



## PledgeMe.Lend Disclosure Statement

### 1. PledgeMe contact details

Address: PledgeMe, % Biz Dojo, 115 Tory Street, Wellington,

NZ Phone: 027 753 3431

Email: [lend@pledgeme.co.nz](mailto:lend@pledgeme.co.nz)

### 2. Our services

2.1 PledgeMe Limited (**PledgeMe, we or us**) is a licensed peer-to-peer lending intermediary.

We facilitate everyday people (**Lenders**) lending money (**Loans**) to organisations (**Borrowers**). Our intention is that by using our service, Lenders will earn a fair rate of interest on the money they lend, and Borrowers will receive funding for their businesses and organisations at a reasonable cost.

2.2 We provide our services using a software platform operated on our website (**Platform**).

2.3 You should read this disclosure statement before accessing our Platform if you wish to use it as a Borrower, as a Lender or both.

#### *Campaigns*

2.4 Borrowers with access to the Platform can use it to raise a Loan by creating a profile for that Loan (**Campaign**).

2.5 Each Campaign will specify:

2.5.1 the minimum amount of money the Borrower wishes to raise from Lenders before the Loan is created (**Target**);

2.5.2 the rate at which interest is paid in return for the Loan (Fixed Rate);

2.5.3 the period over which the Principal and accrued interest are repaid (**Term**);

2.5.4 the minimum amount the Lenders can offer to lend if they wish to participate (in New Zealand dollars) (**Minimum Contribution**);



- 2.5.5 the frequency of repayments of Principal and interest; and
  - 2.5.6 other information set out in section 7.1.
- 2.6 Lenders with access to the Platform can browse the Campaigns created by Borrowers and use the Platform to offer to lend (**Pledge**) a specified amount to the Borrower. If sufficient Pledges are made and the Target for the Campaign is met, then Lenders who have made valid Pledges will be required to transfer to us the money they Pledged to the Borrower. That money will be collected by us and held in our Trust Account until the Loan is Established.

### *Establishment*

- 2.7 Once we have collected sufficient Pledges and checked that any other conditions are met, we will deduct our fees and charges payable by the Borrower (see sections 11 and 12) and pay the balance of the Pledges to the Borrower. At this point a Loan Contract will arise between:
- 2.7.1 the Borrower;
  - 2.7.2 the various Lenders who have contributed to that Loan (each of whom will be a **Participating Lender** in respect of that Loan); and;
  - 2.7.3 PledgeMe, or a person nominated by PledgeMe, as the **Lending Agent**.
- 2.8 Each loan will be on the terms set out in each Campaign's **Loan Contract**.
- 2.9 The **Principal** of a Loan at a given point during the Term will consist of the aggregate of all Pledges paid by the Participating Lenders less any part of that money that has been repaid by the Borrower, and does not include the money earned as interest by the Participating Lenders.
- 2.10 The process of collecting Pledges, advancing Principal to the Borrower and forming the Loan Contract is referred to as **Establishment** of the Loan.
- 2.11 The fraction of the Principal that a Participating Lender contributes to a Loan is referred to as their **Contribution** of that Principal. Each Participating Lender will have a share in the Lenders' collective rights under the Loan (including rights to interest, repayment of Principal and enforcement rights) that is proportionate to their



Contribution. The Lender's share in those rights is referred to as the Participating Lender's **Participation** in the Loan.

### 3. How to become a Lender

3.1 To become a Lender and use the Services you must submit an application to us using the Platform. You can either apply as an individual, or on behalf of a company for which you have authority. When you make an application you will be required to:

3.1.1 create a PledgeMe account by clicking "Join Now", or, if you already have an account, login to your PledgeMe account;

3.1.2 submit a **Lender Application** on the Website by clicking on the "Register to Lend" button on their PledgeMe account page;

3.1.3 submit personal details which will include:

