



TERMS AND CONDITIONS

The Assetz Capital Companies do not offer any investment advice or recommendation in relation to lending proposals appearing on this Website. Whilst Assetz SME Capital offers support to the Lending Members by way of the provision of credit reports as part of the lending process and various manual and automatic loan selection facilities, no charge is payable by the Lending Members for these services and they are offered without obligation or liability on the part of Assetz SME Capital. The Assetz Capital Companies accept no responsibility and disclaim all liability for any information about a Borrower made available to Lending Members through the Website or otherwise.

Assetz SME Capital Limited, Assetz House, Manchester Green, 335 Styal Road, Manchester, M22 5LW, is authorised and regulated by the Financial Conduct Authority. Assetz SME Capital Limited is on the Financial Services Register under firm reference number 663728. Assetz SME Capital Limited may be contacted by email at enquiries@assetzcapital.co.uk and by telephone at 0800 470 0430.

Any lending made through the Network is made in the sole discretion and at the entire risk of the Lending Members. Before you become a Lending Member, we strongly recommend that you seek independent financial advice.

Version 7.1

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Terms and Conditions for Lending Members

The following terms and conditions form the basis of the relationship between the Assetz Capital Companies and the Lending Members.

Your use of the Website is governed by the Website Conditions. In addition, if you choose to apply to become a Lending Member, you will be bound by these Terms, which are in addition to the Website Conditions. These Terms may be amended from time to time in accordance with paragraph 20 below.

In reading these Terms, please refer to the definitions set out in the schedule at the end.

The Terms cover the following areas:

- The role of the Assetz Capital Companies
- Applying for Lending Membership
- Pension Funds and Trusts
- Account Operation
- Lending Opportunities

- Loan Selection Facilities
- The Auction Process
- Transfer of Loan Units
- Loan and Security Documents
- Fees, Interest and Capital Repayments
- Role of Security Trustee and Agent
- Administration of Loans
- Default Procedures
- Control by Lending Members
- Duty of Confidentiality
- Termination of Membership
- Liability
- Complaints Procedure
- General
- Altered Circumstances and Changes to the Terms

1. Role of the Assetz Capital Companies

The Assetz Capital Companies will perform an administrative role in relation to the Network to bring together prospective borrowers and lenders through the operation of the Website. In relation to each Loan as specified on the Website, a specified Assetz Capital Company will act as the agent of the Lending Members in making funding available to Borrowers. The Assetz Agent may arrange for loans to be underwritten and will co-ordinate the drawdown process, including the monitoring of the legal documentation relating to the Loans. Assetz SME Capital will administer the collection of funds from Lending Members and the payment of loan monies to Borrowers. The Assetz Agent will monitor the payment by Borrowers of interest and capital to Assetz SME Capital for onward payment to Lending Members.

2. Applying for Lending Membership

1. You may only become a Lending Member if you have a UK bank account and (a) you are an individual over 18 years of age (note: if you are not resident in the UK you should consult HM Revenue & Customs regarding taxation on any income or gains made in the UK or alternatively make an enquiry with Assetz SME Capital and we may have HMRC information to share with you to speed up this process); or (b) you are a limited liability company registered in the UK; or (c) you are limited liability partnership registered in the UK; or (d) you are a public body registered or formed with the relevant authority in the UK; or (e) you are any other legal entity duly registered with an appropriate authority in the jurisdiction in which you are located.
2. At present there is no fee payable for being a Lending Member. The Assetz Capital Companies reserve the right to introduce a membership fee in future.
3. The Assetz Capital Companies retain the right to refuse Lending Membership without giving a reason.
4. Before admitting an applicant to Lending Membership, the Assetz Capital Companies will carry out identity and fraud checks using a suitable credit reference agency. The Assetz Capital Companies retain

entire discretion as to whether an application for Lending Membership is permitted or not. You may be requested to submit additional information or documents in support of your application.

5. In the registration process you will be asked to supply a username and password. Your unique username and password will be used in order to access parts of the Website. Bidding will be conducted through your Username in order to keep your identity confidential. Borrowers and other Lending Members will be able to review statistics about your bidding history and Loans that you have made or acquired through the Website.
6. The Assetz Capital Companies use Two-Factor Authentication (2FA) as a security process to help to protect Lending Members' funds and data. A Lending Member must sign up to use 2FA on first registration. Use of 2FA is mandatory when a Lending Member wants to permit certain functions or transactions on the Website in respect of which a prompt appears for the Lending Member to insert a 2FA code sent by us to the telephone number provided by the Lending Member. Alternatively a 2FA phone, tablet or computer application may be utilised by the Lending Member. Lending Members can reduce 2FA requests for Website log-in purposes only, with mandatory periodic checks still required.
7. You may register more than one account if you have good reasons to do so and in particular may register personally a SIPP, a trust, a UK or overseas company for example provided that entity passes the appropriate checks for that application.
8. In order to allow those involved with the operation of the Assetz Capital Companies to make Loans and to buy Loan Units without an advantage of information which may not be available to other Lending Members, the Assetz Capital Companies will publish a list of the Usernames of the directors, officers, employees and shareholders of the Assetz Capital Companies.

