

Simple Crowdfunding - Investor Terms and Conditions

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

Simple Crowdfunding is a trading name of Simple Property Ltd (“**Simple Property**”) and Focus 2020 Ltd (“**Focus 2020**”). Simple Property facilitates the making of equity investments and Focus 2020 facilitates the making of P2P loans. Simple Property and Focus 2020 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.

The Companies’ registered address is 28 Spinis, Bracknell, RG12 8XA. Focus 2020 Ltd is authorised and regulated by the Financial Conduct Authority. Simple Property Ltd (Firm Reference Number 747022) is an Appointed Representative of Share In Ltd (Firm Reference Number 603332), which is authorised and regulated by the Financial Conduct Authority.

These Conditions are set out in three 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 provided by Simple Property
- Part C contains provisions that are only relevant to P2P loans provided by Focus 2020
- Part D contains provisions that relate to the holding of P2P loans in an ISA

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. **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.
5. **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](#).
6. **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](#).
7. **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 (eg 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.
8. **Capacity of the Investor to accept these Conditions.** The Investor represents and warrants that:
 - 8.1 he/she/it is a living person, and that he/she/it is at least 18 years old,
 - 8.2 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),
 - 8.3 he/she/it has full power and authority to carry out the actions contemplated under the Contract,
 - 8.4 he/she/it will perform his obligations under the Contract exercising all reasonable care and skill, and
 - 8.5 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.
9. **Duration of Contract.** The Contract created when the Investor accepts these Conditions shall terminate automatically (1) when the Investor ceases to be registered on the Simple Crowdfunding Platform as an investor (for any reason) and (2) after 12 months from the last acceptance by the Investor of these Conditions (because successful registration is on an

annual basis). Notwithstanding such termination of Contract, these Conditions shall remain enforceable by the Companies, its advisers and/or a Fundraiser.

- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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:

- 13.1 the Investor and the Fundraiser knew each other in an investment context prior to dealing with each other through the Companies; and
- 13.2 the Companies have consented to such transaction (such consent not to be unreasonably withheld upon receipt of satisfactory evidence pertaining to the matters in 13.1 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.

14. **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.
15. **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.
16. **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.
17. **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.
18. **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.

19. 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 retail client of the relevant Company or Companies for the purposes of the rules of the Financial Conduct Authority. We will also treat Investees 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 Investees 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 Investees 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.

20. Complaints and Compensation.

20.1 In the event that an Investor has a complaint about either Company they should address it in writing to contact@SimpleCrowdfunding.co.uk or by telephone to +44 7943 572453. If your complaint refers to MANGOPAY, we may pass the complaint to MANGOPAY 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.

20.2 In the event of the insolvency of Simple Property, you may be eligible for compensation in respect of any sums it owes you from the Financial Services Compensation Scheme (up to a maximum of £50,000). The Financial Services Compensation Scheme is not available in respect of any business you conduct with Focus 2020.

20.3 Please note that our insolvency should not affect the obligations that MANGOPAY (which is resident in Luxembourg) owes you under its terms and conditions and you should refer to the MANGOPAY terms and conditions in respect of any compensation applicable to its business.

20.4 Further details of the application of the Financial Services Compensation Scheme, including details of eligibility, are available at www.fscs.org.uk.

21. 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 non-exclusive jurisdiction of the English Courts, to which jurisdiction the Parties hereby irrevocably submit.

