

Crowdsphere Limited, trading as Lendsphere Lender/Investor Agreement

Crowdsphere Limited, trading as Lendsphere (Lendsphere), is a provider of a peer-to-peer lending service licensed by the Financial Markets Authority in New Zealand (the '**Service**'), under license FSP360186.

We are required to have a Lender/Investor Agreement in place with each investor who uses the Service ('**Lender**' '**Investor**' or '**you**') to connect with businesses that are seeking funds ('**Borrowers**').

As a Peer-to-peer lending platform, Lendsphere allows retail and wholesale investors to select loans that they wish to invest in. The Lendsphere website is www.lendsphere.co.nz

Lendsphere receives requests from borrowers who wish to borrow funds. Lendsphere investigates those borrowers, undertakes due diligence and then prepares an offer for Investors to review and accept or reject.

Terms used in this Agreement:

"Borrower" means the business, trust or similar entity that will be borrowing money under a loan secured by Property.

"Lender" or "Investor" means a retail or wholesale investor who has agreed to lend funds to a Borrower. Under the license, you can be a Wholesale or Retail investor. The minimum investment is advised with each loan offer.

"The Service" means the Service provided by Crowdsphere trading as Lendsphere under the Licenses contained in this Lender Agreement or our Service Disclosure Statement.

"Payment agent" means the entity that is responsible for the handling of the funds from the Investors, including the payment of interest.

"Security Agent" means Lendsphere Nominees Limited which holds the loan agreement and security for that loan agreement, if any, on behalf of the Lenders

1 About this Lender Agreement

- 1.1 This Lender Agreement is a binding legal contract between you and us (meaning Crowdsphere Limited, trading as Lendsphere, ('**Crowdsphere**', '**Lendsphere**' "**us**" or "**we**"), the Security Agent ('**Security Agent**') and the Payment Agent ('**Payment Agent**'). It sets out the basis on which the Service operates. It takes effect once you have agreed electronically to be bound by it by clicking the 'I agree' button, or signed and returned this agreement
- 1.2 Each loan originated by Lendsphere will have a Payment Agent that is responsible handling Lender funds.
- 1.3 The security provided by a Borrower as a surety for a loan will be held on behalf of Lender(s) by the Security Agent.
- 1.4 Crowdsphere may act as Payment Agent and/or Security Agent or may appoint a third party to each role. Any such appointments will be disclosed in the information about each loan.
- 1.5 Other important information about the Service is included on Lendsphere's website, and in our Service Disclosure Statement, our Privacy Policy and the Website Terms of Use. You should read that information, and this Lender Agreement, carefully. If you are not comfortable with

the basis on which the Service operates then you should not use the Service. By agreeing to be bound to this Lender Agreement, you acknowledge and agree to these terms.

- 1.6 If there is any inconsistency between this Lender Agreement and any other information provided about the Service, this Lender Agreement prevails.

2 How Lenders may use the Service

- 2.1 You must register with Lendsphere, and agree to be bound to this Lender Agreement, before you are able to use the Service.

- 2.2 If you wish to register with Lendsphere to use the Service, you must apply using the online registration process (which is available on Lendsphere's website) or any other registration process as advised by us. This process requires you to provide Lendsphere with information about yourself and confirm your understanding of the documentation that relates to the Service.

- 2.3 You are only allowed to use the Service if you meet Lendsphere's Lender eligibility criteria. This means that you must:

- a if you are an individual, be at least 18 years old and a citizen or permanent resident of New Zealand or, if you are not an individual, have your place of business in New Zealand – if you live or have your place of business outside New Zealand, Lendsphere may allow you to use the Service if you are able to satisfy Lendsphere that your membership of the Service, and any investment that you make through the Service, complies with any local laws and will not impose on us, or any Borrower, any compliance steps in your country of residence or have any other adverse implications for us or any Borrower;
- b satisfy Lendsphere's 'customer due diligence' requirements for the purposes of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009; and
- c provide all other information and documents required by Lendsphere as part of the online registration process.
- d Are prepared to invest the minimum amount of any Offer

- 2.4 Lendsphere may change the online registration process and Lender eligibility criteria from time to time (without prior notice to Lenders or Borrowers).

