

## BridgeCrowd – Global Investor Provisions

**These Global Investor Provisions have been written to flow with the chronological order of the Platform and an Investor’s participation in it. Any risks are highlighted throughout rather than being stated at the beginning.**

Capitalised words shall have the definition given to them at the end of these Global Investor Provisions.

### **Overriding Principles of Investment**

**We lend money in respect of UK Property over which We take Security.**

**This BridgeCrowd Platform has been established on the overriding principle of protection of each Investor and that each Investor’s Investment follows the performance of each Loan in which it invests. This means:**

- 1. Your money is ‘ring-fenced’. On the insolvency of BridgeCrowd, Your money - either in Your E.Wallet prior to an Investment, or the interest and return of capital You are entitled to in respect of the relevant Loan from the relevant Borrower - is protected and will not form part of BridgeCrowd’s assets and will not be used to repay any of BridgeCrowd’s liabilities. The monies will at all times belong to You and be Your asset. Any relevant appointed insolvency practitioner will segregate all such Investor monies and will manage the outstanding Loans to ensure that any returns are paid directly to the relevant Investors.**
- 2. Each Investment in which You invest will ‘stand on its own merits’. If one Loan should default this will have no impact on the other Loans in which You have invested.**
- 3. You have complete autonomy on how to run, administer and enforce Your beneficial entitlement of each Loan. For example, if You want to sell Your beneficial entitlement to a Loan, or if You want to enforce (or not enforce) your beneficial entitlement then You may do so either privately or by instructing to Us take action (or not take action) on Your behalf.**

### **1. Who Are We?**

#### **a. Purpose of Global Investor Provisions**

These Global Investor Provisions are to inform You as an Investor of each aspect of our business and Your investment on the Platform. They aim to give You a clear, straight-forward, plain-English overview of your investment setting out clearly the process, the advantages, the returns, the risks and how We seek to mitigate them so You are able to make investment decisions on an informed basis. These Global Investor Provisions constitute Our agreement with You as an Investor on the Platform and will come into effect upon You confirming electronically on the Platform that You agree to these Global Investor Provisions, each document referred to in them and each other Finance Document.

#### **b. Who we are**

BridgeCrowd is the trading name of Social Money Ltd (registered in England and Wales with company registration number 08054296). We are a loan-based funding platform. We aim to be the social way to borrow, and participate in investments in, secured finance. Through crowd funding we are able to offer attractive borrowing

rates on a wide-range of loans whilst at the same time providing a great return for investors.

**c. Our aim**

We provide a Platform where You can participate in providing finance to Borrowers secured on real estate assets of the relevant Borrower. Our principal role is to bring together prospective borrowers and investors, to provide a streamlined, on-line process for entering into loan agreements and to assist You at Your discretion with regard to the payment and collection of sums due under or in connection with those loans – including, at Your request, taking certain actions on Your behalf upon a Borrower’s default.

**d. How we are organised**

We operate with one lender of record ‘BridgeCrowd’ which is the entity which lends each Loan to each relevant Borrower. This lender then syndicates (i.e. ‘sells off’) participations in each Loan to the numerous Investors. Separating the functions in this way gives You added protection that Your money will be protected and accounted for separately.

**e. FCA regulation**

Although the Loans in which You may participate are not regulated, please note that We are authorised and regulated by the Financial Conduct Authority (FRN: 675283) as a credit broker. We abide by the following 10 FCA principles:

- 1. Integrity:** We conduct our business with integrity.
- 2. Skill, Care and Diligence:** We conduct our business with skill, care and diligence.
- 3. Management and Control:** We have taken reasonable care to organise and control our affairs responsibly and effectively with adequate risk management systems.
- 4. Financial prudence:** We maintain adequate financial resources (see paragraph 1.f below).
- 5. Customers’ Interests:** We pay due regard to the interests of Borrowers and Investors who use Our Platform and treat them fairly.
- 6. Communications with Clients:** We communicate information to the Borrowers and Investors who use Our Platform in a way which is clear, fair and not misleading.
- 7. Conflicts of Interest:** We manage conflicts of interest fairly.
- 8. Customers: Relationships of Trust:** We take reasonable care to ensure the suitability of information to enable users of Our Platform to make discretionary decisions to enable it to rely on its own judgement.
- 9. Clients’ Assets:** We have arranged adequate protection for Investors’ monies (see para 6 (Protection of Investor Monies) below).
- 10. Relations with Regulators:** We deal with the regulators in an open and cooperative way.

**f. Capital requirements**

We abide by the capital requirements set out in the FCA rules.

**g. How we make our money**

We make money by charging Borrowers a slightly higher interest rate than the Interest Rate We pay to You. For example if a Borrower pays interest at 1.25% per month, and You receive an Interest Rate of 1% per month, We will retain a profit of 0.25% per month.

**h. “Good Faith” statement**

We operate on the values of “Good Faith”. That requirement being one of “Fair and open dealing” which requires that the terms should be expressed: “Fully clearly and legibly, containing no concealed pitfalls or traps. Appropriate prominence should be given to terms which may operate disadvantageously to the consumer....” [Director General of Fair Trading v First National Bank PLC [2002]]

**2. Investments/Borrowers**

**a. Assessing creditworthiness of Borrowers**

Each Borrower undergoes rigorous checks, both automated and manual, prior to a Loan being entered into by Us and which is then subsequently listed on the Platform. We also assess the creditworthiness of each Borrower and, where applicable, their ability to make repayments when they fall due.

