



General Investor Terms and Conditions

1. Introduction

1.1 These **Investor Terms and Conditions** consist of Part A (*General Investor Terms and Conditions*) and Part B (*Funding Circle ISA Terms and Conditions*). Part A applies to all **Investors** in respect of their **Investor Account** regardless of whether they hold a **Classic Account**, a **Funding Circle ISA**, or both of them. Where **Investors** hold a **Funding Circle ISA**, Part B also applies in addition to Part A. In relation to a **Funding Circle ISA**, if there is any conflict between any specific term in Part A with any specific term in Part B, the specific term in Part B will prevail.

1.2 These **Investor Terms and Conditions** describe:

- the relationship between an **Investor** and **Funding Circle**;
- who can be an **Investor** on the **Funding Circle Platform**;
- how an **Investor** can lend to a **Borrower**;
- the **Intermediary Services** that we provide on the **Funding Circle Platform**; and
- the specific arrangements in respect of the **Funding Circle ISA**.

1.3. These **Investor Terms and Conditions** should be read in conjunction with other important documents and guidance. These are:

- **User Guide**;
- **FAQs**;
- **Website Terms of Use**;
- **Key Features and Risks Statements**;
- **Loan Contracts**; and
- **Privacy Policy**.

1.4. You should keep a copy of these **Investor Terms and Conditions** safe for future reference. You can also download the latest version from the **Website**.

1.5. In these **Investor Terms and Conditions** "we", "us" or "our" means **Funding Circle**. "You", "your", "it" or "its" means the **Investor**. Words which appear in bold are defined in the **Glossary** at the end of these **Investor Terms and Conditions**.

1.6. Before you create an **Investor Account**, you must read these **Investor Terms and Conditions**.

1.7. By creating and maintaining an **Investor Account**, you agree to be bound by these **Investor Terms and Conditions**. You agree to access and use the **Funding Circle Platform** and the **Website** for the purposes of lending to **Borrowers** as envisaged by, and in accordance with, these **Investor Terms and Conditions**.

1.8. If, after reading these **Investor Terms and Conditions**, you feel you are not able to comply with your obligations under them, or you do not wish to be bound by them, then you should not proceed to create an **Investor Account** or access the **Funding Circle Platform**.

1.9. If you have any questions or queries, you should contact us by email (contactus@fundingcircle.com) or by telephone ([020 7401 9111](tel:02074019111)).

2. The Funding Circle Platform and Funding Circle's role

The **Funding Circle Platform** is a direct lending platform that matches those who wish to lend money with those who wish to borrow. Our role is to:

- operate and manage the **Website** and the **Funding Circle Platform**;
- match **Investors** with **Borrowers**;
- facilitate lending transactions between **Investors** and **Borrowers**; and
- perform **Intermediary Services**.

3. Intermediary Services

3.1. We, or others we instruct, perform the following **Intermediary Services**:

- assessing the creditworthiness of **Borrowers**;
- preparing **Loan Contracts** for **Investors** and **Borrowers**;
- providing **Borrowers** with the necessary pre-contractual, contractual and post-contractual documentation and information;
- collecting and distributing payments due to you and received by us from **Borrowers** and **Guarantors** (including all collections and enforcement activity);
- facilitating the transfer of **Loans** and **Loan Parts** when an **Investor** wishes to sell them or when seeking to enforce **Investors'** rights under **Loan Contracts**;
- operating **Funding Circle Client Bank Accounts** for and on behalf of **Investors**;
- arranging for the principal of each **Loan** (minus the **Loan Completion Fee**) to be transferred to the **Borrower** at the start of the loan term of any **Loan Contract**;
- enforcing any other rights that you and/or we might have under **Loan Contracts**;
- responding to, and seeking to resolve, all complaints or disputes concerning **Loan Contracts**; and

- making amendments or variations to **Loan Contracts, Security Documents** and **Guarantees**.

3.2. You authorise us to provide or arrange the provision of the **Intermediary Services** for you.

3.3. In connection with our **Intermediary Services**, we collect business, financial and personal information from a **Borrower** and from third parties when a **Borrower** applies for a **Loan**, but we cannot guarantee its accuracy. Accordingly, we accept no responsibility or liability for the inaccuracy of such information. We may from time to time update the information we publish when we are provided with new or additional information but we shall have no obligation to do so.

3.4. No information, activity or process undertaken, or outcome reached, in connection with the provision of **Intermediary Services** (including the credit assessment of **Borrowers**) is intended to constitute or be construed as advice, recommendations or guarantee by **Funding Circle** or any **Funding Circle Company** as to the creditworthiness of any **Borrower**, the amount of payments you might receive, or the likelihood of payment defaults that may occur, in relation to any **Loan**.

4. Our agreement with you

4.1. These **Investor Terms and Conditions** set out the basis of our relationship with you as an **Investor**.

4.2. We do not guarantee you will be able to lend through the **Funding Circle Platform**.

4.3. The **Loan Contract** sets out your lending relationship with a **Borrower**. A **Loan Contract** is between an **Investor** and a **Borrower** but we have certain rights under it to enable us to perform our role properly. If there is any conflict between these **Investor Terms and Conditions** and the **Loan Contract**, the terms of the **Loan Contract** will prevail.

4.4. We will not perform any management functions on your behalf in respect of any **Loans** or **Loan Parts** that you hold. It is your sole decision whether or not to lend to **Borrowers** on the **Funding Circle Platform**. You should seek independent financial, legal, tax or other professional advice prior to deciding to lend through the **Funding Circle Platform**.

4.5. We are not authorised to give investment advice. No information contained on the **Funding Circle Platform** or on the **Website** constitutes investment advice or a recommendation to lend money, and should not be treated as such.

4.6. Except where you have obtained our specific prior written consent, you:

- understand and agree that the **Funding Circle Platform** is not intended or designed to be used for generating loan assets or for purchasing interests in loan assets as part of an **Investor's** securitisation or fund-raising strategy; and
- undertake that you will not use the **Funding Circle Platform** for securitisation or fund-raising strategies.

5. Cancellation

5.1. Subject to clause 5.2, you may cancel your agreement with us within 14 days of opening your **Classic Account**.

5.2. If, after opening your **Classic Account** and during the 14 day cancellation period, you add funds to your **Classic Account** and either:

- enter into a **Loan Contract**; or
- commit to lend money to a **Borrower**,

you will lose your right to cancel. This means that you will be unable to close your **Classic Account** other than in accordance with clause 17 (*Ceasing to be an Investor with Funding Circle and termination*).

5.3. If you wish to exercise your right to cancel you must contact us by email (contactus@fundingcircle.com) or by telephone (020 7401 9111) within the 14 day cancellation period.

6. Investor Eligibility Criteria

6.1. To access and use the **Funding Circle Platform** for the purposes of lending you must create and maintain an **Investor Account** unless we agree otherwise. To be eligible to do so, unless we agree otherwise, you must satisfy the following **Investor Eligibility Criteria**:

- you must be an individual, limited liability partnership, limited company, public body or other legal entity;
- if you are an individual, you must be 18 years old or above and be a permanent resident of the UK (excluding the Channel Islands and the Isle of Man);
- if you are a limited company, you must be registered with Companies House and be incorporated within the UK (excluding the Channel Islands and the Isle of Man);
- if you are a limited liability partnership, you must be registered with Companies House and have a permanent place of business in the UK (excluding the Channel Islands and the Isle of Man);

- if you are a public body, you must be registered or formed with the relevant authority in the UK (excluding the Channel Islands and Isle of Man);
- you must have, and maintain, a valid bank or building society account in the UK (excluding the Channel Islands and the Isle of Man); and
- you must provide us with all information and documents that we may reasonably request about you and about your financial condition, business and affairs from time to time. For example, we may request information from you to allow us to fulfil our legal obligations and to ensure the proper operation of the **Funding Circle Platform**. You must notify us when any of the information or details you have provided to us changes.

6.2. We may change the **Investor Eligibility Criteria** from time to time.

6.3. You may not be both an **Investor** and a **Borrower** unless you have obtained our specific prior written consent.

6.4. If you cease to satisfy the **Investor Eligibility Criteria** we may close your **Investor Account** in accordance with the process set out in clause 17 (*Ceasing to be an Investor with Funding Circle and termination*).

7. Creating an Investor Account

7.1. Before you can lend on the **Funding Circle Platform** you must create an **Investor Account**.

7.2. We have absolute discretion whether to accept or reject your application to become an **Investor** and create an **Investor Account**, even if you satisfy the **Investor Eligibility Criteria**.

