

## **BridgeCrowd – Global Lender Provisions**

**These Global Lender Provisions have been written to flow with the chronological order of the Platform and a Lender’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 Lender 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 Lender and that each Lender’s Loan follows the performance of each loan.**

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

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

These Global Lender Provisions are to inform You as a Lender of each aspect of our business and Your interaction with 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 Lender Provisions constitute Our agreement with You as a participant on the Platform and will come into effect upon You confirming electronically on the Platform that You agree to these Global Lender 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 secured loan finance provider. We aim to be the social way to borrow, and participate in investments in, secured finance.

#### **c. Our aim**

We provide a Platform where Lenders can join together to participate in providing finance to BridgeCrowd which acts a Trustee and We will use to provide Loans to Borrowers secured on real estate assets of the relevant Borrower. Our principal role is to bring together to provide a streamlined, on-line process for entering into loan agreements and to facilitate the payment and collection of sums due under or in connection with those that We make.

#### **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. We also separately manage each Loan and hold all Security in support of that Loan on trust for each Lender pursuant to the terms of the Trust.

#### **e. FCA regulation**

Social Money is authorised and regulated by the Financial Conduct Authority (FRN: 675283). BridgeCrowd is a trading name of Social Money Ltd. **BridgeCrowd loans to borrowers are unregulated and your loans are unregulated. Your loans are not covered by the Financial Services Compensation Scheme.**

**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 payable to the Lenders. For example if a Borrower pays interest at 1.25% per month, and the Lenders 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 its Loan being 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 investments**

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. We will hold all Security as trustee for and on behalf of all the Lenders who, following successful Bids, have

advanced Investment Monies to Us. 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. Loan Extensions**

We may, on a request by the Borrower, extend the term of the Loan with the Borrower. Any such extension will be at Our discretion based on an assessment of the potential return to Lenders.

**g. Loan Increase**

We may, on a request by the Borrower, increase the limit of the Loan with the Borrower. Any such increase will be at Our discretion based on an assessment of the potential return to Lenders. Any additional sums advanced will rank equally with all Loans already invested. We will endeavour to highlight in the details of the Potential Investment whether the particular Loan will be likely to benefit from a future Loan increase.

**h. Information**

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

**3. Lender Participation in the Platform**

**a. Becoming a Lender**

When any person applies to become a Lender 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 a Lender until We have approved Your application to become a Lender, or such later date on which any conditions for membership have been satisfied.

These Global Lender 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 Lender Provisions" in the account sign up, You agree that You have read and accept the terms and conditions contained in these Global Lender Provisions and documents referred to in them.

Once a Lender' application has been successful that Lender can then start lending straight away. Any new Lender will have the right to cancel their application to become a Lender 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. Making a Bid and Your E.Wallet**

Once You have been admitted as an Lender You will have access to Your own personal on-line E.Wallet Dashboard. You may then place a Bid and then send Investment Monies to Your E.Wallet by transferring funds from a debit card or by bank transfer from a current account. Such Investment Monies will usually show on your Dashboard between 1 and 5 days depending on Your choice of transfer. The monies and assets so will be held in accordance with paragraph 6 (Protection of Lender Assets) below. Any balance standing to the credit of Your E.Wallet by virtue of a Loan Repayment and 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 Loans (and Loan Certificates regarding each of them);
2. Potential Investments on which You may Bid;
3. Potential Investments available as Secondary Sales ;
4. The balance standing to the credit of Available Funds;
5. Whether You have elected to Auto-Invest; and
6. Any updates to the Global Lender Provisions.

**d. Representations, warranties and undertakings**

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

1. by becoming a Lender and being bound by these Global Lender 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, a Lender;
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 Lender 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 Lender 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 a Lender 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 Lender, or any employee of BridgeCrowd or any Borrower (or any person that has been a Lender 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 a Lender contact any other Lender in order to offer to sell or purchase from any other Lender its Investment, other than through the Platform; and
11. You will only use all information obtained by You as a consequence of becoming a Lender 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 Lender any fees for membership or withdrawing funds or any other hidden fees, charges or expenses other than in respect of the Secondary Sales or Re-Sales. (see paragraph 10 )

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

Each Lender, upon becoming a Lender, appoints Us to act as its agent and trustee under and in connection with these Global Lender Provisions, each other Finance Document. We declare that We hold all Security on trust for each relevant Lender on the terms as set out in these Global Lender Provisions and relevant Finance Documents.