- 2.5 Once you have completed the registration process, Lendsphere will consider your application for registration. Lendsphere is not obliged to accept any application, but if Lendsphere confirms to you that your application has been accepted, you will be registered as a Lender by Lendsphere and will be eligible to use the Service using a Lender username and password selected by you. Only then will you be able to make an offer to fund a loan which appears on Lendsphere's website or is sent to you by email.

- 2.6 There is no maximum limit on the amount that you may lend per loan, or in aggregate across all loans you have funded, using the Service. However, any offer you accept must be for at least the minimum amount advised in the offer.

- 2.7 You must keep your username and password secure and ensure that they are not disclosed to any third person.

- 2.8 You must promptly tell Lendsphere if any of the information that we hold about you changes. We are entitled to assume that the information you have given us is correct unless you tell us about a change.

- 2.9 You must give Lendsphere any additional information or documents that Lendsphere asks you to provide at any time. As an example, to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 Lendsphere may need to ask you to provide information about the sources of funds you will use to invest.

- 2.10 By giving Lendsphere your email address you confirm that we can use that email address for any notices and communications with you. We are entitled to assume that all emails we send to the email address you have given Lendsphere are received by you.
- 2.11 You agree that we may provide you with transaction and other information relating to your membership of the Service by electronic means (including via Lendsphere's website).
- 2.12 You must provide notices to us in writing using the following contact details:
- Address: Level 2, City Chambers
142 Featherston Street
Wellington
New Zealand
- Email: info@crowdsphere.co.nz
- 2.13 Subject to mandatory law, we will keep confidential the information you provide us about yourself during the registration process, except that the name you choose to use for participating in Lendsphere's online offer process (which may be an alias) may be visible to other Lenders and to Borrowers.

3 Your responsibility for risks of the Service

- 3.1 When a lending opportunity is posted on Lendsphere's website, we make no representation and are not liable for:
- a the accuracy or completeness of any information contained in the business and financial details or other materials provided by the Borrower or any third party;
 - b the ability of the Borrower to repay the loan or comply with its other obligations;
 - c the value of any security offered; or
 - d any other risks involved in lending to the Borrower.
- 3.2 When carrying out preliminary information searches and considering whether a Borrower meets the Borrower eligibility criteria, Lendsphere does so with the care, diligence, and skill of a prudent peer-to-peer business lending service provider in the same circumstances. However, Lendsphere relies on information provided by the Borrower and third parties and conducts only basic information searches. You should not rely on this process (or the posting of a lending opportunity on Lendsphere's website) as assuring the repayment of any loan.
- 3.3 Loans made through the Service are inherently risky. You are entirely responsible for independently assessing the information provided about each lending opportunity and for any decision you make to lend, or not to lend, to any Borrower.
- 3.4 Information about the rate of default by Borrowers using the Service is available on Lendsphere's website (as and when relevant data is available).
- 3.5 While Lendsphere may disclose a background report, including of a credit score or rating (if determined) for the Borrower, no financial advice or recommendation is provided by us to you (either expressly or by implication) in relation to any lending opportunity presented through the Service.

4 Roles of the agents, Crowdsphere and Lendsphere

- 4.1 By entering into this Lender Agreement, you agree to appoint the Security Agent to act as a 'bare trustee' for you in entering into each loan which you have agreed to fund which is made through the Service. In this role, the Security Agent will hold all rights under each loan agreement and (where relevant) all security relating to that loan agreement established through the Service, on your behalf. The Agent's role is limited to an administrative function

and any fees payable to the Security Agent will be disclosed with each Loan. Lendsphere provides all other services comprised in the Service.