7.3. You confirm and agree that, when you create an **Investor Account** and for so long as you maintain an **Investor Account**:

- you meet the **Investor Eligibility Criteria**;
- the information you provide to us is true and accurate in all respects and is not misleading;
- you have disclosed to us all circumstances of which you are aware (including but not limited to any legal claims, undisclosed liabilities, litigation, court proceedings or investigations which are current, threatened, pending or otherwise reasonably likely to occur against you by any third party) which could materially or adversely change your financial condition, business or assets, and you must inform us if there is any change in these circumstances;
- you will ensure that no unauthorised person can access or use your **Investor Account**;

- you can enter into a legally binding agreement with us and each relevant **Borrower**;
- you will ensure that all documents we require from you are validly executed and you will comply with all instructions in relation to the reviewing and approving of these documents;
- if you are acting on another person's behalf, you are authorised to act on their behalf and will provide us with written evidence of your authority to act when requested;
- if you are a limited company, limited liability partnership, public body or other legal entity, the person creating and maintaining the **Investor Account** is properly authorised to represent you and to enter into a legally binding agreement with us. You will ensure that only authorised persons are able to access or use your **Investor Account** and you will provide us with written evidence of your authority to act if and when requested;
- you understand that by entering into any **Loan Contract** through the **Funding Circle Platform**, you are lending to **Borrowers**, your capital is at risk, and you accept that you are fully exposed to all losses which may be incurred by you; and
- you are properly authorised to transfer money into, and out of, your **Investor Account**.

7.4. If any of the statements in clause 7.3 cease to be true you must contact us as soon as possible by email (contactus@fundingcircle.com) or by telephone (020 7401 9111) to tell us.

7.5. You must update your **Investor Account** when your details change or tell us and we will update your details.

7.6. You must provide us with the sort code and account number of your **Nominated Bank Account**.

7.7. When you create your **Investor Account** you must provide a username, a valid e-mail address, a password and certain security information. Your username and password are unique to your **Investor Account** and are non-transferable without our specific prior written consent. You will need them to access certain restricted areas of the **Website**.

7.8. You must keep your username, password and security information secure and confidential. You are responsible for all activity on or through your **Investor Account**, the **Funding Circle Platform**, and in connection with your **Nominated Bank Account**, including all activity by anyone that uses your username, password or security information, whether or not they have been authorised by you. You must provide all authorised persons with a copy of these **Investor Terms and Conditions** and ensure that they comply with them when accessing and using the **Funding Circle Platform** and the **Investor Account**.

7.9. You must not transfer your **Investor Account** to another person, or permit another person to use your **Investor Account**, without our specific prior written consent.

7.10. You must notify us immediately if you believe that an unauthorised person is using your **Investor Account** or the security of your **Investor Account** has been or might be breached.

7.11. We can assume that all correspondence, orders, transfers and instructions made by reference to your username and password are made by you.

7.12. We can decline to act on your instructions or suspend your **Investor Account** if we suspect illegal or fraudulent activity or unauthorised use of your **Investor Account**.

8. Lending and Loan Contracts

8.1. **Investors** acquire **Loans** and **Loan Parts** through the primary and secondary markets on the **Funding Circle Platform**. The primary market is where new **Loans** are originated, and the secondary market enables the sale and purchase of existing **Loan Parts** among **Investors**. Only institutional **Investors** are able to lend whole **Loans** to **Borrowers**. All non-institutional **Investors** lend **Loan Parts** to **Borrowers**.

8.2. Before you can start to lend to **Borrowers** you must fund your **Investor Account**. You will also need to agree to, and accept, the **Loan Conditions** and **Transfer Certificate**. The **User Guide** and **FAQs** explain how **Investors** can transfer money into their **Investor Account** and how the lending process works.

8.3. You must use our auto-lending tool when lending. You can choose to stop future lending by switching off the auto-lending tool. After you have selected your preferred lending option, your funds will automatically start to be allocated to different **Loan Requests** from different **Borrowers** based on several factors, including your chosen lending option, your projected return and the funds available in your **Investor Account**.

8.4. Your funds will be lent to as many different **Borrowers** as possible that fall within your chosen lending option, subject to having sufficient funds in your **Investor Account**. Please refer to the **User Guide**, the **Website** and **FAQs** for more information about our diversified lending principles.

8.5. Once all our requirements in relation to a **Loan Request** have been satisfied, and your funds have been allocated to a **Loan Request**, the **Loan**

Request will become fully funded. When this occurs, the **Loan** completes and your funds are transferred to the **Borrower**.

8.6. Information regarding the funds in your **Investor Account**, the **Loan Parts** you hold and other information relating to your lending is viewable in your **Investor Account**.

8.7. We may:

- withdraw **Loan Requests** if they are not fully funded by **Investors**;
- withdraw **Loan Requests** if we consider it necessary to do so;
- monitor and regulate the availability and functionality of the **Funding Circle Platform**; and
- from time to time change the minimum or maximum amount that an **Investor** can lend to a single **Borrower** or in total across the **Funding Circle Platform** (for more information, see the **User Guide** and **FAQs**).

8.8. Funds held in your **Investor Account** do not earn interest.

8.9. Each **Loan Contract** is governed by the **Loan Conditions** (and includes the **Key Contract Terms**). When a **Loan** is successfully completed, a separate **Loan Contract** is automatically formed between each **Investor** that lends a **Loan** or **Loan Part** and the relevant **Borrower**.

8.10. We can enforce certain terms under a **Loan Contract** and can take certain action on behalf of the relevant **Investors**. You cannot, and are not entitled to, engage with any **Borrower** and any **Guarantor**, or undertake any action in your own name under a **Loan Contract** and a **Guarantee** unless we otherwise agree.

8.11. **Funding Circle**, the **Security Agent**, the **Security Holder** and any other person acting on our or their behalf will act in the interests of the relevant **Investors** as a whole, and will not be required to have regard to your particular interest, or those of any other particular **Investor**.

8.12. We may amend the **Loan Conditions** from time to time and will notify you of these changes. These changes will have no retrospective effect and will generally take effect after you have been notified.

9. Interest and Loan Repayments

9.1. The **Loan Contract** governs the payment of principal and interest due to you from a **Borrower** under the **Loan Contract**.

9.2. If a **Borrower** wishes to repay a **Loan** early, it must pay the entire outstanding principal plus all unpaid **Accrued Interest**. A **Borrower** cannot

make early repayment of part of a **Loan**. If a **Loan** is repaid early, a **Borrower** must pay **Accrued Interest** up to the day before the next scheduled repayment date or, if a **Borrower** repays the **Loan** early and fewer than eight days before the next scheduled repayment date, the **Borrower** must pay **Accrued Interest** up to the subsequent scheduled repayment date (and so will incur a further month's interest).

9.3. You will be entitled to a proportionate share of all payments of principal and interest received from a **Borrower** in respect of a **Loan** (save for the **Servicing Fee** and the **Special Situation Fee**, if applicable) and this will be paid into your **Investor Account**. Your share of any such payments will be calculated by reference to your **Loan Part** and the percentage of the **Loan** which your **Loan Part** represents.

9.4. Neither we nor any **Funding Circle Company** guarantee any payments due to you from any **Borrower** under any **Loan Contract**. Risk band classifications do not amount to any form of recommendation or guarantee by us, or **Funding Circle Company**, as to the amount of payments that you will actually receive or the likelihood of payment defaults occurring on a particular **Loan**.

9.5. We will provide individual **Investors** with an annual statement of the interest to which they are entitled for personal tax purposes.

9.6. It is your responsibility to account for any tax imposed on you as a result of lending **Loan Parts** through the **Funding Circle Platform**, including on any interest you earn. Neither we nor any **Funding Circle Company** will deduct any tax from any interest that you receive or any proceeds of sale from any transfers of **Loan Parts** that you effect unless we, or any **Funding Circle Company**, are required to do so by law.

10. Withdrawing funds and transferring Loan Parts

10.1. All withdrawals must be to your **Nominated Bank Account**.

10.2. You can withdraw available funds that have not been lent or allocated for lending from your **Investor Account**. If you want to have access to any funds that have already been lent, you will need to transfer your **Loan Parts** by selling them to other **Investors**. You can request to transfer **Loan Parts** to another **Investor** by using the auto-sale tool on the **Funding Circle Platform**. You can specify the total amount of funds that you wish to withdraw but, depending on the size of the **Loan Parts** you hold, the withdrawal amount requested and the time it may take to effect the transfer, it may not always be possible to withdraw the exact amount of your request.