22. Definitions

Defined term	Meaning
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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 an equity 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, MANGOPAY and third party fees), (iii) all shareholders of the Fundraiser and the said Investors have entered into the New Investment Agreement where it has been stipulated that such a document should apply, (iv) all shareholders of the Fundraiser have passed all necessary resolutions (eg if applicable to adopt the Simple Crowdfunding standard form Articles of Association or an alternative version) and otherwise given all necessary approvals for the issue of shares by the Fundraiser in relation to the maximum investment target, (v) the shares in relation the minimum investment target have been issued by the Fundraiser to the relevant Investors, and (vi) the share certificates in relation to the minimum investment target 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 25 The North Colonnade, London E14 5HS.
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 (eg 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 peer-to-peer loan agreement entered into between an Investor as Investor 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.
New Investment Agreement:	means an agreement for Investors to subscribe for new shares in a Fundraiser, where required pursuant to Condition 23.
Privacy, Cookie and Data Use Policy:	means the privacy, cookie and data use policy of the Companies as set out at www.SimpleCrowdfunding.co.uk (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.

Part B – Provisions that are only relevant to equity investments provided by Simple Property

23. New Investment Agreement.

- 22.1 A Fundraiser can decide as part of its listing to either:
- 22.1.1 have no New Investment Agreement put in place at Completion,
 - 22.1.2 have a New Investment Agreement put in place at Completion, or
 - 22.1.3 leave it open for a majority of the Investors who wish to make an investment in that Fundraiser to stipulate via the Simple Crowdfunding Platform whether a New Investment Agreement must be entered into at Completion.
- 22.2 Where Conditions 22.1.2 or 22.1.3 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 Investment Agreement in advance of Completion. All of the Investors must also then enter into the New Investment Agreement at the time of Completion.
- 22.3 Each Investor will be required to authorise Simple Property to enter into the New Investment Agreement on the Investor's behalf at Completion where Conditions 22.1.2 or 22.1.3 above apply. This New Investment 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 (which are available on the Simple Crowdfunding Platform). Although it is not a legal requirement for an Investment that there be a New Investment Agreement put in place, without one, there is limited formality over the relationship between Investors and the Fundraiser. Where a New Investment Agreement is to be put in place then an additional fee will be payable by the Fundraiser to Simple Property at

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

22.4 The Investor acknowledges that where the New Investment Agreement is to be entered into as part of an Investment by the Investor (and/or others) in a Fundraiser, then:

22.4.1 the Investor shall promptly read the relevant New Investment 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

22.4.2 it is open to the Investor to take separate professional advice (eg 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 Investment Agreement or other documentation.

Please note that a New Investment 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 Investment Agreement (eg 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 Property before this occurs.

22.5 Where a Fundraiser instead stipulates via the Simple Crowdfunding Platform that a New Investment Agreement shall NOT in any circumstances be available for Investors to enter into as part of its proposed investment, then this cannot be overruled by the Investors. However, if a Fundraiser does this then it may adversely affect the ability of that Fundraiser to successfully raise investment.

24. Simple Crowdfunding fees. Simple Property shall charge fees to the Fundraiser that are published on the website from time to time (including listing fees, success fees and administration fees). No fees shall be payable by the Investors other than transaction 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 the Simple Crowdfunding standard form Articles of Association and instead opts for its own version of Articles of Association, then the Fundraiser shall separately and in advance have to pay the fee of the solicitors of Simple Property to review these Articles of Association and provide the summary which will be available to Investors to view.

25. Third party payment providers. Simple Property has partnered with MANGOPAY which acts as an independent and secure payment provider to accept payments from Investees and

Investors. Each Fundraiser opens a merchant account with MANGOPAY and nominates Simple Property to manage this merchant account on behalf of the Fundraiser to receive all investment monies and deduct all fees due to Simple Property from the Fundraiser. MANGOPAY also opens electronic wallets in respect of each Investor, which are used to receive Investor commitments prior to payment to the Fundraiser (less deductions of fees owing by the Fundraiser to Simple Property, MANGOPAY or any other professional fees) and to receive sums due from the Fundraiser to the Investor (such as dividends or refunds). The Investor authorises Simple Property to manage its electronic wallet as described above. Each Investor will be required to enter into terms and conditions directly with MANGOPAY and Simple Property shall not be responsible for the discharge of MANGOPAY's obligations under those terms and conditions, beyond having taken reasonable steps to ascertain that it is appropriately authorised to provide the electronic money services.

