

PEER FUNDING LIMITED - MASTER TERMS AND CONDITIONS

1 INTRODUCTION - WHAT IS PEER FUNDING?

- 1.1 These master terms and conditions (**Terms and Conditions**) explain and govern:
 - 1.1.1 What is Peer Funding (as defined below) and how Peer Funding matches Investors (as such term is defined below) with businesses looking for finance;
 - 1.1.2 how to become an Investor or how a business looking for finance (**each a Customer**) can participate in:
 - 1.1.2.1 a Property Loan Transaction (as defined below);
 - 1.1.2.2 a General Secured Loan Transaction (as defined below);
 - 1.1.2.3 a Secured Invoice Loan Transaction (as defined below); and/or
 - 1.1.2.4 an Unsecured Loan Transaction (as defined below),by using the Peer Funding Platform (as defined below).
 - 1.1.3 how to use the website www.peerfunding.co.uk (**Website**) provided and administered by Peer Funding in order to participate in Loan Transactions (as defined below).
- 1.2 Peer Funding Limited (company registration number 8773883) whose registered office is located at 2 Plantation Way, Worthing, BN13 2AF (**Peer Funding**) is authorised and regulated by the Financial Conduct Authority under reference number 668078 and is registered with the Information Commissioner's Office under registration number ZA105439.
- 1.3 Peer Funding operates and administers an online lending platform (**Peer Funding Platform**) which is accessed via the Website. The Peer Funding Platform allows Customers to enter into Loan Transactions with each other. It is important to note that Peer Funding does not enter into Loan Transactions or provide loans or invoices itself. When Customers use the Peer Funding Platform, they will be liable to pay fees (as set out in clause 16 of these Terms and Conditions) to Peer Funding.
- 1.4 These Terms and Conditions are to be read in conjunction with our privacy policy (accessible online at www.peerfunding.co.uk/privacy-policy) (**Privacy Policy**).
- 1.5 These Terms & Conditions are entered into between Peer Funding, the Trustee (as such term is defined below) and you.
- 1.6 By agreeing to these Terms and Conditions, you agree and accept that these Terms and Conditions and any other document that is incorporated by reference into them, including the Privacy Policy (each as amended by us from time to time) are irrevocably binding upon you. It is therefore important that you should **only** become a Customer and a user of the Peer Funding Platform **PROVIDED THAT**:
 - 1.6.1 you have read these Terms and Conditions,
 - 1.6.2 you fully understand these Terms and Conditions;
 - 1.6.3 you fully understand the risks involved in entering into Loan Transactions; and
 - 1.6.4 you agree to be irrevocably bound by these Terms and Conditions.
- 1.7 There may be changes or amendments made to these Terms & Conditions, the Privacy Policy or other documentation from time to time. We will take reasonable steps to bring any such changes to your attention via the Website. However, it is your responsibility from time to time to check and monitor the Website in order to check these Terms & Conditions and the Privacy Policy in order to ensure that you agree with them. After the making of any such change or amendment, we will rely on the fact that you continue to hold a Peer Funding User

Number and/or your continued use of the Peer Funding Platform as your acceptance of the change(s) and/or amendments.

- 1.8 If, at any time, you do not agree to these Terms and Conditions in their entirety you should immediately stop using the Website and the Peer Funding Platform and notify us of your decision by telephone and by email using the contact details set out in these Terms and Conditions.

2 DEFINITIONS AND INTERPRETATION

- 2.1 In these Terms and Conditions words which we have given a particular meaning begin with a capital letter and these words and meanings are set out below or within the main body of these Terms and Conditions:

Agreement means an agreement for the sale of goods or the supply of services entered into by a Borrower and a Debtor in respect of which the Borrower has issued an Invoice;

AutoBid means an online tool which allows Investors to enter into a number of Loan Transactions automatically by reference to pre-agreed criteria (further details of which can be found in these Terms and Conditions and on the Website);

Borrower means a person acting as a borrower under a Loan Contract;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

Collector means any collections agency as may be appointed by the Trustee and/or Peer Funding from time to time;

Dashboard means the part of the Website provided to each Customer and which can be accessed by that Customer using their Peer Funding User Number and their chosen password;

Debt means the right to receive the payment from a Debtor under an Agreement;

Debtor means the person who owes a Borrower money under the relevant Agreement;

Deed of Priority means a deed of priority to be entered into between, amongst others, the Trustee, a Customer and a third party secured creditor of that Customer

Default has the meaning given in clause 14.2.5;

Designated Bank Account means the UK bank account that you use to pay money to, and receive money from, Peer Funding and/or the Trust Account;

Expiry Date means the date specified as the "Expiry Date" in the relevant Secured Invoice Loan Important Terms Schedule;

Finance Documents means these Terms and Conditions, any Loan Contract, any Security Document, any Guarantee, any Deed of Priority and any other document entered into by Customers in respect of a Loan Transaction;

Finance Party means an Investor, Peer Funding, a Collector or the Trustee;

Fees has the meaning given in clause 16.1;

General Secured Loan Contract means an agreement setting out the terms of a General Secured Loan Transaction, in each case made up of the Loan Terms and the General Secured Loan Important Terms Schedule applicable to that General Secured Loan Transaction;

General Secured Loan Important Terms Schedule means a schedule setting out the important terms applicable to a particular General Secured Loan Transaction including, amongst other matters, the dates and amounts of repayments to be made thereunder;

General Secured Loan Offer means a loan offer made via your Dashboard in relation to a General Secured Loan Request;

General Secured Loan Period means the period of time an Investor lends a loan for pursuant to a General Secured Loan Transaction and when the General Secured Loan Transaction is entered into is stated on the Investor's Dashboard;

General Secured Loan Request means a loan request submitted in relation to a General Secured Loan Transaction via the Website;

General Secured Loan Transaction means a loan transaction entered into by a Borrower and Investor(s) through the Peer Funding Platform, the terms of which are set out in a General Secured Loan Contract;

Guarantee means any guarantee and/or indemnity given by a Guarantor for the liabilities of a Borrower under or in connection with a Loan Transaction;

Guarantor means any person who grants a Guarantee;

Investor means a person who lends money to a Borrower through the Peer Funding Platform pursuant a Loan Transaction;

Investor Marketplace means the part of the Website listing and detailing, amongst other matters, active Loan Transactions;

Invoice means an invoice issued by a Borrower to a Debtor in respect of an Agreement;

Liabilities means all present and future liabilities and obligations at any time of any Borrower to any Finance Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by any Borrower of a payment, prepayment, repayment, redemption, defeasance or discharge of any Liabilities on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings;

Living Will means a third party back-up servicer agreement in respect of administering the lending book should Peer Funding be unable to continue to operate and/or conduct its business;

Loan means a loan advanced by a Investor to a Borrower through the Peer Funding Platform, the terms of which are set out in a Loan Contract;

Loan Contract means:

- (a) a General Secured Loan Contract;
- (b) a Secured Invoice Loan Contract;
- (c) a Property Loan Contract; and/or
- (d) an Unsecured Loan Contract;

Loan Contracts Schedule means a schedule summarising each Loan Contract made between a Borrower and Investors acting as lenders in relation to a single Loan Request;

Loan Important Terms Schedule means:

- (a) a General Secured Loan Important Terms Schedule;
- (b) a Secured Invoice Loan Important Terms Schedule;
- (c) a Property Loan Important Terms Schedule; and/or
- (d) an Unsecured Loan Important Terms Schedule;

Loan Offer means

- (a) a General Secured Loan Offer;
- (b) a Secured Invoice Loan Offer;
- (c) a Property Loan Offer; and/or
- (d) an Unsecured Loan Offer;

Loan Period means:

- (a) a General Secured Loan Period;
- (b) a Secured Invoice Loan period;
- (c) a Property Loan Period; and/or
- (d) an Unsecured Loan Period;

Loan Request means:

- (a) a General Secured Loan Request;
- (b) a Property Loan Request;
- (c) an Unsecured Loan Request; and/or
- (d) a Secured Invoice Loan Request;

Loan Request Period means the period to be determined on a "Transaction by Transaction basis" by Peer Funding Limited during which Investors are able to make Loan Offers in relation to Loan Requests and which will be stated on the Investor Marketplace;

Loan Terms means the loan terms and conditions available via the Website and which form part of a Loan Contract;

Loan Transaction means:

- (a) a General Secured Loan Transaction;
- (b) a Property Loan Transaction;
- (c) a Secured Invoice Loan Transaction; and/or
- (d) an Unsecured Loan Transaction;

Loan Transaction Part means part of a Loan Transaction which can be purchased and sold via the Website and includes, for the avoidance of doubt, a micro-loan (as such term is used and described on the Website);

Peer Funding Account means the virtual account shown on an Investor's Dashboard showing, amongst other things, the balance of funds that an Investor has available to invest in Loan Transactions;

Peer Funding User Number means the personal identifying user number issued to a person upon successfully registering for a Peer Funding Account;

Professional Adviser means a professional adviser (whose identity has been previously approved by Peer Funding) acting as a duly authorised agent for a Borrower who is seeking to enter into Loan Transactions through the Peer Funding Platform;

Property Loan Contract means an agreement setting out the terms of a Property Loan Transaction, in each case made up of the Loan Terms and the Property Loan Important Terms Schedule applicable to that Property Loan Transaction;

Property Loan Important Terms Schedule means a schedule setting out the important terms applicable to a particular Property Loan Transaction including, amongst other matters, the dates and amounts of repayments to be made thereunder;

Property Loan Offer means a loan offer made via your Dashboard in relation to a Property Loan Transaction;

Property Loan Period the period of time an Investor or Investors lends a loan for pursuant to a Property Loan Transaction and, when such Loan Transaction is entered into, is specified on an Investor's Dashboard;

Property Loan Request means a loan request in relation to a Property Loan Transaction submitted via the Website;

Property Loan Transaction means a loan transaction entered into by a Borrower and Investor(s) through the Peer Funding Platform, the terms of which are set out in a Property Loan Contract;

Secured Invoice Loan Contract means an agreement setting out the terms of a Secured Invoice Loan Transaction, in each case made up of the Loan Terms and the Secured Invoice Loan Important Terms Schedule applicable to that Secured Invoice Loan Transaction;

Secured Invoice Loan Important Terms Schedule means a schedule setting out the important terms applicable to a particular Secured Invoice Loan Transaction including, amongst other matters, the dates and amounts of repayments to be made thereunder;

Secured Invoice Loan Offer means a loan offer made via your Dashboard in relation to a Secured Invoice Loan Request;

Secured Invoice Loan Period means the period of time an Investor lends a loan for pursuant to a Secured Invoice Loan Transaction and which will be either 30, 60, 90 or 120 days and when the Secured Invoice Loan Transaction is entered into is stated on the Investor's Dashboard;

Secured Invoice Loan Request means a loan request submitted in relation to a Secured Invoice Loan Transaction via the Website;

Secured Invoice Loan Transaction means a secured invoice loan transaction entered into by a Borrower and Investor(s) through the Peer Funding Platform, the terms of which are set out in a Secured Invoice Loan Contract;

Security means a mortgage, charge, pledge, assignment, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Security Property means:

- (a) the Security expressed to be granted in favour of the Trustee as trustee for the Finance Parties and all proceeds of that Security;
- (b) all obligations expressed to be undertaken by a Borrower to pay amounts in respect of the Liabilities to the Trustee as trustee for the Finance Parties and secured by the Security Documents together with all representations and warranties expressed to be given by the Borrower in favour of the Trustee as trustee for the Finance Parties; and

(c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Trustee is required by the terms of the Finance Documents to hold as trustee on trust for the Finance Parties.