10.3. Only whole **Loan Parts** can be transferred. Transfers are effected by way of a **Transfer Certificate** and the transfer process is detailed in clause 6 (*Transfers by Investors*) of the **Loan Conditions**.

10.4. To meet your transfer request, the **Funding Circle Platform** will automatically attempt to select eligible **Loan Parts** for sale and transfer to other **Investors**. **Loan Parts** that are not eligible for transfer and that cannot be bought or sold are those:

- if there is one repayment remaining;
- if the internal risk band classification of the **Loan** has changed;
- which are late or in default;
- which are part of a loan securitisation exercise.

10.5. The transfer process is wholly automated and the **Funding Circle Platform** will automatically attempt to select eligible **Loan Parts** in your portfolio for transfer. This will be done on a randomised basis based on the number of **Loan Parts** that you have in your portfolio and the principal outstanding under those **Loan Parts**. During the transfer process, all lending activity on your **Investor Account** will be paused until the transfer process has been completed. There is no transfer fee when you decide to sell **Loan Parts** and you will receive **Accrued Interest** to which you are entitled when you transfer those **Loan Parts**.

10.6. There is no guarantee that your **Loan Parts** will be transferred, nor any assurance as to how long it may take to do so. If a transfer has not been successful within 60 days after you make your request, we will delist the **Loan Parts** from the secondary market of the **Funding Circle Platform**. We will notify you if the transfer is not successful and you will continue to be the **Investor** in respect of the unsold **Loan Parts**.

10.7. We will notify you when the transfer process has been successfully completed. After the transfer, you will be required to restart the auto-lending tool on your **Investor Account** to start lending again on the **Funding Circle Platform**.

11. Security

11.1. If **Security** has been created by a **Borrower** or a **Guarantor**, the **Borrower's** and the **Guarantor's** obligations to you and other **Investors** under the **Loan** and the **Guarantee** will be secured by that **Security**, and the provisions relating to **Security** will apply.

11.2. The **Security Holder** may hold one or more different types of **Security** with respect to any **Loan** on behalf of **Investors**, each **Funding Circle Company** and other persons who may assume our **Loan** servicing obligations.

11.3. The existence of **Security** does not increase the likelihood of a **Borrower's** or a **Guarantor's** ability to meet its repayment obligations under a **Loan Contract** or a **Guarantee**, and does not constitute a guarantee of full repayment by the **Borrower** or a **Guarantor** in the event of non-payment or default by any of them under a **Loan Contract** or a **Guarantee**.

11.4. You appoint the **Security Holder** to act as agent to hold the **Security** in connection with any **Loan**. You are not entitled to, and will not seek to, take any action or commence any proceedings against any **Borrower** or **Guarantor** in your own name. Only the **Security Holder** is entitled to take any action or proceedings. You authorise the **Security Holder** to exercise the rights, powers, authorities and discretions specifically given to the **Security Holder** under or in connection with any **Security Document**, together with all other incidental rights, powers, authorities and discretions.

11.5. The **Security Holder's** duties under the **Security Document** are solely administrative in nature. You acknowledge and agree that the **Security Holder** has only those duties or obligations which are expressly set out in the **Security Documents**, in these **Investor Terms and Conditions** and by law. Section 1 of the Trustee Act 2000 (which relates to the duty of care owed by trustees) will not apply to the **Security Holder** or the **Security Agent**. If there is any inconsistency between the provisions applicable to the **Security Holder** or the **Security Agent** by law and these **Investor Terms and Conditions**, these **Investor Terms and Conditions** will prevail.

11.6. The **Security Holder** will hold the benefit of the **Security** on behalf of itself, us, any **Funding Circle Company** and all of the **Investors** who are a party to a **Loan Contract** with the **Borrower** which is expressed to have the benefit of **Security**. The **Security Holder** is only required to have regard to the interests of the relevant **Investors** as a whole.

11.7. If the **Borrower** or **Guarantor** fails to make any payment when due or an **Event of Default** occurs, you agree that the **Security Holder** may enforce any such **Security** on all relevant **Investors'** behalf. A default notice will be sent to the **Borrower** and a demand for repayment of the **Total Amount Payable** and any applicable fee and costs under the **Loan Conditions** will be made to the **Borrower** and a **Guarantor**.

11.8. If an **Event of Default** occurs, we may notify all affected **Investors**. We will be entitled to demand repayment of the **Total Amount Payable** and any applicable fees and costs under the **Loan Conditions** and will take steps to collect the outstanding debt. The **Security Holder** can also enforce any **Security** for and on behalf of all relevant **Investors**.

11.9. If the **Security Holder** has been provided with information by a **Borrower** and a **Guarantor** about them or their secured assets, we may

provide that information to you, including information relating to the estimated forced re-sale value of such secured assets on enforcement. In these circumstances, any secured asset valuation provided by us to you will be for indicative purposes only.

11.10. We, the **Security Agent** and the **Security Holder** may rely on any representation, notice or document believed by us or it to be genuine, correct and appropriately authorised and any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within their knowledge or power to verify.

11.11. The **Security Holder** will not be required to take any action in relation to any **Security** unless we instruct it to do so, but it may do so in the absence of any such instruction. The **Security Holder** will have no liability to any person for any action taken in accordance with our instruction. Absent any instruction, the **Security Holder** has absolute discretion to exercise the rights, powers or authority it has and it will have no liability for any such action save to the extent caused by its own negligence.

11.12. If we have designated a **Loan** as a property finance loan that is secured by **Security**, the **Borrower** will, at its own expense, execute and do all necessary things to perfect and protect the **Security** before and after enforcement. **Security** granted in connection with property finance loans will be held by **Funding Circle Property** in accordance with clause 11.6. If the realisation proceeds from the enforcement of property finance **Security** are not sufficient to discharge all of the **Borrower's** obligations, each **Investor** will only be entitled to receive its proportionate share from the realisation proceeds after the relevant **Security** enforcement costs have been paid. If these costs cannot be recovered from the **Borrower**, each **Investor** must pay the **Security Agent** and the **Security Holder's** costs on a proportionate basis.

11.13. If we have designated a **Loan** as an asset finance loan, it will be used by the **Borrower** for the purchase of business assets. The asset finance loan will be repaid by the **Borrower** under the applicable conditional asset sale or lease agreement to **Funding Circle Asset**, which will act as asset financier for the assets. The **Borrower** is required to pay the asset procurement charge and finance arrangement charge for **Funding Circle Asset**. To manage any repayments set out at clause 12 (*Enforcement of Security*), **Funding Circle Asset** will hold and manage any sums realised from the sale of the assets. If the asset sale proceeds are not sufficient to discharge all of the **Borrower's** obligations, each **Investor** will only be entitled to receive its respective proportionate share from the proceeds. **Funding Circle Asset** is entitled to be paid for its costs from the asset sale proceeds. If these costs cannot be recovered from the **Borrower**, each **Investor** must pay **Funding Circle Asset's** costs on a proportionate basis.

12. Enforcement of Security

12.1. Any **Security** granted at the time of origination of a **Loan** will operate to secure the obligations of the **Borrower** and a **Guarantor** under that secured **Loan**. Any **Security** granted at any time after origination may operate to secure all monies due from a **Borrower** and a **Guarantor** under all **Loans** made to that **Borrower**.

12.2. If the **Security** becomes enforceable, the **Security Holder** will act in the interests of all relevant **Investors** (unless otherwise required by law) and will be entitled to make distributions to **Investors** in accordance with the principles outlined in these **Investor Terms and Conditions** and the **Loan Conditions**. Neither we, nor the **Security Holder**, nor any person acting on our or its behalf will be liable for any loss suffered by any **Investor** unless the loss is caused by our or its own negligence.

12.3. After enforcement of the **Security**, any monies received or recovered by or on behalf of the **Security Holder** will be applied in the following order of priority:

- a. first - payment or reimbursement of all costs, expenses, losses or liabilities incurred by us, the **Security Holder** and the **Security Agent** (or any person acting on our or its behalf other than the back-up servicer) or by any receiver or administrator (as outlined in the **Loan Conditions**) or, if the monies recovered do not cover the **Total Amount Payable** and all applicable costs and fees under the **Loan Conditions**, then up to 40% of the monies recovered from each recovery payment will be applied towards this payment or reimbursement;
- b. second - payment of all amounts due to **Investors** for application by us, the **Security Holder** and the **Security Agent** in accordance with these **Investor Terms and Conditions** and the relevant **Loan Conditions**;
- c. third - payment or reimbursement of all outstanding amounts due under clause 12.3(a) which were not paid as a result of the 40% limit set out therein; and
- d. fourth - payment of the surplus (if any) to the **Borrower**, the **Guarantor** or any other person entitled to it by law.

