/or making equity investments in or P2P loans to the businesses raising funds (“**Fundraisers**”) that are listed on the Simple Crowdfunding Platform (each such person an “**Investor**”).

**Simple Crowdfunding** is a trading name of Focus 2020 Ltd (“**Focus 2020**”) and Simple Property Ltd (“**Simple Property**”). Focus 2020 facilitates the making of P2P loans and Simple Property facilitates the making of equity investments. Focus 2020 and Simple Property are referred to in these Conditions as the “**Companies**” and a reference to a “**Company**” is to the relevant one of them. You will contract with the relevant entity or entities in respect of your use of their respective services.

Focus 2020’s registered office is HQS Wellington, Temple Stairs, London, WC2R 2PN and Simple Property’s registered address is 28 Spinis, Bracknell, RG12 8XA. Focus 2020 Ltd (Firm Reference Number 727714) is authorised and regulated by the Financial Conduct Authority. Simple Property Ltd (Firm Reference Number 747022) is an Appointed Representative of Share In Ltd “**ShareIn**” (Firm Reference Number 603332), which is authorised and regulated by the Financial Conduct Authority.

**These Conditions are set out in the following sections:**

- **Part A** contains provisions that are relevant to all services provided by both Companies
- **Part B** contains provisions that are only relevant to equity investments offered by Fundraisers and provided through the Simple Crowdfunding Platform.
- **Part C** contains provisions that are only relevant to P2P loans offered by Fundraisers and provided through the Simple Crowdfunding Platform.

## **Part A – Provisions that are relevant to all services**

1. **Definitions.** The definitions in the table at the end of these Conditions apply to the whole document.
2. **Applicable terms.** To the fullest extent permitted by law, these Conditions prevail over any inconsistent terms or conditions contained, or referred to, in any correspondence between an Investor and the Companies, on the Simple Crowdfunding Platform, or implied by law, trade custom, practice or course of dealing. No terms or conditions delivered with or contained in an Investor’s correspondence with the Companies shall form part of the Contract and the Investor waives any right which it otherwise might have to rely on such

terms and conditions. The headings in bold in these Conditions shall not form part of the Contract, are for convenience only and shall not affect their interpretation.

3. **Legally binding terms.** These Conditions create legally binding obligations which, once accepted by the Investor, form a Contract, which can be relied upon and enforced by the Companies and/or their advisors against the Investor. Each Fundraiser shall also be entitled to rely on these Conditions and enforce them against Investors as if they were a party to the Contract. The Contract is binding upon the Investor and his successors and assignees. The Investor agrees that the opportunity to invest funds via the Simple Crowdfunding Platform is adequate consideration for this Contract.
4. **ShareIn.** Share In Limited (ShareIn) is a party to these Terms and Conditions in respect of its role as Money Recipient.
5. **Privacy, Cookie and Data Usage Policy acceptance.** By accepting these Conditions, the Investor acknowledges that the Investor has read, understood and agreed to in full and without qualification the [Privacy, Cookie and Data Use Policy](#).
6. **Simple Crowdfunding Platform Terms of Use acceptance.** By accepting these Conditions, the Investor acknowledges that the Investor has read, understood and agreed to in full and without qualification the Simple Crowdfunding [Website Terms of Use](#).
7. **Risk Warning Notice.** By accepting these Conditions, the Investor acknowledges (i) that he has read and understood all of the terms of the Risk Warning Notice and (ii) that the Investor accepts the risks which have been highlighted in the [Risk Warning Notice](#).
8. **Investor Information.** The Investor represents and warrants that (i) all Investor Information provided by the Investor (during the registration process) is correct and accurate, (ii) such Investor Information may be used by the Companies to comply with all applicable legal requirements (e.g. anti-money laundering checks and compliance), (iii) such Investor Information may be passed by the Companies to each Fundraiser in which the Investor applies to make an Investment (to enable the Fundraiser to carry out its own checks and ensure legal compliance), and (iv) the Investor shall promptly update, via the Simple Crowdfunding Platform, any changes to the Investor Information to ensure that such Investor Information remains correct and accurate.
9. **Capacity of the Investor to accept these Conditions.** The Investor represents and warrants that:
  - 9.1 where he/she is a living person that he/she is at least 18 years old,
  - 9.2 he/she/it has full capacity and authority to accept these Conditions and enter into the Contract (without the need for the Companies to make any further enquiries of the Investor),
  - 9.3 he/she/it has full power and authority to carry out the actions contemplated under the Contract,
  - 9.4 he/she/it will perform his obligations under the Contract exercising all reasonable care and skill, and