3.1.3.1 if the applicant is an individual, the applicant's full legal name, date of birth and residential address and evidence that those details are correct, which may include a copy of the person's passport or driver's licence and proof of address (if the person is not ordinarily resident in New Zealand), such as a bank statement or utilities bill addressed to the person concerned (this information will also be required for each of the directors of an applicant which is a company);

3.1.3.2 if the applicant is a company, the applicant's name, NZBN, company number, and the personal details described in clause 3.1.3.1 for each of the applicant's directors;

3.1.4 Provide an email address for communications and notices (it is important that a monitored email address is supplied, because the email address will be used for official notices in connection with any Loans the applicant Contributes to);

3.1.5 Provide a bank account number, for Loan repayments;

3.1.6 Provide their applicable rate of income tax for withholding tax calculation purposes;



- 3.1.7 Provide any other information requested by us; and
- 3.1.8 Confirm that you have received the Disclosure Statement and Lender Terms read and understood its contents by clicking the 'I have received, read and understood' button, (together, the Lender Registration Process).
- 3.2 We reserve the right to refuse an application to be a Lender and to suspend or cancel a Lender's access to the Platform. This right is described in more detail in section 15.
- 3.3 If your application is approved, at the conclusion of the process you will receive from us an email acknowledging acceptance of your application, with a copy of the Disclosure Statement and the Lender Terms attached to the email address supplied by the applicant.
- 3.4 By completing the Lender Registration Process described above, the applicant warrants to PledgeMe that all information given by or on behalf of the applicant is true and accurate and, if the applicant is a body corporate, that the person completing the application has the authority to act on behalf of the body corporate and can bind it.
- 3.5 The Lender Registration Process must be completed before you will be able to browse Campaigns and Pledge to Contribute to a Loan.

#### **4. Eligibility criteria for Lenders**

- 4.1 To make an application to become a Lender:
  - 4.1.1 An individual must be over the age of 18 years and must not have been Bankrupt any time in the previous 3 years;
  - 4.1.2 A Company must not be Insolvent and each of the Company's directors and the person who makes the application on behalf of the Company must meet the eligibility criteria for individual applicants described in clause 4.1.1.
- 4.2 Some Campaigns may have additional eligibility criteria for Lenders and these will be published on the relevant Campaign page on the Platform.
- 4.3 You can only Contribute to a Loan if you are resident in New Zealand or are a person who is permitted to participate in peer-to-peer lending in New Zealand without restriction in the place in which they are resident.



- 4.4 There may be laws within jurisdictions outside of New Zealand that apply to you that restrict or make unlawful for us to allow you to make Pledges or Contribute to Loans.
- 4.5 If you are not a New Zealand resident or are not present in New Zealand you must ensure, and should consult a professional adviser to ensure, that we are entitled to offer you the opportunity to Pledge to a Campaign.
- 4.6 To the extent permitted by law, PledgeMe will not be liable for any loss that arises as a result of overseas Lenders using the Services or investing in Campaigns where such loss is caused by the investment being made in breach of laws applying outside of New Zealand.

## 5. How to become a Borrower

- 5.1 To become a Borrower and use the Services an applicant must:
  - 5.1.1 create a PledgeMe account by clicking “Join Now”, or if the applicant already has an account, login to their PledgeMe account;
  - 5.1.2 submit information required by our **Borrower Assessment Tool**;
  - 5.1.3 submit a **Borrower Application** to the website by providing and/or uploading the following information:
    - 5.1.3.1 the applicants full name, registered office, incorporation number and a certificate of incorporation or registration (the precise details required will depend on the type of entity the applicant is);
    - 5.1.3.2 full name, date of birth and residential address of each of:
      - (a) the applicant's directors or trustees;
      - (b) any personnel of the applicant who report directly to the board or who will have principal responsibility for the Borrower's access and use of the Platform (**Senior Managers**); and
      - (c) any person who holds more than 50% of the shares in the applicant or who has the ability to appoint 50% (or more) of the directors or trustees of the applicant (**Controlling Shareholders**);