3. Pension Funds and Trusts

1. If you are a trust, you must inform the Assetz Capital Companies of that and use a Username that includes the word "TRUST".
2. If you are a pension fund, you must inform the Assetz Capital Companies of that and use a Username that includes the word "SIPP" or "SSAS" or "Pension Scheme".
3. In the case of a Lending Member which is a trust or pension fund, the Lending Member will be the legal entity constituting the relevant trust or pension fund and not the beneficiaries of that trust or pension fund. Accordingly, payments on account of interest and capital which are payable to the trust or pension fund cannot be paid directly to the beneficiaries and must be paid to the bank account of the relevant trust or pension fund.
4. The Assetz Capital Companies acknowledge that pension funds are usually subject to restrictions on the entities to which they can lend and, in particular, are prohibited from lending to their associated employer business. Whilst the Assetz Capital Companies will endeavour to identify and draw the attention of Lending Members to

any lending opportunities which would infringe such restrictions, they accept no liability or responsibility in this regard.

4. Account Operation

1. When your application has been approved Assetz SME Capital will open a client account for you. Any funds that you transfer to the client account will be held by Assetz SME Capital entirely separate from the assets and funds of the Assetz Capital Companies.
2. Each client account will be held by Assetz SME Capital with the Account Bank.
3. You may transfer moneys into your client account by debit card, standing order or bank transfer. We will not accept credit card payments. Your moneys will be held in your client account until (a) you make a successful bid in an auction to make a Loan or (b) you take a transfer of Loan Units in accordance with paragraph 8 or (c) you request any funds which have not been allocated to a Loan to be returned to you. You may not make Bids unless you have cleared funds in your client account to cover the amount you wish to bid.
4. You may only withdraw any sums standing to the credit of your client account which are not the subject of outstanding Bids.
5. No fee or charges will be deducted from your client account. No interest will be paid to you in respect of sums standing to the credit of your client account.
6. Each month your share of any loan interest and/or capital received by Assetz SME Capital in respect of a Loan made by you will be transferred into your client account and you will be able to view the status of your client account online.

5. Lending Opportunities

1. Each Loan is divided into Loan Units as specified on the Website in a minimum amount of £20. Lending Members may acquire Loan Units by:
 1. using a Loan Selection Facility, see paragraph 6;
 2. participating in an Auction, see paragraph 7;
 3. taking a transfer of existing Loan Units, see paragraph 8.
2. Assetz Capital Companies may seek the assistance of an underwriter to underwrite a Loan prior to it being made available on the Website. The terms and conditions relating to any underwriting will be determined by and documented separately by the Assetz Capital Companies.
3. Information regarding currently available opportunities and Loan Selection Facilities will be available on the Website. We may also notify you by email when new lending opportunities become available. However, we accept no responsibility if you do not receive such notification.
4. Lending opportunities will normally be supported by way of a credit report prepared by an Assetz Capital Company describing the opportunity and providing background information which may refer to business plans, information on security, past accounts and other documents relevant to the opportunity.
5. Some lending opportunities will be supported by valuation, legal or other professional reports addressed to or procured by an Assetz

Capital Company and posted on the Website. Lending Members will be bound by the terms and conditions of the report provider(s), including any provisions relating to the limitation of liability, whether or not the terms and conditions are attached to the relevant report or otherwise posted on the Website.

6. You will be able to ask specific questions or request further information about particular opportunities by posting them on the Website. Normally any such communication will be available to all Lending Members to view.

6. Loan Selection Facilities

1. The Assetz Capital Companies may make available to Lending Members a range of lending opportunities which are banded according to specified lending criteria and risk weightings. These Loan Selection Facilities will either be specified on the Website or individually selected by the Lending Member. An example of this might be a pre-configured "Assetz Investment Account" or a lender self-configured "Bespoke Investment Account". A Lending Member who wants to make an offer to lend money to a Borrower in this way may choose the Loan Selection Facility most appropriate to his circumstances. These facilities are provided without obligation or liability on the part of the Assetz Capital Companies.
2. Lending Members using a Loan Selection Facility must satisfy themselves that it is appropriate to their circumstances. The Assetz Capital Companies do not provide advice as to the suitability of any Loan Selection Facility. **If you are in any doubt as to the suitability of a Loan Selection Facility for your circumstances, we strongly recommend that you seek independent financial advice.**
3. The details of the Loan Selection Facilities currently available to Lending Members are set out on the Website. These facilities can be activated by a Lending Member using the Website. The activation of a Loan Selection Facility will constitute a continuing instruction to the Assetz Capital Companies to acquire in the name of the relevant Lending Member an appropriate number of Loan Units in Loans that, in the opinion of the Assetz Capital Companies, correspond with the selection criteria and risk weighting applicable to the relevant Loan Selection Facility. Whilst the Assetz Capital Companies will endeavour to ensure that the Loan Units acquired by the Lending Member correspond with the selection criteria and risk weighting, the Lending Member will remain solely responsible for the selection of Loan Units and the Assetz Capital Companies will have no responsibility for the individual Loan Units which are acquired or their subsequent performance.
4. Loan Selection Facilities can be utilised to acquire Loan Units at the time of the origination of the relevant Loan or can be used to take a transfer of Loan Units which are already held by a Lending Syndicate Member and which have been made available for transfer in accordance with paragraph 8 below.
5. The Assetz Capital Companies will endeavour to allocate available Loan Units which meet the selection criteria to a Lending Member in order to reduce the uninvested cash balance of the Lending Member's