**b. Assessing Properties**

In assessing any relevant Property which is to be offered as security: We will review, in each case, as a matter of course:

1. A Valuation of the Property the subject matter of the Security. Such Valuation is undertaken by a RICS (Royal Institute of Chartered Surveyors) approved Valuer who carries professional indemnity cover. The Valuer will provide a market value of that Property against which We can assess the maximum amount of the Loan We are able to offer.

2. A legal report on the Property the subject matter of the Security. Such report is carried out by a team of independent solicitors who are on our approved panel and who carries professional indemnity cover. The solicitors will review the legal title to that Property from information stored at the Land Registry and any other necessary information from the Borrower (and if applicable, its solicitors).

**c. Security**

At the same time the Loan is advanced to the Borrower, we will seek Security from the Borrower over its Property in Our favour. The Security, where this comprises a Legal Mortgage, will be registered at the Land Registry. For more detailed information see paragraph 5 (Security) below.

**d. Existing lenders**

If the Borrower has already entered into a loan agreement with an existing lender who already has security on the relevant Property, then We will assess the transaction as a whole taking into account the outstanding loan due to the existing lender.

**e. Potential Investments and likely returns**

On Your Dashboard you will see in respect of each Potential Investment: the specific Interest Rate, key facts about that Investment, an executive summary of the Potential Investment and the Loan and any other relevant information. All Interest is paid gross. For current default rates please [click here](#). Past performance of one Loan/Investment is not an indicator of future outcomes/returns in respect of other Loans/Investments.

**f. Information**

We do not make recommendations as to whether or not You should place a Bid. We supply factual information on each Potential Investment to You so You are reasonably able to understand the nature of the Potential Investment and the associated risks so that You are able to form Your own judgement and assessment whether or not to place a Bid.

**3. Investor Participation in the Platform**

**a. Becoming an Investor**

When any person applies to become an Investor they apply via our online registration system and provide us with all relevant details so that we may carry out all necessary anti-money laundering, identity and sanctions checks.

We respect Your right to privacy and will only process Your personal information in accordance with the Data Protection Act 1998 and any other applicable laws and regulations. In particular, We are committed to keeping Your personal information confidential.

You will not become an Investor until We have approved Your application to become an Investor, or such later date on which any conditions for membership have been satisfied.

These Global Investor Provisions and documents referred to in it contain all the terms that determine the process, rights and obligations between You and Us. By checking the "Accept Global Investor Provisions" in the account sign up, You agree that You have read and accept the terms and conditions contained in these Global Investor Provisions and documents referred to in them.

Once Your application has been successful You can then start investing straight away. Any new Investor will have the right to cancel their application to become an Investor within 14 days of a successful application. Such cancellation right falls away on the making of a successful Bid.

We may at any time request that You provide any information relating to You or Your use of the Platform as We consider necessary or desirable to ensure We comply with all applicable rules, laws and obligations. You authorise us at all times to undertake credit, identity and anti-money laundering checks and searches on You, any officers and/or any beneficial owners, if any. You accept that any information received by Us will form part of Our ongoing records.

**b. Cash in – Crediting Your E.Wallet**

Once You have been admitted as an Investor You will have access to Your own personal on-line Dashboard. You may then place Investment Monies in Your E.Wallet by transferring funds from a debit card or by bank transfer from a current account. Such monies will usually show in Your E.Wallet between 1 and 5 days depending on Your choice of transfer. The monies so transferred will show as a credit Your E.Wallet and will be held in accordance with the Declaration of Trust and paragraph 6 (Protection of Investor Monies) below. Any balance standing to the credit of Your E.Wallet which is not the subject of a Bid may be withdrawn by You at any time.

**c. Dashboard**

Your Dashboard will show, amongst other things:

1. Your current Investments (and Loan Certificates regarding each of them);
2. Potential Investments on which You may Bid;
3. Potential trades available on the Secondary Market;
4. The balance standing to the credit of Your E.Wallet; and
5. Any updates to the Global Investor Provisions.

**d. Representations, warranties and undertakings**

By applying to become an Investor and in crediting monies into Your E.Wallet, You represent, warrant and undertake (as appropriate) to Us and each other Investor (on the date You become an Investor and each time You make a Bid) that:

1. by becoming an Investor and being bound by these Global Investor Provisions, You have not and will not violate any law, regulation, judicial order, Security Interest or any contract applicable to You;
2. there are no agreements or arrangements affecting You which may prevent You from becoming, or continuing to be, an Investor;
3. all information provided by or on behalf of You to Us is true and accurate in all material respects;
4. You will comply with all the principles and obligations on You as set out in these Global Investor Principles, any other Finance Document and any other related documents;
5. You will comply in all respects with all applicable laws and regulations affecting Your participation in the Platform;
6. You will use the Platform and the Licensed Materials in full compliance with these Global Investor Provisions;
7. You will decide whether or not to Bid on a particular Potential Investment based on Your own assessment of the material facts and will not rely on any representation express or implied by Us;
8. You are acting as principal on Your own accord and not as an agent of any third party – or if you are acting as an agent or on behalf of any third party You have that third party's express consent and You have undertaken all necessary anti-money laundering and 'Know Your Customer' checks;
9. You will not, either on Your own account or with any other person, and whether directly or indirectly at any time that You are an Investor and for a period of 12 months thereafter, entice away or

attempt to entice away or authorise the taking of such action by any other person, any Investor, or any employee of BridgeCrowd or any Borrower (or any person that has been an Investor or Borrower on the Platform within 12 months from the date on which You cease to have any Investments);

10. You will not at any time that You are an Investor contact any other Investor in order to offer to sell or purchase from any other Investor its Investment, other than through the Platform; and

11. You will only use all information obtained by You as a consequence of becoming an Investor and using the Platform (including all Confidential Information) for the sole purpose of considering whether or not to make a Bid.