- 4.2 By entering into this Lender Agreement, you agree to the appointment of the Payment Agent to act as a 'bare trustee' for you in holding your funds. In this role, the Payment Agent will hold all amounts in the Lender funds account on your behalf. The Security Agent's role is limited to an administrative function and any fees payable to the Security Agent will be disclosed with each Loan. Lendsphere provides all other services comprised in the Service.
- 4.3 The Security Agent and Payment Agent act on the directions of Lendsphere in accordance with the terms of this Lender Agreement. You may not give instructions or directions to the Security Agent or Payment Agent directly. Lendsphere may in its discretion replace the Security Agent or Payment Agent at any time, and you agree to appoint that replacement entity as Security Agent or Payment Agent (and all references in this Lender Agreement to 'the Security Agent or Payment Agent' will then be to the replacement entity). Such replacement this will not affect your rights and obligations in respect of this Lender Agreement or the Service.
- 4.4 We have a business termination plan in place which will come into effect in the event that Crowdsphere or Lendsphere ceases business or loses its peer-to-peer lending licence, and to ensure the orderly administration of loans in those circumstances.

5 The lending and borrowing process

- 5.1 The Service's website provides details of all currently posted lending opportunities for registered Lenders. We may also send you offers by other electronic means such as email.
- 5.2 A dedicated offer is provided for each lending opportunity, which includes a Borrower background report prepared by Lendsphere summarising the details as provided by the relevant Borrower (via an approved finance broker) in the Borrower submission process, and the results of Lendsphere's preliminary information searches on the Borrower. Copies of the Borrower's business and financial details as provided in the Borrower submission process, and the proposed loan agreement and any security agreement, are also available. A question-and-answer facility may also be provided, to allow Lenders to ask questions of the Borrower during the offer period.
- 5.3 Since only registered Lenders may view the full detail of posted lending opportunities, you must treat all information provided in respect of a lending opportunity in the utmost confidence and you may only use that information for the purposes of assessing a lending opportunity presented through the Service. You must not copy or disclose that information to any third party without Lendsphere's prior written consent. You must not contact the Borrower directly at any time (except through any question-and-answer facility provided by the Service).
- 5.4 If, following your own independent assessment of the information provided, you wish to offer funds for a loan, you may do so at any time during the offer period by following Lendsphere's online or offline offer process. This process requires you to:
- a transfer your offer amounts in cleared funds to the Lender funds account held by the Payment Agent;
 - b acknowledge that you agree to the terms of the loan agreement including any security agreement (noting that these agreements will be entered into by the Agent on your behalf; and
 - c grant to us and the Agent irrevocable authorisation to lend those funds to the relevant Borrower on your behalf.

All amounts transferred by you to the Lender funds account will be held on trust for you by the Agent and will only be dealt with in accordance with clause 8. You are not entitled to

withdraw, or to instruct the Agent to pay, any amount which is held on trust for you in the Lender funds account, except in accordance with the terms of this Lender Agreement.

- 5.5 If, during the offer period for a loan, offers are received from Lenders totalling the maximum amount of funding sought, the loan is deemed to have been fully funded. This means that:
- a no further offers from Lenders are accepted;
 - b Lendsphere will inform Lenders by email that the offer is closed and the Loan will become an irrevocable firm Loan;
 - c If the Lender has not remitted their loan funds or does not hold sufficient funds in the Lender funds account held by the Payment Agent, Lendsphere will arrange for the Lenders Loan amount to be direct credited the Lender funds account by the Lender or direct debited from the Lenders bank account by the Payment Agent;
 - d The loan agreement and (if applicable) security agreement is sent to the Borrower on the terms disclosed with the lending opportunity – this documentation (when signed by the Borrower) forms a legally binding contract between the Borrower and the Security Agent (as bare trustee for and on behalf of the relevant Lenders in proportion to their investments in the relevant loan);
 - e Lendsphere or its appointed agent undertakes necessary security registrations against the Borrower; and
 - f if the Borrower signs and returns the documentation within 2 working days, the loan will be advanced to the Borrower from funds received from Lenders, less all fees or other amounts owing to Lendsphere by the Borrower.
- 5.6 If, during the offer period, the relevant loan is not fully funded (and Lendsphere does not agree to extend the offer period) or if the Borrower subsequently fails to sign and return the necessary documentation within 5 working days, then all offers made by Lenders in respect of that loan will be deemed to have lapsed without being accepted. In such a case any funds received will be returned, or the Lender may select another offer or if Funds have not been received they will not be direct debited from the Lenders bank account by the Payment Agent or Lendsphere.
- 5.7 Where a loan has been settled, all subsequent Borrower payments and recoveries will be paid to the Lender funds account and are held by the Payment Agent on trust for the relevant Lenders. Each Lender under a loan is entitled to a share of all Borrower payments and recoveries of principal and interest (including default interest) received in the Lender funds account (net of taxes, fees and other amounts owing to us as disclosed in the information about the loan) in proportion to the amount of principal and interest then due to the Lender in respect of the relevant loan (relative to total amounts then due to all Lenders in respect of the relevant loan).
- 5.8 From time to time, we may have arrangements with wholesale investors to provide funding to Borrowers. Those wholesale investors are also Lenders. As part of any wholesale funding arrangements, some different lending processes may apply to wholesale investors. However, our processes ensure that all potential Lenders have access to the same lending opportunity information.
- 5.9 We also accept introductions to lenders, both Wholesale and Retail, from independent Advisers and Brokers and we may pay them a commission for any lending completed by Lenders introduced by an Adviser or Broker. Any such commissions will be advised to you at the time of you becoming a Lendsphere Lender.