Each Lender authorises Us to perform the duties, obligations and responsibilities and to exercise the rights powers, authorities and discretions given to Us under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions. No Lender shall have any independent power to enforce, or have any recourse to any Security or to exercise any right, power, authority or discretion arising under any Loan Agreement, any Security, or any Legal Mortgage, claim under any professional indemnity policy of Our advisers or take any Enforcement Action except through Us as agent and trustee (such powers to be exercised at Our complete discretion).

**g. Terminating Your participation as Lender**

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 Lender 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**

The Platform will set out Potential Investments, being Loans we have made made to Borrowers. You may place a Bid. Upon completion of a successful Bid you will send the Investment Monies to your E.Wallet (or we will use the money from your available balance if you are in credit from a previous loan repayment). You will then receive a Loan Certificate evidencing Your Loan to Us setting out, amongst other things, the amount of Your Loan to us, the designated Interest Rate applicable and the Term.

**You will be providing an unsecured Loan to Us but We undertake to hold the Security and any money received from the borrower on trust (pursuant to the terms of the Trust) and on which You have placed a Bid. Our Loan to the Borrower will be on a secured basis as set out in the terms of these Global Lender Provisions.**

**b. Auto-Invest**

You may elect to Auto-Invest any monies standing to the credit of Your E.Wallet. If You select this option then any monies (or up to the maximum amount You select)

standing to the credit of Your E.Wallet may be advanced to Us at Our complete discretion at any time in any Potential Investment.

**c. Payment of Interest**

Before You place a bid on a Potential Investment, the key facts on that Potential Investment (see paragraph 2.e 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 be at in respect of each Potential Investment and will depend on the terms of the loan between Us and the relevant Borrower. The Borrower will usual pay interest as:

1. **'Retained'**, 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 from that Borrower. 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 with us in full You will then 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.

**d. Early repayment**

If a Borrower repays any Loan early, 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.

**e. Repayment 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 repay the Loan advanced by You. Upon such repayment Your Investment Monies applicable to the relevant Loan shall be repaid in full together with Interest accrued up to the purchase date, You shall then have no further interest in that Loan.

**f. 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 which We advance to Borrowers will be secured on Property. This means that We expect the relevant Borrower to grant Security in respect of a Property relating to the Loan. 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 payment of any outstanding amounts owed to You and other Lenders who have participated in that Loan to Us in respect of that relevant Borrower and are You entitled to receive such payments under the terms of the Trust.

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 in Our favour which We will hold on trust for the Lenders.

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. This will be made specifically clear in the Investment Particulars.

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.

**6. Protection of Lenders Assets**

**a. Lenders Assets**

Monies which are repaid from a Borrower which will be immediately credited to Your E.Wallet and the Security to which your loan related is Client Trust Assets held by Us for or on behalf of You. This means that you are the beneficiaries of such monies and Security as 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. Lender' monies repaid into the E.Wallet would be distributed according to your loan agreement
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 trust assets held in a BridgeCrowd bank account will only be available to be distributed to You by the relevant insolvency practitioner;
5. each Lender's money credited to its E.Wallet and each Security to which your loan related would be protected by being 'ring-fenced' which means it would be separated from any assets of BridgeCrowd.

Each Lender must be aware that it has is no recourse to the Financial Services Compensation Scheme by participating in the Platform.

**b. Trustee and Agency Role**

In becoming a Lender and advancing a Loan to Us, You will appoint Us to act as trustee on Your behalf in transferring sums due to You to Your E.Wallet. Such trustee arrangements will be governed by the terms of these Global Lender Provisions and the Declaration of Trust. You also appoint Us as Your agent to make decisions regarding each Loan whether this relates to, for example, the taking (or not taking) of enforcement action, whether or not to grant an extension to the term of the Loan or any other decisions relating to the relevant Loan, Security and/or Borrower and to hold any Security on Trust for You.