**e. Fees**

We do not charge Investors any fees for membership or withdrawing funds or any other hidden fees, charges or expenses other than in respect of the Secondary Market (see paragraph 10 – Secondary Market).

**f. Our role as Agent and Trustee**

Upon becoming an investor, You appoint Us to act as Your agent and trustee under and in connection with these Global Investor Provisions, each other Finance Document, and in respect of client monies and each Investment and each Loan with each relevant Borrower. We declare that We will hold all Security on the terms as set out in these Global Investor Provisions and relevant Finance Documents.

Prior to an Event of Default occurring, You authorise Us to perform the duties, obligations and responsibilities and to exercise the rights powers and, authorities given to Us under or in connection with the Finance Documents. Your E.Wallet will automatically be credited with the repayments of interest and Your Loan in accordance with the terms of the relevant Investment and You will manage Your funds in Your E.Wallet and You will have complete control and discretion over these repayments once made to Your E.Wallet.

Following the occurrence of an Event of Default which is continuing, You may manage Your interest in the Loan and You may, at Your discretion, send instructions to Us to request that we take Enforcement Action (or not take Enforcement Action) on Your behalf to recover Your Investment in the relevant defaulting Loan.

You shall independently have the right to take any Enforcement Action irrespective of whether We agree to take Enforcement Action on Your behalf.

You will not have any direct recourse to any Security or to exercise any right, power, authority or discretion arising under any Security, or any Legal Mortgage or claim under any professional indemnity policy of Our advisers.

**g. Terminating Your participation as Investor**

We may terminate Your participation in the Platform in any of the following circumstances:

- i. You breach or threaten to breach any representation, warranty or other agreement given by You under these Global Investor Principles or any related agreement;
- ii. You are determined by us (acting reasonably) to have (or attempted to) hack into or otherwise interfere with the Platform, or We have reasonable reason to believe You have committed any act of fraud through the Platform;
- iii. You become bankrupt or insolvent; or
- iv. At the sole discretion of BridgeCrowd.

Such termination will not affect Your and Our respective rights and obligations in respect of any outstanding Investments.

Your participation in the Platform may be terminated at any time upon 14 days' prior written notice given by Us to You or You to Us.

#### **4. Investing in an Investment**

##### **a. The Bid Process**

You may place a Bid to participate in a Loan up to the amount of credit in Your E.Wallet. Upon completion of a successful Bid the Investment Monies will be transferred from Your E.Wallet to Us in respect of that successful Bid. You agree to such transfer and to participate in the Loan from the date of the successful Bid. You will then receive a Loan Certificate evidencing Your participation in that Loan. Such Loan Certificate will set out, amongst other things, the amount of Your Investment Monies in respect of a Loan, the designated Interest Rate applicable and the Term.

##### **b. Payment of Interest**

Before You place a bid on a Potential Investment, the key facts on that Potential Investment (see paragraph 2.f above) will state the Interest Rate. The Interest Rate will also be confirmed on Your Loan Certificate.

Subject to paragraph 9 (Defaults and Enforcement) below and the performance of the Loan, interest will either be:

1. **'Retained'**, this will apply in respect of the majority of Investments, in which case an amount equal to Your Interest at the Interest Rate will be paid promptly into Your E.wallet each month.
2. **'Serviced'** – in which case, when the Borrower is able to make an interest payment, it will make such payment of interest and at that time an amount equal to Your Interest at the Interest Rate will be paid promptly into Your E.Wallet – sometimes We call this 'pay when paid'.
3. **'Rolled'** – In this instance, Interest will continue to accrue and will be added to the outstanding liabilities that are due to You from that Borrower in respect of that Loan until the Loan is redeemed. Interest is likely to accrue this way on the occurrence of an Event of Default. Any such Interest will be paid to You in accordance with paragraph 9(b)(Partial Repayment/Procedure for Allocation).

If any interest is paid into Your E.Wallet in error, the amount of such payment will be deducted from the final payment due to You at the end of the Term. At the end of

the Term when the Borrower repays the relevant Loan in full You will receive your original Investment Monies.

Interest payable to You follows the direct performance of each Loan, in that:

1. If the Borrower and the Loan perform as expected – You will receive in full Interest at the Interest Rate and repayment of Your initial Investment Monies;
2. If the Borrower and the Loan do not perform as expected or there is an Event of Default or Enforcement Action is taken – You may not receive in full Interest at the Interest Rate and repayment of Your initial Investment Monies;
3. Non-performance by one Borrower in respect of one particular Loan will not negatively impact any of Your other Investments in any other Loan.

**c. Early repayment**

If a Borrower repays any Loan early, Your E.Wallet will be automatically credited and We will notify You of this through Your Dashboard. You will be entitled to receive Your original Investment Monies and any Interest payable up to the date of early prepayment of the Loan. You will then not continue to earn any Interest on that Loan after it has been repaid.

**d. Buy Back Right**

At any time after the expiry of 30 days from a successful Bid, We may, on 5 day's written notice to You, elect to purchase Your participation in any Loan. Upon paying to You Your Investment Monies applicable to the relevant Loan in full together with Interest accrued up to the purchase date, You shall have no further interest in that Loan and the participation in that Loan will be deemed to be at an end.