- 5.1.3.3 a copy of the passport or driver's licence of the individuals referred to in paragraph 5.1.3.2 above;
  - 5.1.3.4 certain information about any proposed Campaign the applicant wishes to launch using the Platform including the Principal, proposed Fixed Rate of interest, Term and the purpose of the Loan; and
  - 5.1.3.5 a copy of the Borrower Agreement signed by all of the directors, trustees and any Controlling Shareholders of the Borrower;
- 5.1.4 pay for and pass the following tests:
- 5.1.4.1 identity checks, online checks (through search engines), credit checks and any other background or legal checks we wish to carry out on the applicant and the individuals described in paragraph 5.1.3.2 prescribed by us;
  - 5.1.4.2 Registry searches on the applicant, each of its directors/trustees and any Controlling Shareholders; and
- 5.1.5 read and accept the [PledgeMe Borrower Terms](#) by clicking the "I accept" button.
- 5.1.6 receive from us an email acknowledging completion of the application process and acceptance of the applicant to be a Borrower, with a copy of the Disclosure Statement and the Borrower Agreement attached to the email address supplied by the applicant,
- (together, the **Borrower Registration Process**).
- 5.2 If your application is approved, at the conclusion of the process you will receive an email from us acknowledging acceptance of your application, with a copy of the Disclosure Statement and the Borrower Terms attached, to the email address supplied by the applicant.
- 5.3 By completing the Borrower Registration Process described above, the applicant warrants to PledgeMe that all information given by or on behalf of the applicant is true and accurate and, if the applicant is a body corporate, that the person completing the application has the authority to act on behalf of the body corporate and can bind it.



- 5.4 We reserve the right to request at any time further information from an applicant or approved Borrower that we deem necessary including details and proof of identity, occupation and address.
- 5.5 The Borrower Registration Process must be completed before we can authorise you to use our services.

## **6. Eligibility criteria for Borrowers**

- 6.1 A Borrower will not be entitled to launch or maintain a Campaign on the Platform unless they have satisfied PledgeMe's eligibility criteria for Borrowers as set out below:
  - 6.1.1 A Borrower must be one of the following entities:
    - 6.1.1.1 a company incorporated in New Zealand and registered under the Companies Act 1993; or
    - 6.1.1.2 a trust board registered under the Charitable Trusts Act 1957; or
    - 6.1.1.3 an incorporated society registered under the Incorporated Societies Act 1908; or
    - 6.1.1.4 a school board of trustees constituted under the Education Act 1989 and/or the School Trustees Act 1989.
  - 6.1.2 A Borrower must not be Insolvent or have any directors or trustees that have previously been Bankrupt. The board of PledgeMe retains the discretion to approve Borrowers with previously Bankrupt directors or trustees on a case by case basis.
  - 6.1.3 A Borrower must have no directors or trustees with previous convictions for fraud or dishonesty. The board of PledgeMe retains the discretion to approve Borrowers with other convictions (of the Borrower or its directors or trustees) on a case by case basis.

## **7. Campaign Borrower checks, assessment and disclosures**

- 7.1 The following information will be included each Campaign page (**Disclosure Information**):



- 7.1.1 The key terms of the Loan including:
  - 7.1.1.1 the minimum amount of money the Borrower wishes to raise from Lenders before the Loan is created (**Target**);
  - 7.1.1.2 the period over which the Principal and accrued interest are repaid (**Term**);
  - 7.1.1.3 The rate at which interest is paid in return for the Loan (**Fixed Rate**);
  - 7.1.1.4 the minimum amount the Lenders can offer to lend if they wish to participate (in New Zealand dollars) (**Minimum Contribution**);
  - 7.1.1.5 the frequency of repayments of Principal and interest;
- 7.1.2 Confirmation that:
  - 7.1.2.1 the Borrower has passed the risk tests set out in our Borrower Assessment Tool;
  - 7.1.2.2 we have completed credit checks on each of the Borrower's directors and, if applicable, its senior managers;
- 7.1.3 A copy of the Borrower Agreement executed by the Borrower and its Covenantor(s);
- 7.1.4 Any limits and conditions on the Services affecting the Borrower or a Loan made pursuant to the Campaign;
- 7.1.5 Any conflicts of interest of PledgeMe or its Associated Persons pursuant to PledgeMe's conflict of interest policy;
- 7.1.6 A certificate of incorporation and Companies Office extract or a certificate of registration (if applicable);
- 7.1.7 A summary of and at least one image associated with the Borrower's business or activities;
- 7.1.8 The reason for the Loan and the purpose(s) the Borrower will use the Loan for (**Purpose**);