12.4. The **Security Holder** is only required to make the payments referred to in clause 12.3(b) to us and this payment to us will constitute a complete discharge by the **Security Holder** of its obligations to make payment to the relevant **Investors**. Following receipt of this payment, we will make distributions to **Investors**.

12.5. Any monies received or recovered in respect of **Security** will be applied in discharging the obligations of the **Borrower** and **Guarantor** under the secured **Loan** expressed to have the benefit of such **Security**. If there is more than one such secured **Loan** with the benefit of such **Security**, such monies will be applied proportionately by reference to the principal amounts owing to

the relevant **Investors** under the secured **Loans**, and once all principal amounts are repaid, if further monies are received or recovered, these will be applied proportionately by reference to the **Accrued Interest** owing to the relevant **Investors**.

12.6. Any monies received or recovered in respect of any unsecured **Loans** to the same **Borrower** will be applied proportionately by reference to the principal amounts owing to the relevant **Investors** under the unsecured **Loans**, and once all principal amounts are repaid, if further monies are received or recovered, these will be applied proportionately by reference to the **Accrued Interest** owing to the relevant **Investors**.

12.7. The fees and charges outlined the **Loan Conditions** may be paid into a separate bank account in the name of **Funding Circle**. The monies in this bank account are for the benefit of **Funding Circle** and are separate to any payments made under the **Loan** before the occurrence of an **Event of Default**, and any recovery payments made following the occurrence of an **Event of Default**.

12.8. We or the **Security Holder** may, at any time and without notice, grant such consents to the **Borrower** to enter into further **Loan Contracts** or do such other things as we deem necessary.

12.9. You authorise us and the **Security Holder** to take such action as necessary (including the granting of consent for the creation of **Security** or additional **Security** by the **Borrower** or any other person) and you acknowledge that its priority of payment and recovery in an enforcement scenario may be affected as a result.

12.10. The enforceability of **Security** is subject to normal legal risks, challenges and limitations, and that available proceeds post-enforcement may not be sufficient to discharge all of the obligations owed by the **Borrower** and any **Guarantor** at that time to each **Investor**. In addition, it is possible that there may be other creditors of the **Borrower** and **Guarantor** that have claims that may be recovered in priority to those of the **Security Holder** and the **Investors**.

12.11. In the event that the **Security Holder's** costs and expenses are not paid out of proceeds recovered from the **Borrower** and any **Guarantor**, you agree that you will pay all the costs and expenses reasonably incurred by the **Security Holder** in proportion to the amount of your **Loan Part** as a percentage of all outstanding **Loans** secured by the same **Security**. You will only be responsible for payment of such costs out of the proceeds of any recovery from the relevant **Borrower** and **Guarantor**.

13. Missed payments and defaulted Loans

13.1. If a **Borrower** misses a payment due under a **Loan Contract**, we will take certain administrative steps to pursue the missed payments. This may include engaging with the **Borrower**, seeking more information from them, and attempting to recover the outstanding sums due from them. In each case we will take the recovery action that we consider to be in the best interests of the affected **Investors** as a whole. We may recover our reasonable costs as a priority from any amounts recovered as outlined in the **Loan Conditions**.

13.2. If we are unable to recover the amounts outstanding under a **Loan**, we may also appoint a **Collections Agent** who will seek to collect and recover any outstanding sums due under the **Loan** on your and other **Investors'** behalf. A **Collections Agent** may charge a **Collections Fee**, which is payable by the **Borrower**, and this will be added to the overall amount that the **Collections Agent** is seeking to collect and recover from the **Borrower**. The **Collections Fee** will be paid in priority to any distributions to **Investors**.

13.3. If a **Borrower** fails to make a payment due under a **Loan Contract** or is otherwise in breach of any term of the **Loan Contract**, we may demand repayment of, and engage field agents to attempt to collect, the total late amount and applicable fees. We may deduct up to 40% of the amount recovered from the **Borrower** to cover any costs and fees (such as field agents and legal advisers) incurred in recovering the total late amount. Any remaining proceeds will be distributed to each relevant **Investor** in proportion to the amount of each **Investor's Loan Part** as a percentage of the **Total Amount Payable**.

13.4. If an **Event of Default** occurs, repayment of the **Total Amount Payable** and all fees and costs under the **Loan Conditions** will be demanded, and the **Loan** will be assigned to **Funding Circle Trustee** or **Funding Circle Property** (as applicable) to hold the debt and any proceeds thereof as legal owner on trust for the relevant **Investors**. By agreeing to these **Investor Terms and Conditions**, you agree to such assignment and irrevocably and unconditionally by way of security appoint us as your attorney to execute any assignment document to give effect to such an assignment after an **Event of Default** has occurred.

13.5. If an **Event of Default** occurs, we may demand full repayment of the **Total Amount Payable** and all applicable fees and costs under the **Loan Conditions** from the **Borrower** and the **Guarantor** and will repay to each **Investor** that **Investor's** proportionate share of any funds successfully recovered, subject to clause 12.3, clause 12.7 and the terms of the **Loan Conditions**.

13.6. We, the **Security Agent** or the **Security Holder** may take such steps as we consider necessary or desirable in our absolute discretion to collect the outstanding debt including, without limitation, pursuing **Guarantors**,

enforcing **Security**, assigning the debt to a debt purchaser, and commencing formal legal action or insolvency processes through the courts. If further action is necessary, a **Collections Charge** and third party legal and other costs may apply (as outlined in the **Loan Conditions**), and the **Borrower** and **Guarantor** will be liable to pay all such applicable costs. For more information on the **Collections Charge**, see: <https://fundingcircle.zendesk.com/entries/80041273-Are-there-any-additional-costs-that-could-apply-to-my-loan>. The **Collections Charge** will be deducted from any recovery payments and will be capped at 20% from any recovery payments received.

13.7. We, the **Security Agent** or the **Security Holder** will act in a fair and equitable manner to achieve maximum recovery for all affected **Investors** (and this may include agreeing new payment terms or selling the debt to a third party).

13.8. We, the **Security Agent** or the **Security Holder** may decide (in our absolute discretion) not to pursue the **Borrower** or the **Guarantor** for non-payment or after an **Event of Default** has occurred on grounds of compassionate reasons, customer vulnerability, or if we consider it to be in the best commercial interests of all **Investors** to do so.

13.9. Only we, the **Security Agent**, the **Security Holder** or the **Collections Agent** can engage with the **Borrower** and any **Guarantor** to take steps to pursue the missed payments and recover outstanding sums on behalf of all **Investors**. You are not permitted to undertake any individual action or engage with the **Borrower** or the **Guarantor** unless we agree otherwise.

13.10. We will keep you updated with the progress of efforts to collect missed payments and recover outstanding sums on defaulted **Loans**. You can view this status information in your **Investor Account**.

14. Client Money

14.1. We will treat all money received from you, or held on your behalf, as **Client Money** in accordance with the **FCA's Client Money Rules**.

14.2. You are notified that, in accordance with Rule 7.10.7B of the **Client Money Rules**, we have elected to hold all funds held in relation to **Investors** under non-regulated peer-to-peer agreements in accordance with the **Client Money Rules** with effect from 22 April 2016.

14.3. **Client Money** will be held in **Funding Circle Client Bank Accounts** or in **FCA-approved client money market investment accounts** for the benefit of all **Investors**. You agree to the holding of your **Client Money** in this way.

14.4. No interest or income derived from the holding of **Client Money** in **Funding Circle Client Bank Accounts** or **FCA**-approved client money market investment accounts will be paid to you in respect of any funds that are held for you.

14.5. If we were to cease trading, the funds held as **Client Money** would not be treated as our assets. Your funds would be classified as being held under a statutory trust and we would always seek to comply with all relevant obligations placed on us as a trustee.

14.6. **Client Money** may be placed in client transaction accounts with solicitors to complete certain finance transactions. Such funds will be held by the relevant solicitors under the Solicitors Regulation Authority client money rules.