- 9.5 he/she/it shall use the Simple Crowdfunding Platform only for legitimate and lawful activities and not as part of (directly or indirectly) any unlawful activities.
- 10. Duration of Contract.** The Contract created when the Investor accepts these Conditions shall terminate automatically when the Investor ceases to be registered on the Simple Crowdfunding Platform as an investor (for any reason). Notwithstanding such termination of Contract, these Conditions shall remain enforceable by the Companies, its advisers and/or a Fundraiser.
- 11. Refusal of applications and de-registration.** The Companies reserve the right (in their absolute discretion) (i) to reject any application by any person to register on the Simple Crowdfunding Platform as an Investor for any reason whatsoever, and (ii) to de-register (or procure the de-registration) of the Investor from the Simple Crowdfunding Platform at any time and for any reason. In each instance there shall be no compensation payable to the relevant person/Investor and there shall be no right of appeal. Without prejudice to any provision of the investment documentation that may result in the same, de-registration pursuant to this Condition shall not, of itself, affect the Investor's rights in respect of existing Investments held by the Investor at the time of de-registration.
- 12. Fundraiser Information is confidential.** The Investor agrees to keep the Fundraiser Information confidential and not to pass it or otherwise make it available to any third party who is not a professional adviser of the Investor who is also bound by obligations of confidentiality. This restriction shall not however restrict the Investor from passing such information to other Investors, to the Companies or to any applicable court or legal officers in connection with any legal proceedings.
- 13. No guarantees.** No guarantee is given by the Companies or their officers or members that any Fundraiser will be successful in raising funds via the Simple Crowdfunding Platform. No guarantee is being given that the Simple Crowdfunding Platform will always be available 24/7. Finally, to the fullest extent permitted by law, the Companies or any of their respective officers or members will not be liable for any delay by the Companies performing or failing to perform their obligations hereunder if the delay or failure results from any cause or circumstance whatsoever beyond their reasonable control, including any breach or non-performance of these Conditions by an Investor or any breach or non-performance of the Fundraiser Terms and Conditions by a Fundraiser.
- 14. Off-Platform activity.** If you or any person within your control conducts any investment transaction with a Fundraiser whose details are provided to you in connection with a transaction through the Companies, or an associate of such Fundraiser, then the relevant Company shall be entitled to fees in respect of such transaction regardless of whether the transaction was conducted through the Simple Crowdfunding Platform. If such a transaction is completed without our consent, the relevant Company or Companies shall be entitled to recover 125% of their then current standard fees for such a transaction as if it had been conducted through the Simple Crowdfunding Platform. If such a transaction is completed with the Companies' consent, the Companies shall be entitled to recover their then current

standard fees for such a transaction as if it had been conducted through the Simple Crowdfunding Platform. The Companies shall not apply a fee where:

- 14.1 the Investor and the Fundraiser knew each other in an investment context prior to dealing with each other through the Companies; and
- 14.2 the Companies have consented to such transaction (such consent not to be unreasonably withheld upon receipt of satisfactory evidence pertaining to the matters in 14.1 above).

The Investor and the Fundraiser shall be jointly and severally liable for any fees incurred in respect of a transaction concluded without the consent of the Companies.