client account as quickly as possible. However, in doing so it will have regard to (a) the need to balance the speed with which funds are invested and the level of diversification of a Lending Member's loans and (b) the objective of achieving fairness between Lending Members who wish to make similar loans at the same time. Details of the current policies on diversification and allocation processes may be published on the Website but the Assetz Capital Companies may amend these from time to time and can do so without notice if it is considered in the interests of Lending Members to do so.

6. The availability of a Loan Selection Facility does not guarantee the availability of Loan Units which meet the selection criteria. This may mean that money remains in a Lending Member's client account without being invested. Lending Members are responsible for monitoring the speed at which Loan Units are acquired and the Assetz Capital Companies will not be liable for any loss of interest arising due to the lack of Loan Units meeting the selection criteria. The Assetz Capital Companies can remove, suspend or alter the terms of any Loan Selection Facility at any time although this will not affect Loan Units already acquired under that facility.

7. The Auction Process

1. Some loans may be made available on the Website using an auction process. Where a loan is made available in this way a Lending Member who wants to make an offer to lend money to a Borrower may do so by way of a Bid entered on the Website.
2. A Bid must specify the capital amount you are prepared to lend and the interest rate you wish to charge.
3. The minimum Bid is one Loan Unit unless a higher minimum amount is specified in the Auction particulars. You can increase the capital amount that you are offering by bidding for a higher number of Loan Units.
4. No Bid will be accepted unless you have sufficient cleared funds in your client account to fund that offer.
5. You may not withdraw a Bid once it has been entered on the Website. If your Bid is successful you are obliged to make the relevant Loan.
6. There is no limit to the number of Bids you may make in the same Auction, for different amounts and at different interest rates. However, once you have entered a Bid you cannot withdraw it. At that point the moneys required to fund the Bid will be frozen in your client account until being released in accordance with paragraphs 7.14 and 7.15 below.
7. During the bidding process you will be able to monitor your Bid on the Website, which will enable you to see whether other Lending Members have outbid you.
8. The Auction Closing Date specified on the Website is indicative only. The Assetz Capital Companies may decide to extend the period of the Auction to allow time for further bidding. The Borrower may decide to end the Auction early if sufficient Bids have been entered at an acceptable interest rate.
9. If two Lending Members enter identical Bids, the Lending Member who bid first will have its Bid ranked prior to the later Bid.

10. When sufficient Bids have been entered to fund a Loan in full, further Bids entered in relation to that Loan may be successful if they are entered before the Auction Closing Date and if they have the effect of lowering the interest rate. A Loan will be constituted by the Bids with the lowest interest rate which are sufficient to fund the Loan in full at the time when the Borrower accepts the Loan or after the Auction Closing Date.
11. A Bid may be successful in part, if only part of the Bid is required to fund the relevant Loan in full. Any such part will be a multiple of £20.
12. If sufficient Bids are entered by the Auction Closing Date to fund the required Loan, the successful Bids will form a Lending Syndicate to advance the Loan to the Borrower.
13. In certain cases the Assetz Capital Companies may seek the assistance of an underwriter to underwrite any shortfall of Bids in order that a particular Auction can be closed. In such circumstances, it will be made clear in the particulars of the Auction on the Website that an underwriter has been identified and that the Loan has been underwritten. The terms and conditions relating to any underwriting will be determined by and documented separately by the Assetz Capital Companies. An Auction which has an underwriting arrangement in place may remain open for Bids, notwithstanding that the relevant Loan is fully funded. In those circumstances further Bids may be accepted in order to reduce the amount of the underwriter's commitment. For the avoidance of doubt, Bids received after the Loan is fully funded will only reduce the underwriter's commitment and will not reduce or replace Bids of any other Lending Member.
14. On the Auction Closing Date:
 1. the funds needed to meet a successful Bid will continue to be frozen in the client account of each successful Lending Member; and
 2. the frozen funds held in the client accounts in respect of unsuccessful Bids will be unfrozen and released to the order of the relevant Lending Members. Released funds will only be returned to the bank account from which the original monies were transferred into your client account.
15. On and after the Auction Closing Date, the monies representing successful Bids will continue to be held frozen by Assetz SME Capital in the relevant client account until the Assetz Agent confirms that either:
 1. the formalities of drawdown of the Loan by the Borrower have been completed, in which case the monies will be advanced to the Borrower; or
 2. the formalities of drawdown of the Loan by the Borrower have not been completed to the satisfaction of the Assetz Capital Company, in which case the Loan will not be advanced and the frozen funds held in the Lending Syndicate Members' client accounts will be unfrozen and released to the order of the relevant Lending Syndicate Members.
16. The Assetz Capital Companies reserve the right to withdraw Auctions from the Website at any time and for any reason.