14.7. Lending through **Funding Circle** and the **Funding Circle Platform** is not covered under the Financial Services Compensation Scheme. However, you may be entitled to compensation from the Financial Services Compensation Scheme in respect of any money held by us on your behalf if the bank or credit institution that is holding the money becomes insolvent. Further information is available at <http://www.fscs.org.uk>.

15. Fees and charges

15.1. We will not charge you any fee for creating an **Investor Account** or lending through the **Funding Circle Platform**.

15.2. We may charge a **Servicing Fee** which will be included in the interest rate charged on each **Loan**. If applicable, it will be included in the **Fixed Interest Rate** stated in the **Key Contract Terms** and be deducted by us from monthly payments made by the **Borrower** and retained by us in accordance with the **Loan Conditions**. **Investors** are not entitled to the **Servicing Fee**.

15.3. The **Servicing Fee** is charged to cover our role in undertaking the following **Loan** servicing activities:

- arranging for the principal of the **Loan** (minus any **Loan Completion Fee**) to be transferred to the **Borrower** at the start of the term of any **Loan**;
- collecting and distributing payments from **Borrowers** and any applicable **Guarantors** that we have received which are due to **Investors** (including all collections and enforcement activity);
- operating the **Funding Circle Client Bank Accounts**; and
- facilitating transfers of **Loans** or **Loan Parts**.

15.4. If a back-up servicer is appointed in accordance with clause 22 (*Back-up Servicer*), our back-up servicer would continue to collect the **Servicing Fee**. It

may also charge a **Special Situation Fee** that will be calculated as a percentage of the outstanding principal and will be included in the interest rate of the **Loan**. The **Special Situation Fee**(if applicable) will be deducted by the back-up servicer from monthly payments made by the **Borrower** under the **Loan Contract** and retained by it for its own account. If applicable, the relevant fees collected by the back-up servicer will not exceed 2% of the principal of each **Loan Part** or **Loan** outstanding.

15.5. If we incur any fees or charges, such as disputed transaction fees, bank fees or payment processing charges in our provision of **Intermediary Services** to you or otherwise, we will make you aware of these and you will reimburse us for all such costs we incur. To facilitate the reimbursement, you authorise us to access and withdraw funds from your **Investor Account**, or collect the fee or charges from any payments due to you. We also reserve the right to request payment directly from you in relation to such incurred fees or charges.

15.6. We reserve the right to change or waive any applicable fees from time to time.

16. Amendments

16.1. We may make changes to these **Investor Terms and Conditions** from time to time without your consent for any of the following reasons:

- to make these **Investor Terms and Conditions** clearer or easier to understand;
- to make changes which benefit you or do not disadvantage you;
- to make changes to the products or services we offer or provide to you, to introduce new products or services or to withdraw products or services we no longer offer;
- to change our existing products or services because of changes to technology, systems, processes or our business policies or procedures; or
- to reflect changes in law, regulation, industry guidance or a decision of a court or by a regulator or ombudsman.

16.2. We will always try to give you at least one month's notice of an amendment to these **Investor Terms and Conditions** by notifying you of the proposed change through the **Website** or sending an email to your registered email address. However, this may not always be possible and we may make changes on shorter notice periods.

16.3. Subject to clause 17.2, if you do not agree with any changes that we make to these **Investor Terms and Conditions** you are able to close your **Investor Account** at any time by contacting us by email (contactus@fundingcircle.com) or by telephone (020 7401 9111). By

continuing to access and use the **Funding Circle Platform** after any changes to these **Investor Terms and Conditions**, you accept and agree to be bound by the updated **Investor Terms and Conditions**.

16.4. If you notify us you wish to close your **Investor Account** but have **Loan Parts** outstanding, you authorise us to immediately transfer these to other **Investors** by selling them as described in clause 10 (*Withdrawing funds and transferring Loan Parts*). On the sale of your last **Loan Part** we will remit the funds in your **Investor Account**, less any fees which may be owed to us or the **Security Agent**, to your **Nominated Bank Account** and then close your **Investor Account**.

17. Ceasing to be an Investor with Funding Circle and termination

17.1. If you no longer wish to be an **Investor** then, provided you have:

- no **Loan Contracts** in force;
- no outstanding amounts in your **Investor Account**;
- no amounts owing and payable to us; and
- no funds allocated for lending to any **Borrower**,

you can notify us at any time and we will close your **Investor Account**.

17.2. If you wish to close your **Investor Account** but the following circumstances apply:

- you are a party to a **Loan Contract** which is in force;
- you have funds which are allocated for lending to **Borrowers**; or
- you owe any money to us, the **Security Holder** or any **Funding Circle Company**.

you must either (depending on the circumstances):

- wait for the underlying **Loans** to be repaid in full;
- ensure that your **Loan Parts** are sold and transferred to other **Investors**, and you have withdrawn funds owed to you in accordance with clause 10 (*Withdrawing funds and transferring Loan Parts*);
- wait for funds which are allocated for lending to become unallocated;
- pay any and all money you owe to us, the **Security Holder** or any **Funding Circle Company**.

17.3. Once you have sold all of your active **Loan Parts**, all the funds standing in your **Investor Account** are fully available for withdrawal and you should transfer them to your **Nominated Bank Account** and close your **Investor Account**.

17.4. We may give you notice that we intend to close your **Investor Account** at any time if:

- you breach any term of these **Investor Terms and Conditions**, the **Website Terms of Use** or the **Privacy Policy**;
- you breach any term of a **Loan Contract** and fail to remedy the breach within any period notified to you or if no notification is provided, within a reasonable period;
- you cease to be an eligible **Investor** because you do not satisfy the criteria in clause 6 (*Investor Eligibility Criteria*);
- you do not respond to our reasonable requests for information or you fail to provide such information;
- we suspect that you have committed or have been involved in fraud, money laundering or other criminal activities;
- we discover that any information you have provided to us is materially incorrect, inaccurate, false or misleading;
- you use the **Funding Circle Platform** or any information obtained or discovered through being an **Investor** with us to canvass or solicit any person from **Funding Circle**;
- you use the **Funding Circle Platform** for a purpose for which the **Funding Circle Platform** is not intended or other than as a direct lending platform to **Borrowers**;
- you use the **Funding Circle Platform** or the **Website** in an illegal, offensive or defamatory way or in any way which causes inconvenience to other users;
- you undertake action to contact or engage with a **Borrower** directly to pursue missed payments or recover outstanding sums;
- you do not lend within a 12 month period through your **Investor Account**;
- you misuse the **Funding Circle Platform** in any other way; or
- we believe that any action you undertake (or fail to take) will have an adverse effect on the **Funding Circle Platform** or **Funding Circle's** reputation.

17.5. If we give you notice under clause 17.4, you authorise us to immediately transfer your **Loan Parts** to other **Investors** by selling them as described in clause 10 (*Withdrawing funds and transferring Loan Parts*). When your last **Loan Part** has been sold, we will remit any remaining funds to which you are entitled, less any fees which may be owed to us, the **Security Holder** or any **Funding Circle Company**, to your **Nominated Bank Account** and then close your **Investor Account**.

18. Your Liability To Us

18.1. You will be liable to us for any foreseeable loss or damage suffered by us as a result of:

- any breach by you of these **Investor Terms and Conditions**, any **Loan Contract**, or the **Website Terms of Use**;
- your negligence or wilful default;
- any fraudulent use by you of the **Funding Circle Platform**; and
- any and all misuse of your username, password, the **Website**, the **Funding Circle Platform** or **Investor Account**(including as provided for under clause 7 (*Creating an Investor Account*)).

18.2. You will be liable to us as contemplated by clause 12.11.

18.3. You will not be liable to us for any loss or damage which is not foreseeable.

19. Our Liability To You

19.1. Subject to clause 19.2, we will be liable to you for any foreseeable loss or damage suffered by you as a result of:

- any breach by us of these **Investor Terms and Conditions**;
- our negligence or wilful default;
- fraud committed by us or our employees; or
- our breach of any regulatory requirements imposed on us by the **FCA**.

19.2. We, the **Security Holder** and any **Funding Circle Company** will not be liable to you for loss or damage (whether or not this is foreseeable) arising from any action taken (or not taken) in relation to maximising collections and recoveries, or from circumstances that are beyond our reasonable control.

19.3. Nothing in these **Investor Terms and Conditions** will exclude or limit our liability for death or personal injury caused by our negligence or fraud, or for any other liability that cannot lawfully be excluded or limited under applicable laws and regulation.