- 7.1.9 A copy of the Borrower's financial accounts created by an accountant or extracted from accounting software (up to past three years depending on how long the company has been trading);
  - 7.1.10 Financial forecasts for the Borrower for the next three years with reference to the underlying assumptions based on reasonable grounds;
  - 7.1.11 A summary of the key risks associated with the Borrower's business and the effect this may have on its ability to repay the Loan;
  - 7.1.12 A description of the Security (if any) offered by the Borrower to Lenders; and
  - 7.1.13 A pitch video (optional, but recommended).
- 7.2 Borrowers must provide assumptions based on reasonable grounds supporting the Borrower's financial information, including its forecasts, to ensure there is no breach of the fair dealing obligations under Part 2 of the Act.
- 7.3 Our checks and assessments of Borrowers include basic checks and assessments of the risks involved in relation to each Campaign, being the operations of the Borrower, the value of any Security pledged by a Borrower and the terms of the Loan.
- 7.4 The results of our checks and assessments are only indicative of Borrower risk. Lenders should read and question the information provided by the Borrower, carry out their own checks and make their own judgements. We do not verify any of this information, and make no representation in relation to the completeness or accuracy of any information contained in the Campaign materials.
- 7.5 We will review the Disclosure Information set out in paragraph 7.1 prior to publication to ensure that it is current and easily understandable.
- 7.6 Borrowers will need to satisfy the PledgeMe minimum standards in accordance with its Anti-Fraud Policy (published on the Website).
- 8. How interest rates are determined**



- 8.1 The interest rate for any particular loan on the PledgeMe site is chosen by the Borrower. We do not control the rate that is offered and so interest rates do not reflect a measure of risk determined by PledgeMe.

## **9. The Lending process**

- 9.1 Each Campaign page sets out how a Lender can Pledge to make a Contribution to the Borrower's Loan.
- 9.2 As a Lender you can enter the amount of money you would like to lend to the Borrower (your Pledge) in the relevant place on the Campaign page, which calculates your Participation in the Loan relative to the total Loan amount.
- 9.3 Lenders can then irrevocably agree to Contribute to the Loan by clicking the "Pledge" button.
- 9.4 Loans offered through a Campaign may have different terms and conditions, and therefore different rights and remedies as a Lender, compared to other Loans offered in other Campaigns. Check the terms carefully, and if you are comparing Campaigns, ensure you are comparing apples with apples.
- 9.5 Once a Campaign Target has been reached, we will let all Lenders who have made a Pledge know that they must pay that Pledge, either:
  - 9.5.1 by completing an electronic bank deposit (we will supply you with the bank account details of our Trust account on the completion of the Campaign); or
  - 9.5.2 by credit card by using our secure transaction provider.
- 9.6 We will then complete identity checks on all Lenders who have paid their Pledges. We will advise the Lenders of any issues arise in the course of undertaking these checks and may seek further information from any Lender. If we are unable to establish a Lender's identity to our satisfaction we may refuse to complete the transaction and the Pledge will be cancelled.
- 9.7 Once the identity checks on Lenders is complete, we will process all verified Campaign Pledge monies into our Trust Account.



9.8 If a Borrower reaches its Campaign Target, but this not all Pledges are collected (for example if a Lender's identity cannot be verified or a Lender fails to meet their pledge), then:

9.8.1 if the amount of valid pledges is at least 90% of the Campaign Target, the Campaign will be deemed to be successful and all Pledges will be processed by PledgeMe, the Loan will be Established and a Loan Contract will be issued and emailed to the Participating Lenders and the Borrower;

9.8.2 if the number of valid pledges amounts to less than 90% of the Campaign Target, the Campaign will be deemed to be unsuccessful and all Pledges will be refunded, pending credit card payments will not be processed, the Loan will not be Established and we will email the Borrower and all Lenders who made Pledges to that Campaign.