Part C – Provisions that are only relevant to P2P loans provided by Focus 2020

26. Borrower Application Review and Pledge Process

- 26.1. 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 electronically 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.
- 26.2. 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.
- 26.3. 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, except for business Investors lending to sole trader borrowers, where the minimum pledge amount is £25,000).
- 26.4. 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.

- 26.5. 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 Focus 2020'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.
- 26.6. 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.
- 26.7. 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.
- 26.8. 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.

27. The Security Trustee

- 27.1. The Security Trustee shall hold security provided by a Borrower on behalf of all Investors lending to the Borrower through the Simple Crowdfunding Platform.
- 27.2. 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.
- 27.3. You authorise Focus 2020 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.
- 27.4. 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.
- 27.5. If we receive notification of a Default or Event of Default (as defined in any Loan Agreement) we shall promptly notify you.
- 27.6. 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.
- 27.7. 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.

- 27.8. The Security Trustee may act in relation to the Loan Agreement through its personnel and agents.
- 27.9. 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.
- 27.10. The functions in this Condition 27.10 may be discharged by Focus 2020 or the Security Trustee. The functions will generally be discharged by Focus 2020, 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 28 (Living Will). Focus 2020 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.

28. Living Will

- 28.1. In the event that Focus 2020 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.
- 28.2. All rights (including rights to fees and rights to enforce loan agreements) and obligations pertaining to Focus 2020 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.

29. Loan Drawdown

- 29.1. When requested by us, you must transfer your pledged amount to the account described in Condition 30, where it will be held until required for drawdown by the Borrower.
- 29.2. Once the Loan Agreement and Security Documents are executed and received by Focus 2020 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.
- 29.3. As part of the on-boarding process, you will be given details of how to transfer funds into our client account where money is held on your behalf. 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.

30. Your money

- 30.1. If you are accepted as an Investor, we will send you details of the bank account into which your pledges should be paid. We may hold your money (including pledges and amounts due to you received from the Borrower) in one of two ways, as described below.
- 30.2. You will not receive interest on any sums that we hold or arrange to be held for you pending investment.

Client Money

- 30.3. We may hold money for you in our own client bank account. Where we do so, the money will be segregated from our own money and will be held in accordance with the FCA's client money rules.

E-money

- 30.4. Alternatively, we may require you to open an account with a third party e-money issuer. The issuer will provide you with their terms and conditions and open an account in your name. We shall be provided with a mandate over that account and will be able to instruct the e-money issuer to make payments into loans or back to your nominated bank account in accordance with the instructions we receive from you.
- 30.5. You will not be able to instruct the e-money issuer to make payments from your e-money account if the sums in the e-money account have been pledged to a loan or if they relate to sums you owe us.

31. Investor Fees

- 31.1. 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.
- 31.2. 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.

32. Interest Rates

- 32.1. Interest rates are fixed at the outset and remain for the term of the loan.
- 32.2. 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.
- 32.3. 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.

33. Interest and Capital Repayment Process

- 33.1. We will receive interest and capital payments along with any applicable fees from each Borrower into an account referred to in Condition 30 and pay the interest and capital to you. The repayment schedule is set out in the Loan Agreement.

- 33.2. Repayment of your pledge amount and interest payable in that month will be credited to your account with us upon receipt from the Borrower.
- 33.3. 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.
- 33.4. Funds accumulated in your account with us will be remitted to your nominated UK bank account or wallet upon receiving your instructions. We will notify you if you have a balance outstanding of more than £5,000 over a 6-month period.
- 33.5. All repayments in respect of interest will be made on a gross basis i.e. without the deduction of income tax.

34. Missed Repayments and Loans in Default

- 34.1. 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.
- 34.2. 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.
- 34.3. 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.
- 34.4. If the Borrower falls two or more months in arrears then the loan will be in default and we can instruct a debt collection agent to collect the whole loan amount.