8. Transfer of Loan Units

1. A Lending Syndicate Member or underwriter who wishes to transfer its interest in a Loan in whole or in part (a "**Transferor**") may do so by way of repayment and redrawing to another Lending Member (a "**Transferee**") through the Website.
2. If a Lending Syndicate Member wishes to transfer one or more Loan Units, such transfer will be effected, subject to these Terms, by way of repayment and redrawing notwithstanding that the relevant Loan may be in default or at risk of default. Whilst the Assetz Agent will attempt to draw the attention of potential Transferees to the existence of such a default situation, it accepts no responsibility or liability to do so.
3. Loan Units can only be transferred at their par value or at a discount to their par value. It is not permitted for a Transferor to apply a premium to the outstanding principal value of each Loan Unit being transferred.
4. The details of any Loan Units that are available to be transferred may be listed by the Transferor on the Website. The Assetz Agent may impose a deadline for any such transfer. Any such deadline will be posted on the Website.
5. On the effective date of the transfer, the Borrower and the Transferor shall be released from further obligations towards one another under the relevant Loan Agreement (the "**Discharged Obligations**") and shall be treated as if the Loan represented by the relevant Loan Units had been repaid by the Borrower in full. At the same time the Borrower and the Transferee shall be treated as if the Loan represented by the relevant Loan Units had been advanced by the Transferee to the Borrower. At that point the Borrower and the Transferee shall assume the Discharged Obligations towards one another as if the Transferee had been the original Lending Syndicate Member in respect of the relevant Loan Units, including the right to collect unpaid interest and capital.
6. On the effective date of the transfer, the agreed purchase price of the transferred Loan Units will be paid from the client account of the Transferee to the client account of the Transferor after the deduction of the transfer administration fee.
7. The Borrower confirms its agreement to these arrangements and waives any requirement for it to be a party to the transfer agreement. In all other respects the relevant Loan Agreement shall remain unaltered and shall continue in full force and effect.

9. Loan and Security Documents

1. Documentation for each Loan will be generated on the basis of the Assetz Capital Companies' standard forms and will incorporate the key commercial terms set out in the information package posted on the Website.
2. On or shortly after the date of drawdown of a Loan, the Assetz Agent will notify each Lending Syndicate Member that the Loan has been drawn down and will issue a certificate to evidence the fact that a Lending Syndicate Member has made a Loan.
3. The Assetz Agent will prepare an electronic copy of the Loan Agreement and Security Document for each Loan. These electronic

copies will be made available free of charge on request to any relevant Lending Syndicate Member.

10. Fees, Interest, Capital Repayments and Broker Payments

1. The individual Loan Agreements govern the payment of interest and capital by the Borrower. Under no circumstances shall any interest accrue or be payable to any Lending Member or Lending Syndicate Member until a Loan has been drawn down by the Borrower.
2. All interest and capital repayments will be directed to be paid by the Borrower to Assetz SME Capital and upon receipt by Assetz SME Capital will be credited to the client account of the relevant Lending Members.
3. So far as permitted by HM Revenue & Customs, all interest earned on your Loans will be credited to your client account without deducting income tax or corporation tax. It is the responsibility of each Lending Member to account for any income or corporation tax that may be payable by it. On request by a Lending Member, the Assetz Agent will issue a certificate stating the amount of interest earned by it during the previous financial year. The Assetz Capital Companies shall be entitled to provide to HM Revenue & Customs any and all information relating to payments made to Lending Members at the request of HM Revenue & Customs.
4. Upon request the Assetz Agent will instruct Assetz SME Capital that any funds in your client account that are not committed to Loans be transferred to the bank account from which the original monies were transferred into your client account. The Assetz Capital Companies reserve the right to deduct from any such payment a charge to cover their direct costs of the funds transfer.
5. The Assetz Capital Companies will usually charge the Borrower an arrangement fee calculated as a percentage of the amount of the Loan which will be payable on the date of drawdown of the Loan, such percentage to be determined by the Assetz Agent in its discretion. In addition, a fee calculated as an annual percentage rate to be determined by the Assetz Agent in its discretion will be charged by the Assetz Agent by increasing the interest rate charged on any Loan made to any Borrower to cover its costs for running the Website and administering the Loans. The Assetz Capital Companies reserve the right to change this fee structure on new Loans. The fees payable to the Assetz Capital Companies do not pay for the credit reports produced by them. These are provided without charge on an entirely voluntary basis by the Assetz Capital Companies.
6. **Each Assetz Capital Company shall be entitled to pay fees to brokers or other third parties in respect of referrals of Borrower opportunities**, whether such payments are made as a part of the arrangement or agency fees or whether they are charged to the Borrower separately and in addition to the arrangement or agency fees. A Lending Syndicate Member shall be entitled to request details from the Assetz Agent of any such payments made or to be made to brokers or other third parties. Borrowers will be supplied with these details as a part of their Loan Agreements. There may be other payments made by Borrowers to brokers or other third parties that are not disclosed to the

Assetz Capital Companies and which do not therefore appear in any of the information supplied by them to Lending Syndicate Members. The Assetz Capital Companies shall have no liability with regard to any such payments and/or with regard to the failure to disclose the same.

11. Role of the Security Trustee and Agent

1. By acquiring a Loan Unit or entering a Bid in relation to a Loan, a Lending Member:
 1. appoints the specified Assetz Capital Company to act as its agent in relation to the Loan and instructs the Assetz Agent to sign the Loan Agreement on its behalf using the Assetz Agent's standard form loan documentation incorporating the key commercial terms; and
 2. appoints the Trustee to act as security trustee in relation to the Security Documents and instructs the Trustee to sign the Security Documents as trustee using the Assetz Agent's standard form security documentation.
2. The Trustee, Assetz Capital Trust Company Limited, has been established as a company limited by guarantee in order to preserve its independence from the Assetz Capital Companies. Each Lending Member will become a member of Assetz Capital Trust Company Limited and shall remain a member of that company for so long as the Lending Membership continues. By becoming a Lending Member, you:
 1. give your consent to becoming a member of Assetz Capital Trust Company Limited;
 2. acknowledge and accept that the Lending Members have guarantee liability for a nominal amount in respect of the debts of Assetz Capital Trust Company Limited. The aggregate liability of the Lending Members in respect of this guarantee shall not exceed the sum of £1 (one pound); and
 3. give your consent to your name and address being supplied to Companies House as a member of Assetz Capital Trust Company Limited, if this is required by Companies House from time to time.
3. Each Lending Member agrees that it will not take any enforcement action or commence any process against any Borrower in its own name but will act only through the agent or the security trustee in accordance with these Terms.
4. The Assetz Agent may resign as agent in relation to a particular Loan provided it has the prior written consent of Lending Syndicate Members holding not less than 90% of the relevant Loan Units and provided that a replacement agent of appropriate competence and capacity is appointed with immediate effect.
5. The Trustee may resign as security trustee in relation to a particular Loan provided it has the prior written consent of Lending Syndicate Members holding not less than 90% of the relevant Loan Units and provided that a replacement security trustee of appropriate competence and capacity is appointed with immediate effect.
6. Lending Syndicate Members holding not less than 90% by value of the Loans outstanding at that time across the Network may replace the Assetz Agent as agent in respect of all such Loans by giving written

notice to that effect to the Assetz Agent, provided that a replacement agent of appropriate competence and capacity is appointed with immediate effect.

7. Lending Syndicate Members holding not less than 90% by value of the Loans outstanding at that time across the Network may replace the Trustee as security trustee in respect of all such Loans by giving written notice to that effect to the Trustee, provided that a replacement trustee of appropriate competence and capacity is appointed with immediate effect.

12. Administration of Loans

1. Each of the Assetz Capital Companies and the Trustee shall be entitled to rely on any instruction, notice or document that it believes to be genuine given to it by any Lending Member or any person on its behalf.
2. Each of the Assetz Capital Companies and the Trustee shall be entitled to engage, pay for and rely on the advice or services of any lawyers, accountants, valuers, surveyors or other experts in relation to any Loan or any Security Document. Any fees payable in relation to any such advice or services shall be for the account of the Borrower. Lending Members will be bound by the terms and conditions of any such appointed lawyers, accountants, valuers, surveyors or other experts, including any provisions relating to the limitation of liability.
3. Each of the Assetz Capital Companies and the Trustee may discharge its obligations under these Terms through its personnel and/or agents.
4. Subject to paragraph 13 below, each Lending Member hereby permits the Assetz Capital Companies to undertake the following minor administrative tasks:
 1. receiving compliance certificates and management information from the Borrower;
 2. discussing performance issues with the Borrower;
 3. issuing chasing letters and demands;
 4. amending the terms of the Loan Agreement or the Security Documents provided that such amendments do not affect the interest rate payable, the term of the Loan, the capital repayment schedule or the security.
5. The Assetz Agent will provide regular information to Lending Members through the Website on the status of any Loans made by them, including amounts outstanding, capital and interest received, the amounts held in client accounts and any problems experienced with collecting amounts due from Borrowers. No Assetz Capital Company will be liable for any delay (or any related consequences) in crediting a Lending Member's client account with an amount received under a Loan Agreement.
6. Subject to paragraph 13 below, each of the Assetz Agent and the Trustee shall have discretion in the exercise of any authority vested in it as agent and security trustee respectively in accordance with the terms of the Loan Agreement and the Security Documents.

13. Default Procedures

1. If the Assetz Agent becomes aware of a default in the payment of any principal, interest or fee payable under any Loan Agreement or if it

otherwise receives notification of an event of default under the terms of any Loan Agreement, it shall promptly:

1. notify the relevant Lending Syndicate Members of the relevant circumstances; and
 2. put together a suitably qualified default management team, which may comprise a lawyer, an insolvency practitioner and any other professional deemed by the Assetz Agent to be required, whose task it shall be to produce a report on the default situation and a recommended course of action.
2. The Assetz Agent shall not implement any of the following proposed courses of action without having the consent or deemed consent of the relevant Lending Syndicate Members in relation to the proposal:
 1. the commencement of any enforcement action or legal process against a Borrower;
 2. the release of any security (save where the relevant Loan has been repaid in full);
 3. the issue of any waiver letter; or
 4. the restructuring of the Loan or security.
 3. Where Lending Members vote to commence any enforcement action or legal process against the Borrower, it will be deemed that the Lending Members have given their consent for the relevant professional engaged to conclude the matter in the way they consider most appropriate. Lending Members will not be required to make further decisions once they have voted in favour of enforcement action or legal process against the Borrower, except subject to 13.4. The Assetz Agent will complete a report to Lending Members on or around the time of acceptance of any offers showing why the action taken was the best possible outcome in the opinion of the appointed professional(s). The Assetz Agent will hold no liability for the decisions made by the relevant professional, nor for any losses incurred in the process.
 4. Following a vote to commence enforcement action or legal process against the Borrower, Lenders will only be required to participate in further votes should the Borrower or someone on their behalf make an offer of full and final settlement that does not repay that loan in full.
 5. Each Lending Member agrees that it will keep its email address details provided to the Assetz Agent up to date and that it is responsible for checking messages on a sufficiently regular basis.
 6. In relation to a proposed course of action, each relevant Lending Syndicate Member shall be deemed to have given its consent to such proposal if the Assetz Agent shall have arranged a poll of the relevant Lending Syndicate Members on the proposal and it shall have been approved by the majority who vote in that poll.
 7. Any communication from the Assetz Agent which requires a Lending Member to vote on a particular course of action must be responded to by the Lending Member within the time period specified by the Assetz Agent. If the Lending Member does not vote within such time period then that Lending Member will be disregarded for that particular vote. There is no quorum required for a valid decision to be made.
 8. Where there are more than two courses of action on which to vote the Assetz Agent shall use its best endeavours to devise a poll that

provides clear alternative options to the Lending Syndicate Members. The Assetz Agent accepts no responsibility for the failure of external parties to provide information to them in good time for being included in such a vote.

9. On a poll, each Lending Syndicate Member shall have one vote for every pound of the nominal value of the Loan Units held by it. The Assetz Agent shall be obliged to act in accordance with the option which has received the highest number of votes.
10. In the event of a tie, the winning proposal shall be the one which received its total votes first in order of time and the Assetz Agent shall take action accordingly. The Assetz Agent shall communicate the decision made to all Lending Syndicate Members as soon as reasonably practicable.
11. Notwithstanding the fact that all Security Documents are held by the Trustee on trust for the Lending Syndicate Members, any enforcement action which is directed by the Lending Syndicate Members under this paragraph 13 will be undertaken by the Assetz Agent acting in accordance with these Terms.
12. Calculations made by the Assetz Agent and/or the Trustee of monies due to Lending Members will be made available on request by the Lending Member within 14 days of such request. Save as may be specified in any applicable intercreditor or priority document to the contrary, all monies arising from the enforcement of any Security Documents will be paid in the following order:
 1. first, to meet any costs incurred in respect of any enforcement action by the Trustee and/or the Assetz Agent and/or by any manager, receiver or administrator appointed by either of them;
 2. second, to meet the payment of any outstanding fees due to the Trustee and/or the Assetz Agent and any brokers or introducers in respect of the relevant Loan;
 3. third, to repay the capital amount of each Loan Unit held by each Lending Syndicate Member on a proportional basis by reference to the percentage of the total number of Loan Units held by each Lending Syndicate Member;
 4. fourth, to meet the payment of outstanding interest on the relevant Loan due to each Lending Syndicate Member.

14. Control by Lending Members

1. Each Lending Member retains day-to-day control of any funds standing to the credit of its client account save to the extent of any funds that are frozen in respect of any Bid in accordance with paragraph 7 above.
2. Lending Members retain complete control and discretion over whether or not to enter a Bid and on what terms.
3. Once a Loan has been advanced, each Lending Syndicate Member is entitled to exercise full day-to-day control over its rights under the Loan and the Security Documents through the mechanisms set out in paragraphs 11, 12 and 13 of these Terms.

15. Duty of Confidentiality

1. Lending Members are permitted to access the information on the Website solely for their personal use or in the course of their business for the purpose of assessing whether or not to participate in a Loan and

for administering Loans that have been advanced. The content of the Website is not permitted to be used for any other purpose.

2. Each Lending Member accepts that it owes a duty of confidentiality to the Assetz Capital Companies with regard to:

Such documents and information may not be disclosed to any third party.

1. the internal operating systems and procedures used by the Assetz Capital Companies;
 2. the Loan Agreements and Security Documents; and
 3. any information provided in relation to potential or actual Borrowers.
3. Each Lending Member covenants with each of the Assetz Capital Companies not to use the Website or any information contained in it for the purpose of soliciting any person (whether Borrower or otherwise) away from the Assetz Capital Companies.
 4. It is acknowledged by the Assetz Capital Companies that the duty of confidentiality owed by a Lending Member under paragraphs 15.2 and 15.3 above does not extend to information previously held by that Lending Member or is otherwise in the public domain.
 5. Each Lending Member is responsible for maintaining the security of its Username and password for use of the Website. You must notify an Assetz Capital Company immediately if there is any unauthorised use of your password or Username or any other security breach of which you become aware. Each Lending Member is responsible for all use of the Website through its Username and password.
 6. If in the opinion of an Assetz Capital Company you have breached the duty of confidentiality set out in this paragraph your access to the Website may be suspended and your Membership may be suspended without notice or further explanation.
 7. All references to a Lending Member on the Website will be conducted through the Username.
 8. The Assetz Capital Companies shall be entitled to take any action necessary to comply fully with the law and any notices received from government agencies including but not limited to any request to provide information about Lending Members and/or Borrowers under money laundering, fraud or anti-terrorism regulations. The Assetz Capital Companies are registered with HM Revenue and Customs for the purposes of money laundering regulations compliance.
 9. Assetz SME Capital is registered under the Data Protection Act 1998 with registration number Z3338899. The Trustee is registered under the Data Protection Act 1998 with registration number Z3505930.

16. Termination of Membership

1. A Lending Member may terminate its Lending Membership with immediate effect by sending written notice of termination to an Assetz Capital Company.
2. An Assetz Capital Company may terminate a Lending Membership at any time and for any reason with immediate effect by sending written notice of termination to the Lending Member.

3. In both cases above complete termination will only be possible if the Member does not have any current Loans outstanding. Neither party is required to give any reasons for termination.
4. On termination the Assetz Agent will instruct Assetz SME Capital to transfer any moneys in the Lending Member's client account to the bank account used by the Lending Member to receive funds in respect of Loans or it may send a cheque to the latest address of the Lending Member provided to the Assetz Capital Companies.
5. Termination of Lending Membership will not affect any outstanding Loans. If a Lending Member has outstanding Loan(s) at the time when its Membership is terminated, the effect of termination will be that access to the Website will be limited so that no new Loan Units may be acquired and no new Bids may be made.

17. Liability

1. **None of the Assetz Capital Companies provides any investment advice.** Nothing that any Assetz Capital Company does in operating the Network (whether on the Website or otherwise and including offering the Loan Selection Facilities) is intended to constitute advice or a recommendation to enter into a Loan. **The Lending Members are responsible for obtaining their own independent financial advice before making any lending decisions.**
2. Whilst each Assetz Capital Company will use reasonable care to ensure that the information provided by it is accurate and clear, none of the Assetz Capital Companies or the Trustee accepts any responsibility or liability for:
 1. the adequacy, accuracy and/or completeness of any information about any Borrower, any Loan or any associated security made available to a Lending Member or prospective Lending Member through the Website or otherwise; or
 2. the legality, validity or enforceability of any Loan Agreement or Security Document or any other agreement, arrangement or document entered into made or executed in anticipation of or in connection with any Loan Agreement or Security Document.
3. None of the Assetz Capital Companies nor the Trustee will be liable to any Lending Member for any loss or damage which it may suffer as a result of being a Lending Member or using the Website or being unable to use the Website, except where such loss or damage was caused by its gross negligence or wilful misconduct. The Assetz Capital Companies will not be liable for any breach of these Terms arising from circumstances beyond their reasonable control.
4. Nothing in these Terms shall limit the liability of the Assetz Capital Companies for personal injury or death, or for any other liability the exclusion or limitation of which is not permitted by law.

18. Complaints Procedure

1. If a Lending Member has a complaint about the service operated by the Assetz Capital Companies it should be communicated to the Managing Director of Assetz SME Capital in writing.
2. One or more officers of Assetz SME Capital will investigate the complaint and, if appropriate, recommend appropriate actions to address or resolve the problem within 28 days.