#### *Pledgeme Loan Contract*

9.9 On successful Campaign completion, a Loan Contract will be produced with all of the relevant details of the Loan. This will be entered into by the Borrower and PledgeMe as Lending Agent for the Participating Lenders.

9.10 Both Participating Lenders and Borrowers will be able to access details of the Loans that they are a party to on the Platform. We will not provide printed statements, but Participating Lenders and Borrowers will be able to print loan summaries from the Website.

### **10. How we deal with lender money**

10.1 All monies received by us for Contributions to a Campaign will be received and held in our interest bearing trust account at Bank of New Zealand (in accordance with the obligations of a broker under the Financial Advisers Act 2008).

10.2 Any interest earned on Pledges and Periodic Repayments held in PledgeMe's trust account for will be retained by PledgeMe as an administration charge.

### **11. Monitoring borrower servicing**



- 11.1 Under the Pledgeme Loan Contract, PledgeMe is appointed as the Lending Agent to receive Repayments from the Borrower and to enforce the Borrower's obligations under the Loan Contract.
- 11.2 The Lending Agent will exercise its discretion as to which rights and remedies it will pursue on behalf of Participating Lenders. For example, if pursuing a remedy against a Borrower is uneconomic, or the chances of recovery are slight, then the Lending Agent may choose not to pursue that remedy.
- 11.3 Importantly, a Participating Lender does not have any right to pursue a Borrower directly where a Borrower is in Default or at any other time other than through the Lending Agent.
- 11.4 For more details about the scope of these obligations, see the [Lender Terms](#) on the Website.

## **12. Fees Lenders pay to us**

- 12.1 Participating Lenders will pay us a repayment fee of 1% of all their Contributions to the Principal that is repaid under a Loan, which includes Voluntary Repayments.
- 12.2 A Lender who makes a Pledge on a Campaign and does not pay that Pledge within 7 days of that Campaign closing successfully will pay default interest on the amount overdue at the rate of 18% per annum until payment is made.
- 12.3 We reserve the right to recover from Lenders the full costs incurred by us (including solicitor/client costs) in recovering any money owed by Lenders to us.
- 12.4 Lenders who choose to pay by credit card will incur a credit card fee as laid out in the [FAQs section](#) on the PledgeMe website

## **13. Fees Borrowers pay to us**

- 13.1 PledgeMe fees and charges payable by Borrowers can be found in the following places:
  - 13.1.1 in the "Fees and Payments" section of [PledgeMe's Borrower Terms](#);
  - 13.1.2 in the Fees and Charges section of the [Loan Contract](#); and



13.1.3 in the “Fees” section under [“FAQ”](#) on the website.

#### **14. Rights of PledgeMe to alter fees and charges**

14.1 We may increase or decrease our fees and charges from time to time. If we do we will:

14.1.1 Send an email to all registered Borrowers and Lenders advising of the change;  
and

14.1.2 Update this Disclosure Statement, the PledgeMe Borrower Terms and PledgeMe Lender Terms (as applicable).

14.2 A change to our fees and charges will not affect existing Loans unless they are made as a result of administration charges relating to our Trust Account. If we need to increase our fees as a result, we will give Participating Lenders and the Borrower no less than one month's prior notice of that change.

#### **15. Restrictions and prohibitions on PledgeMe or its Associates from using the services**

15.1 For the purposes of this clause, an Associate of PledgeMe includes:

15.1.1 PledgeMe;

15.1.2 a subsidiary of PledgeMe;

15.1.3 a director, employee or a person who holds or controls (together with their associates) more than 25% of the shares of PledgeMe; or

15.1.4 any Associate of any of those persons or entities.