- 15. **Liability exclusions and limitations.** No party (including, for the purposes of this Condition, their respective principal, officers, members or advisers) shall, notwithstanding any implied term of these Conditions, be liable to the other for the following Loss whether or not the other party has been advised of the possibility of such Loss: (i) any indirect or consequential loss; (ii) loss of revenue, business, profits, opportunity, interest or anticipated savings; (iii) increased costs of working; (iv) loss of goodwill and reputation; or (v) Claims by third parties (including without limitation by any Fundraiser). The aggregate liability of each party to the other will be limited to the higher of (i) such sum which represents two times the pro rated fees charged to the Fundraiser and actually paid to the relevant Company as part of the Investor using the Simple Crowdfunding Platform during the last 12 month period; and (ii) the sum of £1,000. The foregoing terms of this Condition shall not operate to as to exclude or limit either Company's liability in respect of: its obligations under the UK regulatory system; the death of, or personal injury caused to, any person by negligence; fraudulent misrepresentation; or any other liability which by law they cannot limit or exclude.
- 16. **Variation.** These Conditions may be amended from time to time only with the prior agreement in writing or email by a director or other duly authorised signatory of the Companies, provided that such amendment will not affect the Investor adversely in respect of any Investment already entered into.
- 17. **No waiver.** No delay or failure by either party in exercising or enforcing any of its rights or remedies under the Contract will prejudice or restrict its rights, nor will any waiver of rights by a party operate as a waiver of subsequent rights.
- 18. **Severability.** If any of the Conditions or other provisions of the Contract are found by any court of competent jurisdiction to be void, illegal or unenforceable, such provision shall be deemed to be deleted from the Contract but the remaining provisions of the Contract shall continue in full force and effect insofar as they are not affected by any such deletion.
- 19. **Assignment.** The Contract is personal to the Investor. The Investor shall not assign, novate or otherwise dispose of the Contract or any part thereof, or purport to do so, without the prior consent in writing of the Companies. Each Company shall be entitled to assign, novate

or otherwise dispose of its rights under the Contract or any part thereof to any third party by giving the Investor prior written notice of such assignment, novation or other disposal.

**20. Regulatory matters and conflicts of interest.** By accepting these Conditions and doing business through either or both of the Companies, each Investor will become a client of the relevant Company or Companies for the purposes of the rules of the Financial Conduct Authority. We will also treat Fundraisers as our clients, whose interests will often conflict with those of Investors. It is our policy to act as a non-advisory intermediary between Investors and Fundraisers and to encourage both parties to seek their own advice to the extent that their interests' conflict on a specific matter (including investment negotiations). We may receive fees from Fundraisers in respect of successful Investments and it is therefore in our interests for investment transactions to take place, but it is our policy to only encourage transactions where long-term success appears achievable, as our reputation is aligned with the experience of Investors. Investors may request a copy of our conflicts of interest policy at any time upon request.

**21. Complaints and Compensation.**

21.1 In the event that an Investor has a complaint about either Company they should address it in writing to [contact@SimpleCrowdfunding.co.uk](mailto:contact@SimpleCrowdfunding.co.uk). If your complaint refers to ShareIn, we may pass the complaint to ShareIn to deal with you directly. You may request a copy of our Complaints Handling Procedures at any time. If we are unable to resolve the complaint to your satisfaction, you may have rights to refer the complaint to the Financial Ombudsman Service. Further information about the Financial Ombudsman Service is available at [www.fos.org.uk](http://www.fos.org.uk).

21.2 Investments made through this platform are not covered by the Financial Services Compensation Scheme guarantee. Before your money is invested or once the proceeds of Investments are returned, it will be held by ShareIn in a segregated client bank account and subject to the separate protections applicable to credit institutions and banks. Should your money be held by Focus 2020 it will also be held in a segregated client bank account and subject to the separate protections applicable to credit institutions and banks.

21.3 In the event of our insolvency, ShareIn will continue to hold your money pending investment but will not facilitate any new investments. ShareIn will notify you of changes to reporting requirements in any such event.

21.4 Further details of the application of the Financial Services Compensation Scheme, including details of eligibility, are available at [www.fscs.org.uk](http://www.fscs.org.uk).

**22. Your money**

22.1 If you are accepted as an Investor, we will send you details of the bank account into which your money should be paid.

22.2 You will not receive interest on any sums that we hold or arrange to be held for you pending investment.

22.3 Where we hold money for you, it will either be held by the Money Recipient or by Focus 2020. In each case the money will be segregated from our own money and will be held in accordance with the FCA's client money rules.

22.4 You will not be able to instruct withdrawals in respect of funds pledged by you to an investment, unless that pledged is cancelled. Pledges can only be cancelled within 14 days of the date of pledging.

**23. Governing Law and Jurisdiction.** The Contract shall be considered as a contract made in England and according to the laws of England and Wales and shall be subject to the exclusive jurisdiction of the English Courts, to which jurisdiction the Parties hereby irrevocably submit.

**24. Definitions**

<b>Defined term</b>	<b>Meaning</b>
Borrower	means a borrower or potential borrower under a Loan Agreement.
Claim:	means claims, demands, actions, costs and expenses (including but not limited to legal costs and disbursements on a solicitor and own client basis), losses and damages.
Completion:	means the successful closing of a fund-raise by a Fundraiser via the Simple Crowdfunding Platform, whereby (i) the minimum target of the Fundraiser has been met, (ii) the funds of the relevant Investors as part of the minimum target (less applicable and deducted Simple Property, Focus 2020, and third party fees) have been received, (iii) all shareholders of the Fundraiser and the said Investors have entered into the New Shareholder Agreement where it has been stipulated that such a document should apply, (iv) the directors and/or shareholders of the Fundraiser have passed all necessary resolutions (e.g. if applicable to adopt revised Articles of Association, accepted the loan terms, etc.) and otherwise given all necessary approvals for any issue of shares or the granting of any security by the Fundraiser in relation to the Investment, (v) the Fundraiser and the said Investors have entered into Loan Agreement and the Security Trustee has taken any required security on behalf of the Investors where it has been stipulated that such documents should apply, (vi) the shares (if applicable) in relation the Investment have been issued by the Fundraiser to the relevant Investors, and (vii) where relevant the share certificates in relation to the Investment have been issued by or on behalf of the Fundraiser to the relevant Investors.
Contract:	means a contract between the Investor and one or both of the Companies based on and incorporating all of these Conditions.
FCA	means the Financial Conduct Authority, whose address is 12 Endeavour Square, London, E20 1JN.

Fundraiser	means a business raising funds through Simple Crowdfunding, including any persons materially connected with the business or otherwise party to the fundraiser, but excluding the <b>Companies</b> and <b>Sharein</b>
Fundraiser Information:	means all information provided by the Fundraiser to the Companies and/or Investor as part of the Fundraiser raising funds (successfully or otherwise) via the Simple Crowdfunding Platform (including without limitation any business plan, investment memorandum, financial forecasts, accounts and other information about the Fundraiser, its officers and/or shareholders).
Investor Information:	means all information provided by the Investor to the Companies and their officers and members (including without limitation any personal data, investment criteria, confirmation of investment status (e.g. as a “Self-Certified Sophisticated Investor” or otherwise) and other information about the Investor) as part of the application by the Investor via the Simple Crowdfunding Platform to become an ‘investor’.
Investment:	means any investment by the Investor via the Simple Crowdfunding Platform, including an equity investment or a P2P loan.
Language:	means the language used in this agreement which is English.
Loan Agreement	means a P2P loan agreement entered into between an Investor as lender and a Fundraiser as borrower.
Loss:	means loss and/or damage (including costs and expenses relating to or arising out of such loss or damage) whether arising from contract, tort (including negligence) or otherwise.
Money Recipient:	means a company authorised by the FCA to hold client money in one or more segregated client bank accounts and which will receive, hold and disburse money for investors and fundraisers in accordance with the FCA rules. ShareIn provides this facility to Simple Crowdfunding.
P2P Loan	means a P2P agreement as defined in the <a href="#">FCA Handbook</a> or that would be such an agreement if either the Fundraiser or the Investor were an individual.
Privacy, Cookie and Data Use Policy:	means the privacy, cookie and data use policy of the Companies as set out at <a href="http://www.SimpleCrowdfunding.co.uk">www.SimpleCrowdfunding.co.uk</a> (and as may be amended by the Companies from time to time by it giving notice to all registered users on the Simple Crowdfunding Platform (whether as an ‘investor’ or otherwise).
Security Document	means any document entered into in connection with a Loan Agreement to provide additional security to Investors.

Security Trustee	means the person appointed by Focus 2020 to hold and enforce the rights under the Security Documents on behalf of Investors and, at present, is Simple Property.
Shareholder Agreement:	means an agreement for Investors intending to subscribe for new shares in a <b>Fundraiser</b> , where required pursuant to Condition 25.

**Part B – Provisions that are only relevant to equity investments. In this section Simple Crowdfunding shall mean specifically Simple Property.**

**25. Shareholder Agreement.**

25.1 Except and unless:

25.1.1 all shares issued and allotted following the fundraise are of one class only, and,

25.1.2 the investors introduced through the Simple Crowdfunding platform, excluding any such shareholders who are connected to the Fundraiser, can exercise 51% or more the voting shares,

then the Fundraiser will have a new Shareholder Agreement put into place on or before Completion.

25.2 Where Conditions 25.1.1 or 25.1.2 do not apply and this is highlighted on the Simple Crowdfunding Platform, then before a Fundraiser is allowed to complete the raising of any funds from Investors via the Simple Crowdfunding Platform, the current shareholders and executive directors of the Fundraiser must enter into the new Shareholder Agreement in advance of Completion. All of the Investors must also then enter into the new Shareholder Agreement at the time of Completion.

25.3 Each Investor will be required to authorise Simple Crowdfunding to enter into the new Shareholder Agreement on the Investor’s behalf at Completion where Conditions 25.1.1 or 25.1.2 above do not apply. This new Shareholder Agreement is designed to regulate the relationship between the Fundraiser, its shareholders (including all of the Investors) and its directors going forward in accordance with fair and reasonable terms (guidance on which is available on the Simple Crowdfunding Platform). Although it is not a legal requirement for an Investment that there be a new Shareholder Agreement put in place, without one, there is limited formality over the relationship between Investors and the Fundraiser. Where a new Shareholder Agreement is to be put in place then an additional fee may be payable by the Fundraiser to Simple Crowdfunding in accordance with the ‘Simple

Crowdfunding' fees that are published from time to time on the Simple Crowdfunding Platform (plus VAT as applicable).

- 25.4 The Investor acknowledges that where the new Shareholder Agreement is to be entered into as part of an Investment by the Investor (and/or others) in a Fundraiser, then:
- 25.4.1 the Investor shall promptly read the relevant new Shareholder Agreement (that will be published on the Simple Crowdfunding Platform) and the summary of it before the relevant completion of the fundraise of the Fundraiser, and
  - 25.4.2 it is open to the Investor to take separate professional advice (e.g. tax, accounting, legal and/or investment specialist) before making an Investment if the Investor is not sure of any of the terms of the new Shareholder Agreement or other documentation.

Please note that a new Shareholder Agreement being put in place is not and should not be a substitute for an Investor carrying out due diligence checks on the Fundraiser. Furthermore if an Investor wishes to obtain further investor rights beyond those contained in the relevant Articles of Association and/or new Shareholder Agreement (e.g. the right to have a seat on the board of directors of the Fundraiser) then the Investor can always contact the Fundraiser directly to negotiate this. The investor must notify Simple Crowdfunding before this occurs.

- 26. Simple Crowdfunding fees.** Simple Crowdfunding shall charge fees to the Fundraiser that are published on the website from time to time (including application fee, platform fees, legal fees and administration fees). No fees shall be payable by the Investors other than the fees that are published on the Simple Crowdfunding Platform and other fees expressly agreed otherwise in respect of bespoke services. Such fees shall, subject to the payment terms which are published on the Simple Crowdfunding Platform, remain payable even if the Fundraiser after raising funds via the Simple Crowdfunding Platform has to return all or any of these funds as a result of a legal claim (eg for breach of warranty or representation by the Fundraiser or its officers) by any Investor(s). Please also note that if the Fundraiser does not adopt at Completion Model articles as prescribed by the Companies Act 2006 and instead opts for its own version of Articles of Association, then the Fundraiser may separately and in advance have to pay the fee of the solicitors of Simple Crowdfunding to review these Articles of Association and provide a summary which will be available to Investors to view.
- 27. Equity Sales & Transfers.** Simple Crowdfunding does not operate a secondary market in any shares acquired through the Platform. Where an investor seeks to dispose of some or all of their shares in a project, Simple Crowdfunding may advise other existing investors on our platform and to the extent that they have expressed interest, put the parties in contact with each other. The ability to sell or transfer ownership will also be governed by the Fundraiser's Articles of Association and any relevant Shareholder Agreement.

**Part C – Provisions that are only relevant to P2P loans. In this section Simple Crowdfunding shall mean specifically Focus 2020**

**28. Borrower Application Review and Pledge Process**

- 28.1 All loan applications will be subjected to four levels of assessment:
- (a) Stage 1: An initial review is conducted using the data and information submitted via a Borrower Application Form. If the application does not fit our credit policy, it will be declined, and the applicant Borrower advised. If the application satisfies the initial review it proceeds to the next stage.
  - (b) Stage 2: A telephone call is made by us to the applicant Borrower to discuss the application. If we are satisfied with the call the application progresses to the next stage.
  - (c) Stage 3: A meeting is arranged with the applicant Borrower to assess the people behind the proposal and to collect any further information which may or may not support the application. If we are satisfied with the information provided, the application proceeds to the next stage.
  - (d) Stage 4: The application will undergo a final review and a decision will be made to either support or decline the request.
- 28.2 We will provide you with information supplied by the Borrower and core information obtained by us about the Borrower. All documentation provided is for guidance only – it does not constitute advice or a recommendation by us and you must come to your own conclusion in relation to the perceived level of risk you would take by lending. Whilst we will endeavour to assess all aspects of an application ultimate responsibility as to whether to lend or not lies with you.
- 28.3 Investors will review the Borrower’s application and place an offer of funding (a “pledge”, which is subject to the minimum pledge amount of £1,000 or such amount as we may advise on the Platform from time to time.
- 28.4 At the time you make a pledge, you must indicate your consent to be bound by the terms of the Loan Agreement with the Borrower. The Loan Agreement comprises Loan Terms and Conditions, which apply to all loans to that Borrower, and a Pledge Sheet, which describes the specific terms between you and the Borrower (for example, as to amount). The Loan Agreement shall only come into force if your pledge is successful on our electronic system, as described below.
- 28.5 Pledging is made on a ‘first-come-first-served’ basis. The pledges will be received and determined in chronological order of receipt on our electronic system (subject to Simple Crowdfunding’s right to reject pledges at its absolute discretion). If

sufficient pledges have already been received into our electronic system in relation to a particular Borrower, your pledge will not be successful.

- 28.6 The Borrower's minimum borrowing requirement must be achieved from all Investor pledges as a condition to the Borrower entering into the Loan Agreement with you.
- 28.7 Once the Borrower's minimum borrowing requirement is achieved and all conditions relating to the loan have been met by the Borrower, the pledge process is closed on our system, and the Loan Agreement shall become effective. We will notify you if your pledge has been accepted.
- 28.8 Once you have made a pledge, it cannot be withdrawn and your loan commitment shall be paid to the Borrower unless:
  - (a) the pledging process has resulted in an over-subscription and the lender's pledge was not successful; or
  - (b) the Borrower's minimum borrowing requirement was not fully funded, in which case all pledges are cancelled; or
  - (c) the Borrower declines the offer or fails to complete the loan.
  - (d) Any money you have paid to us in connection with an unsuccessful pledge will continue to be held by us pending your instructions.

## **29. The Security Trustee**

- 29.1 The Security Trustee shall hold security provided by a Borrower on behalf of all Investors lending to the Borrower through the Simple Crowdfunding Platform.
- 29.2 You may not take any action or commence any process against any Borrower in your own name but must act only through the Security Trustee which shall be entitled to act as provided for in these Terms and Conditions.
- 29.3 You authorise Simple Crowdfunding and the Security Trustee, and we undertake, to exercise the rights, powers, authorities and discretions under or in connection with the Loan Agreement and the Security Documents on your behalf, together with any other incidental rights, powers, authorities and discretions.
- 29.4 The Security Trustee will hold the benefit of any security created on trust for all the Investors lending to a Borrower in proportion to the amount they have lent.
- 29.5 If we receive notification of a Default or Event of Default (as defined in any Loan Agreement) we shall promptly notify you.
- 29.6 The Security Trustee may rely on any representation, notice or documents believed by it to be genuine, correct and appropriately authorised and any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- 29.7 The Security Trustee may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts, providing it has the means to pay for such services. The Security Trustee will consult with the relevant Investors regarding the method of underwriting such costs before any are incurred and, in most circumstances, costs will be met by the relevant Borrower.

- 29.8 The Security Trustee may act in relation to the Loan Agreement through its personnel and agents.
- 29.9 The Security Trustee shall have absolute discretion in the exercise of any right, power or authority vested in it as Security Trustee and agent in accordance with the terms of the Loan Agreement and any Security Documents.
- 29.10 The functions in this Condition 29.10 may be discharged by Simple Crowdfunding or the Security Trustee. The functions will generally be discharged by Simple Crowdfunding, but may be discharged by the Security Trustee in the event that either the action needs to be taken by the Security Trustee as the legal holder of security or where the Security Trustee takes over responsibility for administration of loans pursuant to Condition 30 (Living Will). Simple Crowdfunding and the Security Trustee may act or, where it considers it to be in the best interests of all Investors lending to a particular Borrower, refrain from acting in respect of:
- (a) day to day management of the loan including, without limitation, dealing with drawdown notices, certificates of compliance and the provision of financial information from the Borrower in accordance with the Loan Agreement;
  - (b) answering any questions raised by the Borrower;
  - (c) administration relating to late payments due under the Loan Agreement by the issuing of standard letters; and
  - (d) amending the terms of the any documents providing such amendments are not to the interest rate payable, the term of the loan, the repayment schedule or the security to be granted.

### **30. Living Will**

- 30.1 In the event that Simple Crowdfunding becomes or appears likely to become insolvent, it shall cease to offer new loans for investment and the Security Trustee shall become responsible for the administration and winding up of existing loans.
- 30.2 All rights (including rights to fees and rights to enforce loan agreements) and obligations pertaining to Simple Crowdfunding under these Terms and Conditions and any Loan Agreements and Security Documents shall attach to and be exercisable by and against the Security Trustee upon the Security Trustee providing you, the Borrower and any other relevant parties with written notice of the same.

### **31. Loan Drawdown**

- 31.1 When requested by us, you must transfer your pledged amount to the account described in Condition 22, where it will be held until required for drawdown by the Borrower.
- 31.2 Once the Loan Agreement and Security Documents are executed and received by Simple Crowdfunding from both Investors and Borrower, and relevant arrangement fees paid by the Borrower, the loan will be drawn down and transferred to the Borrower's bank account.
- 31.3 As part of the on-boarding process, you will be given details of how to transfer funds into the ShareIn client account where money is held on your behalf by ShareIn. We will only transfer funds back to the bank account from which they

came except by special arrangement and having first satisfied ourselves that the reasons for the request are reasonable and legal.

### **32. Investor Fees**

- 32.1 No fees are payable to register as an Investor or to pledge. There may be a fee to contribute to a loan application in consideration of payment transaction fees. All costs in relation to the credit assessment process are paid by the Borrower and are described on the Simple Crowdfunding Platform.
- 32.2 We may introduce Investor fees for our services over time as the service develops. Any such fees will not apply to existing loans you hold through us and will be disclosed to you as part of the investment process.

### **33. Interest Rates**

- 33.1 Interest rates are fixed at the outset and remain for the term of the loan.
- 33.2 The interest rate is advised by the Borrower. Interest rates may change from time to time in line with market conditions and current rates. Any change in interest rates will not affect loans already drawn down or in the process of review.
- 33.3 Interest on each lender's pledged amount will be earned from the date the loan is drawn down and not from the date the pledging has closed.

### **34. Interest and Capital Repayment Process**

- 34.1 We will receive interest and capital payments along with any applicable fees from each Borrower into an account referred to in Condition 22 and pay the interest and capital to you. The repayment schedule is set out in the Loan Agreement.
- 34.2 Only amounts remitted by Borrowers will be credited to your account; if a Borrower's repayment is missed then no funds will be allocated to your account until such time as it is received.
- 34.3 Funds accumulated in your account will be remitted to your nominated UK bank account upon receiving your instructions.
- 34.4 All repayments in respect of interest will be made on a gross basis i.e. without the deduction of income tax.

### **35. Missed Repayments and Loans in Default**

- 35.1 Lending money comes with its risks and you acknowledge that whilst we will make every reasonable effort to collect missed payments and to ensure full repayment there will be cases where this is not possible.
- 35.2 Where a Borrower misses a payment or makes only a partial repayment, we or an agent acting on our behalf, will contact the Borrower to collect the due payment.
- 35.3 If within a reasonable period of time the overdue payments are not made we will refer the case to a debt collection agency. All additional fees incurred in the recovery of any arrears will be payable by the Borrower.
- 35.4 If the Borrower falls two or more months in arrears or Simple Crowdfunding becomes aware of circumstances whereby there is a material risk that the loan will not be repaid, then the loan will be in default and we can instruct a debt collection agent to collect the whole loan amount.

### **36. Security and Recovery of Debts**

- 36.1 If the debt collection agency has failed to collect the loan outstanding, Simple Crowdfunding or the Security Trustee will enforce any security held to secure the loan unless we do not believe this to be in your interests in the circumstances.
- 36.2 Where there is security in support of a loan you accept that the enforceability of the security shall be on the basis of normal legal risks, challenges and limitations that you may face.
- 36.3 You acknowledge that there is a risk of losing amounts loaned, and subsequent interest, if a Borrower fails to keep up repayments.
- 36.4 We perform an intermediary role in making loans available to you and collecting repayments. By acting on your behalf, you acknowledge that we accept no liability for any outstanding Borrower payments. You also acknowledge that we will not be liable to the Borrower or responsible for your obligations under the Loan Agreement.

### **37. Ending Your Participation**

- 37.1 If you no longer wish to be an Investor, and you have no loans currently outstanding, then when you inform us we will archive your details.
- 37.2 If you have outstanding loans you can either:
  - (a) let the loans run to their maturity date, or
  - (b) assign your loan(s) to other Investors but only if other Investors can be found. A fee will be payable to cover the administrative cost of this exercise.
- 37.3 We may also terminate your participation as an Investor in respect of new loan applications for any reason. This may, but not exclusively, include:
  - (a) any breach by you in these Terms and Conditions or Loan Agreement
  - (b) you are suspected of committing fraud, money laundering or other criminal activities
  - (c) any activity which could bring our reputation and that of other Investors into disrepute