19. General

1. Any calculation of amounts payable to Lending Members shall be rounded down to the nearest whole penny.
2. The address to be used for communications to a Lending Member will be that provided by that Lending Member in its membership application or such other address as it may from time to time designate by written notice to the Assetz Capital Companies.
3. Any notice or other document shall be deemed to have been received by the addressee two working days following the date of despatch if the notice or other document is sent by registered post, or simultaneously with the delivery or transmission if delivered by hand or if transmitted by electronic means and the sender can show satisfactory transmission.
4. Lending Membership will be governed by these Terms to the exclusion of all other terms and conditions. Any variation to these Terms must be in writing and posted on the Website.
5. If any of the Terms is found to be illegal, invalid or unenforceable by any court of competent jurisdiction, the remaining Terms shall continue in full force and effect.
6. A waiver by a party of a breach of any provision shall not be deemed a continuing waiver or a waiver of any subsequent breach of the same or any other provision. Failure or delay in exercising any rights under these Terms shall not prevent the exercise of that or any other right.
7. A Lending Member may not assign or transfer any benefit, interest or obligation under these Terms. Each of the Assetz Capital Companies shall be entitled to assign or transfer its rights under and interest in these Terms.
8. The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms.
9. These Terms shall be governed by English law and the parties submit to the non-exclusive jurisdiction of the English courts.

20. Altered Circumstances and Changes to the Terms

1. If there is a change in circumstances or a change in the law, HMRC practice or regulations or the interpretation of them, or if any Assetz Capital Company wishes to make changes to the services which it provides on the Network or Website, the Assetz Capital Companies may amend these Terms from time to time as they think fit.
2. Where a change to these Terms does not affect existing Loan Units and does not disadvantage existing Lending Members or where the changes are reasonably believed by the Assetz Capital Companies to be in the interests of the Lending Members, the Assetz Capital Companies may make any amendments to these Terms at any time with immediate effect. Where it is necessary or desirable to make changes to these Terms which affect existing Loan Units or may disadvantage existing Lending Members, the Assetz Capital Companies will endeavour to provide 30 days notice before any changes take effect. Any such notice shall be posted on the Website.
3. Any amendments will be posted on the Website as soon as reasonably practicable. By continuing to use the Website, each Lending Member agrees to be bound by the amended Terms.

Definitions Schedule

TERM	DEFINITION
ACCOUNT BANK	Barclays Bank PLC, or such other clearing bank as may be nominated by Assetz SME Capital for the purposes of holding the client accounts of Lending Members.
ASSETZ AGENT	Assetz SME Capital or another Assetz Capital Company acting in the capacity as agent for the Lending Syndicate Members in relation to a Loan.
ASSETZ CAPITAL COMPANY	Assetz SME Capital and any other subsidiary from time to time of Assetz Capital Limited and "Assetz Capital Companies" shall be construed accordingly.
ASSETZ SME CAPITAL	Assetz SME Capital Limited, a company incorporated in the UK with registered number 08007191.
AUCTION	An auction run through the Network involving the advertising on the Website of a Borrower's application for a Loan for a specified period, incorporating the live tracking of Bids.
AUCTION CLOSING DATE	The date on which an Auction closes for new Bids, as specified initially on the Website, but which may be extended or brought forward by the Assetz Capital Companies in their discretion.
BID	A bid made by a Lending Member to lend a specified sum to a prospective Borrower at a specified interest rate entered in an Auction run through the Network.
BORROWER	A person to whom monies are lent through the Network in accordance with these Terms.
LENDING MEMBER	A person who is registered and recognised by the Assetz Capital Companies as a Lending Member of the Network; and "Lending Membership" shall be construed accordingly.
LENDING SYNDICATE	One or more Lending Members providing a Loan to a Borrower using the Network.
LENDING SYNDICATE MEMBER	A member of a Lending Syndicate.
LOAN	Any Loan made or to be made by Lending Syndicate Members to a Borrower using the Network.

LOAN AGREEMENT	The loan agreement between the Borrower and Assetz Agent (as agent for the Lending Syndicate Members) setting out the terms of the Loan.
LOAN SELECTION FACILITY	A facility offered on the Website to enable Lending Members to select Loans in accordance with criteria either specified on the Website or chosen by the Lending Member
LOAN UNIT	In relation to each Loan, the base lending unit specified on the Website, being a sub-division of a Loan in an amount of not less than £20.
NETWORK	The peer to peer lending network established by the Website.
SECURITY DOCUMENTS	Any security documents created by any person guaranteeing or creating security for the liabilities of a Borrower in respect of a Loan.
TERMS	These terms and conditions relating to Lending Membership and the operation of the Network as varied from time to time.
TRUSTEE	Assetz Capital Trust Company Limited, a company limited by guarantee established to undertake certain tasks relating to the Network on behalf of the Lending Syndicate Members.
TWO-FACTOR AUTHENTICATION (2FA)	“Two-Factor Authentication” or “2FA” is a security process by which a Lending Member provides a second method of identification being a telephone number to which a code can be sent, or alternatively a 2FA phone, tablet or computer application, for the Lending Member to use to permit certain functions or transactions on the Website.”
USERNAME	The reference name used to identify a Lending Member in its use of the Network.
WEBSITE	www.assetzcapital.co.uk and any other internet address used to conduct the business activities of the Assetz Capital Companies and to which the Lending Members have access.
WEBSITE CONDITIONS	The terms and conditions of use of the Website as varied from time to time.
YOU	A Lending Member or prospective Lending Member or any other user of the Website and "your" shall be construed accordingly.