**c. Apportioning payments to correct Lenders**

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

1. **Money waiting to be re-invested** – Each Lender's money standing to the credit of its E.Wallet by virtue of a Loan repayment is placed into a segregated client trust account on trust for that Lender;
2. **Interest due during the term of the Loan** - Once a Loan has been advanced to a Borrower, each Interest payment which is received by us and which is due to be paid to a Lender during the term of such Loan will be credited promptly to that Lender's E.Wallet in accordance with the Interest Payment Method and Interest Rate specified in its 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 the original Investment Monies of the Lender in respect of that Loan is credited promptly to the relevant Lender's E.Wallet. Again, this is into a separate segregated client trust account held on trust for each relevant Lender.

**7. Risks**

**a. Global risk warning statement**

The BridgeCrowd Platform matches borrowers looking to borrow with lenders 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 Loans 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 capital or Interest at the Interest Rate as set out in Your Loan Certificate.

**3. Illiquidity**

Other than a participation in the Secondary Sales or Re-sales (see paragraph 10 – Secondary), 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 back to us (subject to the terms of the Secondary Sales / Re-sales). Even for a successful Loan that is being repaid on time by the Borrower, the underlying investment You have made to Us will not be accessible to You until the Loan is redeemed by the Borrower. 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 Our Loan with the Borrower and therefore subsequently, Our Loan with You. Following distribution in full of the proceeds of any Enforcement Action We may at our discretion terminate the Loan with You.

**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 Lender.

**IMPORTANT** – we retain discretion and without requiring your consent to extend the period for repayment of any Loan in which you have participated for up to 18 months following the expiration of its initial term. Should we wish to extend the period of any such Loan for more than 18 months, we require (and shall seek) your consent but you agree not to unreasonably withhold that consent. Where we rely upon this provision, you will be issued with a replacement Acknowledgment that indicates the changed terms of your participation.

**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 or fraudulent 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 a Lender or a Borrower or any other person.
10. Banking fraud in respect of the client trust 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 Lender monies by trust 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 You advancing a Loan to Us or participating 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 any Lender 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 Lender 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.

Where you suffer loss, will be liable to repay you (in part or in whole) where We have committed fraud or an act of gross negligence or wilful deceit and or any mismanagement of the Trust and or if We do not apply Your investment loan as specified by you. Consideration will be given to whether there is any contributory factors that have caused the loss.

Our total liability to You in connection with Your Investment, these Global Lender 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 commitment in respect of the relevant 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**

We shall be responsible for the collection and enforcement in respect of any outstanding liabilities of the defaulting Borrower. We will manage and administer the recovery in order to enforce any Security, take, or refrain from taking all necessary Enforcement Action, appoint any insolvency practitioner, make all payments in connection with the recovery and to exercise all powers, discretions and rights as We may deem appropriate (in Our absolute discretion) in respect of such Enforcement Action in the widest possible sense supplemental to the rights and discretions as set out in the provisions of the Trustee Act 1925 and the Trustee Act 2000.

We shall not be liable for any shortfall of interest or capital which arises on the enforcement or realisation of any Security.

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.

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.

### **Additional Recourse and Recovery**

Where a borrower does not repay the loan to us in full and upon the realisation of the security your loan is not repaid in full, there are additional recovery actions available to Us. These include but are not limited to (i) enforcing the personal guarantee of a borrower or a director of the company (ii) recovering any loss under a claim against the Surveyor's professional indemnity insurance where the loss was caused by a negligent valuation (iii) recovering any loss under a claim against the legal advisors acting for us or the borrower where that firm was negligent and that negligence caused loss.

All monies received from the additional recovery steps will be due back to you to repay your loan pro rata (after the costs of recovery) We will at our absolute discretion determine whether an additional recovery process is appropriate to recover any monies and we will not be liable for any act or omission in taking or not taking an additional recovery process.

**We Only Make a Profit When your loan is repaid in full with interest**

Where a particular loan can not be recovered in full from the borrower, the security or an additional recovery process, we will be liable to repay to you all of the revenue that has been generated by us with regards to that particular defaulting loan. For the avoidance of doubt, this does not include any revenue or profits generated by Us from any other loans or other business activity and it does not include recourse to any of the Our Assets (other than the money generated by Us under that Defaulting Loan.)

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

If We receive a payment from the Borrower which is insufficient to discharge all the amounts then due and payable by that Borrower, or We receive any payment or sales proceeds from the disposal of a Property over which We had taken Security, We shall apply that payment towards the obligations of the Borrower 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 Lenders;
3. thirdly, in or towards payment pro rata of any outstanding Interest due to but unpaid to the relevant Lenders;
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 Lenders; and
7. finally, any surplus to the relevant Borrower.

In calculating the outstanding amounts to Lenders, if a Lender has received any monthly payment in respect of a 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 Lender in respect of its Investment Monies shall be reduced by such amount already received.

In respect of any Loan which has been acquired as a Secondary Sale, 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 Lender.

## **10. Secondary Sales**

If You are a Lender You may request that any loan be re-sold back to us. We will repay your loan if there is another Lender that will make a new loan to us or if we choose to do so with our company capital. The details of the terms of sale of your loan will be operated through the Platform and the terms of such will be governed by these Global Lender Provisions. You can sell your Loan in whole or in part at face value or at a discount. Any Loan may only be sold after one month of the date of Investment and up to one month before the expiry of the Loan. No Interest will accrue on a Loan from the date it is placed for sale with us until the date it is acquired, redeemed or cancelled. We reserve the right to suspend, cancel, remove or amend the Secondary Sales Option and any of its conditions in part or in whole without notice.

## **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 Lender 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 Lender 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 Lenders, data and statistical analysis on each Borrower, each Loan and each Lender and the information contained therein shall be Our sole and exclusive property.

You will not at any time after becoming a Lender, 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 Lender'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 Lenders. 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 Lender Provisions**

It may be necessary to update these Global Lender 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 Lender 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 Lender Provisions or any Finance Document without Your permission.

**c. Waivers**

If We fail to exercise any of Our rights under these Global Lender 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 Lender 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 Lender 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 Lender 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**

**“Auto-Invest”** the option made by a Lender on its Dashboard to elect to automatically invest all or any part of any balance standing to the credit of that Lender’s E.Wallet.

**“Bid”** means an offer made to advance a Loan to us for a specified amount of Investment Monies in respect of a Potential Investment by clicking on “Lend” 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 Lender or any Borrower or any Loan which is disclosed to or made available to a Lender by Us over the Platform including these Global Lender 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 Lender Provisions or any other Finance Document.

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

**“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 Lender’s dashboard into which that Lender’s monies are placed and where the current balance of loans and available funds are displayed.

**“FCA”** means the Financial Conduct Authority.

**“Finance Documents”** means the Global Lender Provisions, each Security, each Loan Agreement and any other related document or document referred to in them.

**“Global Lender 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 Lender’s Loan to Us, calculated at the Interest Rate.

**“Interest Payment Method”** means the anticipated method of receiving Interest payments being of a type described at paragraph 4(c) of these Global Lender Provisions and as set out in the relevant Loan Certificate.

**“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 a Loan advanced to Us made via the Platform.

**“Investment Monies”** means each amount transferred from a Lender to Us following a successful Bid.

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

**“Lender”** means each person who has successfully applied to be admitted as an investor/lender to the Platform and has accepted the terms of these Global Lender 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 Borrower 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:

- (A) each loan advanced by a Lender to Us; and/or
- (B) each Loan advanced by Us to a Borrower

in each case as set out in the Investment Particulars.

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

**“Loan Certificate”** means the certificate issued to each Lender following a successful Bid by that Lender to advance a Loan to Us.

**“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 Lender or any third party.

**“Potential Investments”** means a potential investment which We are considering making to a Borrower the key facts and information on which are shown on each Lender’s Dashboard and on which each Lender 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 Sales / Re-sales”** means the selling by Lenders of its interest in a Loan back to Us as facilitated by Us as set out at paragraph 10 of these Global Lender 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.

**“Trust”** means the BridgCrowd Lender Declaration of Trust

**“Trust Assets”** means the monies repaid to us from a borrower held on Trust for you and the Security we take over Property held on trust for you as beneficiaries.

**“You” “Your”** see **“Lender”**

**“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 Lender 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 Lender 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 a Lender, 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.