6 How Borrowers may use the Service and the checks that Lendsphere makes on them

- 6.1 If a Borrower wishes to borrow funds through the Service, the Borrower must submit an application to Lendsphere. This process requires the Borrower to provide Lendsphere with information and confirm the Borrower's understanding and acceptance of the documentation that relates to the Service. A separate or updated application will be required from a Borrower for any subsequent loans to be offered through the Service.
- 6.2 Borrowers must be seeking funds for business purposes and must meet Lendsphere's Borrower eligibility criteria which is set out in section 7 below and available on Crowdsphere's or Lendsphere's websites, www.crowdsphere.co.nz or www.lendsphere.co.nz.
- 6.3 In accordance with our Fair Dealing Policy, Lendsphere must also be satisfied that Borrowers are genuine and suitable to offer a lending opportunity through the Service, that the information provided is not false, misleading or unsubstantiated, and that the amounts they wish to borrow do not exceed the limits imposed under the Financial Markets Conduct Act 2013.
- 6.4 Borrowers must give Lendsphere all further information Lendsphere requests in order to decide whether or not to accept their application to use the Service.
- 6.5 As part of this process, Lendsphere undertakes limited preliminary information searches in relation to the Borrower and its directors and senior managers (senior managers are managers of the Borrower whom Lendsphere deems to be material to the Borrower's business). The nature of these preliminary information searches is set out in Lendsphere's Borrower background report, which is published on Lendsphere's website with information relating to the relevant loan being offered.
- 6.6 Lendsphere may change the Borrower application process, Borrower eligibility criteria, Fair Dealing Policy, and preliminary information searches from time to time (without prior notice to Lenders or Borrowers).
- 6.7 Lendsphere is not obliged to accept any application from a Borrower. However, if Lendsphere does accept a Borrower's application, the Borrower is notified and Lendsphere proceeds to post details of the relevant lending opportunity on its website.

7 Borrower Eligibility Criteria

- 7.1 As a provider of a peer-to-peer business lending service licensed by the Financial Markets Authority in New Zealand (the 'Service'), we are required to publish Borrower Eligibility Criteria for potential borrowers who are seeking to borrow funds through the Service ('Borrowers'). These Borrower Eligibility Criteria are prepared by Crowdsphere and located on the Crowdsphere and Lendsphere websites.
- 7.2 In order to use the Service, a Borrower must be accepted by Lendsphere via our preapproval process. This will involve a series of meetings to assess the creditability of the borrower and their proposed offer. Also, as part of this process, a Borrower must:
 - a be a business
 - b operate in the form of an incorporated company, partnership, limited partnership, trading trust
 - c be seeking to borrow funds through the Service for the purposes of its business
 - d not raise any more than \$2 million in aggregate in any 12-month period through the Service
 - e satisfy Lendsphere that the Borrower is genuine and suitable to offer a lending opportunity through the Service, and that the information provided is not false, misleading or unsubstantiated

- f agree to give Lendsphere all further information Lendsphere requests in order to decide whether or not to accept a submission, including a trading history showing at least 2 years of profitable trading, financial accounts, a future business plan and financial model, and all other information we specify at the time
- g agree to Lendsphere undertaking information searches in relation to the Borrower and its directors and senior managers (senior managers are managers of the Borrower whom Lendsphere deems to be material to the Borrower's business), including credit history reports and other searches of publicly available information
- h agree to its information being posted on Lendsphere's website and shared in accordance with our Website Terms of Use and Privacy Policy.