20. Conflicts of interest

We will ensure that any potential conflicts of interest that might arise between a **Borrower** and an **Investor**, or different **Investors**, are identified and managed effectively in accordance with our conflicts of interest policies. More information can be found on this in the **FAQs** and on the **Website**.

21. Complaints

21.1. We always try to offer the best service possible. However, if you are unhappy with any service or product offered by us or any **Funding Circle Company**, please contact us by email (contactus@fundingcircle.com) or by telephone ([020 7401 9111](tel:02074019111)).

21.2. We will endeavour to resolve your complaint as quickly and as fairly as possible.

21.3. More information on how to complain and how complaints are dealt with by us can be found on the **Website** and in the **User Guide**.

22. Back-up Servicer

22.1. If the **Funding Circle Platform** fails or we become insolvent, we will transfer our loan servicing obligations to any third party back-up servicer with whom we have in place a back-up servicing arrangement.

22.2. Our current back-up servicer is: Target Servicing Limited, Target House, Cowbridge Road East, Cardiff CT11 9AU.

22.3. If the back-up servicer is engaged:

- you may not be able to sell or transfer **Loan Parts** through the **Funding Circle Platform**; and
- it will be able to benefit from these **Investor Terms and Conditions** and any **Loan Contracts** pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce our rights and take over from us the continued provision of the **Intermediary Services**.

22.4. We can change our back-up servicer or the specific details of the arrangement we have with them at any time without giving you notice. We may also engage the back-up servicer before the onset of insolvency or for any other reason if we believe that this action is in the best interests of our customers.

23. Other Miscellaneous Terms

23.1. If any provision of these **Investor Terms and Conditions** is found to be illegal, invalid or unenforceable by any court of competent jurisdiction, this will not affect the validity and enforceability of the remaining provisions.

23.2. The **Funding Circle Platform** is an online service and all documents or notices that we wish to send you may be delivered to you through the **Website** to your **Investor Account**. You may also receive by email a prompt from time to time for you to log into your **Investor Account**. We may also send you letters to the address you have registered with us or in any other manner we consider appropriate.

23.3. Our rights under these **Investor Terms and Conditions** may be exercised as often as necessary, are cumulative and not exclusive of any rights or remedies provided by law. Delay in the exercise of any right granted to us in these **Investor Terms and Conditions** is not a waiver of that right.

23.4. We and the **Security Holder** may assign or transfer all or part of our respective rights and obligations under these **Investor Terms and Conditions** to any person we reasonably consider capable of performing them. We may also exercise any of our rights through any **Funding Circle Company** or a service provider we engage. You cannot assign or transfer your rights and obligations under these **Investor Terms and Conditions**.

23.5. The **Security Holder** and any back-up servicer may enforce all rights available to it under the Contracts (Rights of Third Parties) Act 1999.

23.6. These **Investor Terms and Conditions** are governed by and construed in accordance with English law. If any dispute (whether contractual or non-contractual) arises out of, or in connection with, these **Investor Terms and Conditions**, we and the **Investor** submit to the non-exclusive jurisdiction of the English courts.

Part B: Funding Circle ISA Terms and Conditions

24. General

24.1 The **Funding Circle ISA** is an **IFISA**. We do not offer any other type of **ISA**.

24.2 You may be eligible to hold some or all of the investments you make through the **Funding Circle Platform** in a **Funding Circle ISA**.

24.3 If you are eligible and you open a **Funding Circle ISA**, Parts A and B of these **Investor Terms and Conditions** will apply to your **Funding Circle ISA**. Part A of these **Investor Terms and Conditions** will apply to your **Classic Account**. In relation to your **Funding Circle ISA**, in the event of any conflict between terms in Parts A and B, the terms in Part B will prevail.

24.4 Even if you are eligible to open a **Funding Circle ISA** we have absolute discretion to accept or reject your application to open a **Funding Circle ISA**.

25. Appointment and our relationship with you

25.1 You appoint us to act as the **ISA Manager** of your **Funding Circle ISA**. We will operate your **Funding Circle ISA** in accordance with the **Funding Circle ISA Terms and Conditions**, the **ISA Regulations** and all other applicable laws and regulations to which we are subject.

25.2 We are not authorised to provide investment management services, give advice or make recommendations to you and you acknowledge that you are solely responsible for any investments held within your **Funding Circle ISA**. You may wish to seek independent financial advice before opening a **Funding Circle ISA**.

25.3 You authorise us to provide **HMRC** with all relevant information about you, your **Funding Circle ISA** and the investments held in your **Funding Circle ISA**.

25.4 We may delegate any of our administrative functions or responsibilities to another person. If we delegate, we will satisfy ourselves that the person to whom we have delegated is competent to carry out those functions and responsibilities. We shall remain responsible for the operation of your **Funding Circle ISA**.

25.5 We will tell you if, by reason of any failure to satisfy the provisions of the **ISA Regulations**, we become aware that your **Funding Circle ISA** has, or will, become void.

26. Funding Circle ISA Eligibility

26.1 To be eligible to open and maintain a **Funding Circle ISA**, in addition to satisfying the relevant applicable **Investor Eligibility Criteria** in clause 6 (*Investor Eligibility Criteria*), you must:

- be an individual;
- be 18 years of age or over;
- be a permanent resident of the United Kingdom (excluding (i) residents of the Channel Islands and the Isle of Man and (ii) those who are not resident in the United Kingdom but are treated as resident for certain tax purposes by virtue of being Crown employees overseas or are the spouse or civil partner of such a person);
- have and maintain a valid UK bank or building society account;
- not have subscribed, and will not subscribe, to any other **IFISA** or additional **Funding Circle ISA** in the same tax year as you subscribe for a **Funding Circle ISA**; and
- not have exceeded the overall **Subscription Limit**.

26.2 You cannot:

- subscribe for more than one **IFISA** (whether a **Funding Circle ISA** or not) in each tax year;
- hold your **Funding Circle ISA** on behalf of someone else;
- use your **Funding Circle ISA** or the investments held within it as security for a loan; or
- open your **Funding Circle ISA** jointly with another person.

26.3 You must notify us immediately if you are no longer eligible for a **Funding Circle ISA**. This would be the case if, for example, you are no longer a permanent resident of the United Kingdom.

26.4 If, after opening a **Funding Circle ISA**, you become ineligible to hold a **Funding Circle ISA** then we may transfer any cash and non-cash investments from your **Funding Circle ISA** into a **Classic Account** (or if you do not hold a **Classic Account** we will open one for you for this purpose) and it will not qualify for a tax exemption.

26.5 If you breach any of the terms contained in Part B, we may close your **Funding Circle ISA** in accordance with the process set out in clause 17 (*Ceasing to be an Investor with Funding Circle and termination*) and clause 35 (*Closure*).

27. Application

27.1 To apply for a **Funding Circle ISA** you must:

- complete the online application form and accompanying **ISA** declaration available on the **Website**;
- read the **Funding Circle ISA Terms and Conditions** carefully and agree to be bound by them; and
- arrange for a cash subscription payment to be made to us in respect of the **Funding Circle ISA**.

27.2 We have the right to refuse your **Funding Circle ISA** application and/or subscription monies for any reason, at our discretion.

27.3 Your **Funding Circle ISA** will begin:

- after we have received your correctly-completed **Funding Circle ISA** application;
- after all our application requirements and account-opening processes have been satisfactorily completed; and
- on the later of either:
 - the date on which we accept your **Funding Circle ISA** application; and
 - the date on which your subscription for that year's **Funding Circle ISA** has been received by us in cleared funds.

27.4 We will automatically open a **Funding Circle ISA** for you in the next tax year provided you make a subscription to your **Funding Circle ISA** in the current tax year. If you do not make a subscription in the next tax year you may be required to complete a further application form, and satisfy all other application requirements and account-opening processes.

28. Subscriptions and Subscription Limits

28.1 In any tax year your contributions into any **ISA** must not exceed the maximum aggregate **Subscription Limit** set out in the **ISA Regulations** for

that tax year. You can monitor your subscription level in your **Funding Circle ISA**.

28.2 You can make payments into different types of **ISA** in each tax year in any combination that you choose, but you may not subscribe:

- more than the overall **Subscription Limit** for that tax year; and
- to more than one **IFISA** in each tax year.