35. Security and Recovery of Debts

- 35.1. If the debt collection agency has failed to collect the loan outstanding, Focus 2020 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.
- 35.2. 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.
- 35.3. You acknowledge that there is a risk of losing amounts loaned, and subsequent interest, if a Borrower fails to keep up repayments.
- 35.4. 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.

36. Ending Your Participation

- 36.1. If you no longer wish to be an Investor, and you have no loans currently outstanding, then you inform us and we will archive your details.
- 36.2. 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.
- 36.3. 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

Part D – Provisions that relate to the holding of P2P loans in an ISA by Focus 2020

This Part D contains the terms and conditions that will apply, together with the ISA application and Parts A and C, if you have chosen to hold some or all of your peer-to-peer loans in an ISA. Focus 2020 has been approved by HMRC to act as an ISA manager in respect of the Innovative Finance component of an ISA. We will manage your ISA in accordance with the applicable rules.

We may delegate any of our responsibilities under these ISA terms to another appropriately authorised person that we determine is competent to discharge them. We may disclose to that person necessary information about you and your ISA.

37. Paying into your ISA

- 37.1. If you subscribe to an ISA you may not subscribe to another Innovative Finance ISA in the same UK tax year with another provider.
- 37.2. You are responsible for ensuring that you are eligible to subscribe for an ISA, and how much you can subscribe in any particular UK tax year. Please ensure that you do not exceed your maximum allowance in any relevant tax year. If you do, we will have to hold some of your investment outside of an ISA wrapper.
- 37.3. The minimum investment and account balance for your ISA is set out in Part C. Your ISA may comprise a combination of either (a) and (b) below or (b) only:
 - (a) an initial subscription of such amount as does not exceed the maximum allowance in the relevant tax year;
 - (b) the transfer of all or part of your existing ISA(s) from another ISA manager(s) in cash.
- 37.4. Because the rules on taxation can change, we cannot guarantee that the UK tax treatment of your ISA will continue during the lifetime of your investment. If you are uncertain about this or any aspect of how an investment may relate to your tax position, please seek professional advice.
- 37.5. You can make a lump sum and/or, monthly payments to your ISA through your online account.
- 37.6. All applications to the ISA are accepted on a rolling basis, which means that if you wish to subscribe in subsequent tax years you may not have to re-apply for a new ISA using your online account. This is an optional arrangement and you are under no obligation to make further investments with us. Provided you make a subscription to your account each consecutive tax year and the basis on which you pay your adviser remains the same, you may not need to complete a new application as your original application may remain valid.
- 37.7. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities to you is competent to carry out those functions and responsibilities.

38. Uninvested Cash

- 38.1. Your ISA must be fully invested into qualifying peer-to-peer loans at all times. Cash may only be held temporarily for the purpose of purchasing those qualifying investments. The investments will be and must remain in your beneficial ownership and may only be used as security for a loan in limited circumstances that must be agreed with us in accordance with the ISA Regulations.
- 38.2. Where cash is held in your ISA, no interest will be paid on this money. There is no requirement for you to inform HMRC of the interest received or tax charge made on any cash held in your ISA.
- 38.3. We will notify you if your account or investments in it cease to be eligible to be held in an ISA for any reason.
- 38.4. All uninvested cash shall be treated by us as 'client money' under the FCA rules. We shall not use e-money accounts in respect of your ISA money.

39. Fees

Our fees will be taken directly from your ISA and will not be taken from any other account we hold for you. Fees relating to your ISA are displayed on the Simple Crowdfunding platform.

40. Withdrawals from your ISA

- 40.1. You may withdraw cash from your ISA (in which case it will lose its ISA status, unless Condition 40.5 applies) by making a request via your Online Account.
- 40.2. You may also be able to sell your P2P Loans for cash pursuant to the Lender Terms and Conditions and withdraw that cash from your ISA (in which case it will lose its ISA status, unless Condition 40.5 applies).
- 40.3. We will pay any cash sums (subject to the deduction of fees, if any) out of your ISA account to you within such reasonable time as you stipulate, provided that the withdrawal process may take up to 30 days from the later of the date you sell your rights under the relevant peer-to-peer loan and the date you notify us of the withdrawal request. If you stipulate a period of less than 30 days, we will try, but cannot guarantee that we will be able to accommodate your request.
- 40.4. You may request for your peer-to-peer loans and cash to be held by us outside the ISA wrapper at any time, but you can only transfer cash, rather than peer-to-peer loans, to another financial services provider.
- 40.5. The ISA is a "flexible ISA", which means you may, in the same tax year, replace, in whole or part, cash (but not peer-to-peer loans) you have withdrawn from the ISA pursuant to Condition 40.1 or 40.2, without the replacement counting towards your annual subscription limit.

41. Transfers In

- 41.1. We will accept the transfer of all or part of your existing ISA from another ISA manager in cash.
- 41.2. Transfers in will only be accepted from an account in your name where you have applied to transfer through your online account. You are responsible for ensuring that the value of your

current ISA stated in the transfer authority form is correct as at the time that you complete it.

- 41.3. The transfer process will begin on the date on the transfer authority form or the date you stipulate for us to begin the transfer process, whichever is later. We will then send your request for the transfer of money in your existing ISA to your existing ISA provider together with confirmation that we will accept the ISA transfer, within 30 days of receiving your transfer authority form. We will not be responsible for any loss or delay caused in the transfer or payment of proceeds to us where this is due to something we cannot reasonably control.

42. Transfers Out

- 42.1. You may transfer cash, but not your rights under peer-to-peer loans, from your online account. We will transfer the cash sum (subject to deduction of fees, if any) to another ISA manager that accepts the transfer within such reasonable time as you stipulate, provided that the transfer process may take up to 30 days from the later of the date you sell your rights under the relevant peer-to-peer loans and the date you notify us of the transfer request. If you stipulate a period of less than 30 days, we will try, but cannot guarantee that we will be able to accommodate your request. You may be liable to pay the fees and charges of third party administrators and/or custodians arising from any transfer.
- 42.2. When we transfer the cash realised from liquidating your ISA to another ISA manager, all rights and obligations of the parties to the ISA are transferred with it to the new manager. Your new ISA manager may require you to complete a transfer application form.
- 42.3. We may use a third party ISA transfer specialist to process a request from you to transfer your ISA to another ISA manager. You consent to us sharing your details with the ISA transfer specialist for the purpose of effecting the transfer of your ISA.

43. Death or bankruptcy

- 43.1. In the event of your death, ISA tax exemptions will no longer apply. Any interest or gains in respect of investments that arise after the date of death to the date of closure will not be exempt from tax.
- 43.2. When we receive notification of your death we will close your Innovative Finance ISA account and we will transfer any P2P loans and cash to your executors or on their instructions. We will hold such assets outside of your ISA account pursuant to the Investment Terms and Conditions.
- 43.3. We may require a grant of probate or letters of administration before releasing any monies in your account to your executors.
- 43.4. Your Innovative Finance ISA account will be valued for probate as at the death and dealt with as instructed by your executors.
- 43.5. We may support the setting up of an Innovative Finance ISA based on additional permitted subscriptions (within the meaning of the ISA Regulations) for your spouse.
- 43.6. In the event of your bankruptcy, ISA tax exemptions will no longer apply from the date on which a trustee is appointed to manage your estate.
- 43.7. When we receive notification of your bankruptcy we will close your Innovative Finance ISA account and transfer any loans or cash into a non-ISA account in the name of the trustee.

43.8. Whilst you are bankrupt, your trustee will have the authority to request that we sell your loans and/or send monies in your account to them.