15.2 Our Associates may Pledge to Contribute to a Loan, provided that the Campaign page clearly notifies potential Lenders when that Associate has made a Pledge, discloses any conditions of purchase specific to that Associate and describes the nature of the Associate and its relationship to PledgeMe.

15.3 PledgeMe and/or its subsidiaries may self-fund on the Platform provided that the Campaign page advises potential Lenders that PledgeMe and/or its subsidiary is self-funding using the Services and discloses any conditions.

15.4 As at the date of this Disclosure Statement, none of our Associates:



- 15.4.1 is involved or intends to be involved in the management or control of any Borrower or any person who intends to become a Borrower; or
  - 15.4.2 has any existing ownership or control of any Borrower or any person who intends to become a Borrower.
- 15.5 PledgeMe has not identified any risk of material adverse impact on PledgeMe's ability to have fair, orderly and transparent systems and procedures for providing the Services arising out of any interest held in a Borrower by PledgeMe or any of its Associates.
- 15.6 If any of our Associates become involved in the management or control of Borrowers at any stage, PledgeMe will follow its Conflict of Interest policy and update this Disclosure Statement accordingly.

## **16. Suspension or cancellation**

- 16.1 We may at any time, and in our absolute discretion, do any one or more of the following, without giving any reasons or prior notice to you:
- 16.1.1 suspend all or any of our Services;
  - 16.1.2 refuse to register any person as a Lender or Borrower;
  - 16.1.3 cancel a person's right to access the platform to launch, view or make Pledges to a Campaign as a Lender or a Borrower (which will not affect the rights or obligations of any person under a Loan Contract);
  - 16.1.4 remove content from the Website;
  - 16.1.5 refuse to publish content on the Website;
  - 16.1.6 disclose any information on the Website or otherwise necessary to comply with this the Disclosure Statement, the PledgeMe Borrower Terms, PledgeMe Lender Terms and New Zealand law; and
  - 16.1.7 publish a censure of, or statement relating to your conduct, or the conduct of any of your Associates, if we consider such conduct warrants such a censure. Except where we have acted in bad faith, you waive all claims you may have in respect



of such censure or statement and shall indemnify us against any such claims by you or by the persons referred to in the previous sentence.

## **17. Lender complaints process**

- 17.1 If you have any complaints or comments in connection with our Services, you should contact PledgeMe at [contact@pledgeme.co.nz](mailto:contact@pledgeme.co.nz) or in writing to: PledgeMe at 115 Tory Street, Te Aro, Wellington 6011.
- 17.2 If a dispute arises following such complaint which we are unable to resolve by negotiation then the dispute may be referred to Financial Services Complaints Limited (FSCL) and its determination shall be final and binding on the parties.
- 17.3 FSCL provides an independent and impartial dispute resolution service. PledgeMe is a participant of the scheme. You can contact FSCL by using an online form available at [www.fscl.org.nz](http://www.fscl.org.nz), emailing at [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz), telephoning on 0800 347 257 or writing to FSCL, PO Box 5967, Wellington 6145. More information about FSCL's dispute resolution process is at [www.fscl.org.nz](http://www.fscl.org.nz).

## **18. Requesting information from PledgeMe**

- 18.1 All information available from PledgeMe in relation to Borrowers, their current Campaigns, current disclosure documents, this Disclosure Statement, PledgeMe policies and rules, terms and conditions, [Borrower Terms](#) and [Lender Terms](#) are available on our Website and can be downloaded.
- 18.2 You are welcome to contact PledgeMe (contact details are set out in paragraph 1) should you require any other information. PledgeMe will endeavour to provide requested information (provided it is within its power to do so and the laws of New Zealand are being complied with).
- 18.3 The Website contains links to other useful websites including:
- 18.3.1 New Zealand Companies Office;
  - 18.3.2 New Zealand Financial Markets Authority; and
  - 18.3.4 New Zealand Trade and Enterprise.

## **19. PledgeMe's obligations**



- 19.1 We do not guarantee any Loans. We cannot guarantee that Lenders will recover all of the Contributions they make to a Loan or any interest.
- 19.2 PledgeMe must, in exercising any powers or performing any duties in relation to the Services provided under its peer-to-peer lending licence, exercise the care, diligence, and skill that a prudent licensee for that service would exercise in the same circumstances.
- 19.3 If PledgeMe contracts out any of its functions in providing the Services, it must take all reasonable steps to:
- 19.3.1 ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if PledgeMe was performing them directly; and
  - 19.3.2 monitor the performance of those functions.

### **PledgeMe.Lend Glossary**

**Act** means the Financial Markets Conduct Act 2013.

**AIL** means the approved issuer levy payable on certain interest payments, as set by the Inland Revenue Department.

**Authorised Transfer** means a Participating Lender's transfer of all or part of their Participation in a Loan to another Lender using a transfer system approved by PledgeMe.

**Bankrupt** has the meaning given in the Insolvency Act 2006.

**Borrower** means an organisation that has successfully registered with PledgeMe as a borrower.

**Borrower Agreement** means the agreement signed by the Borrower, its directors, trustees and Controlling Shareholders and any other party required by PledgeMe, under which those parties agree to be bound by the Loan Contract and the Borrower Terms.



**Borrower Application** means a person's application to become a Borrower, submitted through the Website.

**Borrower Assessment Tool** (or Campaign Readiness Evaluation for Debt) means the Website tool PledgeMe uses to collect information about a prospective Borrower through the Borrower Registration Process.

**Borrower Registration Process** means the process by which a person becomes a Borrower, as set out in clause [5.1] of the Disclosure Statement.

**Borrower Terms** means the terms and conditions which govern Borrowers' use of the Services.

**Campaign** means a profile created by a Borrower for a particular Loan.

**Change of Control** means change in the Control of a person, where Control means, in relation to a person (first person) the ability of another person or group of persons (the second person) to ensure that the activities or business of the first person are conducted in accordance with the wishes of the second person and the second person is deemed to have Control of the first person if it directly or indirectly:

- (a) has the ability to control the composition of more than one-half of the board or governing body of the first person;
- (b) is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the members, partners or shareholders of the first person;
- (c) legally holds, or is beneficially entitled to, more than one-half of the issued share capital, partnership interests or equity securities of the first person; or
- (d) is entitled to receive more than one-half of the distributions or profits of the first person.

**Collection Fee** means the fee payable by the Borrower to the Lending Agent when the Lending Agent appoints a debt collection agency to recover an amount owing to the Participating Lenders, amounting to 15% of the gross amount recovered from the Borrower.

**Contribution** means the fraction of the Principal that a Participating Lender contributed to a Loan.



**Controlling Shareholder** means a person who holds [50%?] or more of the shares in a Borrower, either directly or indirectly, or who has the ability to appoint [50%] or more of the Borrower's directors or trustees.

**Default Interest** means interest accrued at the Default Rate on any amount which a Borrower fails to pay on or before the date required under the Loan Contract.

**Default Rate** means the rate at which Default Interest accrues on any amount which a Borrower fails to pay on or before the date required under the Loan Contract, as specified in the Loan Contract.

**Disclosure Information** means the information that PledgeMe will disclose about the Borrower on each Campaign page, as set out in clause [7.1] of the Disclosure Statement.

**Enforcement Action** means any recovery action the Lending Agent may take to recover losses, costs or damages of the Participating Lenders as a result of an Event of Default or the Borrower's failure to make a payment under the Loan Contract on time.

**Enforcement Costs** means the costs the Lending Agent incurs in taking an Enforcement Action (including legal costs), for which the Borrower is liable.

**Establishment** means the establishment of a Loan through the process of collecting Pledges, advancing the Principal to the Borrower, and forming the Loan Contract.

**Establishment Date** means the date on which the Principal is advanced to the Lender.

**Establishment Fees** means the fees which PledgeMe may deduct from the Principal paid to the Borrower on Establishment of the Loan, as set out in the Loan Contract.

**Event of Default** means an event of default specified in the Loan Contract, the occurrence of which entitles the Lending Agent to demand that the Borrower repay all money outstanding under the Loan Contract.



**Fixed Rate** means the rate at which interest will accrue on the Principal, as specified in the Loan Contract.

**Insolvent** means, in respect of a company, incorporated society or other body corporate, that that entity has a liquidator, administrator, statutory manager or similar official appointed, a receiver is appointed in respect of all or a substantial party of that entity's assets, or that entity becomes insolvent or is deemed by law to be so, or suffers any analogous event.

**Lender** means a person who has successfully registered with PledgeMe as a lender.

**Lender Application** means a person's application to become a Lender, submitted through the Website.

**Lender Registration Process** means the process through which a person becomes a Lender, as set out in clause [3.1] of the Disclosure Statement.

**Lenders' Rights** means the Participating Lenders' rights, powers, privileges, priorities and remedies under the Loan Contract.

**Lending Agent** means PledgeMe or a person nominated by PledgeMe to administer the Loans and take Enforcement Action on behalf of the Participating Lenders.

**Loan** means a loan made by Participating Lenders to a Borrower through the Platform.

**Loan Contract** means the agreement between the Borrower, the Borrower's [Covenantors/directors, trustees and Controlling Shareholders], PledgeMe and the Participating Lenders setting out the terms of the Loan.

**Minimum Contribution** means the minimum amount Lenders can offer to lend a Borrower if they wish to contribute to that Borrower's Loan (in New Zealand dollars).

**NWRT** means non-resident withholding tax, as set by the Inland Revenue Department.

**Outstanding Balance** means the balance of Principal that a Borrower has not repaid.



**Outstanding Money** means all money outstanding under a Loan Contract, including the Principal, interest and fees.

**Participating Lender** means a Lender who has contributed to a Loan.

**Participation** means a Participating Lender's share in the Participating Lenders' collective rights under the

**Loan Contract** (including rights to interest, repayment of Principal and enforcement rights) that is proportionate to that Participating Lender's Contribution.

**Personal Information** means all personal information governed by the Privacy Act 1993, being any information about an identifiable individual.

**Platform** means the software platform operated by PledgeMe on its website through which the Services are offered.

**Pledge** means a Lender's commitment to lend an amount to a Borrower in relation to a Campaign.

**PledgeMe** means PledgeMe Limited (company number 3361892).

**Principal** means the aggregate of all Pledges paid by Participating Lenders less any amount repaid by the Borrower, and does not include interest.

**Purpose** means the reason for the Loan and the purposes for which the Borrower will use the Loan, as described on the Campaign page.

**Repayment Fee** means the fee payable by the Participating Lenders to PledgeMe of 1% of all Contributions that are repaid under a Loan, including Scheduled Repayments, Voluntary Repayments and late repayments.

**Repayment Period** means the period between each Scheduled Repayment, as set out in the Loan Contract.

**Repayment Schedule** means the schedule of repayments the Borrower is to make, as set out in the Loan Contract.



**RWT** means resident withholding tax, as set by the Inland Revenue Department.

**Scheduled Repayment** means the amount a Borrower repays each month or quarter, as set out in the Loan Contract.

**Security** means any security taken by the Lending Agent on behalf of the Participating Lenders to secure repayment of the Loan.

**Senior Managers** means any personnel of a Borrower who report directly to the Board or have principal responsibility for the Borrower's access and use of the Platform.

**Services** means the crowd lending services performed by PledgeMe.

**Voluntary Repayment** means a Borrower's early repayment of all or part of its Principal.

**Target** means the minimum amount of money the Borrower must raise from Lenders before the Loan is created, as specified on the Campaign page.

**Term** means the period over which the Borrower must repay the Principal and accrued interest.

**Trust Account** means PledgeMe's designated trust account at Bank of New Zealand.

**Website** means the PledgeMe website, available at <https://www.pledgeme.co.nz>.

**Working Day** means a day of the week other than Saturday, Sunday or a public holiday in Auckland.