Security Documents means any document entered into by a Borrower creating or expressed to create any Security over all or any part of its assets in respect of its obligations under any Loan Transaction;

Service Fee has the meaning given to such term in clause 16.2.1.2;

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

Trustee means Peer Funding Trustee Limited, a company incorporated and registered in England with company registration number 09516902;

Trust Account means the segregated bank account that Peer Funding maintains and in which it will hold funds transferred into it on trust for the relevant Customer until a Loan Transaction is created and the funds paid to the relevant Customer in relation to that particular Loan Transaction;

Unsecured Loan Contract means an agreement setting out the terms of an Unsecured Loan Transaction, in each case made up of the Loan Terms and the Unsecured Loan Important Terms Schedule applicable to that Unsecured Loan Transaction;

Unsecured Loan Important Terms Schedule means a schedule setting out the important terms applicable to a particular Unsecured Loan Transaction including, amongst other matters, the dates and amounts of repayments to be made thereunder;

Unsecured Loan Offer means a loan offer made via your Dashboard in relation to an Unsecured Loan Request;

Unsecured Loan Period the period of time an Investor lends a loan for pursuant to an Unsecured Loan Transaction and, when the Loan Transaction is entered into, is specified on the Investor's Dashboard;

Unsecured Loan Request means a loan request submitted in relation to an Unsecured Loan Transaction via the Website;

Unsecured Loan Transaction means a loan transaction entered into by a Borrower and Investor(s) through the Peer Funding Platform, the terms of which are set out in an Unsecured Loan Contract;

URL has the meaning given in clause 19.2;

2.2 In these Terms and Conditions references to **we**, **us** and **our** means Peer Funding. References to **you** and **your** means a Customer of Peer Funding, whether as an Investor or as a Borrower in relation to a Loan Transaction or as a Professional Adviser acting on behalf of a Borrower as the context requires.

2.3 Unless the context otherwise requires:

2.3.1 words denoting the singular shall include the plural and vice versa;

2.3.2 words denoting any gender shall include all genders; and

2.3.3 words denoting persons shall include any individual person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or any other entity or body of any description.

2.4 These Terms and Conditions or any other agreement or instrument is a reference to that document or other agreement or instrument as amended, novated, supplemented or restated (however fundamentally).

2.5 Clause and schedule headings are for ease of reference only.

2.6 £ and sterling denote the lawful currency of the United Kingdom.

3 **ARE YOU ELIGIBLE TO BECOME A CUSTOMER OF PEER FUNDING?**

3.1 To become a Customer of Peer Funding, you must be able to make each and all of the representations, warranties and undertakings set out in clause 3.2 when:

3.1.1 you register as a Customer; and

3.1.2 for the entire time that you are a Customer and are participating in and/or seeking to participate in Loan Transactions.

3.2 By agreeing to become a Customer, you represent, warrant and undertake the following to us and each other Customer that you enter into Loan Transactions with:

3.2.1 If you are acting as Investor in your capacity as an individual you must be 18 years of age or over and that you are responsible for your own actions and decisions;

3.2.2 If you wish to become a Borrower, you must be a limited company incorporated in England and Wales or a LLP registered in England and Wales, registered with Companies House and actively trading for the purpose of generating profits;

3.2.3 If you are an LLP, you must have a permanent place of business in England and Wales;

3.2.4 You hold a bank account in your own name with a UK bank;

3.2.5 You have the legal power and capacity to enter into a legally binding agreements with us and other Customers;

3.2.6 You are the person whose details you have provided in connection with your Peer Funding Account;

3.2.7 You will not allow any other person to use your Peer Funding Account;

3.2.8 You understand that by entering into Loan Transactions via the Peer Funding Platform you may lose money and suffer loss. You accept that you are fully and solely responsible for any such loss and that Peer Funding and/or the Trustee have no liability whatsoever to you for any such loss;

3.2.9 By paying money into the Trust Account you represent and warrant that you are authorised to do so;

3.2.10 All payments made into the Trust Account are made by you in good faith and you will not try to re-claim a payment made into the Trust Account or take any action which will cause such a payment to be reclaimed by a third party, other than in accordance with these Terms and Conditions;

3.2.11 You will only use the Peer Funding Platform for the purposes of entering into Loan Transactions and you will not access or use the Website or Peer Funding Platform except for this intended purpose.

3.2.12 You will not:

3.2.12.1 collect contact information, email addresses or other personal or financial information of any Customer or other users from the Website by any means;

- 3.2.12.2 attempt to make contact with any Customer for the purposes of offering to lend or borrow or enter into Loan Transactions outside the Peer Funding Platform;
 - 3.2.12.3 use the Website or the Peer Funding Platform in any unlawful manner, endanger, damage or disturb the functioning of the Website or the Peer Funding Platform, or the servers where it is hosted, or attempt to access data which you are not allowed to access;
 - 3.2.12.4 transfer, introduce or enter data that may contain software viruses or worms or any other code, files or programs designed to interfere with, limit or damage the Website or the Peer Funding Platform or the function of its hardware, software or communications equipment;
 - 3.2.12.5 "reverse engineer" or convert (whether in whole or part) any software made available through the Website or which is used to operate the Website;
 - 3.2.12.6 other than in respect of information which you have uploaded to the Website, you will not make copies, modify, reproduce, transmit, alter or distribute all or any part of the Website or any material or information contained on it;
 - 3.2.12.7 prevent us from correctly identifying the actual IP address of the computer you are using whilst accessing the Website;
- 3.2.13 You agree it is your responsibility alone to account for any Tax imposed on you as a result of entering into Loan Transactions through the Website, including on any interest you earn;
- 3.2.14 You agree to indemnify and hold each other Customer, us, the Trustee, our subsidiaries and affiliates, any Collector and each of Peer Funding's and the Trustee's directors, officers, agents, contractors, professional advisers, partners and employees, harmless from and against any loss, liability, claim, demand, damages, costs and expenses, including reasonable legal fees, arising out of or in connection with any information which you or your Professional Adviser upload to the Website or the Peer Funding Platform, your or your Professional Adviser s use of the Website or the Peer Funding Platform, your or your Professional Adviser s conduct in connection with the Peer Funding Platform or the Website or with other users of the Peer Funding Platform or the Website, or any violation of these Terms and Conditions or of any law or the rights of any third party by you or your Professional Adviser.
- 3.2.15 You agree that it is your responsibility alone if any of the information is uploaded to the Website by your Professional Adviser is incorrect or misleading in any respect.
- 3.3 The representations, warranties and undertakings set out in clause 3.2 are deemed to be repeated on each day that you are a Customer and/or a user of the Peer Funding Platform, by reference to the facts then existing.
- 3.4 You undertake to us and each other Customer not to take or allow any action to be taken that may cause such representations and warranties to be untrue or inaccurate in any respect.
- 3.5 If at any time any of the above representations and warranties are no longer true or accurate by reference to the facts then existing, you must immediately contact Peer Funding by email and by telephone.

4 HOW TO REGISTER AS A CUSTOMER

- 4.1 Before you are able to start entering into Loan Transactions on the Peer Funding Platform, you must create your Peer Funding Account with us. You create your Peer Funding Account by registering with us.

- 4.2 By registering with us you agree to:
- 4.2.1 provide accurate and complete registration information, including your correct name, date of birth, a valid e-mail address, current home address and registered address;
 - 4.2.2 provide us with the name, address, sort code and account number of your Designated Bank Account,
and if any of this information changes, you agree to inform us promptly of any such changes;
 - 4.2.3 us, at any time, using any means necessary or desirable to verify your identity with any third party providers of information (please see clause 18 for how we may do this); and
 - 4.2.4 provide such further information that we require in order to complete the registration process and conduct our "know your customer" or similar identification procedures.
- 4.3 In order to complete the registration process, you will be required to choose a username and a password. Passwords are case sensitive and you should be made up of a combination of letters and numbers in different cases. We strongly recommend that all passwords are changed on a regular basis in order to minimise the chances of any unauthorised use of your Peer Funding Account.
- 4.4 When you successfully complete our registration process, we will email you a verification email for you to click on to complete the registration process. As part of this verification procedure, you will be asked to confirm that you have read and that you agree to be bound by these Master Terms and Conditions. You will then be given your Peer Funding User Number.
- 4.5 Your username, password and Peer Funding User Number are unique to you and must be kept strictly confidential. You must only provide them to us and only when requested by us. You are solely responsible for any misuse of them.
- 4.6 We will assume that all correspondence, orders, transfers and instructions made by reference to your username, password or Peer Funding User Number are made by you. You must tell us at once by e-mail and with a follow up a telephone call if you believe that any of your information is being misused by any person. This will then enable us to suspend your Peer Funding Account.
- 4.7 If we believe that your Peer Funding Account is being misused we may suspend your Peer Funding Account. If this happens we will contact you as soon as possible in order to discuss our concerns with you. We shall not be responsible for any loss suffered by you whilst your account is suspended.
- 4.8 When you login to your Peer Funding Account, you will be shown your Dashboard. This is a page which summarises, amongst other things, certain personal information, the amount credited to your Peer Funding Account, the amount you have invested (if any), and the amount you have received (if any) pursuant to Loan Transactions. It is your responsibility to check that these details are correct. If you believe that any of these details are incorrect, you must notify us immediately.
- 4.9 Professional Advisers are able to submit Loan Requests on behalf of Customers. However, before they are able to do this on the Peer Funding Platform, they must have registered with us and been given their own Peer Funding User Number.
- 5 HOW DOES A CUSTOMER BECOME AN INVESTOR?**
- 5.1 In order to enter into a Loan Transaction as an Investor, your Peer Funding Account must contain enough credit to allow you to invest the amount which you wish to invest.
- 5.2 In order to create credit in your Peer Funding Account, you must have transferred cleared funds into the Trust Account, the receipt of which must be verified by Peer Funding. In order to increase the credit showing in your Peer Funding Account, you must have placed additional

cleared funds into the Trust Account (the receipt of which must again be verified by Peer Funding).

- 5.3 Funds transferred to the Trust Account will be held and administered on trust by Peer Funding on your behalf.
- 5.4 The Trust Account is a separate and segregated "client" account held by one of the major UK high street banks. Your money may be held with other Customers money in a pooled account and you consent to such pooling. The Trust Account is currently held by Peer Funding Limited with Lloyds Bank PLC. Accordingly, should Peer Funding become insolvent or cease to trade, the funds held in the Trust Account should not be deemed to be part of Peer Funding's assets.
- 5.5 Funds are transferred into the Trust Account by way of bank transfer from your Designated Bank Account. You must include your Peer Funding User Number in the reference field when making a bank transfer in order that we can update your Peer Funding Account.
- 5.6 The funds available for you to invest will be represented by the balance shown in your Peer Funding Account on your Dashboard. Again, if at any time you think that this balance is incorrect you must contact us immediately.
- 5.7 Once you have decided that you wish to invest, there are a number of ways to invest money pursuant to a Loan Transaction and which are accessed via the Website:
 - 5.7.1 by going to the Investor Marketplace and reviewing details of Loan Requests that have not been closed and then making Loan Offers in respect of those Loan Requests;
 - 5.7.2 by entering the secondary market in order to purchase Loan Transaction Parts from other Investors;
 - 5.7.3 by using AutoBid (further details of which are set out in these Terms and Conditions and on the Website),or by using a combination of the above.
- 5.8 Once you have decided which businesses you want to invest in you then need to decide:
 - 5.8.1 how much you want to invest;
 - 5.8.2 what rate of return you wish to receive for your investment pursuant to a Loan Transaction; and
 - 5.8.3 the Loan Period you wish to invest for,this then is either a Loan Offer or an Invoice Offer and is entered into the online auction for a Borrower to decide whether they wish to accept. The minimum offer per Loan Transaction is £25.00 and this can be increased by increments of £25.00.
- 5.9 If two identical Loan Offers are made, the Loan Offer which is made first in time will be ranked ahead of the Loan Offer which is made second in time.
- 5.10 If an Investor wishes to use AutoBid, an Investor can use this function to set certain fixed criteria pursuant to which their funds will be invested. By using AutoBid, Investors will be able to:
 - 5.10.1 select the risk band (please see below for details of how risk bands are allocated to Loan Transactions and for the reliance which should be placed on each risk band); and
 - 5.10.2 select the maximum bid per Loan Transaction,and then under each setting the Peer Funding Platform will automatically bid on all Loan Requests that match these criteria. AutoBid can be turned off at any time by an Investor and

by using this function an Investor is not prohibited from making manual bids if he/she so wishes.

- 5.11 All Loan Offers are final and cannot be withdrawn unless:
- 5.11.1 there are sufficient Loan Offers from other Investors at lower interest rates/fees rates to fully fund the Loan Request;
 - 5.11.2 the Loan Request Period expires and the Loan Transaction is not fully funded;
 - 5.11.3 the Borrower declines an aggregated Loan Offer from you and other Investors on the Peer Funding Platform; or
 - 5.11.4 Peer Funding withdraws an auction in relation to a Loan Request or AutoBid.
- 5.12 A Loan Transaction can only be completed and closed once it is fully funded. A completed Loan Transaction will comprise of the Loan Offers which have the lowest annual interest rate/fees rate (other than a fixed rate loan pursuant to which Peer Funding Limited will set the interest rate) which are sufficient to fully fund the Loan Request at the time the Borrower accepts the Loan Offers or the Loan Request Period expires. A Borrower is always able to decline a Loan Offer and a Loan Offer will be declined automatically within a Loan Transaction specific time frame (which will be clearly stated on Website in respect of each Loan Transaction) after a Loan Request Period expires if it has not been accepted by a Borrower.
- 5.13 Once a Loan Request is fully funded and the Borrower accepts the Loan Offers in respect of that Loan Request, a Loan Contract is then automatically entered into by the Customers in respect of that Loan Transaction.
- 5.14 If you purchase a Loan Transaction Part from another Investor, you will automatically become a party to the relevant Loan Contract (please see clause 6 for further details as to how this occurs). Your money will then be transferred from the Trust Account to the selling Investor's Designated Bank Account. Peer Funding will provide you with an email which confirms the terms of the sale and purchase of the Loan Transaction Part.
- 5.15 In order to make a Loan Offer, you must use the Investor Marketplace. Loan Offers are initiated by you by entering the amount you wish to advance for any of the Loan Periods as set out on the Website.
- 5.16 When a Loan Offer is made by you, the funds making up the Loan Offer will have the status "Awaiting Investment" and will be deducted from the balance of funds shown in your Dashboard. When your Loan Offer is accepted and a Loan Transaction is completed, the funds are deducted from your Peer Funding Account and are then added to your investment balance sheet as set out in your Dashboard.
- 5.17 Peer Funding will then, on your behalf, transfer the funds represented by your Loan Offer from the Trust Account to the relevant Customer's Designated Bank Account.
- 5.18 Peer Funding is able to withdraw auctions in respect of Loan Requests or the availability of AutoBid for any reason and without notice.
- 5.19 Other than in respect of a fixed rate loan, any Loan Offer you make will be at an interest rate/fees rate selected by you.
- 5.20 Peer Funding has no role in any Loan Offer made by you.
- 6 SELLING A LOAN TRANSACTION PART OR A MIRCO-LOAN**
- 6.1 You can sell your investment in a Loan Transaction to other Customers on the Peer Funding Platform. This includes Loan Transactions which are in arrears, but if a Loan Transaction is in arrears, this will be clearly stated on the Peer Funding Platform.
- 6.2 The sale price for a Loan Transaction Part will be the aggregate of:

- 6.2.1 the outstanding principal amount remaining in respect of that Loan Transaction Part; and
 - 6.2.2 any mark up or mark down applied to the Loan Transaction Part which will be calculated by reference to the outstanding principal amount remaining in respect of that Loan Transaction Part.
- 6.3 You can decide which Loan Transaction Parts you wish to sell in your Dashboard and these Loan Transaction Parts will then be listed in the Investor Marketplace. If a Loan Transaction Part has not been sold, you will continue to be the owner of that Loan Transaction Part.
- 6.4 If you are successful in selling a Loan Transaction Part, the sale proceeds will be transferred to your Nominated Account after the deduction of a fee (payable to Peer Funding) of 0.50% of the sale proceeds obtained in respect of that Loan Transaction Part.

7 INTEREST UNDER LOAN CONTRACTS

- 7.1 A Loan Contract will detail and govern the interest due to an Investor in respect of a Loan Transaction (which will also be set out in Website). All payments of interest and principal will be paid to your Designated Bank Account and will be made without the deduction of income tax (unless required by applicable law). If a tax deduction is required by law to be made by a Borrower, the amount of the payment due from the Borrower shall and must be increased to an amount which (after making any tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
- 7.2 Other than a fixed rate loan, once a Loan Transaction is fully funded it will be offered to a Customer at the weighted average interest rate or fees rate for all the Loan Offer parts.
- 7.3 Interest under Loan Contracts will only accrue from the date that the Customer accepts the Loan Offers and a Loan Transaction is entered into.

8 A HOW DOES A CUSTOMER BECOME A BORROWER?

- 8.1 In order to enter into a Loan Transaction as a Borrower, you must first:
- 8.1.1 register as a Customer with us;
 - 8.1.2 submit a Loan Request via your Dashboard; and
 - 8.1.3 be allocated a credit rating (**Credit Rating**) and the Loan Transaction allocated a risk band which is based solely on your Credit Rating.
- 8.2 If you wish to apply for a Credit Rating:
- 8.2.1 you must provide us with the information requested within your Dashboard on the Website. You must also answer the additional questions that we will ask you and in order to complete the application, you also agree that a credit check (**Credit Check**) can be carried out against you. The Credit Check will determine your Credit Rating;
 - 8.2.2 for further information as to how we may use information provided by you in order to carry out the Credit Check are set out in clause 18 and the Privacy Policy. In order to allow us to consider your application and for you to be given a Credit Rating, we will search your credit history with at least one of Equifax Limited, Experian plc, Graydon UK Limited, Call Connect or any other credit reference agency as chosen by us (**Credit Reference Agencies**). Details of the search will be recorded by the relevant Credit Reference Agency. If you submit a Loan Request through the Peer Funding Platform in accordance with clause 8.4, the Credit Reference Agency will add to your record details of our search and your application and this will be seen by other organisations that make searches with them;
 - 8.2.3 once we have received relevant information from one or more Credit Reference Agencies, and if you pass the Credit Check and are given a Credit Rating, a credit assessment officer employed by Peer Funding will be notified that a new Loan

Transaction application is waiting for approval. The credit assessment officer can require you to provide more information in relation to the proposed Loan Transaction and you must provide it, if you wish to continue with your application; and

- 8.2.4 the information received from you, the Credit Reference Agencies and the credit assessment process, will be used, amongst other things, by Peer Funding to accept or decline the Loan Transaction application.
- 8.3 The acceptance by us of a Loan Transaction application should not be taken in any way as an endorsement by Peer Funding of a particular Borrower or of a particular Loan Transaction. Peer Funding will not, in any way, independently determine or set a Credit Rating.
- 8.4 If you have passed the Credit Check and the credit assessment process and after you have been given your Credit Rating, Peer Funding will then allocate a risk band to the relevant Loan Request. This is solely based on the Credit Rating and the information submitted by a Customer in respect of that Loan Request. Peer Funding does not check the information which is uploaded by a Customer in support of a Loan Request or the Credit Rating itself. The provision of a risk band to a Loan Request is only ever intended to be a guide and cannot be relied upon. Each Customer must undertake its own due diligence in relation to a Loan Request and if need be, seek independent financial advice. Peer Funding is not providing any advice to Customers and Peer Funding accepts no responsibility and accepts no liability for any information about a Loan Request or Customer or for any risk band proving to be incorrect or misleading in any respect.
- 8.5 A Professional Adviser is able to submit a Loan Request on your behalf but in order for the Loan Request to be posted on the Website, you must have gone through the above process and you must have checked the information that your Professional Adviser has uploaded. You then must confirm to Peer Funding that the information is correct and complete in all respects. You will be liable for incorrect or incomplete entries made by your Professional Adviser on the Website, including data input and/or typographical errors, with respect to any Loan Request.
- 8.6 Once a Loan Request has been posted on the Website, the Loan Request Period and auction process will start and other Customers will bid to advance you funds for the whole or part of the Loan Transaction.
- 8.7 This process will set the interest rate/fees rate (other than fixed rate Loan Transactions) for each part of the Loan Transaction. The auction or bid process in respect of fixed rate loans will finish on the earliest to occur of:
 - 8.7.1 your acceptance of a fully funded Loan Request; and
 - 8.7.2 the end of the Loan Request Period.
- 8.8 If you do not accept a fully funded Loan Request within a defined period (which will be set out on the Website) of the Loan Request being fully funded, the Loan Request will be cancelled and the funds bid will be re-allocated back to the Customers which have made Loan Offers.
- 8.9 Once a Loan Request has been matched with Loan Offers and accepted by You, Loan Contracts will automatically be formed between you and each of the Customers matched with that Loan Request.
- 8.10 Once the Loan Contracts have been formed and any pre-conditions set out in the Loan Contracts have been satisfied, Peer Funding will transfer funds representing the total amount you have requested in respect of that Loan Request to your Designated Bank Account.
- 8.11 Each Loan Contract will be for a Loan Period.
- 8.12 You agree that you will use the funds advanced to you in respect of a Loan Transaction only for the purposes which you specified in the particular Loan Request. However, Peer Funding will not monitor or verify the application of any amount advanced pursuant to a Loan Transaction.

9 LOAN TRANSACTION INFORMATION

- 9.1 You will not be entering into a Loan Transaction with the Trustee or with Peer Funding but with other Customers through the Peer Funding Platform. Neither Peer Funding nor the Trustee will be a party to any Loan Contract.
- 9.2 You may not request that any other specific person(s) are to be counterparties to any of your Loan Offers or Loan Requests.
- 9.3 Unless required to do so by law or otherwise in accordance with the provisions of clause 18 and the Privacy Policy, we will not, without your prior written permission, identify you to our other Customers as the maker of a Loan Offer or a Loan Request.
- 9.4 Upon you becoming aware of any errors with respect to your Peer Funding Account or any calculations with respect to any Loan Offer or Loan Request you have submitted, you will immediately inform us of any such errors. Please note that we have the right to, but are under no obligation to do so, remove from the Website any Loan Offer or Loan Request which contain any errors.
- 9.5 A Loan Offer or Loan Request will only be valid and open for acceptance if it is made in accordance with these Terms & Conditions. We have the right to not, acting in our complete discretion, post your Loan Offer or Loan Request on our Website.
- 9.6 If we permit you to make a Loan Offer or a Loan Request and afterwards we suspect that you or your Professional Adviser are or were, at the time of submitting the Loan Offer or Loan Request, in breach of these Terms & Conditions, we may, at our absolute discretion, withdraw and/or terminate any Loan Offer or Loan Request made by you. We reserve the right in these circumstances, if you are a Borrower to require you to repay any outstanding sums in respect of a Loan Transaction immediately, but if you are an Investor, any outstanding Loan Transactions will continue to the end of their respective terms.
- 9.7 If a Loan Offer or Loan Request is matched and accepted by other Customers, you will not be able to change the terms of your Loan Offer or Loan Request.
- 9.8 We are not responsible for the information that you provide to us concerning each Loan Offer or Loan Request that you make. You are solely responsible for all such information.
- 9.9 Subject to the checks expressly set out in these Terms and Conditions, we will not enquire into the reasonableness of any Loan Offer or Loan Request that you may make. We will not be liable for incorrect or incomplete entries made by you on the Website including data input and/or typographical errors.
- 9.10 We decide, at our absolute discretion, when the Website and/or the Peer Funding Platform is open for the making of Loan Offers and Loan Requests and may close or limit access to the Website and/or Peer Funding Platform at any time at our absolute discretion and without giving any prior notice to you.
- 9.11 By using the Website and/or the Peer Funding Platform, you irrevocably appoint Peer Funding as your agent to act on your behalf in respect to Loan Transactions. This includes, but is not limited to, the following:
- 9.11.1 to enter into communications in respect of your Loan Offers or Loan Requests;
 - 9.11.2 the matching of your Loan Offers or Loan Requests through the Peer Funding Platform with other Loan Offers or Loan Requests;
 - 9.11.3 the execution on your behalf of any agreements or deeds in relation to matched and accepted Loan Offers or Loan Requests (including, without limitation, the Loan Contracts);
 - 9.11.4 the entering into of any assignment or transfer (or notices in relation thereto) on your behalf in order to assign the benefit of or transfer all or part of any Loan Transaction

made under a Loan Contract to the Trustee, another Customer or to any other third party.

10 TRANSACTION CONTRACTS

- 10.1 After any part of your Loan Offer has been matched and thereby accepted you will not be allowed to change the terms of the resulting Loan Contracts or withdraw from those Loan Contracts other than in accordance with these Terms and Conditions and the relevant Loan Contract.
- 10.2 After the Loan Request has been matched and thereby accepted you will not be allowed to change the terms of the resulting Loan Contracts or withdraw from those Loan Contracts other than in accordance with these Terms and Conditions and the relevant Loan Contract.
- 10.3 Each Loan Contract contains the terms of the relevant Loan Transaction and is made up of:
- 10.3.1 the applicable Terms; and
 - 10.3.2 the applicable Important Terms Schedule.
- 10.4 The applicable Important Terms Schedule will be emailed to the relevant Customers once a Loan Contract is formed and will also be accessible through each relevant Customer's Peer Funding Account.
- 10.5 A Loan Contracts Schedule will also be generated for each Customer summarising each of the Loan Contracts made between each Customer in respect of a single Loan Transaction, including the dates and aggregated amounts of repayments required to be made by the Customers to each other and fees due to Peer Funding. The Loan Contracts Schedule will be emailed to the relevant Customer once the relevant Loan Contracts are formed and will also be accessible through the relevant Customer's Peer Funding Account.
- 10.6 If a Customer submits a Loan Offer or Loan Request which is then matched through the Peer Funding Platform:
- 10.6.1 each Customer agrees to be bound, and will be bound, by the resulting Loan Contract;
 - 10.6.2 each Customer agrees to pay via standing order all payments in relation to the amounts due under each Loan Contract; and
 - 10.6.3 each Investor instructs the Trustee and the Collector to enforce all its rights under a Loan Contract including, but not limited to, the collecting of any missed payments due from a Borrower and the enforcement of any Security Document and/or Guarantee.
- 10.7 Each Customer is able to check on their Dashboard the status of each of its Loan Offers or Loan Requests, to see which remain outstanding or which have been fully or partially matched and accepted.
- 10.8 Loan Offers or Loan Requests can only be submitted using the Website in accordance with these Terms & Conditions. Any attempt to submit a Loan Offer or Loan Request, or any acceptance in respect thereof made by means other than through the Website will be ineffective and void.

11 WITHDRAWAL AND RIGHT TO WITHDRAW PERIOD FOR LOAN REQUESTS

A Borrower may withdraw open Loan Requests at any time (unless and until they have been accepted and Loan Contracts formed) by cancelling the relevant Loan Request by sending an email to the following email address support@peerfunding.co.uk. However, the cancellation of an outstanding Loan Request is only effective when your instruction to cancel is actually received and successfully processed by us. If we do not receive and process the cancellation in good time, you acknowledge that your Loan Request may remain outstanding and therefore available for acceptance.

12 REPAYMENT OF LOAN TRANSACTIONS

- 12.1 All Loan Transactions are repaid by transferring the relevant repayment amount to the Trust Account through:
- 12.1.1 monthly instalments; or
 - 12.1.2 by a single "bullet" repayment in relation to
 - 12.1.2.1 Property Loan Transactions; and
 - 12.1.2.2 a Secured Invoice Loan Transaction.
- 12.2 Monthly installments and any "bullet" payment will comprise principal, interest and fees due by you. This means that by the end of the term you should have repaid the Loan Transaction principal, the interest and any Fees that were due under the Loan Contract. These payments will be set out in the relevant Loan Important Terms Schedule. These monthly instalments and any "bullet" payment will be paid by standing order from your Designated Bank Account.
- 12.3 You are able to repay or reduce the outstanding principal by more than the sum anticipated in the relevant Important Terms Schedule, in accordance with the terms of the relevant Loan Contracts, by making a bank transfer in respect of the whole of the amount (including principal, interest up to and including the end of the month in which the prepayment is made and any applicable fees) outstanding under the relevant Loan Transaction.
- 12.4 If a Loan Transaction is prepaid, in whole, Peer Funding will endeavour to repay the Investors pro-rata between all Loan Contracts included in the relevant Loan Contracts Schedule.
- 12.5 If you miss a repayment or if you believe that you might miss a repayment you should contact us as soon as possible by phone and by email.

13 RESTRUCTURING OF LOANS AND AMENDMENTS TO LOAN CONTRACTS

- 13.1 There may be circumstances where a Loan Contract needs to be amended in order to restructure and/or amend a Loan. Each Investor therefore agrees that Peer Funding is able (acting as agent for the Investors) to amend the relevant Loan Contract by increasing the Loan Period by up to one year in consideration of an increase in the interest rate of 3% per annum.
- 13.2 Where Peer Funding agrees to restructure the Loan and/or amend the terms of the Loan Contract:
- 13.2.1 Peer Funding will try to give the Investors at least 14 days' notice of our intention to do so. However, this may not be possible in all circumstances and our failure to give you notice in no way invalidates the restructuring and/or amendments; and
 - 13.2.2 no such amendments can take effect without the prior written consent of the Borrower. The Borrower acknowledges and agrees that Peer Funding may require new/additional Security Documents and/or Guarantees to be executed by the Borrower, a third party and/or a Guarantor, prior to any amendment. Peer Funding may also charge an additional arrangement fee and recover any additional costs that it incurs in respect of the amendment to the Loan Contract and/or the restructuring of the Loan.
- 13.3 Each Investor irrevocably agrees and consents to Peer Funding acting as its agent in order to negotiate and agree any amendments to the Loan Contract and entering into any documentation in connection with such amendments. Each Investor agrees that it will be bound by any changes that Peer Funding makes to a Loan Contract and that Peer Funding is acting with an Investor's full authority and capacity in order to undertake any amendments to the loan and/or the Loan Contract. This is irrespective of the fact Peer Funding does not have your specific agreement to the proposed amendments and/or restructuring.

13.4 By undertaking the amendments, Peer Funding is not assuming any responsibility for a Loan Contract and/or a Loan Transaction and it is not assuming any rights or obligations under the Loan Contract and/or a Loan Transaction. The Investors and the Borrower continue to be solely responsible for any benefits, rights, liabilities or obligations that arise under a Loan Contract and/or in respect of a Loan Transaction.

14 **LATE PAYMENTS MADE UNDER CONTRACTS**

14.1 If any payment under a Loan Transaction is overdue by 7 days or more, the following late charges are payable:

14.1.1 in relation to a Secured Loan Invoice Transaction, a fee of 3% of the total amount that was advanced to the Borrower in respect of a Secured Loan Invoice Transaction;

14.1.2 in relation to a General Secured Loan or an Unsecured Loan, a fee of 15% of the arrears amount;

14.1.3 in relation to a Property Loan, a fee of 3% per annum of the of the total amount advanced under a Loan Transaction, such fee to be payable every 30 days or part thereof that the amount remains unpaid,

by a Borrower. These fees are in addition to any other fee set out in the Finance Documents.

14.2 Peer Funding will attempt to make contact with you and resolve the matter without involving the Collector or the Trustee. If our attempts to resolve the matter have failed and

14.2.1 you have missed three or more payments under a Loan Contract;

14.2.2 a bullet repayment on a Secured Invoice Loan is more than 45 days overdue;

14.2.3 a bullet repayment on an interest only Loan is more than 90 days overdue;

14.2.4 where a Loan Transaction is secured, an enforcement event or an event of default (howsoever described under a Finance Document) occurs;

14.2.5 or Peer Funding determines (acting in its absolute discretion) that there is no realistic prospect of repayment under a Loan Contract,

we will give you notify you by letter or by email that the Loan Transaction is now in default (**Default**) and that your account may be passed to the Collector. If we pass your account to the Collector, they will add their fee to the overdue sum.

14.3 When a Loan Transaction is in Default, the total of the principal, any unpaid interest, and the Collector's fee will be payable by you. The Collector's fees will only be charged after the Loan Transaction has been passed to them and after the Loan Transaction is in Default, (which will be communicated to you at that time). Further fees may be added to your debt if any additional services are incurred by Peer Funding, the Trustee and/or the Collector. This may include, but are not limited to, legal fees; field agent collections; tracing; debt counselling or litigation.

14.4 Following a Default, the Trustee and/or Peer Funding may:

14.4.1 declare that all or part of the amount outstanding under the Loan Transaction, together with accrued interest, and all other amounts accrued or outstanding under the Loan Contracts be immediately due and payable, at which time they shall become immediately due and payable;

14.4.2 declare that all or part of the amount outstanding under the Loan Transaction be payable on demand, at which time it shall immediately become payable on demand; and/or

14.4.3 exercise any or all of its rights, remedies, powers or discretions as outlined in clause 17.

15 WITHDRAWAL OF FUNDS

As an Investor, you may withdraw repayments that you have received by reference to a single amount or by setting up a monthly automatic repayment and further details of how to do this can be found on the Website.

16 PEER FUNDING FEES

16.1 In return for Peer Funding operating, maintaining and providing Customers with access to the Peer Funding Platform and/or the Website, Customers shall pay fees to Peer Funding from time to time (**Fees**).

16.2 The Fees payable to Peer Funding by a Customer acting as a Borrower will be:

16.2.1 in relation to a Secured Invoice Loan Transaction:

16.2.1.1 an application fee of £450 which is paid when a Borrower issues its first Secured Invoice Finance Request; and

16.2.1.2 a service fee of 0.85% of the amount advanced for each 30 day period (or part thereof) that form part of Secured Invoice Loan Period which is paid when the funds are transferred to Borrower's Designated Bank Account (the **Service Fee**).

16.2.2 in relation to a Secured Loan Transaction and an Unsecured Loan Transaction:

16.2.2.1 an application fee of 3.50% of the amount borrowed;

16.2.2.2 a service fee of 0.50% of the amount of the monthly repayment which is paid monthly over the Loan Period;

16.2.3 in relation to a Property Loan Transaction:

16.2.3.1 an application fee of 2% of the amount borrowed;

16.2.3.2 an exit fee of 1% of the amount borrowed;

16.2.3.3 a management fee which will be determined by Peer Funding on a "Transaction by Transaction" basis and details of which will be agreed with the Customer; and

16.2.3.4 the legal costs of the Investors and/or Peer Funding incurred in connection with the preparation of a report on title on the property which is to be financed and/or re-financed pursuant to a Property Loan Transaction.

and all of these fees and when they are to be repaid will be clearly set out at the point that each Customer is able to submit a Loan Request.

16.3 The management and service fees payable by a Borrower to Peer Funding will be added (as a separate payment due to Peer Funding) to the total amount advanced pursuant to the Loan Contracts included in the same Loan Contracts Schedule and paid at the same time as loan repayments are made over the course of each relevant Loan Transaction. Peer Funding/the Trustee shall be entitled to deduct the application fees and exit fee (if any) from the amount advanced pursuant to a Loan Transaction so that a Borrower will receive the amount advanced less the application fee and exit fee (if any).

16.4 At its discretion, Peer Funding may charge an Investor the following fees:

16.4.1 in relation to a Secured Invoice Loan Transaction, a service fee of 10% of the interest income generated for the investor; and

16.4.2 in relation to a General Secured Loan Transaction and an Unsecured Loan Transaction, a service fee of 0.5% of the monthly repayment amount; and

- 16.4.3 in relation to a Property Loan a service fee of 0.5% of the amount of interest received by an Investor.
- 16.5 The service fees payable by an Investor in relation to a General Secured Loan Transaction or an Unsecured Loan Transaction, will be deducted from the repayments of interest and capital that are paid to you in respect of the relevant Loan Transaction. The service fees payable by Investor in relation to an Invoice Finance Transaction will be payable upon repayment of the Loan and will be deducted from the Investors interest return. The service fees payable by Investor in relation to a Property Loan Transaction will be deducted from the repayments of interest that are paid to you in respect of the relevant Loan Transaction.
- 16.6 Any Fees owed to us will be rounded upwards to the nearest two decimal places.
- 16.7 If Peer Funding decides to charge an Investor fees pursuant to and/or under a Loan Transaction, it will be made clear on the Website which Loan Transaction(s) this applies to.
- 17 SECURITY AND THE ROLE OF THE TRUSTEE**
- 17.1 Subject to the terms of these Terms and Conditions, each Investor has a right of action against each Borrower. However, due to the fact that each Loan Contract may have multiple Investors as a party to it, it is not practical for each Investor to physically sign each Loan Contract or a Security Document. The Trustee will therefore sign each Finance Document and act as the Investors agent and as security trustee for the Investors in respect of each Finance Document. By signing each Finance Document, the Trustee declares that it will hold the Security Property on trust for the Investors and the other Finance Parties.
- 17.2 Each Investor appoints the Trustee to act as its agent under and in connection with the Finance Documents and authorises the Trustee (acting in its absolute discretion) to exercise the rights, powers, authorities and discretions given to Peer Funding and/or the Trustee under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.
- 17.3 The Trustee shall promptly forward, by electronic means, to the relevant Investors copy of any document which is delivered to the Trustee and which are for onward transmission to the other Investors. The Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.
- 17.4 The Trustee may rely on:
- 17.4.1 any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
- 17.4.2 any statement made by a director, authorised signatory, an Investor or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- 17.5 The Trustee may:
- 17.5.1 engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts;
- 17.5.2 act in relation to the Finance Documents through its personnel and agents;
- 17.5.3 may disclose to any other person any information it reasonably believes it has received as agent under the Finance Documents;
- 17.6 Notwithstanding any other provision of any Finance Document to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- 17.7 Each Investor agrees that it will not take any action or institute any proceedings in their own name in relation to a Loan Transaction and that they will only act through the Trustee. All

communications between Customers in connection with any Loan Transaction will be made through the Trustee.

- 17.8 If the Trustee becomes aware of a Default, it shall as soon as is reasonably practical notify the relevant Investors who have invested in that Loan Transaction;
- 17.9 The relevant Important Terms Schedule will clearly state if and how the Borrower's obligations under a Loan Transaction are to be secured. This will be pursuant to an all asset debenture, a legal mortgage and/or such other form of Security Document which the Trustee considers (acting in its absolute discretion) to be necessary or desirable.
- 17.10 Each Investor confirms that:
- 17.10.1 all the assets charged under any Security Document together with all obligations, rights and benefits given to the Trustee by any Security Document will be held on trust by the Trustee for itself, Peer Funding and for all Investors who have entered into Loan Transactions with that Borrower; and
- 17.10.2 it approves each Security Document.
- 17.11 The Trustee is not responsible (other than as a result of its gross negligence or wilful misconduct) for any failure in perfecting or protecting any Security or any action or omission in respect of any Finance Document. The Trustees' duties are entirely administrative in nature and it does not owe any duty to any person under a Finance Document.
- 17.12 The Trustee shall only have those duties, obligations and responsibilities expressly specified in the Finance Documents (and no others shall be implied).
- 17.13 The Trustee is not required to make enquiries about the title of any Borrower to any assets the subject of any Security under any Security Document and shall not be liable for, or bound to require any Borrower to remedy, any defect in its right or title.
- 17.14 The Trustee shall not be bound to enquire:
- 17.14.1 whether or not any Default has occurred;
- 17.14.2 as to the performance, default or any breach by any party of its obligations under any Finance Document; or
- 17.14.3 whether any other event specified in any Finance Document has occurred.
- 17.15 The Trustee shall not be liable for any failure to:
- 17.15.1 require the deposit with it of any deed or document certifying, representing or constituting the title of any Borrower to any of the Security Property;
- 17.15.2 obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Security created or purported to be created by a Security Document;
- 17.15.3 register, file or record or otherwise protect any of the Security created or purported to be created by a Security Document (or the priority of any of the Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Security created or purported to be created by a Security Document;
- 17.15.4 take, or to require any Borrower to take, any step to perfect its title to any of the Security Property or to render the Security created or purported to be created by a Security Document effective or to secure the creation of any ancillary Security under any law or regulation; or
- 17.15.5 require any further assurance in relation to any Security Document.
- 17.16 The Trustee shall not be obliged:

- (i) to insure any of the Security Property;
- (ii) to require any other person to maintain any insurance; or
- (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,

and the Trustee shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

- 17.17 Where the Trustee is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind.
- 17.18 The Trustee may resign by giving 30 days notice to Peer Funding and Peer Funding shall then appoint a successor Trustee. Any successor Trustee shall have the same rights and obligations as if it had been an original Trustee.
- 17.19 None of the Trustee, any receiver nor any delegate is responsible or liable for:
- 17.19.1 the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Trustee, a Borrower or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
 - 17.19.2 the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property; or
 - 17.19.3 any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.
- 17.20 The rights, powers, authorities and discretions given to the Trustee under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Trustee by law or regulation or otherwise.
- 17.21 Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these Terms and Conditions. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of these Terms and Conditions, the provisions of these Terms and Conditions shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of these Terms and Conditions shall constitute a restriction or exclusion for the purposes of that Act.
- 17.22 The Trustee is not obliged to obtain or keep in its possession any Security Document or any title document over any assets that are the subject of any Security under the Security Documents and the Trustee may make arrangements for such documents to be delivered to and retained by any bank, professional adviser or other provider of safe custody services.
- 17.23 In respect of any disposal of an asset made in accordance with a Finance Document, the Trustee shall execute any release document required to effect the release of such disposed asset from the Security created under any Security Document provided that:
- 17.23.1 all costs in connection with such release documents shall be borne by the Customers; and

- 17.23.2 the disposal proceeds in respect of such asset shall be applied in accordance with the Finance Documents and in particular please note that where the Trustee holds Security in respect of a Customer in relation to a particular Loan Transaction or the liabilities of a particular Customer in respect thereof, that Security will operate to secure all monies due from that Customer to other Customers on the Peer Funding Platform from time to time. This does **not** mean that if the Trustee is required to enforce any Security, the proceeds of recovery (after allowing for all of the Trustee's costs of enforcement (which may include legal and/or other professional fees) and any other costs preferred by law), will be sufficient to discharge all obligations owed by the Customer at that time to all other Customers on the Peer Funding Platform. This may mean that the Customers acting as Investors will only be entitled to recover their proportionate share of such recoveries. There may also be other creditors of the Customer who may have claims in priority to those of the Trustee and other Customers acting as Investors. Therefore, the fact that a Loan Transaction is secured does not mean the Customers acting as Investors will be repaid in the event that a Loan Transaction is in Default.
- 17.24 In the event that a Customer acting as a Borrower fails to make a payment when due or defaults in meeting any obligations of the Loan Transaction, each Investor agrees that the Trustee may enforce any such Security held by the Trustee.
- 17.25 The Trustee shall be entitled to be repaid and reimbursed out of the proceeds of any recovery under any Security Document. However, to the extent that such costs cannot be recovered by the Trustee from the relevant Customer acting as a Borrower, the Investors who entered into Loan Transactions with the relevant Customer agree to indemnify the Trustee for any such costs.
- 17.26 Except as specifically provided in the Finance Documents, nothing in the Finance Documents constitutes the Trustee as a trustee or fiduciary of any other person.
- 17.27 The Trustee shall not be bound to account to any Investor for any sum or the profit element of any sum received by it for its own account.
- 17.28 Neither the Trustee nor the Company:
- 17.28.1 is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents; or
- 17.28.2 is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- 17.28.3 is responsible for any determination as to whether any information provided or to be provided to any Investor is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.
- 17.29 Each Investor shall (in proportion to its share of a Loan Transaction) indemnify the Trustee and Peer Funding, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Trustee (otherwise than by reason of the Trustee's gross negligence or wilful misconduct) notwithstanding the Trustee's negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Trustee) in acting as Trustee under the Finance Documents (unless the Trustee has been reimbursed by a Borrower pursuant to a Finance Document).

18 **HOW DO WE USE YOUR PERSONAL INFORMATION**

- 18.1 In order to:

- 18.1.1 run and operate the Peer Funding Platform;
 - 18.1.2 enable you to submit Loan Offers or Loan Requests;
 - 18.1.3 administer your Peer Funding Account;
 - 18.1.4 inform you about your Loan Transactions;
 - 18.1.5 assess Loan Transaction risks;
 - 18.1.6 trace debtors and recover debts owed in respect of Loan Transactions;
 - 18.1.7 enforce any Security;
 - 18.1.8 identify, prevent, detect or combat fraud, money laundering or any other crime;
 - 18.1.9 carry out regulatory checks or Credit Checks;
 - 18.1.10 to calculate, collect and make payments of loans, fees, invoices, interest and any other sum described in these Terms & Conditions; and
 - 18.1.11 undertake any action which we believe to be necessary in connection with the entry into and performance of any Loan Transactions or for the validity and enforceability of any Loan Transaction or Loan Contract entered in respect thereof,
- you irrevocably agree that we may use your personal information. In this clause 18 “**personal information**” means any information relating, directly or indirectly, to any person.
- 18.2 You also irrevocably agree that we may also disclose your personal information:
 - 18.2.1 to our agents, delegates and subcontractors, acting for us or for the Customers acting as Investors for any of the purposes described in clause 18.1;
 - 18.2.2 to law enforcement agencies and fraud prevention agencies;
 - 18.2.3 to Credit Reference Agencies;
 - 18.2.4 to debt recovery agencies and to trace debtors and recover debt;
 - 18.2.5 to enable us to meet our obligations to any relevant regulatory authority; and
 - 18.2.6 if we are required to by law or if we reasonably believe it to be in the public interest.
 - 18.3 In the course of originating and managing your Loan Transactions, and operating your Peer Funding Account and the Website, you irrevocably agree that we may also send to other Customers and their permitted assignees certain transactional data (for example, your Peer Funding User Number, name, amount and repayment details).
 - 18.4 We may access and use from other countries the information recorded by credit reference and fraud prevention agencies for the purposes of assessing Loan Transaction risks and identifying, preventing, detecting or tackling fraud, money laundering and other crime. You also agree that we may transfer your personal information abroad to countries whose data protection laws do not provide you with the same level as protection as in the UK.
 - 18.5 As set out in clause 8.2.2, any Credit Reference Agency that is searched as a result of your use of Peer Funding will keep a record of any search and other Investors and other lenders may use it to assess applications they receive from you in the future. We will try to give you prior notice if we decide to file a default on your credit reference file. However, there are certain circumstances where it is not possible to give you any such prior notice e.g. if we need to take court action or if the Trustee takes steps to enforce any Security.
 - 18.6 By submitting personal information to Peer Funding, you agree that it may be used in all the ways described above. You also agree that we will not be liable for any use or misuse of your personal information by others.
 - 18.7 Under the Data Protection Act 1998, pursuant to a "subject access request" you have a right to access certain personal records we hold about you. You can make such a request by

contacting us by telephone, by email or in writing. A fee may be payable by you in respect of such a request, but we will not charge you until we have told you how much the fee is and what it is for, and you have then confirmed to us in writing that you still want to proceed.

18.8 We do not disclose your personal information to any other Customer other than as set out in this clause 18 or in our Privacy Policy, unless it is:

18.8.1 required by law; or

18.8.2 necessary to enforce any of your Loan Contracts or to obtain repayment of sums owed by you under Loan Transactions.

18.9 If you receive such information about other Customers, you agree not to use it, other than in communications with us about your Loan Contracts.

18.10 All personal information you provide to us via the Website may be collected, stored, processed and used in accordance with our Privacy Policy (accessible online at www.peerfunding.co.uk/privacy-policy).

19 INTELLECTUAL PROPERTY

19.1 By your use of the Website and/or the Peer Funding Platform, you irrevocably and unconditionally agree that we own all present and future copyright (subject to clause 19.4), registered and unregistered trademarks, design rights, unregistered designs, database rights and all other present and future intellectual property rights and rights in the nature of intellectual property rights existing in or in relation to the Website. The Peer Funding logo is a trademark of Peer Funding. You will not make any unauthorised use of any such intellectual property and any unauthorised use may result in prosecution by us.

19.2 www.peerfunding.co.uk is the uniform resource locator (**URL**) of Peer Funding. You will not make any use of this URL (or any other URL owned by us) on another website or digital platform without our prior written consent.

19.3 If any such intellectual property rights vest or are deemed to vest in you by operation of law or otherwise, you irrevocably and unconditionally agree to do any and all such acts and execute any and all such documents as we may reasonably request in order to assign and/or transfer such intellectual property rights back to us.

19.4 You shall retain ownership of all copyright in relation to data you upload or submit to the Website. You irrevocably and unconditionally grant us a world-wide exclusive, royalty-free, non-terminable licence to use, copy, distribute, publish and transmit such data in any manner.

19.5 Each time you use the Website or the Peer Funding Platform, you represent and warrant that all data which you upload or submit to the Website will not violate or infringe any of the rules set out in these Terms and Conditions, the rights of any third party, including copyright, trademark, privacy, publicity or other personal or proprietary rights.

19.6 We do not warrant or represent that the content of the Website does not infringe the rights of any third party.

20 LIABILITY BETWEEN US & YOU

20.1 You shall within 3 Business Days of demand, indemnify us against any cost, loss, damage or liability (directly or indirectly) incurred by us as a result of:

20.1.1 any breach of these Terms and Conditions by you;

20.1.2 any breach of a Loan Contract by you; or

20.1.3 any fraudulent use of the Peer Funding Platform.

20.2 We are not liable to you for any loss or damage which you may suffer (whether directly or indirectly) as a result of:

20.2.1 you being a user of Peer Funding; or

- 20.2.2 you using the Peer Funding Platform and/or the Website, except where such loss or damage arises from our willful breach of these Terms and Conditions (unless such breach arises from circumstances outside our reasonable control) or was caused by our gross negligence, willful default or fraudulent actions.
- 20.3 We shall not be liable for any acts, omissions or defaults by any bank in which a Customer's money is held and in the event of such a bank becoming insolvent (howsoever described), we shall not be liable for any shortfall or loss which a Customer suffers.
- 20.4 Where we are liable to you, our total liability to you in connection with these Terms and Conditions, your use of Peer Funding and your use of the Peer Funding Platform shall not exceed the amount of money you have advanced, lent or borrowed (as applicable) pursuant to Loan Transactions giving rise to the liability.
- 20.5 We may at any time, and without notice to you, set off any liability (whether actual or contingent) owed to us or to our other Customers by you.
- 20.6 Customers may not take proceedings against any officer, employee or agent of Peer Funding in respect of any claim it might have against Peer Funding or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Loan Transaction and any officer, employee or agent of Peer Funding may rely on this clause.

21 **TERMINATING YOUR USE OF PEER FUNDING**

- 21.1 If you no longer want to use Peer Funding and provided you have no Loan Contracts currently in force or amounts outstanding under any Loan Transaction, you can let us know and we will cancel your Peer Funding User Number.
- 21.2 We may end your use of Peer Funding Platform at any time and for any reason, including but not limited to if:
- 21.2.1 you breach any of these Terms and Conditions;
- 21.2.2 you breach any terms of any Loan Contract;
- 21.2.3 we suspect that you have committed fraud, been involved in money laundering or other criminal activities;
- 21.2.4 you use or attempt to use the Peer Funding Platform in any of the following ways:
- 21.2.4.1 in any way that causes, or is likely to cause, the platform or access to it to be interrupted or damaged in any way;
- 21.2.4.2 for fraudulent purposes, or in connection with any criminal offence;
- 21.2.4.3 to send, use or reuse any material that is illegal, offensive, abusive, indecent, defamatory, obscene or menacing;
- 21.2.4.4 in breach of copyright, trademark, confidence, privacy or any other right;
- 21.2.4.5 is damaging to third parties or is objectionable to them;
- 21.2.4.6 which consists of or contains software viruses, political campaigning, commercial solicitation, chain letters, mass mailings or any "spam";
- 21.2.4.7 to cause annoyance, inconvenience or needless anxiety; or
- 21.2.4.8 there is no activity in your Peer Funding Account within a 12 month period.
- 21.3 On termination we will credit your Designated Bank Account with any funds left in your Peer Funding Account or send a cheque to the address last provided by you.

22 CUSTOMERS ACTING AS INVESTORS UNDER LOAN TRANSACTIONS

- 22.1 You agree that Peer Funding is making no warranty or representation as to the ability of Customers to pay, and their credit risk, and that we are in no way liable for the debts of Customers to you.
- 22.2 You acknowledge that you are bidding, lending and advancing monies entirely at your own risk.
- 22.3 Calculations we may provide on the Peer Funding Platform of the likely rate of return on investments are for **guidance purposes only and are not guaranteed**.
- 22.4 The information on the Peer Funding Platform does not constitute advice, recommendation or an endorsement of Loan Requests or Borrowers. The information is not intended to be relied upon as a sole basis for deciding whether or not to lend to a particular business.
- 22.5 We make no representation or warranty as to the accuracy of the data displayed for Loan Requests, nor whether the information is up to date or error free.
- 22.6 We do not guarantee that:
- 22.6.1 there will be sufficient bids to fully fund Loan Requests and allow your funds to be advanced to other Customers;
 - 22.6.2 there will be sufficient Borrowers for you to make Loan Offers to; or
 - 22.6.3 there are sufficient Investors to buy your Loan Transaction Parts should you wish to sell them.
- 22.7 We do not guarantee that Loan Transaction Parts listed for sale will be bought by other Customers or the time it will take to withdraw funds from the Trust Account by selling Loan Transaction Parts.
- 22.8 Where a Borrower has issued or procured the issue any form of a Guarantee in support of a Loan Transaction, you accept that the enforceability of such Guarantee shall be subject to normal legal risks and limitations and that Peer Funding will not have ensured that any individual providing such a Guarantee has been independently advised on the impact of such a Guarantee or that such individual is not subject to undue influence. Such guarantees can be open to challenge in circumstances where, amongst other matters, the individual granting the Guarantee has been subject to undue pressure or influence from a third party (which includes but is not limited to a Borrower).

23 COMPLAINTS

- 23.1 In order to complain about Peer Funding you can get in contact with us by e-mail at complaints@peerfunding.co.uk, in writing to Peer Funding Limited, St John's House, St John's Street, Chichester, West Sussex PO19 1UU or by telephone on 01243 850 604, with brief details of your complaint and your Peer Funding User Number. We will acknowledge your complaint by e-mail. After receipt by us of your complaint, we will then investigate and send you an initial response. This should take no longer than five Business Days, but most complaints may well be resolved by close of business on the Business Day after the complaint is received. If the complaint is not resolved by close of business on the Business Day after the complaint is received, we will send you a copy of this complaints handling procedure.
- 23.2 Within four weeks after receiving a complaint, we will send you either a final response or a response which explains why we are not in a position to resolve the complaint and indicates when we will make further contact. Complaints that we cannot settle within eight weeks after the date of complaint may eventually be referred to the Financial Ombudsman Service. Please refer to the Website for further details.

24 **LIVING WILL**

- 24.1 If Peer Funding Limited becomes insolvent, is unable to continue to trade for any reason or believes it is in the interests of the investors, you agree that the firm, at its sole discretion, may transfer its members loan servicing obligations to a third party back-up servicer under a Living Will agreement. The back-up service provider is Resolution Compliance Limited who are authorised and Regulated by the Financial Conduct Authority, firm number 574048, to operate an electronic system in relation to lending, debt administration and debt collecting. Resolution Compliance Limited are also registered with Her Majesty's Revenue and Customs as an Individual Savings Account Manager. The back-up service provider will continue to administer the lending book and collect servicing, late payment and recovery fees in accordance with the existing Terms and Conditions. You consent that the back-up service provider has rights to access information and data in respect of the lending book, Investor information and borrower information.

25 **MISCELLANEOUS**

- 25.1 Any notice or other document in respect of your use of Peer Funding Platform or your application to become a user of the Peer Funding Platform should be in writing but will be deemed to be transmitted electronically.
- 25.2 The address for you is the address which you provided in your application to become a user of the Peer Funding Platform and for us as is set out on the Website. We and you may use such other address as either of us may from time to time designate to the other in writing.
- 25.3 Any notice or communication made or delivered under these Terms & Conditions will only be effective after it has been delivered by hand to the relevant address or three Business days after it has been sent by registered post or if the sender can show that it has been received (if sent by electronic means). Any notice or communication made or delivered to us will only be effective when actually received by us and in relation to complaints, when actually acknowledged by us.
- 25.4 We may at any time, without notice to you, set off any liability (whether actual or contingent) owed to us or to our Customers by you, including (without limitation) in relation to any Peer Funding Account in your name or which we believe to be under your control, against any funds held in another Peer Funding Account in your name or which we believe to be under your control.
- 25.5 If, at any time, any provision of these Terms and Conditions is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
- 25.6 Any certification or determination by us, the Trustee or the Collector of a rate or amount under any Loan Transaction is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 25.7 All disclaimers, indemnities and exclusions in these Terms and Conditions shall survive termination of the agreement between us for any reason.
- 25.8 No failure to exercise, nor any delay in exercising, on the part by us, any right or remedy under these Terms and Conditions or the Loan Contracts shall operate as a waiver of any such right or remedy or constitute an election to affirm any of these Terms and Conditions or the Loan Contracts. No election to affirm any of these Terms and Conditions or the Loan Contracts by us shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in these Terms and Conditions or the Loan Contracts are cumulative and not exclusive of any rights or remedies provided by law.
- 25.9 These Terms and Conditions and the Loan Contracts constitute the entire agreement between you and us with respect to your use of the Website and the Peer Funding Platform

and supersede any previous agreements, whether express or implied, regarding these Terms and Conditions and the Loan Contracts.

- 25.10 Peer Funding may exercise any of its rights under these terms and conditions by itself or through any company or other legal entity which is under the control or ownership of Peer Funding (including, but not limited to, the Trustee).
- 25.11 These Terms and Conditions are governed by and construed in accordance with English law. In the event of any matter or dispute arising out of or in connection with these Terms and Conditions, you and we shall submit to the exclusive jurisdiction of the English courts. This clause is for the benefit of us. As a result, we shall not be prevented from taking proceedings relating to the Terms and Conditions or a Loan Contract in any other courts with jurisdiction. To the extent allowed by law, we may take concurrent proceedings in any number of jurisdictions.

SCHEDULE LOAN TERMS AND CONDITION

1 INTRODUCTION

- 1.1 These Loan Terms apply to and form part of each Loan Contract created and entered into through the Peer Funding Platform and are supplemented by the relevant Loan Important Terms Schedule.

2 DEFINED TERMS

- 2.1 In these Loan Terms the following words shall, unless the context requires otherwise, have the following meanings:

Borrower means the Customer identified as the borrower in the applicable Loan Important Terms Schedule;

Borrower's Debt means all of the Borrower's liabilities to the Investors, the Company, the Trustee and/or the Collector present, future, actual or contingent and will include but is not limited to (1) Interest Rate (2) Loan and (3) all fees, costs and expenses incurred in respect thereof;

Business Day means a day (other than a Saturday or Sunday or a bank holiday) on which banks are open for general business in London;

Collector means such collections agency as the Company may appoint from time to time;

Company means Peer Funding Limited (company registration number 8773883) a company incorporated and registered in England with whose registered office is located at 2 Plantation Way, Worthing, BN13 2AF;

Customer means a person who has completed the registration process to become a user of the Peer Funding Platform and has been issued with a Peer Funding User Number;

Default means a loan which is in default (howsoever described);

Disapproved Debt means:

- 2.1.1 a Debt which is unpaid by the Debtor on the Expiry Date;
- 2.1.2 a Debt, where the existence of, or the amount of genuineness of a Debt or any part of it shall at any time be disputed by a Debtor;
- 2.1.3 a Debt (or any part of it) which is not due and owing to the Borrower or shall be alleged by a Debtor not to be due and owing to the Borrower; or
- 2.1.4 a Debt where in respect of a Debtor purports to reject the goods and/or services; or
- 2.1.5 a Debt where the Borrower accepts the return of any goods the subject of any Debt;

Interest Rate means the annual interest rate calculated monthly in arrears and applied to the outstanding balance at the beginning of the relevant loan period during which the interest rate shall apply in accordance with these Loan Terms;

Investor means the Customer identified as a lender in the applicable Loan Important Terms Schedule;

Loan means a loan made or to be made through the Peer Funding Platform the terms of which are set out in a Loan Contract;

Loan Contract means an agreement setting out the terms of a Loan entered into by a Borrower and Investor(s), which in each case made up of these Loan Terms and the Loan Important Terms Schedule applicable to the particular Loan;

Loan Contracts Schedule means a schedule which summarises each of the Loan Contracts made between the Borrower and the Investors in respect of a single Loan, including, but not limited to, the dates and aggregate amounts of repayments required to be made by the Borrower to the Investors under the Loan Contract;

Loan Important Terms Schedule means a schedule setting out the important commercial terms applicable to a particular Loan, including, but not limited to, the dates and amounts of repayments required to be made by the Borrower to the Investor(s), the Interest Rate and whether the loan is secured pursuant to the terms of a Security Document;

Loan Offer means an offer for a Loan which an Investor acting as a lender makes through the Peer Funding Platform in accordance with the Terms and Conditions;

Loan Request means a request for a Loan which a Customer acting as a borrower makes through the Peer Funding Platform in accordance with the Terms and Conditions;

Loan Terms means these loan terms, as amended from time to time;

Peer Funding Account means the part of the Website provided to each Customer for the purposes of using the Peer Funding Platform, and which can only be accessed by the relevant Customer using their own Peer Funding User Number, username and password;

Peer Funding Platform means the online lending platform operated by the Company through the Website for the purposes of, amongst other matters, matching Loan Offers and Loan Requests;

Peer Funding User Number means the personal identifying account number issued to an individual upon successfully registering for a Peer Funding Account;

Security Document means a legal mortgage, debenture, charge agreement, pledge agreement, assignment or other Security Document securing any obligation of a Borrower under the Loan Contract or any other agreement or arrangement having a similar effect;

Terms and Conditions means the master terms and conditions available on the Website governing the membership of Peer Funding, and use of the Website and Peer Funding Platform, as amended from time to time;

Trust Account means the segregated bank account that the Company maintains;

Trustee means Peer Funding Trustee Limited, a company incorporated and registered in England with company registration number 09516902;

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any tax of a similar nature which may be imposed from time to time; and

Website means www.peerfunding.co.uk, through which Peer Funding provides the Peer Funding Platform.

2.2 In these Loan Terms:

2.2.1 unless the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting persons shall include bodies corporate and unincorporated, associations, partnerships and individuals;

2.2.2 a reference to these Loan Terms or any other agreement or instrument is a reference to these Loan Terms or that other agreement or instrument as the same may have been, or may from time to time be, amended, novated, replaced, restated, supplemented or varied provided that, where the consent of the Company is required to such amendment, novation, replacement, restatement, supplement or variation, such consent has been obtained;

2.2.3 unless the context otherwise requires or unless otherwise defined in these Loan Terms words and expressions defined in the Terms and Conditions shall bear the same meanings when used herein.

3 REPAYMENT

- 3.1 The Borrower agrees to repay to the Investors the total amount payable under or or pursuant to the Finance Documents in the manner and at the times shown in the Loan Important Terms Schedule. The Borrower shall also pay all other fees as set out in the Finance Documents.
- 3.2 Interest on the Loan which shall be calculated at the outset for the whole period of the Loan and will be stated in the Loan Important Terms Schedule.
- 3.3 Other than in relation to a Secured Invoice Loan, interest is calculated daily and repayments are made monthly. Repayments are taken on the same day on which the Loan was originally advanced in each month.
- 3.4 Interest under a Secured Invoice Loan is calculated on a 30 day period or part thereof. Interest is rolled up and compounded at the end of each 30 day period and is repaid (in full) when the Secured Invoice Loan is repaid.
- 3.5 The Borrower must make the payments due in the Loan Important Terms Schedule on time. If the Borrower is late paying any sums due under the Loan Contract, in addition to the rights of the Investors under the Finance Documents, the Borrower will pay the Investors interest on the missed instalment from when it is due until it is actually paid at the Interest Rate.
- 3.6 The Borrower shall repay the Investor by paying the relevant amount owed by it into the Trust Account in accordance with the terms of the Loan Contract.
- 3.7 All repayments will be made to Investors without deduction of income tax or any withholding tax (unless required by law). If a tax deduction is required by law to be made by a Borrower, the amount of the payment due from the Borrower must and shall be increased to an amount which (after making any tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
- 3.8 If relevant, each repayment will be pro-rated between all Loan Contracts included in the relevant Loan Contracts Schedule and shall be applied in the following order:
- 3.8.1 first to pay the interest and principal due under the Loan Contracts (subject to clause 12.4 of the Terms and Conditions);
- 3.8.2 second to pay any arrears on the Loans and to pay any administration charges or commission due from the Borrower to the Company, the Trustee or the Collector under the Terms and Conditions.
- 3.9 If any payment under a Loan Transaction is overdue by 7 days or more, the following late charges are payable by a Borrower:
- 3.9.1 in relation to a Secured Invoice Loan Transaction, a fee of 3% of the total amount that was advanced to the Borrower in respect of a Secured Invoice Loan Transaction;
- 3.9.2 in relation to a General Secured Loan or an Unsecured Loan, a fee of 15% of the arrears amount;
- 3.9.3 in relation to a Property Loan, a fee of 3% per annum of the of the total amount advanced under a Loan Transaction, such fee to be payable every 30 days or part thereof that the amount remains unpaid.
- 3.10 Peer Funding will attempt to make contact with the Borrower and resolve the matter without involving the Collector or the Trustee. If our attempts to resolve the matter have failed and
- 3.10.1 the Borrower has missed three or more payments under a Loan Contract;
- 3.10.2 a bullet repayment on an interest only Loan is more than 90 days overdue;

- 3.10.3 a bullet repayment on a Secured Invoice Loan is more than 45 days overdue;
- 3.10.4 where a Loan Transaction is secured, an enforcement event or an event of default (howsoever described under a Finance Document) occurs;
- 3.10.5 or Peer Funding determines (acting in its absolute discretion) that there is no realistic prospect of repayment under a Contract,

Peer Funding will notify the Borrower by letter or by email that the Loan Transaction is now in default (**Default**) and that the Borrower's account may be passed to the Collector. If Peer Funding passes the Borrower's account to the Collector, they will add their fee to the overdue sum.

- 3.11 When a Loan Transaction is in Default, the total of the principal, any unpaid interest, and the Collector's fee will be payable by the Borrower. The Collector's fees will only be charged after the Loan Transaction has been passed to them and after the Loan Transaction is in Default, (which will be communicated to the Borrower at that time). Further fees may be added to your debt if any additional services are incurred by Peer Funding, the Trustee and/or the Collector. These may include, but are not limited to, legal fees; field agent collections; tracing; debt counselling or litigation.
- 3.12 The Collector's fees will be based on and calculated by reference to the arrears amount plus VAT and any costs and/or expenses incurred by the Collector.

4 **EARLY REPAYMENT AND TERMINATION OF A LOAN CONTRACT**

- 4.1 The Borrower may at any time repay all of a Loan Contract early. It can do so by repaying the full amount that the Borrower owes under each Loan Contract which comprises the Loan, all fees and all interest which would have accrued to the end of the month in which the repayment is made together with any fees payable by the Borrower.
- 4.2 If:
 - 4.2.1 the Borrower has missed three or more payments under a Loan Contract;
 - 4.2.2 a Guarantor fails to pay any payment that is due;
 - 4.2.3 the Borrower has provided incomplete or inaccurate information to the Company, whether in relation to the Borrower's application to become a Customer or in respect of a Loan Request or otherwise;
 - 4.2.4 the Borrower has breached the terms of any Finance Document;
 - 4.2.5 the Borrower defaults in the performance of any other agreement for borrowed monies so as to accelerate or render capable of acceleration the due date of repayment thereunder or such borrowed monies are not repaid in full on the due date or repayment of any such borrowed monies is due on demand and is not paid in full forthwith on such demand being made;
 - 4.2.6 the Borrower is unable to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under any applicable law or the Borrower becomes insolvent or suspends making payments to all or any class of its creditors or announces an intention to do so;
 - 4.2.7 the value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities);
 - 4.2.8 any distress, execution, attachment or other legal process (including but not limited to litigation) affects the whole or a material part of the assets of the Borrower and is not discharged within 21 days;
 - 4.2.9 a receiver, administrator or similar officer is appointed of the whole or any part of the assets of the Borrower or the Borrower requests any person to appoint such a receiver or similar officer or any other steps are taken to enforce any charge or other

Security over any of the property of the Borrower or any analogous event takes place under another jurisdiction;

- 4.2.10 any order is made or any resolution is passed or a petition is presented or application is made or other steps are taken in any jurisdiction for: -
 - 4.2.10.1 the winding up, dissolution or liquidation of the Borrower;
 - 4.2.10.2 the making of an administration order or there is given to the Investor or any other person a notice (whether formal or informal) of intention to appoint an administrator or any such appointment is made in relation to the Borrower;
- 4.2.11 any steps are taken by another creditor to repossess any goods in the possession of the Borrower under any hire purchase, conditional sale, leasing, retention of title or similar agreement;
- 4.2.12 it is or becomes unlawful for the Borrower, to perform any of its obligations under any Finance Document or any Finance Document created or expressed to be created or ceases to be effective;
- 4.2.13 any obligation or obligations of the Borrower under any Finance Document are not or cease to be legal, valid, binding or enforceable;
- 4.2.14 in the opinion of the Company there is a significant drop in the value of the Borrower's business or the Security held by the Investors;
- 4.2.15 the auditors qualify their report on any audited consolidated accounts of the Borrower in an adverse manner;
- 4.2.16 any event occurs which in the opinion of the Company is likely to have a material adverse effect on the ability of the Borrower to comply with its obligations under a Finance Document;
- 4.2.17 any person who has provided a Guarantee for a Loan breaches the terms of that Guarantee or disputes or threatens to dispute the enforceability of that Guarantee or other document or suffers or is likely to suffer a material adverse change to their financial position or the Company or the Trustee has any reason to believe that a Guarantee or a Security Document has become unenforceable;
- 4.2.18 any Guarantor who dies or becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to; or
- 4.2.19 the Borrower's use of the Peer Funding Platform is terminated for any reason in accordance with the Terms and Conditions;
- 4.2.20 If a Debt becomes a Disapproved Debt,
the Borrower agrees that Peer Funding, the Trustee or the Collector (as the case may be) may, on the behalf of each relevant Investor:
 - (i) demand repayment of the full amount owed by the Borrower under each Loan Contract; and/or
 - (ii) instruct the Trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

5 FEES

- 5.1.1 In return for the Company operating, maintaining and providing Customers with access to the Peer Funding Platform and/or the Website, Customers shall pay fees to the Company from time to time (**Fees**).
- 5.1.2 The Borrower shall pay the Company Fees in accordance with the Terms and Conditions.

- 5.1.3 The Fees payable by the Borrower to the Company will vary depending on the relevant Loan Transaction and the credit assessment process and will be clearly set out at the point that the Borrower is able to submit a Loan Request.
- 5.1.4 The Fees payable by the Investor to the Company will vary depending on the relevant Loan Transaction and are set out in the Terms and Conditions. The Fees owed by the Investor to the Company will be deducted from the first monthly repayment of interest that is paid to the Investor in respect of the relevant Loan, and if necessary from subsequent repayments of interest that are paid to the Investor in respect of the relevant Loan.
- 5.1.5 Other fees or charges that may be charged by the Company (or by any Collector it may appoint in relation to the Loan Contracts) and added to the balance outstanding are:
 - 5.1.5.1 once a sum has been outstanding for 7 days or more, the Company will charge an administration fee of up to 15% of the overdue amount;
 - 5.1.5.2 tracing charges (for finding the Borrower if it can't be contacted by the Company or its Collector);
 - 5.1.5.3 where a field agent has been employed as part of the collections process, the Company, the Trustee or the Collector may charge a fee; and
 - 5.1.5.4 all litigation, enforcement and recovery costs and expenses, including (but not limited to) legal fees and expenses, to cover litigation or enforcement of any Security held on behalf of the Investor to recover any loan or outstanding arrears.

6 **TRANSFER OF LOAN CONTRACTS**

- 6.1.1 Each Investor may transfer his or her right, title and interest in the Loan Contract and all associated rights to any third party via the Website and in accordance with the Terms and Conditions.
- 6.1.2 A Borrower may not assign any of his/her rights or transfer any of his/her rights or obligations under a Loan Contract.
- 6.1.3 The Borrower's rights and obligations under a Loan Contract that has been assigned shall not be adversely affected in any way whatsoever.
- 6.1.4 A transfer will be affected electronically by the transferring Investor and the new Investor agreeing to the transfer via the Website and this will have the same effect as if the assignment was signed in hard copy. At the date that the transfer is entered into, the Borrower and the transferring Investor shall be released from all future obligations to each other under the Loan Contract (**Obligations**). The Borrower and the new Investor shall at this date assume the Obligations to each other. The new Investor will therefore be the Investor under the Loan Contract. The Borrower confirms its acceptance and agreement to these arrangements and waives any right it may have for it to be a party to the transfer or for it to receive a copy of the email confirming that the transfer has taken place. There shall be no other effect on the terms of the Loan Contract which will continue in full force and effect.
- 6.1.5 The Borrower shall not be liable for any fees in relation to the transfer.

7 **RESTRUCTURING OF LOANS AND AMENDMENTS TO LOAN CONTRACTS**

- 7.1 There may be circumstances where a Loan Contract needs to be amended in order to restructure and/or amend a Loan. Each Investor therefore agrees that the Company is able (acting as agent for the Investors) to amend the relevant Loan Contract by increasing the

Loan Period by up to one year in consideration of an increase in the interest rate of 3% per annum.

7.2 Where the Company agrees to restructure the Loan and/or amend the terms of the Loan Contract:

7.2.1 the Company will try to give the Investors at least 14 days notice of our intention to do so. However, this may not be possible in all circumstances and our failure to give you notice in no way invalidates the restructuring and/or amendments;

7.2.2 no such amendments can take effect without the prior written consent of the Borrower. The Borrower acknowledges and agrees that the Company may require new/additional Security Documents and/or Guarantees to be executed by the Borrower, a third party and/or a Guarantor, prior to any amendment. the Company may also charge an additional arrangement fee and recover any additional costs that it incurs in respect of the amendment to the Loan Contract and/or the restructuring of the Loan.

7.3 Each Investor irrevocably agrees and consents to the Company acting as its agent in order to negotiate and agree any amendments to the Loan Contract and entering into any documentation in connection with such amendments. Each Investor agrees that it will be bound by any changes that the Company makes to a Loan Contract and that the Company is acting with each Investor's full authority and capacity in order to undertake any amendments to the loan and/or the Loan Contract. This is irrespective of the fact the Company does not have your specific agreement to the proposed amendments and/or restructuring.

7.4 By undertaking the amendments, the Company is not assuming any responsibility for a Loan Contract and/or a Loan Transaction and it is not assuming any rights or obligations under the Loan Contract and/or Loan Transaction. The Investors and the Borrower continue to be solely responsible for any benefits, rights, liabilities or obligations that arise under a Loan Contract and/or in respect of the Loan Transaction.

8 MISCELLANEOUS

8.1.1 The Borrower via its Dashboard can download a statement showing:

8.1.1.1 the details of each instalment owing under the Loan Contract; and

8.1.1.2 the date on which each instalment is due, the amount and any conditions relating to the payment of the instalment.

8.2 Any notices given to the Borrower or Investor in relation to the Loan Contract shall be put on and be accessible through the Investor's or Borrower's Peer Funding Account on the Website, and emailed to their registered email address.

8.3 The Loan Important Terms Schedule and a copy of these Loan Terms will be available through the Investor's and Borrower's Peer Funding Account on the Website.

8.4 The records kept by the Company shall be conclusive of the facts and matters they purport to record except where there is an obvious mistake.

8.5 The Investor and Borrower agree that, while the Company or the Trustee are not a party to this Loan Contract, they may take the benefit of and specifically enforce each term of this Loan Contract pursuant to the Contracts (Rights of Third Parties) Act 1999.

8.6 If, at any time, any provision of these Loan Terms or the Loan Contract is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

8.7 The Investor may, in whole or in part, release, compound, compromise, waive or postpone any liability owed to it or right granted to it in these Loan Terms or under a Loan Contract

without in any way prejudicing or affecting its rights in respect of that or any other liability or right not so released, compounded, compromised, waived or postponed.

- 8.8 No failure to exercise, nor any delay in exercising, on the part by a Investor, any right or remedy under these Loan Terms or a Loan Contract shall operate as a waiver of any such right or remedy or constitute an election to affirm these Loan Terms or a Loan Contract. No election to affirm these Loan Terms or a Loan Contract by an Investor shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in these Loan Terms or under a Loan Contract are cumulative and not exclusive of any rights or remedies provided by law.
- 8.9 The Company or the Trustee may exercise any of its rights under these terms and conditions by itself or through any company or other legal entity which is under the control or ownership of Peer Funding.
- 8.10 These Loan Terms and the Loan Contract are governed by and construed in accordance with English law. In the event of any matter or dispute arising out of or in connection with these Loan Terms or the Loan Contract, the Borrower and the Investor shall submit to the exclusive jurisdiction of the English courts. This clause is for the benefit of the Investor. As a result, the Investor shall not be prevented from taking proceedings relating to these Loan Terms or a Loan Contracts in any other courts with jurisdiction. To the extent allowed by law, the Investors may take concurrent proceedings in any number of jurisdictions.