**e. Tax liability**

We do not offer any tax advice whatsoever as to how Your investment and any Interest received by You will be treated for tax purposes. Any return on Your Investments is gross of tax and we strongly suggest You seek the advice of a qualified accountant or tax specialist in this regard.

**5. Security**

**a. Process, Pitfalls and Mitigation**

Subject to the matters set out below and paragraph 7 (Risks), it is anticipated that all Loans in which You may participate will be secured on Property by us. This means that We expect the relevant Borrower to grant Security in respect of a Property. If the relevant Borrower fails to pay any amount due, We can seek to recover any outstanding amounts by taking Enforcement Action in respect of such Property which may include selling it. The proceeds of such sale would be used towards repayment of any outstanding amounts owed to You and other Investors who have participated in that Loan to that relevant Borrower.

Our preference is to secure a Legal Mortgage, if this is not possible or the registration of the Legal Mortgage fails for whatever reason, We will seek to obtain



an equitable mortgage and/or register a unilateral on the title to the Property at the Land Registry. We often, in addition, seek a personal guarantee from the Borrower.

The process is as follows:

1. We will undertake the due diligence on the Property as set out a paragraph 2(b) above. The Valuation will be undertaken by a Valuer who will carry professional indemnity insurance on which We will rely on and may seek to claim on such PI policy if such Valuer is negligent in its Valuation. If the value of the Property as detailed in the due diligence Valuation does not support a Loan at the proposed level, then We will not continue with the Potential Investment or We will adjust the amount of the proposed Loan accordingly so that it sits within Our investment parameters. The legal Report on Title will be carried out by one of our panel of approved solicitors who will review the legal title to the Property. The firm of solicitors will carry professional indemnity insurance on which We will rely on and may seek to claim if such solicitor is negligent in its Report on Title. If the Borrower is not able to provide a Legal Mortgage over the Property then We will either not continue with the Potential Investment or insist on alternative Security.
2. If the Valuation and the legal due diligence is satisfactory, on Completion, the Borrower will enter into Security in respect of the Property and the Loan and We will hold this Security.
3. Prior to Completion, where the Security comprises a Legal Mortgage, a priority search at the Land Registry will be carried out which means that the application to register the Legal Mortgage will be treated in priority to any other application at the Land Registry in a specified window of time (the 'Priority Period').
4. Following Completion where the Security comprises a Legal Mortgage, either Our solicitors or the Borrower's solicitors will undertake to register the Legal Mortgage at the Land Registry. The time between Completion and actual registration of the Legal Mortgage is known as the 'registration gap'. During the registration gap, if there are any issues with the Legal Mortgage or the application, the Land Registry may raise certain queries ('Requisitions') which must be answered before the Legal Mortgage will be registered. In the unlikely situation that these Requisitions are unable to be answered or they are not answered before the expiry of the Priority Period, then the application will lapse and the Legal Mortgage will not be registered at the Land Registry. This means that there is no Security for the Loan. In this instance, We would work with Our advisers to try to remedy the situation and ensure the Legal Mortgage is registered at the Land Registry, if possible. Failing that, We may call an Event of Default and demand that the full outstanding balance of the Loan is payable immediately by the Borrower and/or look to alternative Security. This is no different to the process undertaken where any Property is given as security for any loan to any other lender.

**b. Prior ranking security**

In some instances the Borrower will already have a loan outstanding to an existing lender and has granted security to that prior lender.

In such instances:

1. Where possible, We will seek the prior written consent of the prior lender to the proposed Loan and to the proposed Security to be given by the Borrower;
2. Where possible We will enter into an additional deed of priority with the prior lender which will regulate the order of priority of Security Interests between us.
3. It is usual that any priority arrangements will provide that the prior Lender is paid out first in priority to any other secured creditor which, will include the relevant Investors.

## **6. Protection of Investor Monies**

### **a. Client monies**

Monies which are placed in Your E.Wallet and any monies otherwise received from You towards a Loan or monies paid by a Borrower which is applicable to Your Participation in any Loan, whether received physically or electronically is “client money” held by Us for or on behalf of You. Such monies will always be regarded as Your money (in legal terms We are holding them ‘on trust’ for You). This means that You are given the added protection that, if the unlikely event that the BridgeCrowd business should cease for whatever reason:

1. Investors’ monies in the E.Wallet would be distributed according to CASS (as set out in the FCA handbook ‘**CASS**’) (new client bank accounts would be opened to receive ongoing payments for current Investments under client money rules);
2. no new Loans will be advanced under the Platform and all existing Loans would remain valid under the existing terms;
3. should an administrator be appointed, it would administer the business and the existing investments of BridgeCrowd;
4. such client monies held in a BridgeCrowd bank account will only be available to be distributed to You by the relevant insolvency practitioner;
5. Your money credited to Your E.Wallet would be protected by being ‘ring-fenced’ which means it would be separated from any assets of BridgeCrowd and You would be able to withdraw such funds.

You must be aware that You have no recourse to the Financial Services Compensation Scheme by participating in the Platform.

### **b. Trustee and Agency Role**

In becoming an Investor and participating in a Loan, You will appoint Us to act as trustee on Your behalf in applying Your money to the relevant Loan, receiving payments from the Borrower on Your behalf and transferring sums due to You to Your E.Wallet. Such trustee arrangements will be governed by the terms of these Global Investor Provisions and the Investor Declaration of Trust.

You also appoint Us as Your agent, (until receipt of any written instructions from You to the contrary) following the occurrence of an Event of Default which is continuing, to take (or not take) Enforcement Action or any other decisions relating to the relevant Loan.