28.3 If you subscribe for more than one **IFISA** in the same tax year (whether a **Funding Circle ISA** or not), or you subscribe in excess of the **Subscription Limit**, then you agree that we may (including upon instruction from **HMRC**):

- void (as the case may be) your **Funding Circle ISA** or the second and all subsequent **Funding Circle ISAs**, such that with effect from the subscription date such accounts shall be treated as (and shall be) **Classic Accounts** in relation to which you will not qualify for a tax exemption under the **ISA Regulations** and you may be liable to income and other taxes;
- treat all monies in excess of the **Subscription Limit** as if they were held in your **Classic Account** in relation to which you will not qualify for tax exemption under the **ISA Regulations** and you may be liable to income and other taxes; and/or
- return monies to you.

29. ISA fees and charges

Clause 15 (*Fees and charges*) applies to investments in, and lending through, your **Funding Circle ISA**.

30. Beneficial ownership

You agree to ensure that the investments held within your **Funding Circle ISA** will be, and will remain, in your beneficial ownership at all times.

31. Withdrawals and transfers out

31.1 You may make withdrawals from your **Funding Circle ISA** in accordance with clause 10 (*Withdrawing funds and transferring Loan Parts*) at any time.

31.2 Your **Funding Circle ISA** is flexible. This means that if you withdraw money from your **Funding Circle ISA**, any subsequent subscriptions made in the same tax year that would otherwise count towards your **Subscription Limit** will only do so to the extent that previously withdrawn amounts have been fully replaced. If you do not repay withdrawn money into your **Funding Circle ISA** within the same tax year then any subsequent repayment in a later tax year would count towards your **Subscription Limit** in the manner

described in clause 28 (*Subscriptions and Subscription Limits*) in the tax year in which it is made.

31.3 You may request that your **Funding Circle ISA** be transferred to another **ISA Manager** who is willing to accept it without the loss of the tax exemption under the **ISA Regulations**. Subject to clause 31.5, you can transfer:

- in respect of the current tax year, the whole (but not part only) of the current year's subscriptions to your **Funding Circle ISA**; and
- in respect of previous tax years, the whole or part of any previous years' subscriptions.

31.4 You can ask us to complete the transfer by a certain date. The transfer will be made by that date, subject to allowing us a reasonable time period (not exceeding 30 days) for us to carry out your request. At the date we execute the transfer we will transfer all available cash to your new **ISA Manager**.

31.5 In respect of transfers, you acknowledge and agree that:

- you can only transfer cash standing to the credit of your **Funding Circle ISA**;
- you are unable to transfer funds which are invested in **Loan Contracts** or **Loan Parts**;
- in respect of non-cash investments (if any) that remain in your **Funding Circle ISA** on the day we execute the transfer (for example because you have been unable to sell these), we will transfer them into your **Classic Account** (or, if you do not hold a **Classic Account**, we will open one for you for this purpose). Your **Classic Account** does not benefit from preferential tax treatment;
- you instruct us to pay any and all amounts received after the date of transfer (for example, because of recoveries in relation to defaulted or late **Loan Contracts** or **Loan Parts**) into your **Classic Account**. Your **Classic Account** will not qualify for a tax exemption; and
- if the entire value of your **Funding Circle ISA** is transferred out and there are no **Loan Contracts** or **Loan Parts** remaining, then we will close your **Funding Circle ISA**.

31.6 Accordingly, before asking us to make a transfer you may wish to consider liquidating all of your investments in accordance with clause 10 (*Withdrawing funds and transferring Loan Parts*) and holding those cash proceeds in your **Funding Circle ISA** to avoid any unintended tax consequences.

32. Transfers in

32.1 We may accept transfers into your **Funding Circle ISA** from another **ISA Manager** at our discretion.

32.2 If applicable, your request to transfer funds into your **Funding Circle ISA** must be made in the form available on, and in the manner described on, the **Website**.

33. Investor death

33.1 If you die, we will close your **Funding Circle ISA** and the tax benefits will cease on your death. Any interest received after your death will be paid into a **Classic Account** and will not be exempt from income or other taxes from the date of your death.

33.2 Your personal representatives must provide us with proof of your death and of their appointment, after which we will act in accordance with their instructions.

33.3 In the circumstances set out in the **ISA Regulations**, your surviving spouse or civil partner may be entitled to an additional **ISA** allowance equal to the value of your **Funding Circle ISA** as at the date of your death.

34. Cancelling your Funding Circle ISA

34.1 Subject to clauses 34.2 and 34.3, you may cancel your **Funding Circle ISA** within 14 days of it beginning. Your **Funding Circle ISA** will begin in accordance with clause 27.3.

34.2 If, after opening your **Funding Circle ISA** and during the 14 day cancellation period, you add funds to your **Funding Circle ISA** and either:

- enter into a **Loan Contract**; or
- commit to lend money to a **Borrower**,

and you wish to cancel your **Funding Circle ISA**, we will transfer all cash and non-cash investments in your **Funding Circle ISA** into a **Classic Account** (and if you do not hold a **Classic Account** we will open one for you for this purpose). We will then cancel your **Funding Circle ISA** and you will lose any tax exemption under the **ISA Regulations** in respect of it. Part A will govern your **Classic Account**. You can withdraw funds from your **Classic Account** in accordance with clause 10 (*Withdrawing and transferring Loan Parts*).

34.3 If you have not, during the 14 day cancellation period, entered into a **Loan Contract** or committed to lend money to a **Borrower** and you notify us that you wish to cancel your **Funding Circle ISA**:

- any subscriptions you have made to your **Funding Circle ISA** will not count as subscriptions and you will remain eligible to open another **IFISA** with another **ISA Manager**; and
- we will return to you any subscription monies that you have transferred into your **Funding Circle ISA**.

34.4 Cancellation of your **Funding Circle ISA** will apply only to your **Funding Circle ISA** account and not to any **Classic Account** you may also have.

34.5 If you wish to close your **Funding Circle ISA** at any time after the cancellation period, you must do so in accordance with clause 35 (*Closure*) below.

35. Closure

35.1 There is no fixed term for your **Funding Circle ISA** and you may close it at any time after the 14 day cancellation period for any reason by email (contactus@fundingcircle.com) or by telephone (020 7401 9111).

35.2 On receiving a notice from you that you wish to close your **Funding Circle ISA** or if we close your **Funding Circle ISA** in accordance with clause 35.4 below, we will transfer all cash and non-cash investments to a **Classic Account** (and if you do not hold a **Classic Account** we will open one for you for this purpose). If this happens, you will no longer qualify for a tax exemption under the **ISA Regulations**. Your **Classic Account** will remain subject to Part A and you can withdraw funds from your **Classic Account** in accordance with clause 10 (*Withdrawing and transferring Loan Parts*).

35.3 If you wish to close your **Funding Circle ISA** and no longer wish to have any **Investor Account**, you can decide to stop being an **Investor** in accordance with the provisions of clause 17 (*Ceasing to be an Investor with Funding Circle and termination*).

35.4 In addition to the circumstances listed in clause 17.4, we shall be entitled to close your **Funding Circle ISA** immediately if any of the following circumstances arise:

- if you give notice to us that you wish to cancel your **Funding Circle** membership in accordance with clause 17 (*Ceasing to be an Investor with Funding Circle and termination*);
- if your **Funding Circle ISA** is found to be void under the **ISA Regulations**;
- if you cease to be eligible to maintain a **Funding Circle ISA** (either in accordance with Parts A or B of the **Investor Terms and Conditions**, the **ISA Regulations** or other applicable laws or regulations – for example if you become bankrupt); or

- if you have given us false, inaccurate or misleading information in your application.

35.5 We shall be entitled to close your **Funding Circle ISA** on giving you 30 days' written notice if:

- we intend to stop acting as your **ISA Manager** or as an **ISA Manager** generally; or
- we consider that we cannot administer your **Funding Circle ISA** in accordance with the **ISA Regulations**,

in which circumstances you shall be permitted to transfer your **Funding Circle ISA** to an alternative **ISA Manager** in accordance with clause 31 (*Withdrawals and transfers out*) above.

35.6 If you do not transfer your **Funding Circle ISA** to an alternative **ISA Manager** during the 30 day written notice period we provide to you, we will transfer all cash and non-cash investments held in your **Funding Circle ISA** to a **Classic Account** (and if you do not hold a **Classic Account** we will open one for you for this purpose). If this happens, you will no longer qualify for a tax exemption under the **ISA Regulations**. Your **Classic Account** will remain subject to Part A.