8 The Lender funds account

- 8.1 The Lender funds account is an account (which will be managed by the Payment Agent) with a registered bank in New Zealand legally owned by the Payment Agent on trust for the relevant Lenders as to their respective interests. Funds in the Lender funds account are held separately from any other bank account of the Payment Agent.
- 8.2 Borrowers will be required to make all loan repayments of interest and principal to the Lender funds account. All amounts recovered from Borrowers by or on behalf of Lendsphere or the Payment Agent will be paid into the Lender funds account.
- 8.3 Amounts held in the Lender funds account on your behalf are pooled together with amounts held for other Lenders. Each Lender has an interest in the Lender funds account proportionate to the amount of principal and interest then due to that Lender (relative to total amounts then due to all Lenders). As part of the Service, Lendsphere or its Payment Agent keeps track of each Lender's balance of funds in the Lender funds account, as well as current offers and current transactions.
- 8.4 Funds in the Lender funds account can only be used for the purposes of:
 - a lending to a Borrower as authorised by the relevant Lenders if a loan for which those Lenders have offered funds is settled;
 - b paying fees and other amounts owing to Lendsphere, the Security Agent or the Payment Agent;
 - c deducting withholding tax as required by law;
 - d paying proportionate amounts of payments and collections received from a Borrower to the relevant Lenders.
- 8.5 Payments made to the Borrower or Lender from the Lender funds account are made to the same New Zealand registered bank account (in your name) from which funds are originally received into the Lender funds account, or as advised by you in writing.
- 8.6 Any interest accrued on the Lender funds account will be proportionally paid by the Payment Agent to the Lender less any applicable fees and/or withholding tax.

9 Fees and charges payable by Lenders

- 9.1 We do not charge any upfront membership fees or ongoing service fees directly to Lenders for using the Service (except as described in clause 9.3).
- 9.2 We or our Payment Agent will deduct withholding tax at statutory rates if you are not a New Zealand tax resident or as otherwise required by law.
- 9.3 All costs, expenses and liabilities incurred by us (including third party costs and legal expenses) in relation to collections services are deducted from relevant payments and collections received from Borrowers and paid to us (before any payments are made to Lenders). Whenever possible we will try to recover such costs from the Borrower.

- 9.4 We can introduce new fees and charges in the future or change the existing fees and charges. We will provide notice of any new fees and charges, or any changes to existing fees and charges, before we begin to charge them. Such new fees or charges will not apply retrospectively to any existing loans.

10 Fees and charges payable by Borrowers

- 10.1 The fees and charges payable by Borrowers are set out in the Borrower fee schedule and Borrower Terms and disclosed in the offer information.
- 10.2 These fees are deducted from funds received in settled loans (before any payments are made to Borrowers), or from payments or collections received from Borrowers (before any payments are made to Lenders) and are paid to us. Such fees will be disclosed in the information about the loan.
- 10.3 We can introduce new fees and charges in the future or change the existing fees and charges. We will provide notice of any new fees and charges, and of any changes to existing fees and charges, before the changes are implemented. Such new fees or charges will not apply retrospectively to any existing loans.

11 Monitoring and collections

- 11.1 As part of the Service, Lendsphere and the Security Agent monitor whether Borrowers are making payments in accordance with their loan agreements. Lendsphere and the Security Agent do not carry out any other ongoing monitoring of Borrowers financial position unless such monitoring is described in the offer information.
- 11.2 Where a Borrower defaults on making any payment that has fallen due, Lendsphere immediately notifies the Borrower and the relevant Lenders and determines whether to take enforcement action or not. If a decision is made to take enforcement action, Lendsphere (or a third-party collections service provider appointed by Lendsphere) will initiate a standard enforcement process (and you authorise the Security Agent to take any actions necessary in connection with that process). Costs (including third party costs) incurred in carrying out such enforcement actions will be deducted as described in clause 7.3. If a decision is made not to take enforcement action, the process described in this paragraph will be repeated on each occasion that the Borrower makes a further payment default.
- 11.3 We are not liable to Lenders for any costs, losses or liability arising directly or indirectly out of any Lender decision-making or enforcement process, except to the extent caused by our fraud, negligence, or wilful misconduct.
- 11.4 You may not take any enforcement action yourself against any Borrower and may not instruct the Agent to take any actions against the Borrower on your behalf.