### **c. Apportioning payments to You**

We have detailed accounting, client collection accounts and processes in place so as to ensure that:

1. **Money waiting to be invested** - Your money standing to the credit of Your E.Wallet is placed into a segregated client account on trust for You;
2. **Interest due during the term of the Loan** - Once a Loan has been advanced to a Borrower, each Interest payment which is due to You during the term of such Loan will be due to and owned by You and will be credited promptly to Your E.Wallet in accordance with the Interest Payment Method and Interest Rate specified in Your relevant Loan Certificate; and
3. **Capital repayment at the end of the term of the Loan** - at the end of the Term of the Loan, upon repayment of the outstanding Loan in full by the Borrower, an amount equal to Your original Investment Monies in respect of that Loan is credited promptly to Your E.Wallet. Again, this is into a separate segregated client account held on trust for You and each other relevant Investor.

## 7. Risks

### a. Global risk warning statement

The BridgeCrowd Platform matches borrowers looking to borrow with investors looking to participate in Loans. Although such crowd-based lending can be rewarding, it may involve a number of risks. If You choose to lend through BridgeCrowd, you need to be aware of the following important considerations:

#### 1. Past Performance

All participations in Loan involve an element of risk. Past performance of any individual Loan or Investment including those which offer Security, may not be a guarantee to the future performance of that Investment or any other Investment.

#### 2. Loss of capital and no guarantee of Interest

Lending can lead to a loss of Your capital as a lender in the event of a default. You should not lend more money than you can afford to lose. If the Loan is in default, there is also no guarantee that You will receive the Interest at the Interest Rate as set out in Your Loan Certificate.

#### 3. Illiquidity

Other than a participation in the Secondary Market (see paragraph 10 – Secondary Market), any investment You make through the Platform will be highly illiquid. When You participate in a Loan You commit to participating in that Loan for the duration of the Term. During this time it is not possible to withdraw the original Investment Monies – although it may be possible to sell Your Loan on the Secondary Market (subject to the terms of the Secondary Market). Even for a successful Loan that is being repaid on time by the Borrower, the underlying investment You have made to that particular Borrower will not be accessible to You until the Loan is redeemed. In particular, if You are over the age of 60 at the time of lending You should consider the effect this illiquidity could have on Your lifestyle.

#### 4. Enforcement Action

It is a risk that, if a Property is sold following an Event of Default and Enforcement Action being taken, there may not be enough proceeds of sale to repay all Investors' Investments and any accrued Interest in that particular Loan.

Following distribution in full of the proceeds of any Enforcement Action We may at our discretion terminate the Loan.

**5. Prior ranking security**

If paragraph 5(b) (prior ranking security) applies, the prior-ranking lender may take Enforcement Action in respect of the Borrower and/or the Property in relation to its own loan without any regard to the rights, obligations or loans of BridgeCrowd or any Investor.

**b. Risks outside Our control**

There will be a variety of instances outside of Our control which may have an impact on any particular Investment over which We have no control. By way of a number of limited examples (this list is non-exhaustive):

1. A Borrower, its solicitors or any of its other advisers are negligent, provide false and/or, misleading information or commit fraud;
2. There is a problem with the title to the Property;
3. The Borrower is not who he purports to be;
4. It is not possible to register the Legal Mortgage at the Land Registry or a solicitor fails in its undertaking to do so;
5. The Valuer is negligent in its Valuation;
6. A PI insurance policy does not pay out or does not extend to the full loss;
7. The market/valuation of the Property may fall.
8. Any unforeseen circumstance which may affect the Security, the Borrower, the Property or any aspect of any Investment.
9. Fraud by any person purporting to be an Investor or a Borrower or any other person.
10. Banking fraud in respect of the client account or any cyber-fraud.

**c. Mitigation**

As detailed above We seek to mitigate the risks of investment, by amongst other things, undertaking the following:

1. We undertake detailed due diligence on the Borrower and any relevant Property;
2. We look at the value of the relevant Property in order to set the Loan at a level which does not exceed a certain percentage of this value. This loan to value percentage will be set out in each relevant Investment Particulars;
3. We assess the ability of each Borrower to meet its obligations under its Loan Agreement;
4. We use approved Valuers and solicitors who carry professional indemnity insurance policies on which are able to make a claim;
5. We seek Security over property for each Loan and where appropriate, we seek personal guarantees from the Borrower;
6. We ensure that Loans are sized in consideration of any prior loans to prior lenders;
7. We segregate Investor monies so these are ring-fenced/protected if there should be any failure of BridgeCrowd.

**8. Our liability**

We shall not be liable to You (unless caused by gross negligence, wilful deceit or fraud on Our part) for:

1. any loss or damage which You may suffer as a result of participating in a Loan on the Platform;
2. the legality, validity, effectiveness, adequacy or suitability of any Loan, Investment, Security or the Borrower;
3. any damages, costs or losses to You or any other person, any diminution in value, or any liability whatsoever arising as a result of:
  - a. exercising, or not exercising, any action, right, power, authority or discretion given to Us by, or in connection with, any Finance Document, the 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 Property, unless directly caused by Our gross negligence or wilful deceit or fraud;;
  - b. any shortfall of interest or capital which arises upon any Enforcement Action or realisation of any Security;
  - c. any breach of these Global Investor Provisions;
  - d. any other loss arising from circumstances outside Our reasonable control (including but not limited to each of the items as set out at paragraph 7(b)(Risks outside of Our control);
  - e. any increase of the Loan under clause 2(g);
  - f. fraud, identification fraud, banking fraud, cyber-fraud, misrepresentation, negligence and/or mistake on the account of any person, including any Borrower, recipient of the loan monies, security provider, valuer, solicitor, broker, surveyor, council or the Land Registry and/or any other party connected with the Loan or the Investment; or
  - g. taking or not taking any Enforcement Action,
4. any non-performance by the Borrower (or the recipient of the loan) or the breach by the Borrower (or the recipient of the loan) of any term of the Loan Agreement or any other Finance Document; and/or
5. for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not We had been advised of the possibility of such loss or damages.

Our total liability to You in connection with Your Investment, these Global Investor Provisions and any related Finance Document and Your use of the services provided under the Platform shall not exceed the lower of: (i) the aggregate amount of Your outstanding participation in any Loan; and (ii) Your actual loss. Nothing shall exclude our liability for any liability that cannot be limited or excluded by law.

We make no representation or warranty of any kind (express or implied) by providing the Licensed Materials and all other information on and data contained within the Platform, by verifying any information provided by a Borrower or that use or access to the Platform will be uninterrupted, error free or free of computer viruses, or give any warranty otherwise as to their functionality, accuracy or reliability.

You agree that We do not provide any investment, financial, accounting, taxation or legal advice in general or with respect to any particular Investment or Potential Investment and that We are not authorised to do so. You need to obtain Your own advice relating to the same.

## **9. Defaults and Enforcement**

### **a. Recovery protocol**

Following the occurrence of an Event of Default which is continuing, You may manage Your interest in the Loan and have the discretion to send instruction to Us to request that we take Enforcement Action (or not take Enforcement Action) on Your behalf to recover Your Investment in the relevant defaulting Loan.

In the absence of any direct management and written instruction from the You, We shall be responsible for the collection and enforcement in respect of any outstanding liabilities of the defaulting Borrower and You irrevocably appoint Us as Your agent and attorney to carry out such action and sign all necessary documents and deeds on Your behalf.

You undertake to ratify and confirm whatever action We have undertaken in good faith in the exercise of such power. We shall not be liable for any shortfall of interest or capital which arises on the enforcement or realisation of any Security whether directed by You or not.

We may in our absolute discretion immediately proceed with Enforcement Action if We consider that recovery of the outstanding Loan will be will be prejudiced by any delay in taking Enforcement Action and You consent to that decision.

All costs and liabilities incurred by Us in undertaking in the taking of any Enforcement Action shall be paid to Us by deducting the same from any proceeds of enforcement.

### **b. Partial Repayments/Procedure for allocation**

If We receive a partial payment from the Borrower it will be automatically credited to your e-wallet. Prior us to receiving a partial-payment from the Borrower, and where there is insufficient money to discharge all the amounts due to You and payable by that Borrower under the loan or We receive any payment or sales proceeds from the disposal of a Property over which We had taken Security, you agree that the financial obligations of the borrower under the loan agreement will be to allocated in the following order:

1. firstly, in or towards payment of any fees and unpaid amount owing to Us, or any receiver appointed, for the taking of Enforcement Action and recovery of any amounts due in respect of any Enforcement Action taken

- (including all fees, costs and expenses of any insolvency practitioner or other professional advisers);
2. secondly, in or towards payment pro rata of any outstanding Investment Monies due to but unpaid to the relevant Investors;
  3. thirdly, in or towards payment pro rata of any outstanding Interest due to but unpaid to the relevant Investors;
  4. fourthly, in or towards payment pro rata of any outstanding Interest due to but unpaid to Us;
  5. fifthly, in or towards payment pro rata of any outstanding Default Interest and any fees due to but unpaid to Us;
  6. sixthly, in or towards payment pro rata of any outstanding Default Interest due to but unpaid to the relevant Investors; and
  7. finally, any surplus to the relevant Borrower.

In calculating the outstanding amounts to Investors, if an Investor has received any monthly payment in respect of its participation in a particular Loan since Completion, the total of such monthly receipts will be deemed to be a repayment of the initial Investment Monies (and not any Interest due) and the amount of the capital sums due to the Investor in respect of its Investment Monies shall be reduced by such amount already received.

In respect of any Loan which has been acquired on the Secondary Market, any interest which has already been paid in respect of the acquired Loan will be deducted from the relevant amount of principle Investment Monies payable to the new Investor.

#### **10. Secondary Market**

If You are an Investor You may request that any Loan Certificate be acquired by another Investor. We will facilitate the buying and selling of such Loan Certificates/participations in the relevant Loan. The details of the Loan Certificate and the terms of sale will be operated through the Platform and the terms of such will be governed by these Global Investor Provisions. You can sell your Investment in a Loan in whole or in part at an increase, at face value or at a discount.

#### **11. Confidential Information:**

##### **a. Licence**

We grant You a non-exclusive, non-transferable and revocable licence to use, access and communicate through the Platform and to use the Licensed Materials solely for the purposes contemplated by these Global Investor Provisions (the “**Licence**”). You will at all times recognise and respect Our property and copyright in the Platform and/or the terms of the Licence and You may not copy or otherwise deal with the same without Our prior written consent and You must safeguard and keep them confidential.

##### **b. Use of confidential information**

We will only use Confidential Information concerning You for the purposes of carrying out credit risks assessments, preventing fraud or money laundering and exercising Our rights under these Global Investor Provisions and any related Finance Documents and for those purposes We may at any time use, divulge or communicate to Our professional representatives or advisers or as may be required by law or any legal or regulatory authority or credit reference agencies any such Confidential Information. We will use our reasonable endeavours to prevent the unauthorised publication or disclosure of any such Confidential Information.

We are entitled to compile and formulate all information on Investors, data and statistical analysis on each Borrower, each Loan and each Investor and the information contained therein shall be Our sole and exclusive property.

You will not at any time after becoming an Investor, use, divulge or communicate to any person any Confidential Information and You will use Your best endeavours to prevent the unauthorised publication or disclose of any Confidential Information or Licensed Materials.

**c. Use of Platform**

You agree that We may immediately at any time without notice suspend Your access to the Platform (this will not affect any of Your participation in any Loan nor the monies in Your E.Wallet). You also agree that:

1. You will keep confidential all Your user identification numbers, passwords and other security processes and devices provided by Us and ensure that only You have access to the Platform;
2. You are solely responsible for all Bids or other transactions or other actions that take place using the Platform in Your name that are carried out by any person, whether or not duly authorised, if You could or should have reasonably prevented them from accessing the Platform; and
3. We have the absolute right not to act on Your or any other Investor's instructions if We consider there is a risk that by taking or refraining to take any action We may violate any law, regulation or other requirement of any governmental or other authority.

We are entitled to rely on any instruction from Your or from Your email account registered with Us and We shall not be liable in the event Your email account or access to Your Dashboard is accessed by another user, whether or not with Your permission and We will instruct payments to the bank account the details of which are notified to Us.

**12. Complaints**

We accept complaints from our Investors. We recognise the need to respond swiftly to complaints and will endeavour to resolve these quickly and efficiently. You can raise a complaint at any time by contacting us through any of the following three channels:

Email: [Investors@thebridgecrowd.com](mailto:Investors@thebridgecrowd.com)

Phone: 0161 312 5656

Post: The Lodge, Towers, Manchester M20 2AU



If You are making a complaint in writing please include Your name, a summary of Your complaint and the best way for Us to contact You. We will acknowledge Your complaint promptly and will do all We can to resolve Your complaint by the end of a period of 5 working days. If this is not possible We will let You know how We will be dealing with Your complaint and what our timeline for resolution will be. Within four weeks after receiving a complaint We will send You a final response or a response that explains why We are not in a position to resolve the complaint. Our final response to a complaint will be communicated to You in writing by either email or letter. We hope that You will not need to progress Your complaint after receiving the final response. However, if You are still unhappy You may ask Your initial point of contact that the complaint be escalated to a senior member of our staff who will check that Your complaint has been dealt with in accordance with Our internal policies, and that appropriate responses have been given.

### **13. General**

#### **a. Updating these Global Investor Provisions**

It may be necessary to update these Global Investor Provisions from time to time. Any updates will be notified by You and will appear on Your Dashboard and/or be emailed to You to be considered by You before progressing with any further Investments. If You do not agree to any changes You may within 14 days of receiving notice (such notice to be deemed to be received on logging on to Your Dashboard) immediately terminate Your participation on the Platform and Your agreement with Us by written notice to Us. All amended terms will automatically be effective 14 days after they are sent by e-mail to You or from You receiving notification on viewing Your Dashboard or immediately if You subsequently place monies in Your E.Wallet or make a Bid.

#### **b. Transfers**

Your participation in the Platform, Your agreement with Us and agreement to these Global Investor Provisions are personal to You and You may not transfer or hold on trust any of Your rights and responsibilities without Our prior written consent. For business reasons We may transfer any of our rights and obligations with You under the Platform or the Global Investor Provisions or any Finance Document without Your permission.

#### **c. Waivers**

If We fail to exercise any of Our rights under these Global Investor Provisions, any Loan Agreement, Finance Document or any other related document or in respect of any Borrower, We will not waive that right. Any waiver of any right will need to be specific and made in writing.

#### **d. Illegality**

If any provisions of these Global Investor Provisions or any other Finance Document is held to be invalid, void or unenforceable for whatever reason, the provision or part shall be struck out and will not affect the validity and enforceability of the remaining provisions.

#### **e. Rights of Third Parties**

No term, condition or provision of any Global Investor Provisions, or any other Finance Document, or any other document referred to in them shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to them.

**f. Governing law**

These Global Investor Provisions and any other agreement and non-contractual provisions between us shall be governed by English law and English courts have exclusive jurisdiction to hear and dispute arising out of or in connection with the same.

**14. Definitions and Interpretation**

**a. Definitions**

**“Bid”** means an offer made to participate in a Loan or part of a Loan for a specified amount of Investment Monies by clicking on “Invest” on Your Dashboard.

**“Borrower”** means a person identified as a borrower who is participating in the Platform in order to raise finance.

**“Completion”** means the date on which the Loan Agreement is dated, the Security is dated and delivered and the Loan is advanced to the Borrower.

**“Confidential Information”** means all information in whatever form provided by and/or relating to Us or any Investor or any Borrower or any Loan which is disclosed to or made available to an Investor by Us over the Platform including these Global Investor Provisions and all Licensed Materials

**“Dashboard”** means Your personal page on the Platform which sets out, amongst other things, Potential Investments, the balance in Your E.Wallet, Your active Investments and any updates to these Global Investor Provisions or any other Finance Document.

**“Declaration of Trust”** means the deed setting out the terms on which We hold the Investment Monies and all other related monies on trust for each relevant Investor.

**“Enforcement Action”** means in relation to any Loan, any action whatsoever to:

1. demand payment of, declare prematurely due and payable or otherwise seek to accelerate payment of, or place on demand, all or any part of that Loan;
2. recover all or any part of that Loan (including by exercising any rights of set-off or combination of accounts);
3. exercise or enforce directly or indirectly any rights under or pursuant to the provisions of any guarantee, surety, Legal Mortgage or any Security document or other document in relation to or given in support of all or any part of that Loan);
4. petition for (or take any other steps which may lead to) the bankruptcy of a Borrower or any guarantor; and
5. commence or support legal proceedings against any Borrower or any guarantor.

**“Event of Default”** means any of the following, in which We shall be entitled to take Enforcement Action:

1. failure by the Borrower to pay any amount when due under the Loan Agreement;
2. breach by the Borrower of any other undertaking, financial covenant or other obligation on its part under the Loan Agreement, Legal Mortgage, Security or other Finance Documents;
3. any representation, warranty or certificate made by the Borrower is or has been, in Our opinion materially incorrect;
4. breach by the Borrower of any other financing arrangement or any security given by it becomes enforceable;
5. any event occurs which in Our opinion is likely to have a material adverse effect on the Borrower, its prospects or the Borrower's ability to comply with the terms of the Loan Agreement and/or the Legal Mortgage.

**"E.wallet"** means each Investor's individual client account into which that Investor's monies are placed, the current balance of which will be displayed on each Investor's Dashboard.

**"FCA"** means the Financial Conduct Authority.

**"Finance Documents"** means the Global Investor Provisions, each Security, each Loan Agreement, the Declaration of Trust and any other related document or document referred to in them.

**"Global Investor Provisions"** means these provisions as may be updated from time to time in accordance with paragraph 13(a).

**"Interest"** means the interest applicable to each Investor's participation in a Loan, calculated at the Interest Rate.

**"Interest Payment Method"** means the anticipated method of receiving Interest payments being of a type described at paragraph 4(b) Of these Global Investor provisions and as set out in the relevant Certificate of Participation.

**"Interest Rate"** means the rate of interest applicable to each Loan as set out in the Investment Particulars and as confirmed in each relevant Loan Certificate.

**"Investment"** means an investment in a Loan made via the Platform.

**"Investment Monies"** means each amount transferred from an Investor's E.Wallet to be applied towards a particular Loan following a successful Bid.

**"Investment Particulars"** means the key facts and other information relating to a Potential Investment.

**"Investor"** means each person who has successfully applied to be admitted as an investor to the Platform and has accepted the terms of these Global Investor Provisions and each other Finance Document.

**"Legal Mortgage"** means a legal mortgage to be granted by the relevant Borrower over the relevant Property in a form approved by Us as security for the repayment of the relevant Loan and related Interest.

**"Licensed Materials"** means the information and facts relating to each Potential Investment, each Property and each Borrower, each Valuation, each Report on Title, transaction data, and any other information provided by Us or any of our authorised agents or representatives on the Platform.

**"Loan"** means each loan advanced to a Borrower pursuant to the term of a Loan Agreement as set out in the Investment Particulars in respect of which each Investor may participate.

**"Loan Agreement"** means an agreement between a Borrower and BridgeCrowd in respect of each Loan.

**“Loan Certificate”** means the certificate issued to each Investor following a successful Bid by that Investor to participate in a Loan.

**“Personal Guarantee”** means any guarantee to be given by an individual in support of a Loan.

**“Platform”** means the web-based loan investment exchange, related databases and supporting software operated by Us at <http://www.bridgecrowd.com>. but excluding equipment, software and telecommunications or links belonging to an Investor or any third party.

**“Potential Investments”** means a potential investment in a Loan the key facts and information on which are shown on each Investor’s Dashboard and on which each Investor may submit a Bid.

**“Property”** means each property given as security in support of the relevant Loan which is the subject of Security.

**“Report on Title”** means each report on each relevant Property prepared by Our instructed solicitors.

**“Secondary Market”** means the trading by Investors of its participation in a relevant Loan as facilitated by Us as set out at paragraph 10 of these Global Investor Provisions.

**“Security”** means, as appropriate: a Legal Mortgage, an equitable mortgage, any notice and restriction on the Land Registry title of the relevant Property, any personal guarantee and/or any other document which confers a Security Interest.

**“Security Interest”** means any mortgage, charge, pledge, trust, assignment, assignment by way of security, lien, or any other arrangement for the purpose of having a similar effect to creating security or any retention of title rights.

**“Term”** means the length of time of a particular Loan as set out on the relevant Investment Particulars.

**“You” “Your”** see **“Investor”**

**“Us”, “We”, “BridgeCrowd”, or “Social Money Limited”** means Social Money Limited a company registered in England and Wales with company registration number: trading as BridgeCrowd and having its registered office at 31 Wilmslow Road, Cheadle, Cheshire SK8 1DR.

**“Valuation”** means a valuation of a Property prepared by the Valuer and addressed to Us.

**“Valuer”** means a professionally qualified valuer who is a member of the Royal Institute of Chartered Surveyors chosen by Us.

## **b. Interpretation**

In these Global Investor Provisions:

1. Headings are for ease of reference only and do not affect the meaning of any provision.
2. A reference to any part of these Global Investor Provisions shall be construed as a reference to that part in force for the time being and as amended, varied or supplemented from time to time.
3. A discretion which We may exercise may be exercised in Our sole and absolute discretion and without the need to give any reason.
4. “writing” or “written” means by post.
5. Any undertaking not to do an act or thing includes an undertaking not to permit of suffer the doing of that act of thing.

6. A reference to an Investor, a Borrower or Us or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees.
7. a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality).
8. a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation.
9. a provision of law is a reference to that provision, as amended or re-enacted;
10. a time of day is a reference to London time and a month is to a calendar month.
11. Any word importing the singular shall include the plural and vice versa.