Glossary

Capitalised terms used in these **Investor Terms and Conditions** have the following meanings:

- **Accrued Interest:** any interest accrued on a **Loan** under clause 3 of the **Loan Conditions**.
- **Borrower:** a borrower under a **Loan Contract** or, as applicable, a person who is applying for borrowing through the **Funding Circle Platform**.
- **Borrower Terms and Conditions:** the terms and conditions that govern the relationship between a **Borrower** and **Funding Circle**, as amended or replaced from time to time.
- **Classic Account:** the account held by an **Investor** with **Funding Circle** which is governed by Part A of the **Investor Terms and Conditions**.
- **Client Money:** money that is designated as client money for regulatory purposes and held for, or on behalf of, **Investors** by **Funding Circle**.
- **Client Money Rules:** the **FCA's** rules relating to **Client Money**.
- **Collections Agent:** any debt collection agent as may be appointed by **Funding Circle**, any **Funding Circle Company** or on behalf of a lender from time to time.

- **Collections Charge:** a charge payable by the **Borrower** if the **Borrower** fails to pay any amount due under the **Loan Contract** which is calculated on the **Total Amount Payable**.
- **Collections Fee:** any fees levied by the **Collections Agent** for the purposes of providing collections and recovery services.
- **Event of Default:** any event of default set out in the **Loan Conditions**.
- **FAQs:** a list of commonly-asked questions and answers to help **Investors** and **Borrowers** to engage and interact with the **Funding Circle Platform**.
- **FCA:** the Financial Conduct Authority.
- **Fixed Interest Rate:** the interest rate outlined in the **Key Contract Terms**.
- **Funding Circle Asset:** Funding Circle Asset Finance Limited.
- **Funding Circle Client Bank Accounts:** segregated bank accounts or **FCA**-approved investment money market accounts that **Funding Circle** maintains for all **Client Money** held by **Funding Circle** for and on behalf of its clients.
- **Funding Circle Company:** **Funding Circle, Funding Circle Asset, Funding Circle Property, Funding Circle Trustee** and all other companies within the **Funding Circle** corporate group.
- **Funding Circle Platform:** the online direct lending marketplace platform operated by **Funding Circle** that facilitates lending and borrowing between **Investors** and **Borrowers**.
- **Funding Circle Property:** Funding Circle Property Finance Limited.
- **Funding Circle Trustee:** Funding Circle Trustee Limited.
- **Funding Circle:** Funding Circle Limited.
- **Funding Circle ISA:** the **IFISA** provided by, and available through, **Funding Circle** which is governed by the **Funding Circle ISA Terms and Conditions**.
- **Funding Circle ISA Terms and Conditions:** Part B of the **Investor Terms and Conditions**.
- **Funding Circle Terms and Conditions:** each of the **Investor Terms and Conditions** and the **Borrower Terms and Conditions**.
- **Guarantee:** a guarantee entered into by a **Guarantor** for the purposes of guaranteeing the obligations of the **Borrower** in relation to the **Loan**.
- **Guarantor:** a person who has guaranteed the obligations of the **Borrower** in relation to the **Loan**.
- **HMRC:** Her Majesty's Revenue and Customs.
- **IFISA:** an innovative finance individual savings account under the **ISA Regulations**.
- **Intermediary Services:** the services **Funding Circle** provides through it being an intermediary that acts between **Borrowers** and **Investors**, as further outlined in clause 3 (*Intermediary Services*).
- **Investor:** a person who has an **Investor Account** on the **Funding Circle Platform**, including those who lend under a **Loan Contract**.

- **Investor Account:** any account which an **Investor** has with **Funding Circle**, including a **Classic Account** and a **Funding Circle ISA Account**.
- **Investor Eligibility Criteria:** the criteria for eligibility that must be satisfied by an **Investor** as specified in clause 6 (*Investor Eligibility Criteria*) and, for a **Funding Circle ISA**, also as specified in clause 26 (*Funding Circle ISA Eligibility*).
- **Investor Terms and Conditions:** the terms and conditions that govern the relationship between an **Investor** and **Funding Circle**, (including Part A in respect of an **Investor Account** and Part B in respect of a **Funding Circle ISA**), as amended or replaced from time to time.
- **ISA:** an individual savings account under the **ISA Regulations**.
- **ISA Manager:** a person who is approved by **HMRC** for the purposes of the **ISA Regulations** as an account manager.
- **ISA Regulations:** the Individual Savings Account Regulations 1998 (as amended, replaced or re-enacted from time to time).
- **Key Contract Terms:** a summary of the **Loan** information for the **Borrower** which forms part of each individual **Loan Contract**.
- **Key Features and Risks Statement:** a statement which explains and highlights the key features and risks associated with undertaking lending through a product via the **Funding Circle Platform** and is accessible on the **Website**.
- **Loan:** the loan borrowed by a **Borrower** from **Investors** on the **Funding Circle Platform** pursuant to a **Loan Request**.
- **Loan Completion Date:** the date on which a **Loan** completes after all funds from **Investors** have been allocated to a **Loan Request**, and all **Funding Circle's** requirements in relation to a **Loan Request** have been satisfied.
- **Loan Completion Fee:** a fee payable by the **Borrower** to **Funding Circle** when a **Loan** completes, at a rate calculated as a percentage of the **Loan** amount received determined by **Funding Circle** from time to time and notified to the **Borrower**.
- **Loan Conditions:** the terms and conditions governing the **Loan Contract** and which form part of the **Loan Contract**.
- **Loan Contract:** a loan agreement that sets out the terms of the lending arrangement between an **Investor** and a **Borrower**.
- **Loan Part:** a part of a **Loan** that has been or is to be funded by an **Investor**.
- **Loan Request:** a **Borrower's Loan Application** when accepted by **Funding Circle** and listed on the **Funding Circle Platform**.
- **Nominated Bank Account:** the bank account in the name of the **Investor** whose details are registered with us during the **Investor Account** creation process.
- **Privacy Policy:** **Funding Circle's** privacy policy which is accessible here: <https://www.fundingcircle.com/uk/legal/privacy-policy/>.

- **Security:** any debenture, mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any **Borrower** or **Guarantor** and any other agreement or arrangement having a similar effect.
- **Security Agent:** **Funding Circle** or any other person who may be appointed to act as agent for the **Security Holder**.
- **Security Document:** a document that creates **Security** including (but not limited to) an all assets security agreement, a debenture, a legal mortgage, and any other form of **Security**, in a prescribed form, executed by the **Borrower** or the **Guarantor** granted in conjunction with the **Loan** or the **Guarantee**.
- **Security Holder:** if **Security** is taken for a **Loan**, whichever of **Funding Circle Trustee**, **Funding Circle Property**, **Funding Circle Asset** or **Funding Circle Company** is the holder of such **Security** in each case acting through **Funding Circle** or any other party it may appoint from time to time and any person acting as its agent on its behalf.
- **Servicing Fee:** an annualised fee payable to **Funding Circle** for servicing the **Loan**, being a percentage of the outstanding principal in relation to a **Loan**, determined by **Funding Circle** from time to time, and details of which can be found clause 15 (*Fees and charges*), in the **FAQs**, the **User Guide** and on the **Website**.
- **Special Situation Fee:** the fee charged by **Funding Circle's** back-up servicer, details of which are set out in clause 15 (*Fees and charges*).
- **Subscription Limit:** the maximum amount that an individual can subscribe for and contribute in respect of **ISAs** in any tax year (a tax year starts on 6 April in one year and ends on 5 April the following year), as prescribed in the **ISA Regulations** and details of which can be found on **HMRC's** website and the **Website**.
- **Total Amount Payable:** in relation to the **Loan**, the total amount of **Loan** principal (including any **Loan Completion Fee**) and all contractual interest due (including the **Servicing Fee**) to the end of the **Loan** term (pursuant to clause 3 of the **Loan Conditions**) outstanding at that time.
- **Transfer Certificate:** the form to be used by two **Investors** who have agreed to buy and sell a **Loan** or **Loan Part** to effect the legal transfer of that **Loan** or **Loan Part** from the selling **Investor** to the purchasing **Investor**.
- **User Guide:** a user guide for all participants on the **Funding Circle Platform** which explains how the **Funding Circle Platform** works for **Investors** and **Borrowers**, and which is accessible on the **Website**.
- **Website:** <https://www.fundingcircle.com/uk/> and the **Funding Circle** mobile app.
- **Website Terms of Use:** the terms that govern the use of the **Website** (including the **Funding Circle** mobile app).