12 Secondary markets

- 12.1 You are only able to sell or assign your rights and obligations under any loan established through the Service if a secondary market is available. If a secondary market is available, we will advise you of how to access the secondary market.
- 12.2 You cannot otherwise exit any loan before it matures unless the Borrower repays all, or part, of the loan prior to maturity. If the Borrower is able to repay early in accordance with the loan documentation you will be advised of this in the offer documents.

13 Termination or suspension of your membership of the Service

- 13.1 Lendsphere can refuse membership, terminate, or suspend your membership of the Service at any time, without giving you advance notice. Lendsphere can do this for any reason, but some examples where Lendsphere may do this are the following:

- a if you have not provided Lendsphere with the information it needs from you, or if any information you have given us is false or misleading;
 - b if you do not meet Lendsphere's Lender eligibility criteria;
 - c if you breach this Lender Agreement or any laws; or
 - d if you use the Service in a way that Lendsphere believes could compromise our regulatory licence, reputation, or service quality, or damage the reputation of any Borrower, or cause us or any Borrower to breach any applicable law.
- 13.2 You may terminate your membership of the Service at any time by notice to Lendsphere.
- 13.3 If your membership is terminated for any reason, this will not affect your rights and obligations in relation to any loan already funded by you through the Service, and this Lender Agreement will continue to apply in respect of those rights and obligations.

14 Business Termination

- 14.1 Crowdsphere, (including Lendsphere), has a Business Termination Plan should events transpire that it can no longer operate.
- 14.2 In summary the Business Termination Plan comprises:
- a All current and recently closed Offers will be completed and no further Offers will be activated;
 - b The Security Agent will continue to hold legal title to the loan and security assets on behalf of Lenders;
 - c The roles of Crowdsphere, Lendsphere and the Security Agent will be offered to third parties to continue to manage on behalf of Lenders; and
 - d If no third party were willing to assume such duties in accordance with paragraph 14.2.c Lenders would be provided the opportunity to set up their own committee or the like to manage the Loan until repaid.
- 14.3 A copy of Crowdsphere's Business Termination Plan is available upon request.

15 General

- 15.1 In exercising any powers or performing any duties in relation to the Service, Lendsphere, the Payment Agent and/or the Security Agent will exercise the care, diligence, and skill that a prudent peer-to-peer business lending service provider would exercise in the same circumstances.
- 15.2 If Lendsphere, the Payment Agent and/or the Security Agent contract out any of our functions in providing the Service, Lendsphere, the Payment Agent and/or the Security Agent will take all reasonable steps to ensure that those functions are performed in the same manner, and subject to the same duties and restrictions, as if Lendsphere, the Payment Agent and/or the Security Agent performed them directly, and Lendsphere, the Payment Agent and/or the Security Agent will monitor the performance of those functions.
- 15.3 We may amend, supplement, vary, or replace the terms of this Lender Agreement at any time. We do not need your consent to make such a change unless such change materially affects the terms of any existing Loans. Lendsphere will give you notice of any changes to this Lender Agreement. The current form of this Lender Agreement will also be available on the Crowdsphere and Lendsphere websites.
- 15.4 If any provision of this Lender Agreement or its application to any party or circumstance is or becomes invalid or unenforceable to any extent, the remainder of this Lender Agreement and its application will not be affected and will remain enforceable to the greatest extent permitted by law.

15.5 This Lender Agreement will be construed and take effect as a contract made in New Zealand and will be governed by New Zealand law, and the parties submit to the non-exclusive jurisdiction of the New Zealand courts.

Lender confirmation agreement to proceed

You are required to positively confirm your understanding of, and agreement to, this Lender Agreement in order to proceed to join the Service: