

Abundance Service Terms & Conditions

Version 8.0

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Abundance Investment Ltd (07049166), Hamilton House, Mabledon
Place, London WC1H 9BB

abundance.

Note on how these Terms and Conditions apply

We have two main product lines:

- (i) arranging the issue of Debentures (debt securities) issued by companies; and
- (ii) our Municipal Investment (P2P Loan) Product ("Loans") which involves a peer-to-peer lending service under which you lend money to local authorities.

Many of the Clauses in these Terms and Conditions apply to both products but there are some differences, both in how we handle each product line and how each are regulated. We give below a summary of how these Terms and Conditions apply to each product line but this is for guidance only - to help you understand what is in the Terms and Conditions and where to find relevant information. It is subject to what exactly is stated in each of the relevant Clauses of the Terms and Conditions.

Clause 3 Role of Abundance	While there are minor differences, our role is similar for each product line. We are an intermediary, not a lender. The appendix headed 'Municipal Investment (P2P Loan) Product' gives some more detail as to our role in relation to this product.
Clause 4 Registering as a Member	There is a single basic registration procedure for all Members of Abundance, whether they wish to invest in Debentures, make Loans or both, though we may ask you for further information with regard to investment in any Debentures or making any Loan where we believe this is appropriate and/or required by law and regulation.
Clause 5 Cancellation Rights	While you should consider these in detail, cancellation rights in respect of Debentures and Loans are broadly the same and give you a 14-day cancellation right.
Clause 6 Depositing Cash/Clause 7 Money in the Cash Account	This Clause deals with how we deal with your money in accordance with relevant FCA Client Money Rules. There is a provision which applies only to Loans in Clause 7.7 which concerns how client money is held.
Clause 8 Subscribing for Debentures and entering into Loans	This describes the different procedures investing or lending under each product line. In relation to Loans, this should be read in conjunction with the Appendix headed 'Municipal Investment (P2P Loan) Product' which gives more detail on the process for entering into Loans.
Clause 9 Agents and Intermediaries	This Clause sets out how we may deal with an adviser or other person acting on your behalf in relation to both Debentures and Loans.

Clause 13. SIPP accounts	This applies equally to Loans and Debentures. Please note that we make no representation as to the eligibility of Debentures or Loans as investments under the rules or documentation of any SIPP or as to the tax consequences of investment in Debentures by or for a SIPP.
Clauses 14 -18 clauses relating to our Marketplace and transfer without using the Marketplace	Our Marketplace for buying and selling Debentures and Loans is available for both Loans and Debentures, though the transfer procedures are slightly different for each. The differences as far as Loans are concerned is set out in more detail in the Appendix headed 'Municipal Investment (P2P Loan) Product'.
Clause 19 Risks	This relates to risks in relation to both Debentures and Loans. You should consider this carefully along with other risk warnings in any Offer Document or on the website at www.abundanceinvestment.com .
Clause 20 Cash Returns	You will be paid Cash Returns (whether called 'interest' or something else) in respect of both Debentures and Loans. This Clause provides further explanation of this.
Clause 21 Transferring Debenture or Loan Ownership not using the Marketplace	This applies to both Debentures and Loans. Usually, Debentures and Loans will be transferred using the Marketplace but there may be circumstances where we may be able to arrange a private transfer.
Clause 22 Fees, Bonuses, Taxes	This Clause sets out how we charge issuers of Debentures and local authority Borrowers for our services. We do not presently charge you as an investor in Debentures or as a Lender in relation to Loans. There may sometimes be bonus offers on our platform and this Clause gives some general information as to these (though you should look carefully at any Offer Document or other information we provide as to the terms of any particular bonus).
Clause 23 Terminating your Membership of Abundance	These give the terms on which either you or we can end your Membership, whether you invest in Debentures, Loans or both (including where you or we break the agreement between us). Ending your relationship with Abundance does not generally affect any Debentures you have already bought or Loans you have already made when you end your Membership.

Clause 24 Debenture buyer's or Lender's relationship with Abundance	This Clause gives more detail of our role and the extent of our responsibility with regard to both Debentures and Loans.
Clause 25 Wind Down Arrangements	This describes our back-up procedures (including someone stepping in to perform our role in relation to Debentures and Loans) if we are no longer able to perform our role (for example if we are insolvent). This may entail a different level of service or the payment of fees by you.
Clause 26 General Clauses	These are important Clauses which apply to both Debentures and Loans. They includes your agreement to use the services we provide in an appropriate way as specified in this Clause.
Clause 27 Your Liability to us/Clause 28 Our liability to you	We remind you that there may be circumstances in which you breach the agreement and may be legally liable to us. In general we can't exclude or restrict our obligations to retail clients under FCA Rules but where it is reasonable and lawful to do so, we restrict any liability we have to you to £1,000,000 or the current limit of our professional indemnity insurance, whichever is less.
Clause 29 Events beyond our control	This applies to both Debentures and Loans and explains that in general neither you nor we shall be liable to each other for events which are beyond our control.
Clause 30 Complaints and Compensation	This Clause tells you what you can do if you are dissatisfied with any of the services we have provided to you, including when you can complain to the Financial Ombudsman Service (' FOS '). There is a very important point here: in certain circumstances where we are unable to perform our obligations in relation to Debentures, you may have a claim to the Financial Services Compensation Scheme - BUT this does not apply to anything we do in relation to Loans since the FSCS does not apply to peer-to-peer lending.
Clause 31 Conflicts of Interest	This Clause applies to all our services and relates to conflicts and potential conflicts which may arise in relation to our services - and how we deal with these.
Clause 32 Contacting us	This applies to Debentures and Loans and sets out how you and we may communicate with each other.

Clause 33 Amendments to this Agreement	This Clause applies to Debentures and Loans and sets out how and in what circumstances we can change these Terms and Conditions.
Clause 34 Other important Clauses	These apply to both Debentures and Loans and contain some fairly standard clauses found in agreements of this kind (including that the terms are subject to English law and the jurisdiction of the English courts).
Clause 35 Regulatory Information	This gives our regulatory status and details including activities for which we are authorised by the FCA. It also sets out in detail restrictions on US Persons (broadly citizens and/or residents of the USA) becoming clients of Abundance and investing in Debentures and Loans.
Schedule - Our role as agent and the role of the Security Trustee in relation to Debentures	This only applies to Debentures. This Schedule gives specific information as to what Abundance as agent and any Security Trustee does. It also provides information as to Meetings and Investor Democracy i.e. how we organise meetings (including virtual meetings) to decide on important issues in relation to the relevant Debentures.
Appendix Municipal Investment (P2P Loan) Product	This Appendix only applies to Loans made under the Municipal Investment (P2P Loan) Product. It gives more information on how the product works and some of the differences with Debentures. As we believe is standard in relation to peer-to-peer lending, there are not the same complex meeting and voting provisions as with Debentures and you give us authority as your agent to take certain steps on your behalf. Nevertheless (as is made clear in paragraph 5.5 of this Appendix) we would normally expect to consult you in relation to important decisions and may ask you to vote on these where we consider it appropriate.

1. Introduction

These terms and conditions ("**this Agreement**") govern the access and use by any person ("**you**", "**your**") of (i) the website, services and the Marketplace operated by Abundance Investment Ltd ("**we**", "**us**", "**our**") at www.abundanceinvestment.com ("**the Online Service**"); (ii) the paper-based service enabling you to subscribe for and hold investments through a paper-based process ("**Paper-based Service**"). Further regulatory information about Abundance Investment Ltd (trading as "**Abundance**" and "**Abundance Investment**") is provided in Clause 35.

As a Member you may:

(i) subscribe for Debentures (as defined in Clause 2 below) which are debt securities issued by companies; and

(ii) make Loans to local authorities under our Municipal Investment (P2P Loan) Product.

While Debentures and Loans are similar, there are differences between them in how they are treated for regulatory purposes and how they are documented. Many of these Terms and Conditions apply to both Loans and Debentures but we explain where there are differences (and you should look in particular at the Schedule which sets out some specific issues relating to Loans). The main differences are set out in the table above and also in the individual clauses in the Agreement below.

This Agreement comes into force when you click on the acceptance button when applying to become a Member in the application section of the Online Service (or you accept an offline copy of these terms to our satisfaction). The Agreement shall continue until it is cancelled in accordance with Clauses 5 or 6, or it is terminated in accordance with Clause 23.

For the purposes of the FCA Rules, the Agreement constitutes our Client Agreement with you.

Please read this Agreement carefully and print a copy for your future reference.

It is important that you understand this Agreement as your use of many parts of the Services (as defined in Clause 2) are conditional on your acceptance of it. We will regard only this Agreement as setting out all the terms agreed between you and us with respect to your use of the Services. If you do not agree to this Agreement please do not make any further use of the Services. Please contact us at support@abundanceinvestment.com if you have any questions about this Agreement and we will try to get back to you within 3 working days.

If you wish to invest through an individual savings account, you will also need to agree to the Abundance ISA Terms and Conditions:
www.abundanceinvestment.com/legal/isa-terms-and-conditions.

2. Definitions and Interpretation

2.1 In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, the following words and phrases have the following meanings:

Abundance Account means the information account we open on your instructions after you become a Member of Abundance in accordance with Clause 4 of this Agreement.

Adviser has the meaning given in Clause 9.

Application Pack means the documents provided in paper form enabling you to subscribe for Debentures using the Paper-based Service.

Bare Trust Account means an account operated on a bare trust basis in accordance with Clause 12.

Back-up Service Provider means a third party with whom we may have an arrangement as part of our wind down plan and to whom business may be transferred, or functions performed, where we no longer do so.

Bonus means a promotional offer, which we may make available to you from time to time in accordance with Clause 22.2, which may have the effect of increasing the total amount you receive as a result of investing in a Debenture or making a Loan.

Borrower means a local authority borrowing under the Municipal Investment (P2P Loan) Product (and where the context requires, also means a potential Borrower).

Cash Account means an account operated by us at a duly authorised credit institution for the purpose of holding funds that you intend to use to acquire Debentures and/or make Loans and receive Cash Returns and which is described in more detail in Clause 7.

Cash Return means distributions and/or interest payable to each Investor by the Issuer or Borrower in accordance with the terms and conditions of the relevant Debentures or Loan as set out in the Offer Document or other material made available on the website in relation to a Loan Opportunity or offer of Debentures;.

Cash Return Period means the period during which Cash Returns accrue, as specified in the relevant Offer Document or Loan Opportunity.

Client Money has the meaning given by FCA Rules.

Debenture Register means the register maintained by Abundance for each Issuer of Debentures, which records the identity of each Investor who holds Debentures.

Debenture means a debenture issued to a Member by an Issuer which is a company via the Services, which has the characteristics described, and is subject to the terms specified, in the relevant Offer Document; a Debenture may be described as a bond, note or by any other term indicating that it is a debt security.

Designated Account means an account designated with the name of a child or other person or purpose for which you intend to use any investment in the account **but which you own and control in accordance with Clause 11.**

Donor (or “Applicant”) means the source of funds for a Bare Trust Account in accordance with Clause 12 who is a Member of Abundance who has registered to use the Cash Account.

Effective Date means the date on which we notify you by email that your Abundance Account has been set up.

FSMA means the Financial Services and Markets Act 2000.

FCA means the Financial Conduct Authority of 12 Endeavour Square London E20 1JN and any successor or replacement regulatory authority or body from time to time.

FCA Rules means the rules and guidance set out in the FCA Handbook of Rules and Guidance as amended from time to time.

Investor means a Member who is a holder of a Debenture.

Issuer means an entity, which issues a Debenture.

Lender means a Member of Abundance who makes a Loan (and includes a New Lender to whom a Loan is transferred in whole or part in accordance with this Agreement).

Loan means a loan made by a Member to a local authority in response to a Loan Opportunity under the Municipal Investment (P2P Loan) Product in accordance with this Agreement.

Loan Contract means an agreement by a Member to make a Loan to a local authority in response to a Loan Opportunity in accordance with paragraph 4 of the Appendix headed 'Municipal Investment (P2P Loan) Product'.

Loan Opportunity means an indication by a local authority of its willingness to borrow under the Municipal Investment (P2P Loan) Product posted on our website in accordance with this Agreement.

Municipal Investment (P2P Loan) Product means our product enabling you to lend to local authorities via the Online Service.

Marketplace means the bulletin board hosted by us where Members may express interest in buying or selling Debentures and/or Loans from or to other Members in accordance with Clauses 14-18 of this Agreement, and which is accessible via the Online Service.

Member means a person who has registered as a member of Abundance in accordance with Clause 4 of this Agreement.

Nominated Bank Account means the current account from which you receive funds from the Cash Account.

Offer Document means the document (which may be called invitation document, offering memorandum, prospectus or some other description) produced by the Issuer or Borrower (as appropriate) containing information about the Debenture issue or Loan Opportunity together with the instrument constituting the Debentures and/or the documentation for any Loan Contract.

Online Service means the website, services and the Marketplace operated by us at www.abundanceinvestment.com.

Paper-based Service means the arrangements we make enabling you to subscribe for and hold Debentures by means of an Offer Document and Application Pack in paper form.

Personal Information means the information we obtain about you from you, from enquiries we make and from other organisations, such as credit reference and fraud prevention agencies.

Pledge has the meaning given in paragraph 4.5 of the Appendix headed 'Municipal Investment (P2P Loan) Product'.

Privacy Policy means the provisions of our Privacy Policy, a copy of which appears here: <https://www.abundanceinvestment.com/legal/privacy-policy> or which we can send to you upon request.

Restricted Person means a person who falls into a category specified by us via the Services or specified by the Issuer in an Offer Document or the terms and conditions of a Debenture or a Loan as being ineligible to acquire or hold that Debenture or be a Lender in respect of that Loan because of relevant legal, regulatory or tax restrictions.

Services means the Online Service and the Paper-based Service.

Security Trustee means Abundance Security Trustee Limited or such other party as is appointed as Security Trustee in relation to any Debentures.

SIPP Account means an Abundance Account opened and operated for, or in relation to, a SIPP.

SIPP means a self-invested personal pension.

Sterling means the lawful currency of the United Kingdom.

Third Party Authorised Firm means a firm other than Abundance which is authorised and regulated by the FCA and which is involved in an issue of Debentures (including by approving the Offer Document for the purposes of s.21 FSMA, arranging the issue of Debentures or distributing Debentures).

Transaction Reference means the unique reference code supplied by Abundance to you.

Transfer Certificate is a document relating to the transfer of a Loan in accordance with the Appendix headed 'Municipal Investment (P2P Loan) Product'.

US Person means a person who falls into the relevant description given under Clause 35 (Regulatory Information). US Persons are ineligible to acquire or hold Debentures.

We, us, our means Abundance Investment Ltd.

You means a user of the Services and/or an Investor.

2.2 In addition, some words and phrases are used in connection with the Marketplace and have the meanings given in Clauses 14-18 of this Agreement.

2.3 In this Agreement unless a contrary intention appears:

2.3.1. use of the singular shall include the plural and vice versa;

2.3.2. use of any gender or neuter includes the other genders;

2.3.3. headings are used for reference only;

2.3.4. references to any legislation or rule include any successor legislation or rule, and are to UK legislation or rules unless expressed otherwise;

2.3.5. a time of day shall be construed as a reference to London time;

- 2.3.6. any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression is to be construed as illustrative and does not limit the sense of the words preceding those terms;
- 2.3.7. terms which are defined in the FCA Rules, but which are not defined in this Agreement, shall have the meaning set out in the glossary of the FCA Rules.
- 2.3.8. references to this Agreement include any Schedule and/or any appendix. References to a 'Clause' or 'Clauses' include any clause in the main body of the Agreement. References to paragraphs shall be to paragraphs in any schedule or any appendix.

3. Role of Abundance

- 3.1 As the provider of the Services, we will provide you with a range of tools and information via the Services to help you make an informed investment decision in relation to the purchase of Debentures or the making of Loans. However, **we are not authorised to, and will not, except where expressly stated otherwise in this Agreement:**
 - 3.1.1 give you any investment advice or tax advice or advise you as to the merits of entering into any Loan;
 - 3.1.2 make any personal recommendation to you in respect of any Debentures or Loans;
 - 3.1.3 advise you about the merits of a particular transaction;
 - 3.1.4 automatically match buyers and sellers of Debentures or Loans.
- 3.2 In carrying out our role under this Agreement we are not required to assess the suitability for you of any of the Debentures or any Loans and therefore you will not benefit from the protection of the FCA Rules on assessing suitability except in relation to a limited class of Debentures (and we will specifically inform you if this applies). We are, however, generally obliged by FCA Rules to ask you questions in order to assess whether you have sufficient experience and knowledge to understand the risks involved in relation to investing in Debentures or making any Loans. We may, if we think it appropriate to do so, give you further risk warnings or not permit you to invest in Debentures or make any Loans. If we give you further risk warnings or permit you to invest in Debentures this shall not constitute:
 - 3.2.1 advice on the merits of, or a personal recommendation to, invest in Debentures or make any Loans; or
 - 3.2.2 any promise, assurance, representation or warranty that investing in Debentures or making any Loans is suitable for you.

If you do not understand any of the information set out in the Offer Document or any material provided in relation to any Loan Opportunity, you should seek advice from a person authorised by the FCA specialising in advising on investments such as debentures or lending arrangements or other appropriately qualified professional adviser.

- 3.3 For the purposes of the FCA Rules, we will treat you as a retail client unless we expressly agree otherwise.
- 3.4 From time to time we will allow Issuers to offer Debentures for sale and/or Borrowers to post Loan Opportunities via the Services and we will introduce you to the Issuer and/or Borrower in the manner specified in this Agreement.
- 3.5 If you decide to subscribe for a Debenture or enter into a Loan we will arrange the process for you by ensuring your instructions are executed and that any resulting subscription for Debentures is entered in the relevant Debenture Register in your name and that your Loan is appropriately documented and recorded in accordance with this Agreement .
- 3.6 Please note that we may also be remunerated by the Issuer for services we provide to the Issuer in relation to the Debenture or the Borrower in respect of any Loan. Details of our role and the amount we will be paid will be set out in the relevant Offer Document, or other material provided in relation to the relevant Loan Opportunity. We may also share any payment received or make payments to a third party for introducing us to the Issuer or any other introductions. Details of any arrangements with relevant third parties will be made available upon request.
- 3.7 Whilst you are the registered owner of a Debenture or are the Lender under any Loan we will provide you with information about your Debenture or Loan which we will obtain from the relevant Issuer or Borrower. We will arrange for you to receive Cash Returns and for these to be paid in to your Abundance account.
- 3.8 Where you sell or transfer your ownership of a Debenture or a Loan, subject to compliance with the transfer rules applying to that particular Debenture or Loan and you notifying us of the transfer including full details of the transferee, we will register the change of ownership, provided that the new owner is a valid Member.
- 3.9 We (or an associated company or other third party) may act as agent for holders of Debentures and Lenders and also act as security trustee for holders of Debentures (but not Lenders as the Municipal Investment (P2P Loan) Product relates only to unsecured Loans). Where this applies it will be stated in the Offer Document or other information made available in relation to the Loan Opportunity. Unless specifically stated otherwise in this Agreement or an Offer Document, with regard to any Debentures issued and for which you subscribe after 19 July 2017 (but not including any Debentures issued before that date which you buy using the Marketplace):
- 3.9.1 Abundance will act as agent for holders of Debentures on the terms set out in the Schedule to these Terms; and
- 3.9.2 Where Debentures are secured, the Security Trustee will perform the role outlined in the Schedule;
- in either case subject to any statement to the contrary in the Offer Document. Please note that with regard to Loans, we act as your agent but the terms on which we do so are slightly different – see the information posted in connection

with any Loan Opportunity and the Appendix to this Agreement headed 'Municipal Investment (P2P Loan) Product.

- 3.10 This may mean (among other things) that you (as a registered owner of a Debenture) will not be able to directly enforce any rights under the Debentures against the Issuer but that any enforcement action will be taken on behalf of Investors by us or such other relevant person (acting in the capacity of agent and/or security trustee). In general, however, we will endeavour to take into account the views of holders as set out in the Schedule ("**Meetings and Investor Democracy**"). Our role as agent in respect of Loans is set out in more detail in the Appendix headed 'Municipal Investment (P2P Loan) Product.

4. Registering as a Member

- 4.1 Provided you meet our criteria for becoming a Member, you may apply to become a Member in accordance with this Clause 4. However, except as prevented by applicable law or regulation, we may refuse to accept any application to be a Member in our sole and absolute discretion, and we do not have to give a reason why. We or a Third Party Authorised Firm may also at any time:

- 4.1.1 require you to give certain statements or confirmations required by FCA Rules; and/or
- 4.1.2 require you to answer questions intended to help us determine whether you have the necessary knowledge and experience to understand the risks involved in investing in Debentures or making any Loans.

All information you give to us or the Third Party Authorised Firm and all confirmations of your status which you provide to us or the Third Party Authorised Firm at any time must be truthful – if there is any point you do not understand you can contact us using the details in Clause 35 or (if relevant) you should raise the issue with the Third Party Authorised Firm. We will rely on statements, confirmations or answers to questions given by you to the Third Party Authorised Firm (and vice versa).

- 4.2 You may access and view unrestricted areas of the Online Service without being a Member. However, you must be a Member to access restricted areas of the Online Service or to download and view Offer Documents. In addition, to buy Debentures or Loans and use the Marketplace you must register to use the Cash Account in accordance with Clause 6.
- 4.3 To become a Member via the Online Service, you must register for an Abundance Account through the Abundance website.
- 4.4 To become a Member via the Paper-based Service, you must complete the relevant parts of the Application Pack and submit it to us or as directed in the Application Pack. If you are a Member only under the Paper-based Service, you may upgrade your membership to access the Online Service as well by means of a simple procedure on our website.

- 4.5 If we accept your application to be a Member, we will set up an Abundance Account for you using the details provided by you in Clause 4.3 or 4.4. Each time you log in to the Online Service you will be asked to enter your email address and your password.
- 4.6 Your email address, password and the answers to the security questions are how we identify you so you must keep them secure at all times. You are responsible for all information and activity on the Online Service by anyone using your email address and password. If you authorise an employee, sub-contractor or agent to use your details you will be responsible for their activity on the Online Service. You must tell us immediately where there is any breach of security, loss, theft or unauthorised use of a email address, password or security information using the contact details given on the Online Service.
- 4.7 You confirm to us that all information provided to us in the course of the registration process is true and accurate in all respects. You will update us via email to support@abundanceinvestment.com (or by post to Abundance Investment, Hamilton House, Mabledon Place, London, WC1H 9BB if you have subscribed only via the Paper-based Service) as soon as reasonably practicable if any of the information you have provided to us changes and update your details on your Profile page as soon as practicable.
- 4.8 You agree not to adapt or circumvent the security and other systems we have in place in connection with the Online Service, nor to access or try to access the Online Service other than through normal use of it.
- 4.9 We reserve the right not to act on your instructions where we suspect that the person logged into the Online Service or giving instructions by other means is not you (or authorised by you) or we suspect illegal or fraudulent activity or unauthorised use.
- 4.10 For more details on how we use the information that you provide us with please refer to our Privacy Policy at <https://www.abundanceinvestment.com/legal/privacy-policy>.

5. Cancellation Rights

- 5.1 You have a right to cancel any investment in Debentures or Loans at any time up to the day, which is 14 days after you pledge funds in relation to that Debenture or Loan. If you would like to exercise your right of cancellation, please email us at support@abundanceinvestment.com.
- 5.2 You may also cancel the Agreement by giving us 14 days notice to the e-mail in Clause 5.1. You should note that you also have a right to terminate the Agreement under Clause 23, but you should understand the difference between cancelling the Agreement and terminating it.

6. Depositing Cash

- 6.1 To be eligible to apply to use the Cash Account you must:
- 6.1.1 where you are an individual, be permanently resident in the UK and be over 18 years old;

- 6.1.2 where you are not an individual, have a permanent place of business in the UK and be duly incorporated, authorised, established or formed in accordance with the relevant laws and regulations of the UK;
- 6.1.3 not be resident, or have your permanent place of business or otherwise be incorporated or established in, any of the Channel Islands, the Isle of Man;
- 6.1.4 not be a US Person or other Restricted Person;
- 6.1.5 have a valid UK bank or building society account; and
- 6.1.6 for the Online Service, register your details as instructed on our Online Service at www.abundanceinvestment.com
- 6.2 Where you are not an individual you confirm that you have the appropriate authorisation to make this application and that the entity on whose behalf you are making this application accepts and will be bound by this Agreement.
- 6.3 Once you are registered as a Member and you wish to subscribe for Debentures or make Loans via the Online Service, you will need to transfer funds into the Cash Account. If you subscribe via the Paper-Based Service, funds paid by you or due to you as Cash Returns will be held in the Cash Account pending transfer to the Issuer or you (as appropriate) in accordance with FCA Rules.
- 6.4 To transfer funds into the Cash Account you will be asked to provide further details about yourself, including for example your address and bank or building society details. We will use the details that you provide to carry out such fraud and identity checks as we consider to be necessary. We may require you to provide further documents, such as your passport or other identification documents plus a utility bill.
- 6.5 If you do not provide us with all the documents and information that we request, you will not be able to transfer funds to or receive funds from the Cash Account. We have in place guidelines and policies for determining whether you may use the Cash Account but we also have complete discretion as to whether to allow you to use the Cash Account and we may, without reason but subject to applicable law, refuse to allow you to use it.
- 6.6 You confirm that all the information you have provided to us for the purpose of using the Cash Account is true and accurate in all respects. You will update us via email to support@abundanceinvestment.com as soon as reasonably practicable if any of the information you have provided to us changes and update your details on your Personal Details page as soon as practicable.
- 6.7 We will notify you by email when you are able to use the Cash Account. You should check that the details we have for you are correct and notify us by email to support@abundanceinvestment.com as soon as possible if there are any mistakes.
- 6.8 After we have notified you under Clause 6.7, you can transfer money into the Cash Account by Debit Card, or bank transfer. When transferring money via bank transfer, we will supply you with a Transaction Reference by email and also displayed on the

website. It is important you use this Transaction Reference in order that we can quickly identify that the money is yours.

- 6.9 As soon as the money is showing in your Abundance Account as having been received into the Cash Account, you can start to subscribe for Debentures or make Loans.
- 6.10 For more details on how we use the information that you provide us with please refer to our Privacy Policy at <https://www.abundanceinvestment.com/legal/privacy-policy>.

7. Money in the Cash Account

- 7.1 The Cash Account is restricted to holding Client Money for the purpose of subscribing for Debentures and/or making Loans and dealing with Cash Returns in accordance with the provisions of this Agreement.
- 7.2 Client Money will be held in one or more Client Bank Accounts in accordance with FCA Rules. This means (among other things):
 - 7.2.1 Client Money will be held on the basis of a statutory trust under section 137B(1) of FSMA and FCA Rules and will therefore be segregated from our money;
 - 7.2.2 the Client Bank Accounts will, however (unless we specifically agree otherwise with you) each be an omnibus account i.e. a common pool of money held for you and other clients. This means that you will not have a specific claim against a specific account but would have a general claim against the pooled account. You would make your claim against the client money pool in general. If we were insolvent or any bank we use were to fail for any reason, you would share a percentage of the shortfall depending on your original share (i.e. your entitlement to money) in the pool. Your proportionate share in such circumstances may be less than the amount to which you are entitled.
- 7.3 Where required by applicable law or regulation, any matter relating to your investment in Debentures and/or making Loans or use of the Services (including use of the Cash Account) may be reported by us to, or exchanged with tax or other public or regulatory authorities in any relevant countries (including HMRC in the UK).
- 7.4 Upon loss of communication with you and consequent lack of movement in your money in the Cash Account for six years or more, we may assume your use of the Cash Account has ended. In this situation, we will take all steps required by FCA Rules to trace and/or contact you. However, if such steps fail, any balance in the Cash Account may be paid to a registered charity of our choice, but we undertake to repay any sums of £25 (if you are a retail client) or £100 or more (if you are a professional client) which are legitimately claimed by you thereafter.
- 7.5 You may withdraw money from the Cash Account at any time provided that such money has not been identified by you as money to subscribe for or buy a Debenture or to make a Loan in accordance with Clause 8. If you withdraw money from the Cash Account, it will go to your Nominated Bank Account. If you have not already set up your Nominated Bank Account, you will be asked to provide those details. If you wish to change your Nominated Bank Account, please contact us by email at

support@abundanceinvestment.com. We may need you to provide further information or documents to us so that we can meet our client due diligence obligations.

- 7.6 No interest shall be paid to you in relation to any balance in the Cash Account. You agree that any interest that may be paid on any balance in the Cash Account may be retained by us.
- 7.7 For the purposes of FCA Client Money CASS 7.10.7B we inform all Members and Lenders that in relation to the Municipal Investment (P2P Loan) Product we will hold all money relating to regulated Loans (made, for example, by individuals and small partnerships) together with money relating to non-regulated Loans (made for example by companies and larger businesses). Both will be held in accordance with the FCA Client Money Rules and this Agreement.

8. Subscribing for Debentures and entering into Loans

- 8.1 Once you have deposited money in the Cash Account you may use the cash balance to buy or subscribe for Debentures or to make Loans under the Municipal Investment (P2P Loan) Product. The contract to subscribe for a Debenture is between you and the Issuer and the Issuer will owe you any money under that Debenture. Similarly, where you make a Loan under the Municipal Investment (P2P Loan) Product, that Loan is an individual bilateral transaction between you and the Borrower. We will only facilitate the transaction in each case.
- 8.2 Once you have decided which Issuer you want to buy Debentures from or the local authority to which you wish to make a Loan, you choose the amount of money that you want to invest or lend. Provided you have enough funds in the Cash Account, and that there are still Debentures available to buy or in the case of Loans, the Borrower has not received pledges to lend the amount it has indicated in relation to the Loan Opportunity, the money you have chosen to invest will be identified as being money to buy the selected Debenture issue or to make the selected Loan.
- 8.3 Each time you indicate an amount of money you want to invest or lend, we will send you an email confirming the details you have entered. You agree to notify us by email at support@abundanceinvestment.com within 24 hours if any of these details are incorrect.
- 8.4 While your money is identified for the purpose of the acquisition of a Debenture or the entry into a Loan you will not be able to withdraw it, allocate it to the purchase of other Debentures or to make other Loans (although any additional cash in your Cash Account may be withdrawn). Your money will remain "earmarked" until the Debenture allocation or entry into the Loan is confirmed. You will be able to see your Debenture allocation or your entry into a Loan when you log in to your Abundance Account via the Online Service. Exact details on the timing and process will vary from one Debenture issue or Loan Opportunity to the next and you should refer to the relevant Offer Document, or other material provided in connection with the Loan Opportunity and to the Online Service for up to date information.
- 8.5 Details as to how to subscribe for Debentures via the Paper-based Service will be as set out in the Offer Document and Application Pack.

- 8.6 You have a 14-day statutory cancellation period in respect of any Debentures or Loans made under this Agreement. Should you change your mind and decide not to buy Debentures or make Loans in these circumstances, please contact us at: support@abundanceinvestment.com. You also have a right to cancel this Agreement – see Clause 5.2.
- 8.7 Where too few Members have expressed interest in buying a particular Debenture or lending sufficient aggregate amounts in response to a Loan Opportunity and as a result the Issuer or Borrower will not be able to raise the minimum amount it was intending to raise as set out in the relevant Offer Document or information posted in relation to the Loan Opportunity, then:
- 8.7.1 In the case of an offer of Debentures, the Issuer is not obliged to issue Debentures (or "close" the Debenture); and
- 8.7.2 In relation to a Loan Opportunity, a Borrower is not obliged to enter into any Loan Contracts with Members in relation to that Loan Opportunity
- In these circumstances, the money that you have identified in the Cash Account to be used towards the purchase of the Debenture or making the Loan will no longer be "earmarked" and will be available for your use, either to be used by you to buy another Debenture or make another Loan, or to be withdrawn from the Cash Account.
- 8.8 There are some differences in the process as far as Loans are concerned. With regard to Loans, you should consider the supplemental terms in the Appendix headed 'Municipal Investment (P2P Loan) Product'.

9. Agents and intermediaries

- 9.1 Subject to FCA Rules, we may agree to accept instructions from a financial adviser or other intermediary ("Adviser") on your behalf. We will only do this by agreeing special offline terms with you and the Adviser - please contact us on 020 3475 8666 or by email at support@abundanceinvestment.com. Please note Bare Trust Accounts are subject to Clause 12 and not this Clause 9.
- 9.2 To the extent authorised by you and subject to FCA Rules, we may in accordance with Clause 9.1:
- 9.2.1 open an Abundance Account for, and allow use of the Cash Account by, the Adviser;
- 9.2.2 comply with the electronic or other instructions of the Adviser in relation to any action or instruction which can be taken by you under this Agreement as if they were taken or given direct by you; and
- 9.2.3 send notices and communications under this Agreement to the Adviser only, including (but not limited to) any confirmations under Clause 8.3 of this Agreement.

- 9.3 We will cease to act on the instructions of your Adviser when reasonably satisfied that the Adviser no longer has your authority. We may require further proof of your identity before ceasing to accept instructions from the Adviser.
- 9.4 We may also treat an investment manager, stockbroker or other similar person acting as agent on behalf of third parties as our client (and as a Member) subject to such further documentation or confirmation as we shall require.

10. Gifts to Adults

- 10.1 The gift facility is no longer a feature available on Abundance.
- 10.2 You may make a gift to an adult of any Debentures which you hold by following the procedures on the Online Service.
- 10.3 Any gift is conditional upon the recipient being eligible to become a Member of Abundance and to register to use the Cash Account. Any recipient of a gift must join Abundance and register to use the Cash Account before they can claim their gift.
- 10.4 There may be tax consequences to gifts both for the giver and the recipient of a gift. You and any recipient are solely responsible for assessing any tax consequences arising in connection with a gift of Debentures. In no circumstances shall Abundance advise you on the tax treatment or implications of any gift. See the Tax FAQ's.

11. Designated Accounts

- 11.1 Opening a Designated Accounts is no longer available. This Clause now only applies to those customers with existing Designated Accounts.
- 11.2 You may hold Debentures and/or Loans in a Designated Account. You may transfer any Debentures or Loans to a Designated Account in accordance with this Agreement.
- 11.3 You should be aware that a Designated Account is an account of yours which you own and control. We shall act in accordance with your instructions in relation to a Designated Account in the same way as we would do so in respect of any other of your accounts. Neither we nor the Issuer shall recognise the interest of any person other than you in respect of a Designated Account.

12. Bare Trust Accounts

- 12.1 Opening a Bare Trust Account is no longer available. This Clause now only applies to those customers with existing Trust Accounts.
- 12.2 We may agree to open a Bare Trust Account for a child as beneficial owner of Debentures or Loans. A Bare Trust Account can only be opened through an offline procedure. If you are interested in opening a Bare Trust Account, please contact us on 020 3475 8666 or by email at support@abundanceinvestment.com. The opening of any Bare Trust Account, and the terms on which we are prepared to permit its operation, are entirely within our discretion.

- 12.3 Subject to our express agreement to the contrary, we will require that a Bare Trust Account be set up by you, the Applicant, as a sole individual and that you will be the Donor. A Bare Trust Account must relate to a clear and present entitlement to funds in the Account and Debentures which have in fact been issued. A Bare Trust Account can be set up in respect of an account which has been set up as a Designated Account.
- 12.4 We will only open a Bare Trust Account where you have appointed a minimum of two trustees (which may include you as the Applicant or Donor) and informed us of the appointment. While the constitution of any bare trust which you establish is a matter for you, our system only permits a Bare Trust Account to be held in the name of a minimum of two and a maximum of three trustees.
- 12.5 In opening a Bare Trust Account, you and the trustees confirm to us that neither you nor any of the trustees, are US Persons or Restricted Persons (which for these purposes only does not include any individual not resident in the UK or any company not incorporated in the UK) and the Trust itself is not a US Person within the terms summarised in Clause 35 of this Agreement. If you are in any doubt as to the application of these definitions (because of, for example, a connection with a non-UK resident or a US citizen) you must take your own independent advice.
- 12.6 We will only set up a Bare Trust Account for trustees who (i) are eligible to become Members of Abundance and who register to use the Cash Account; and (ii) who have in fact become Members of Abundance and have registered to use the Cash Account.
- 12.7 Instructions relating to a Bare Trust Account must be given by all trustees acting together. We may (but are not obliged to) require confirmation of instructions or verification of any transaction in a form we shall specify but shall be entitled to assume that any instruction or transaction appearing to us to be authorised by the trustees acting together shall be within the terms of the trust instrument.
- 12.8 Further transfers to a Bare Trust Account must be authorised by you and all the trustees.
- 12.9 You and the trustees shall inform us of the resignation, death or retirement of any trustee and of any further appointment of a trustee.
- 12.10 In opening a Bare Trust Account you and all trustees confirm to Abundance your understanding that any such arrangement is irrevocable.
- 12.11 We shall take no action to transfer any Debentures or entitlement to cash held in a Bare Trust Account to a child who is the beneficiary on the child reaching the age of majority. We shall only effect such transfer (i) on receipt of instructions from all trustees in accordance with this Agreement; and (ii) if the child who is the beneficiary is eligible to become a member of Abundance and to use the Cash Account and who becomes a Member of Abundance with a right to use the Cash Account.

- 12.12 We shall be entitled to charge an administration fee for the setting up or operation of any Bare Trust Account. This shall be of an amount that is agreed between us and you from time to time.
- 12.13 We shall be entitled to impose such additional restrictions or conditions relating to the setting up and operation of a particular Bare Trust Account as shall appear reasonable to us in the circumstances.

13. SIPP Accounts

- 13.1 We may agree to open a SIPP Account on such terms as we consider appropriate. If you are interested in opening a SIPP account, please contact us on 020 3475 8666 or e-mail us at support@abundanceinvestment.com.
- 13.2 We may require further assurances and indemnities and/or such other documentation from the SIPP trustees, product provider, SIPP member or other person as we consider appropriate in respect of a SIPP Account.
- 13.3 We make no representation as to the eligibility of the Debentures or Loans as an investment under the rules or documentation of any SIPP or as to any tax consequences of investment in Debentures or Loans by or for a SIPP. Before opening a SIPP Account you should take your own independent professional advice on the consequences of doing so.

14. About the Marketplace

- 14.1 We provide the Marketplace to allow Members to express interest in selling and buying Debentures or transferring Loans. The seller is the **“the Offering Party”** and any Member considering such an offer is **“the Counterparty”**.
- 14.2 The Marketplace only serves to help you to make your own investment and lending decisions. It may not be suitable for all clients and does not constitute advice on investments, loans or personal recommendations given by us.
- 14.3 The Marketplace is not a multilateral trading facility, organised trading facility or other formal market of any kind, nor does it automatically effect matches between Buyers and Sellers of Debentures or Loans.
- 14.4 The use of the Marketplace is adapted for Members who have only subscribed via the paper-based Service. Details will be available on the website or as requested (and Clause 21 applies). Clauses 15-17 refer to the use of the Marketplace by users of the Online Service

15. Creating a Sell Offer on the Marketplace

- 15.1 As a Member, you can express an interest in selling Debentures or Loans by creating a Sell Offer from within your Abundance Account and submitting the following information:
- 15.1.1 name of Debentures or Loan to sell;
- 15.1.2 amount of Debentures or Loan offered; and

- 15.1.3 an Offer Price which is the price you would be willing to accept for the investment you are interested in selling.
- 15.2 Once you have submitted the information referred to in Clause 15.1, we will create a “Sell Offer”. The Sell Offer is listed on the Marketplace and contains the information submitted by you as the Offering Party, as well as access to some or all of the following:
 - 15.2.1 details about the Debenture or the Loan;
 - 15.2.2 general information on the Issuer or Borrower;
 - 15.2.3 a Factsheet about the Debenture or Loan; and
 - 15.2.4 updates provided by the Debenture Issuer or Borrower; and
 - 15.2.5 an estimated return for the offer based on the price set
- 15.3 Upon the creation of a Sell Offer, we may notify all users of the Marketplace who have requested such notifications of the creation of a Sell Offer.

16. Contacting an Offering Party via the Marketplace

- 16.1 If you wish to buy Debentures or accept the transfer of Loans which appear on a Sell Offer, you may notify the Offering Party of your interest by creating a “Bid” on the Sell Offer – you will be known as **“the Counterparty”**. To create a Bid, you must have sufficient funds in your Abundance account to pay the Offer Price.
- 16.2 Creating a Bid will notify the Offering Party of your interest and Abundance will reserve the Offer Price from your Cash Account. If an agreement to trade is not concluded within 3 full working days, the Offer Price will be released and made available again to the Counterparty.
- 16.3 Creating a bid will send an email to the Offering Party, copying in the Counterparty notifying both parties that they are interested in negotiating a trade.
- 16.4 Once the email referred to in Clause 16.3 has been sent, the Offering Party and the Counterparty are responsible for negotiating a contract for the sale of Debentures (**“Transfer Contract”**) by whatever means they choose. There is no prescribed form for a Transfer Contract in respect of Debentures, provided that it is in writing (including e-mail) and sets out the terms and conditions of the sale transaction, and includes at least the following information:
 - 16.4.1 name of the Debentures to be transferred;
 - 16.4.2 amount of the Debentures to be transferred; and
 - 16.4.3 agreed price for the Debentures
- 16.5 Loans will be transferred by means of a Transfer Certificate, which is described in more detail in the Appendix headed ‘Municipal Investment (P2P Loan) Product’.
- 16.6 Offering Parties and Counterparties should obtain their own independent advice in relation to the terms of any Transfer Contract.

- 16.7 We may (but are not obliged to) make such enquiries as we consider appropriate in relation to any Transfer Contract.

17. Settlement of transactions between Offering Party and Counterparty

- 17.1 When the terms of a Transfer Contract in respect of Debentures have been agreed it is the responsibility of both the seller and buyer to send an e-mail confirming this ("**Notification e-mail**") and notifying us of the following:
- 17.1.1 names of seller and buyer;
 - 17.1.2 the key terms of the Transfer Contract set out in Clauses 16.4.1-16.4.3; and
 - 17.1.3 proof that payment has been made or notification that the buyer wishes to use money reserved from their Cash Account to pay the agreed price.
- 17.2 Transfer of Loans follows a slightly different procedure and this is described in greater detail in the Appendix headed 'Municipal Investment (P2P Loan) Product.
- 17.3 The method of payment is entirely at the discretion of the seller and buyer. Payment may be made via bank transfer, by PayPal, by using funds in the Cash Account or such other means of payment as the seller or buyer shall agree.
- 17.4 On receipt of the Notification e-mail and proof of payment instructions referred to in Clause 17.1, we will contact both seller and buyer to confirm that the information is correct and, if the buyer requires us to do so, transfer money between the seller and the buyer in the Cash Account.
- 17.5 In the case of a sale of Debentures, when we are satisfied as to the existence and terms of the Transfer Contract and the fact that the seller has received payment, we will update the Debenture register upon which the transfer of Debentures shall become legally effective.
- 17.6 In the event that a seller or buyer fails to satisfy us as to the issues referred to in Clause 17.4 or 17.5, the buyer or seller should contact us by email with proof of the existence and terms of the Transfer Contract and if the buyer has transferred the funds owed, evidence of this. We will then investigate and we may suspend the Counterparty's access to their Abundance Account and/or the Cash Account pending the completion of our investigation.

18. Restrictions in relation to the Marketplace

- 18.1 You are solely responsible for the content and accuracy of any content you post on the Marketplace. You should not use the Marketplace in any of the following ways:
- 18.1.1 in any way that causes, or in our view is likely to cause, the Marketplace or access to it to be interrupted or damaged in any way;
 - 18.1.2 for fraudulent purposes, or in connection with a criminal offence;
 - 18.1.3 to send, use or reuse any material that is illegal, offensive, abusive, indecent, defamatory, obscene or menacing; or in breach of copyright, trademark, confidence,

privacy or any other right; or is otherwise injurious to third parties; or objectionable; or which consists of or contains software viruses, political campaigning, commercial solicitation, chain letters, mass mailings or any "spam";

- 18.1.4 to cause annoyance, inconvenience or needless anxiety;
- 18.1.5 as part of a business of buying, selling or dealing in securities – you use the Marketplace as a private investor or Lender only; or
- 18.1.6 to advertise or offer anything other than an expression of interest in buying or selling Debentures or Loans from or to other Members.
- 18.2 We reserve the right to refuse publication of any notice for any reason with referral back to the party submitting it. We reserve the right to withdraw or alter the Marketplace or remove or edit the contents of information posted to the Marketplace in whole or part at any time without notice and without giving any reason.
- 18.3 We may at our sole discretion and at any time suspend a Debenture or Loan from the Marketplace.
- 18.4 We do not represent or make any warranty or endorse in any way the accuracy, reliability or legality of any posting, we do not represent or make any warranty or endorse in any way that a party posting an expression of interest is entitled to buy or sell Debentures or Loans.
- 18.5 Any reliance you place upon any posting on the Marketplace will be at your sole risk.
- 18.6 Unless stated otherwise in this Agreement, we are not selling or offering for sale any Debentures or Loans nor are we acting as agent for any person selling or offering for sale any Debentures (Abundance may act as agent in the process of selling Loans). We do not recommend or endorse in any way any person posting an expression of interest on the Marketplace, and it shall be for each party to determine whether or not it wishes to contract with any other party.
- 18.7 Subject to FCA Rules, we shall not be liable for any use of the Marketplace by any person or any statement made on it or any Debentures advertised on it. We shall use reasonable efforts to maintain the Marketplace but shall in no circumstances be liable for any temporary unavailability of it.
- 18.8 We may review the content of the Marketplace but shall be under no obligation to do so and we accept no responsibility or liability for either doing so or failing to do so.
- 18.9 Any expression of interest posted on the Marketplace is not a legally binding offer or acceptance and is not capable of creating legally binding rights or obligations between any parties.

19. Risks

- 19.1 When buying Debentures or making Loans you should consider relevant risk factors including the Issuer's or Borrower's ability to repay its debts. This will have a direct bearing on the value of your Debenture or Loan. Should the Issuer or Borrower default, it may not make payments of Cash Returns and may not be able to repay your money.

The Offer Document and/or material posted to the website in relation to a Loan Opportunity contains risk information for the Debenture or Loan you have chosen or are considering and you should read this carefully.

- 19.2 The value of Debentures or Loans can fall as well as rise and any income from them is not guaranteed. You should be prepared to lose your investment. Past performance is not a guide to future performance. You should always read the Offer Document, Loan Opportunity (or other materials posted to the website in relation to Loans) before you buy a Debenture or Loan and understand the nature of the investment or Loan you plan to make. If you are in any doubt as to the suitability or risk of the Debenture or Loan you should take independent financial advice from a qualified professional adviser.
- 19.3 You should bear in mind that for certain investments such as the Debentures or for Loans there may not be an active market and it may therefore be difficult to sell these investments or Loans at a reasonable price and in some cases it may be difficult to sell them at any price or obtain reliable information about their value.
- 19.4 Investment in the Debentures or the Loans will be generally be in Sterling and Cash Returns will generally be paid in Sterling. If you are resident, incorporated or otherwise based outside the UK, the amount you invest and your Cash Returns may be subject to currency fluctuations and might be worth less than you might expect when converted into your home currency.

20. Cash Returns

- 20.1 Cash Returns in respect of a Debenture or Loan which will be paid by the Issuer or Borrower in the case of Loans will generally be paid with the frequency stated in the Offer Document, Loan Opportunity (or other specific materials available on the Online Service in relation to the Loan) into the Cash Account, however, please see the relevant Offer Document, Loan Opportunity or other materials posted on the website in relation to Loans for further details. For the Paper-based Service, Cash Returns will be paid by direct transfer to your Nominated Bank Account or (exceptionally and only if we in our discretion agree) by cheque.
- 20.2 You may use any Cash Returns received in the Cash Account in respect of Debentures or Loans you own as follows:
 - 20.2.1. leave the money in the Cash Account to buy other Debentures or make other Loans; or
 - 20.2.2. transfer the money to your Nominated Bank Account.

21. Transferring Debenture or Loan Ownership not using the Marketplace

- 21.1 If you want to transfer the ownership of some or all of your Debentures, or Loans other than by using the Marketplace (for example if you only hold Debentures for which you have subscribed using the Paper-based Service) you must contact Abundance at support@abundanceinvestment.com or by post at Abundance Investment Ltd, Hamilton House, Mabledon Place, London, WC1H 9BB, stating which Debentures or Loans you want to transfer, who the Issuer or Borrower is and the value of the Debentures or Loans you want to transfer, plus the name and details of the person to whom you are transferring the Debentures or Loans.

- 21.2 If the person to whom you are transferring the Debentures or Loans does not have an Abundance Account that person will (unless we specifically agree otherwise) need to become a Member and register to use the Cash Account in accordance with Clause 6 of this Agreement before the transfer can be completed.

22. Fees, Bonuses, Taxes

- 22.1 We do not currently charge Members any fees or charges in relation to making investments in Debentures or Loans, subject to Clause 22.3. Abundance earns its income in relation to Debentures by charging Issuers an agreed percentage fee based on the amount of capital raised and an annual fee for acting as registrar and performing other administrative services for the Issuer in connection with Debentures. These fees are disclosed in the Offer Document for each Offer of Debentures. We reserve the right to introduce fees or charges for Members in the future in accordance with Clause 33.1.
- 22.2 We do make charges to Borrowers in respect of the Local Authority Product for the services we provide to them when a Loan is successfully fully funded which is deducted from the Loan amount before funds are released to the Borrower. We may also charge Borrowers an ongoing management fee. These fees are set out in the relevant Offer Document and/or material made available in relation to the Loan Opportunity.
- 22.3 We may make charges to recover expenses we may incur including any costs incurred by us for making a withdrawal to a non-UK bank account if it requires an international money transfer. Details of current charges for international customers can be found at <https://help.abundanceinvestment.com/en/articles/1593313-investing-from-outside-of-the-uk>.
- 22.4 We may from time to time make available Bonuses or other promotional offers in relation to the Services and/or any issue of Debentures or Loans including “**early bird**” Bonuses where we help those who invest at an early stage by effectively increasing the amount they receive as a result of investing in Debentures or Loans. To the extent not covered by this Agreement, the terms of any Bonuses or promotional offers will be provided to you separately, whether in an Offer Document, or Loan Opportunity (or other specific specific materials available on the Online Service in relation to the Loan), via the Services or otherwise. **You should be aware that Bonuses are paid by us (that is Abundance) and not the Issuer and therefore do not form part of the Cash Return. You should be aware that Bonuses and promotional offers may be taxable and may need to be declared on your tax return.**
- 22.5 Subject to Clause 22.1, you agree that you are responsible for other taxes or costs that may arise that are not paid via us or imposed by us.

23. Terminating your Membership of Abundance

- 23.1 As long as you do not own any Debentures or have not made any Loans, and none of your money is identified for the acquisition of a Debenture or the making of a Loan, you can stop being a Member at any time by emailing us at support@abundanceinvestment.com or by post at Abundance Investment, Hamilton

House, Mabledon Place, London, WC1H 9BB. You also have cancellation rights in certain circumstances described in Clauses 5 and 8.6.

23.2 We may suspend or terminate your use of the Services at any time if for any reason, including but not limited to:

23.2.1. you breach any of part this Agreement in any material respect;

23.2.2. we suspect that you have committed fraud, been involved in money laundering or other illegal activities;

23.2.3 you are or become a US Person or a Restricted Person;

23.2.4. you use the Services in any of the following ways:

23.2.4.1. in any way that causes, or in our view is likely to cause, the relevant Service or access to it to be interrupted or damaged in any way;

23.2.4.2. for fraudulent purposes, or in connection with a criminal offence;

23.2.4.3. to send, use or reuse any material that is illegal, offensive, abusive, indecent, defamatory, obscene or menacing; or in breach of copyright, trademark, confidence, privacy or any other right; or is otherwise injurious to third parties; or objectionable; or which consists of or contains software viruses, political campaigning, commercial solicitation, chain letters, mass mailings or any **“spam”**;

23.2.4.4. to cause annoyance, inconvenience or needless anxiety; or

23.2.4.5 there is no activity in your Abundance Account for a 12 month period (we will give you 30 days' notice by email beforehand).

23.3 On termination of your Membership for any reason:

23.3.1. you cannot buy more Debentures, make any further Loans or interact with other Members via the Online Service, except to use the Marketplace to sell any Debentures or Loans you hold;

23.3.2. you cannot deposit any funds to the Cash Account;

23.3.3. any instructions you have given under Clause 20.2 in relation to your Cash Returns will terminate immediately, and your Cash Returns will be processed in accordance with Clause 23.3.4;

23.3.4. we will credit your Nominated Bank Account with your Cash Returns and any of your funds left in the Cash Account, after deduction of our Fees and any other applicable charges, or send a cheque for such amount to the last address you gave us;

23.3.5. we may transfer any or all of your Loans at such price as we reasonably consider appropriate and will pay to your Nominated Account the proceeds of such transfer.

23.3.6. if you are, or have become, a US Person or Restricted Person, any Debentures you hold may be redeemed by the Issuer as specified in Clause 35.

- 23.4 Unless you are a trustee, in the event of your death we will transfer legal ownership of your Debentures or Loans to your executors or personal representatives, where they have provided us with the appropriate documentation to identify themselves as such.

24. Debenture buyer's or Lender's relationship with Abundance

- 24.1 You agree that (subject to our obligations under FCA Rules) Abundance is making no warranty or representation as to:
- 24.1.1. the financial soundness or creditworthiness of any Issuer or Borrower or
 - 24.1.2. the ability of any Issuer or Borrower to make either capital payments or interest payments; or
 - 24.1.3. the credit risk associated with any Issuer, Debenture, Borrower or Loan; or
 - 24.1.4. the viability or profitability of the business of the Issuer or Borrower or any project of the Issuer or Borrower; and that we are in no way liable for the debts of any Issuer or Borrower. You acknowledge that you are subscribing for Debentures or making Loans entirely at your own risk.
- 24.2 Any calculations we provide via the Services as to the assessment of rate of return on Debentures or Loans are for guidance purposes only and are not guaranteed. Past performance should not be taken as an indication of future performance.
- 24.3 The information on or communicated via the Services does not constitute advice, or a recommendation or an endorsement of any Issuer, Debenture, Lender or Loan. You should read the Offer Document or other material posted to our website in relation to a Loan Opportunity for the Debenture or Loan you are interested in subscribing for or making and ensure that you fully understand all the information it contains. If you are unsure about what any of the information means, we recommend that you obtain independent advice from a professionally qualified adviser.
- 24.4 We have obligations under FCA Rules to take reasonable care that financial promotions (which includes such materials as Offer Documents) comply with FCA Rules and are fair, clear and not misleading. Subject to that, the Offer Document for each Debenture or Loan Opportunity and other information about the Borrower posted to our website in relation to a Loan Opportunity are documents of the Issuer or Borrower (as appropriate). Details of our role in this respect will be included in the relevant Offer Document or materials posted to the website in relation to a Loan Opportunity.
- 24.5 Offer Documents or other materials available via the site may be approved by a Third Party Authorised Firm. In these circumstances, the firm approving the Offer Document or other materials will state the terms on which it does so. You should read these carefully.
- 24.6 Subject to our obligations under FCA Rules, we make no representation or warranty as to the timeliness, accuracy or reliability of the data provided by third parties (such as for example, Issuers or Borrowers) nor as to whether the information is up to date or error free.

- 24.7 We do not guarantee that there will be sufficient interest by investors to fill a particular Debenture offer or to raise the minimum amount required in relation to a Loan Opportunity.
- 24.8 If there is any conflict between this Agreement and any Offer Document in relation to a specific offer of Debentures then the Offer Document shall take precedence.

25. Wind Down Arrangements

- 25.1 We have a wind down plan to be implemented in the event that we cease to provide the Services under these terms and conditions or we become insolvent and is aimed at ensuring that your investments in Debentures or Loans will continue to be managed and administered.
- 25.2 Our insolvency and/or the implementation of the wind down plan may result in a reduced level of service under these terms and conditions. You should also note that they may involve you paying fees for the administration and management of Debentures and Loans. Such events may also involve a reduced level of service, for example the Marketplace may no longer be available or its availability will be severely restricted.
- 25.3 A summary of our present wind down plan is available at <https://www.abundanceinvestment.com/legal/wind-down-plan>. Our wind down plan is based on our ability to execute an orderly wind down of our business funded by the ongoing revenues we receive. Our wind down plan may, if we consider appropriate in the future, involve the transfer of business to, or performance of functions by, a Back-up Service Provider with the appropriate regulatory authorisation to manage or administer your investment in Debentures or Loans – our present wind down plan involves funding by revenues from the Services.
- 25.4 We may implement the wind down plan before the onset of insolvency or for any other reason if we believe that this action is in the best interests of our customers.

26. General Clauses

- 26.1 The information provided via the Services is intended solely for use by persons and organisations that meet the criteria set out in Clause 4 above. Such information is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to applicable law or regulation.
- 26.2 The copyright and all other rights in the material provided via the Services are (unless otherwise stated) owned by us or are included with the permission of the owner of such rights, unless expressly stated to the contrary. As a visitor to the Online Service, you are permitted to download and print content solely for your own personal use or in the course of your business to the extent required to use the services provided on this Service. Service content must not be copied or reproduced, modified, redistributed, used or otherwise dealt with for any other reason without our express written consent.

- 26.3 You agree not to use the Online Service:
- 26.3.1. to create a database (electronic or otherwise) that includes material downloaded or otherwise obtained from the Online Service otherwise than for your own personal records (and except where expressly permitted on the Service);
 - 26.3.2. to transmit or re-circulate any material obtained from the Online Service to any third party except where expressly permitted on this Service;
 - 26.3.3. in such a way so as to remove the copyright or trade mark notice(s) from any copies of any material made in accordance with this Agreement;
 - 26.3.4. to disseminate any unsolicited or unauthorised advertising, promotional materials, **"junk mail"**, **"spam"**, **"chain letters"**, **"pyramid schemes"**, or any other form of solicitation;
 - 26.3.5. to disseminate any material that contains software viruses or any other computer code, files or programs designed to interrupt, damage, destroy or limit the functionality of any computer software or hardware or telecommunications equipment; or
 - 26.3.6. in any way that might infringe third party rights or that might bring us or any of our subsidiaries into disrepute.
- 26.4 We are not responsible for third party content downloaded or any content posted by Members on the Online Service.
- 26.5 Whilst we take every care to ensure that the information on the Online Service is accurate and complete, some of it may be supplied to us by third parties and we are unable to check its accuracy or completeness. You are advised to verify the accuracy of any information before relying on it.
- 26.6 We will endeavour to allow uninterrupted access to the Online Service, but access to the Online Service may be suspended, restricted or terminated at any time. Subject to this Agreement and FCA Rules. We will not be liable for any loss suffered by you in the event that you are not able, for any reason, to access the Service.
- 26.7 We welcome 'hot links' to the home page of the Online Service, but not 'deep linking' by which we mean that you may not include a link to any page of the Online Service that is not the home page. Neither may you display the contents of the Online Service (or any page from it) or allow it to be displayed surrounded or framed or otherwise surrounded by material not originating from us without our consent. If you would like to licence our material, please contact us.
- 26.8 You agree to use the Online Service only for lawful purposes and in a way which does not infringe the rights of anyone else or restrict or inhibit anyone else's use and enjoyment of the Online Service.
- 26.9 You warrant that you have taken all reasonable precautions to ensure that any data you upload or otherwise submit to the Online Service is free from viruses and anything else

which may have a contaminating or destructive effect on any part of the Online Service or any other technology.

- 26.10 You are responsible for all costs incurred by you in accessing the Services.
- 26.11 While we take reasonable precautions to prevent the existence of computer viruses or other malicious programmes on the Online Service, we accept no liability for them if they do exist. It is your sole responsibility to use, update and maintain appropriate antivirus software on your computer.
- 26.12 Information transmitted via the Online Service will pass over public telecommunications networks. We accept no liability if communications sent via the Service are intercepted by third parties, incorrectly delivered or not delivered for causes beyond our reasonable control.
- 26.13 The Online Service may contain links to other services. We accept no responsibility or liability for any material supplied by or contained on any third party service which is linked to or accessible via the Service, or any use of your Personal Information by such third party.
- 26.14 You must not:
- 26.14.1. register as a Member more than once or register on behalf of an individual other than yourself, or register on behalf of any entity without that entity's prior written authorisation;
- 26.14.2. impersonate any person or entity, or falsely state or otherwise misrepresent yourself, your age, your financial employment or personal circumstances or your affiliation with any person or entity; use or attempt to use another's account, service or system without authorization from us, or create a false identity on the Service.
- 26.14.3. solicit personal information from anyone under 18 or solicit passwords or personally identifying information for commercial or unlawful purposes.
- 26.15 You are solely responsible for your interactions with other Members. We reserve the right, but have no obligation, to monitor disputes between you and other users

27. Your liability to us

- 27.1 You will be liable to us for any loss or damage suffered by us as a directly foreseeable result of any material breach of this Agreement by you, or any fraudulent or grossly negligent use of the Services.

28. Our liability to you

- 28.1 In accordance with FCA Rules, we do not exclude or restrict any duty or liability owed to retail clients under the regulatory system. Subject to that and Clause 28.3, we shall not be liable to you for any loss or damage which you may suffer as a result of being a Member of Abundance or using the Services, except where such loss or damage arises

as a directly foreseeable result of our material breach of this Agreement or was caused by our negligence, wilful default or fraud.

- 28.2 Subject to FCA Rules and Clauses 28.1 and 28.3 of this Agreement, our total liability to you in connection with this Agreement, your Membership of Abundance and your use of the Services whether in contract or for negligence is limited to the limit of our professional indemnity insurance cover, which is currently £1,000,000.
- 28.3 Nothing in this Agreement shall limit our liability for personal injury or death nor for any other liability the exclusion or limitation of which is not permitted by applicable law or regulation including in particular any breach of FCA Rules or any liability which cannot be excluded under FCA Rules.

29. Events beyond our control

- 29.1 Neither you nor we shall be responsible or liable for any breach of this Agreement arising from circumstances outside our reasonable control, acts of God, war, revolution, civil disorder, terrorist attack, strikes or industrial disputes, acts or regulations of any government (including the repeal or amendment of current government legislation), regulatory or supranational bodies or authorities, breakdown, failure or malfunction of any communications or computer service or the failure of any exchange, clearing house, market maker, dealer, broker or counterparty to perform its obligations provided that you or we have made reasonable efforts to mitigate the impact of any such event.

30. Complaints and Compensation

- 30.1 We have in place a complaints procedure the details of which are available on our website or on request to us by writing to Abundance Investment, Hamilton House, Mabledon Place, London, WC1H 9BB or telephoning us on 0203 475 8666 or via documents used in relation to the Paper-based Service. If you are not satisfied with the service you have received from us you should refer your complaint to us using this procedure.
- 30.2 In the event that you do not feel that we have adequately resolved your complaint you may have a right to complain to the Financial Ombudsman. Details of the Financial Ombudsman's complaints process is available on their website at www.financial-ombudsman.org.uk. Its postal address is The Financial Ombudsman Service, Exchange Tower, London E14 9SR and its switchboard telephone number is 020 7964 1000.
- 30.3 If we are unable to meet our financial obligations to you, in relation to the services we provide in relation to Debentures (but not Loans) you may be able to claim compensation from the Financial Services Compensation Scheme ("the FSCS"). In respect of investments, an eligible investor is currently entitled to claim up to £85,000. You should be aware that you will not be eligible for compensation under the FSCS simply because the Issuer of a Debenture fails to make payments or otherwise defaults under the terms of the Debenture – compensation under FSCS is only available if we as a FCA authorised arranger are in some way in breach of our legal obligations to you and fail to meet those obligations.

- 30.4 The position is different with regard to Loans under the Municipal Investment (P2P Loan) Product. This service is provided under the regulations relating to the regulated activity of operating an electronic platform in relation to lending and the FSCS does not apply at all to such a service.
- 30.5 If the bank holding the Client Money Bank Account fails, you may have a claim under the FSCS in relation to Deposit Protection for up to £85,000 of Client Money. Full details can be obtained using the details in Clause 30.6.
- 30.6 For further information about the FSCS (including amounts covered and eligibility to claim) please see the FSCS website at www.fscs.org.uk or telephone the FSCS on 0800 678 1100.

31. Conflicts of Interest

- 31.1 As part of an organisation which provides a number of services to a range of clients and customers, there may be times when there is a conflict between our interests and the duty we owe to a client, or a conflict between the differing interests of two or more clients to whom in each case we owe a duty. Under the FCA Rules and applicable law and regulation we are required to have in place arrangements with a view to taking all reasonable steps to prevent such conflicts of interest constituting or giving rise to a material risk of damage to the interests of our clients. We have established a comprehensive conflicts of interest policy to identify and manage such actual or potential conflicts of interest. A copy of our conflicts of interest policy is available on request.
- 31.2 If a conflict of interest arises and we consider that the arrangements we have in place under our conflicts of interest policy are not sufficient to enable us to ensure that the conflict will not damage your interests or the interests of any of our other customers or clients we will refuse to act or we will inform you of the situation before we carry out any instructions for you.

32. Contacting us

- 32.1 We may rely on all communications given or made by you which we reasonably believe to have been made by you or on your behalf. You will be bound by any agreement entered into or expense incurred on your behalf in reliance upon such a communication.
- 32.2 Except as otherwise expressly provided in this Agreement, any communication in writing may be given by post, or email to the address or email address last notified by you to us or by us to you. Alternatively you can use the online form on the contact us page on our website.
- 32.3 We shall only be treated as having received any communications made by you to us if we actually receive the communications. If you need to contact us urgently, you should telephone us in the first instance.
- 32.4 If we send communications to you:
- 32.4.1. by post, to the last known postal address that we hold for you, they will be treated as received by you four Business Days after posting; and
- 32.4.2. by email they will be treated as received by you immediately upon sending;

- 32.5 We will not accept responsibility for any postal delays.
- 32.6 If we send communications to you by secure electronic message:
- 32.6.1. they will be treated as received by you upon us sending such communications to the secure mailbox within the Service;
- 32.6.2. we do not have to ask for any acknowledgement of receipt from you in respect of communications sent in accordance with Clauses 32.4 and 32.5.
- 32.7 We may also communicate with you by posting information on the Online Service, in which case the information will be treated as received by you when it is posted. If you only hold Debentures for which you have subscribed using the Paper-based Service, we will communicate with you by post.
- 32.8 We will not be responsible to you for any delay or failure of delivery of any communication sent in accordance with Clauses 32.4 and 32.5, except where such delay or failure results from our negligence, fraud or our fault.
- 32.9 At your request we may agree to send certain communications to you via SMS. You should note that this does not form a standard part of our service and we will not be liable for any delay or failure of delivery of communication, or inaccuracy of information, sent via SMS.
- 32.10 You must inform us immediately of any changes to your personal details, including your postal address, your email address and your bank details. When we receive returned mail or emails, we will do our best to contact you to get your new details. We do not have to send further communications to the old address or old email address. We will not be responsible to you for any loss that you may suffer as a result of you not receiving correspondence or payments where you have not informed us of any change in your details and/or bank account.
- 32.11 You agree and expressly confirm that we may telephone you to discuss matters related to your Abundance Account or the Cash Account.
- 32.12 To ensure that we carry out your instructions accurately, we will, where required to do so by applicable law and regulation, monitor and/or record your telephone calls with us. Any recordings remain our property but will be available on request. Telephone recordings will be retained by us for a period of 5 years (or such longer period as may be required by the FCA).
- 32.13 All communications and documents sent to you by post/email will be sent to the last known postal/email address that we hold for you and we will not be responsible if you do not receive them for any reason. It is therefore important that you notify us of any changes to your address, as set out in Clause 32.9 above.

33. Amendments to this Agreement

- 33.1 We may amend this Agreement (including introducing fees or charges which are subject to Clause 22.1) by giving you notice in accordance with this Clause 33. We will only make changes for the following reasons:
- 33.1.1 Making the Agreement clearer and no less favourable to you;

33.1.2. Providing for the introduction of new systems, services, changes in technology and products or (in relation to fees) changes in economic or commercial conditions;

33.1.3. Rectifying any mistakes that may be discovered in due course;

33.1.4. Reflecting a change in applicable law or regulation.

33.2 We will give notice of changes via the Online Service or by post to Investors who have used only the Paper-based Service and have not registered to use the Online Service.

33.3 We will give you 14 days' notice of any change except where we reasonably determine that the change is required by FCA Rules or is beneficial to you. In the event that you are unhappy with any changes to this Agreement, you may terminate your Membership, which would have the effect specified in Clause 23.3 in relation to any Debentures you continue to hold.

33.4 This Agreement was last updated on 29 October 2021.

34. Other Important Clauses

34.1 If any of this Agreement is found to be illegal, invalid or unenforceable by any court of competent jurisdiction or regulatory authority, the remainder shall continue in full force and effect.

34.2 All disclaimers and exclusions in this Agreement shall survive termination of the agreement between us for any reason.

34.3 We or you may, in whole or in part, release, waive or postpone, in our absolute discretion, any liability owed to us or right granted to us in this Agreement without in any way prejudicing or affecting our rights in respect of that or any other liability or right not so released, waived or postponed.

34.4 No single or partial exercise, or failure or delay in exercising any right, power or remedy by either you or us shall constitute a waiver by us of, or preclude any further exercise of, that or any right, power or remedy arising under this Agreement or otherwise.

34.5 This Agreement is supplied in English and all communications between us, including documentation, will be in English.

34.6 Nothing in this Agreement is intended to confer any benefit on any person who is not a party to this Agreement, and no third party shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. The Security Trustee shall be a party to this Agreement to the extent set out in Clause 3.9 and the Schedule and may enforce or rely on all or any of their respective terms.

34.7 This Agreement shall be governed by and construed in accordance with English law and English law shall apply to any communication, negotiation or discussion before entry into this Agreement. In the event of any matter or dispute arising out of or in connection with this Agreement, you and we shall submit to the non-exclusive jurisdiction of the courts of the United Kingdom.

35. Regulatory Information

35.1 Abundance Investment Ltd (trading as “**Abundance**” and “**Abundance Investment**”) is:

35.1.1. a private limited company incorporated in England and Wales with company number 07049166 and its registered address at Abundance Investment, Hamilton House, Mabledon Place, London, WC1H 9BB.

35.1.2. authorised and regulated by the Financial Conduct Authority with FCA registration number 525432. That authorisation covers arranging deals in investments such as Debentures as well as operating an electronic platform in relation to lending (the regulated activity which relates to the Municipal Investment (P2P Loan) Product).

35.1.3. Our telephone number is 020 3475 8666.

35.2 You must not be a US Person for the purposes of either United States tax law or United States securities laws.

35.3 For the purposes of United States tax law, a summary of the definition of US Person is:

35.3.1. A citizen or resident of the United States

35.3.2. A (US) domestic partnership

35.3.3. A (US) domestic corporation

35.3.4. Any estate other than a foreign estate

35.3.5. Any trust if:

35.3.5.1. A court within the United States is able to exercise primary supervision over the administration of the trust, and

35.3.5.2. One or more United States persons have the authority to control all substantial decisions of the trust;

35.3.6. Any other person that is not a foreign person for the purpose of US tax law.

35.4 For the purposes of US securities laws, a US Person is as defined in Regulation S (promulgated under the Securities Act of 1933) in Section 902(k)(1) namely:

35.4.1. Any natural person resident in the United States;

35.4.2. Any partnership or corporation organised or incorporated under the laws of the United States;

35.4.3. Any estate of which any executor or administrator is a U.S. person;

35.4.4. Any trust of which any trustee is a U.S. person;

35.4.5. Any agency or branch of a foreign entity located in the United States;

- 35.4.6. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- 35.4.7. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- 35.4.8. Any partnership or corporation if:
 - 35.4.8.1. Organised or incorporated under the laws of any foreign jurisdiction; and
 - 35.4.8.2. Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.
- 35.5 Either we, the Issuer or the Borrower (in an Offer Document or the terms and conditions of a Debenture or in relation to a Lending Opportunity) may specify other persons who, for legal, regulatory or tax reasons are ineligible to acquire or hold a Debenture or be a Lender in response to a Lending Opportunity.
- 35.6 We will reasonably determine whether any person is a US Person or a Restricted Person. We may terminate the Services and/or the Issuer may require redemption of any Debenture or transfer of any Loan if you are, or become, a US Person or a Restricted Person.

Schedule

Our role as Agent and the role of the Security Trustee in relation to Debentures.

Please note that while we will act as your agent in relation to Loans under the Municipal Investment (P2P Loan) Product, the terms on which we do so will be slightly different – please see the Appendix headed ‘Municipal Investment (P2P Loan) Product’ and the details of each Loan Opportunity.

1. Relationship to Other Documents

- 1.1. For each issue of Debentures there will be a formal instrument constituting the Debentures (a "**Debenture Deed**");
- 1.2. There may also be further documents including, but not limited to a formal security trust deed under which the Issuer appoints Abundance Security Trustee Limited ("**Security Trustee**") as security trustee for the holders of Debentures, to hold any security provided in support of the Debentures ("**Security**"). The documents referred to in paragraph 1.1 and 1.2 of this Schedule will together be referred to as the "**Finance Documents**".
- 1.3. Definitions given in the Abundance Service Terms and Conditions ("**Terms**") shall apply equally to this Schedule unless this Schedule specifically states otherwise or is inconsistent with the Terms. If there is an inconsistency between this Schedule and the Terms, this Schedule shall prevail.
- 1.4. If there is an inconsistency between either this Schedule or the Terms and the Finance Documents, the Finance Documents shall prevail.
- 1.5. We shall endeavour to ensure that there are no inconsistencies as referred to in paragraphs 1.2 or 1.3 of this Schedule or, if there are any such inconsistencies, these are brought specifically to your attention.
- 1.6. This Schedule shall apply to the Online Service and not the Paper-based Service.

2. Appointment of Agent and Security Trustee

- 2.1. You agree that we shall be appointed and authorised by you to act as your agent on your behalf for and in connection with the following matters under or in respect of your Debentures:
 - (a) day-to-day administration of the Debentures;
 - (b) exercising the rights, powers and authorities given to us under or in connection with the Debentures, if appropriate, acting in accordance with your instructions.
- 2.2. You agree that the Security Trustee shall be appointed and authorised by you to act as your trustee and agent in connection with the Security and instruct the Security Trustee to sign the relevant security documents as trustee. The Security Trustee has been established as a company limited by guarantee in order to preserve its independence from us. The Security Trustee will have the following authority, powers and discretions:

- (a) to hold the benefit of any Security created for or in connection with an issue of Debentures on trust for the holders of such Debentures;
 - (b) to exercise the rights, powers, authorities and discretions given to the Security Trustee under or in connection with the Finance Documents together with any incidental rights, powers, authorities and discretions, including to act on the instructions of us as agent, acting, when required, in accordance with your instructions; and
 - (c) all those powers and discretions conferred upon trustees at law.
- 2.3. If we become aware of a default in the payment of any principal, interest or fee payable under a Debenture Deed or we otherwise receive notification of an event of default under the terms of a Debenture Deed, we shall (if allowed to do so under applicable law or regulation) promptly notify you of the relevant circumstances.
- 2.4. The Security Trustee may perform from time to time (whether before or after enforcement under the terms of the Security) all obligations, rights and benefits given to the Security Trustee by the Finance Documents. Members should also read the Finance Documents since they relate to the role of the Security Trustee for the full terms regarding the powers and responsibility of the Security Trustee.
- 2.5. You agree as follows:
- (a) subject to applicable law and regulation (including FCA Rules) we and/or the Security Trustee may rely on any representation, notice or document believed by us or the Security Trustee 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 his knowledge or within his power to verify;
 - (b) we and/or the Security Trustee may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts, providing it has the means to pay for such services;
 - (c) we and/or the Security Trustee may act in relation to the Finance Documents through our respective personnel and agents and each or either of us may enter into sub-contracting arrangements;
 - (d) subject to applicable law and regulation (including FCA Rules) we and/or the Security Trustee shall have power and authority and discretion in the exercise of any right, power or authority vested in it under the Finance Documents;
 - (e) neither we (subject to our obligations under applicable law and regulation including FCA Rules) nor the Security Trustee will be liable for any act (or omission) whatsoever if we or the Security Trustee acts, (or refrains from taking any action) in a manner which it considers (in our or its absolute discretion) to be in the best interests of the holders of Debentures as a body;
 - (f) the liability of us or the Security Trustee to you shall be subject to Clause 28 of the Terms.

- 2.6 Neither we nor the Security Trustee will be deemed to have knowledge of any breach or failure to comply with the Finance Documents by the Issuer or other party to the Finance Documents. We or the Security Trustee may rely on any statement or certificate provided by a director of any party to the Finance Documents to show compliance with any relevant term, unless we or the Security Trustee actually knows that the terms of such statement or certificate are incorrect.
- 2.7 Our duties as agent are solely administrative in nature and are intended to facilitate the exercise of rights under the Debentures by holders of them.

3. **Enforcement of Security**

- 3.1 If, acting on your instructions given to us, the Security Trustee takes steps to enforce any Security, the proceeds of recovery resulting from such steps may be insufficient to discharge all obligations owed by the Issuer to holders of Debentures. In such circumstances, the holders of Debentures will only be entitled to recover their proportionate share of such recoveries. In addition, it is possible that there may be other creditors of the Issuer or other party to the Finance Documents that have claims that may be recovered in priority to the holders of Debentures or other creditors whose claims against the Borrower rank equally with the holders' claims and who will share in the Issuer's unsecured assets. There is no certainty that the distributions out of the Issuer's assets will be sufficient to satisfy such creditors and the Lenders in full or at all. Therefore, the existence of Security should not be considered a guarantee of repayment in the event of failure by the Issuer in meeting its payments under the Loan.
- 3.2 You agree that the Security Trustee shall be entitled to be repaid and reimbursed from the proceeds of any recovery under the Security all reasonable costs incurred by or on behalf of the Security Trustee in enforcing the Security or in complying with any instructions from us as agent on your behalf in connection with any enforcement of Security. You will be responsible for payment of such costs out of the proceeds of any recovery to the extent that such costs cannot be recovered by the Security Agent from the Issuer or other party to the Finance Documents.
- 3.3 We will update you periodically as to the progress of efforts to enforce Security by means of the Abundance Service.
- 3.4 You agree that you will not threaten to take or purport to take any action or commence any process against any Issuer in your own name or in the name of any other holder or holders of Debentures except in accordance with the provisions of this Schedule. All action to enforce Security shall be taken by the Security Trustee, who shall be entitled to act as provided for in these Terms, the relevant Debenture Deed, the security trust deed and/or any Finance Documents. If you receive any payment from the issuer or other party to the Finance Documents in respect of any Debentures held by you, you shall be obliged to pay it to the Cash Account.
- 3.5 You authorise us to direct that all monies received or recovered from the enforcement of any security documents to be paid in the following order:
- (a) firstly, to meet any unpaid fees, costs and expenses of us or the Security Trustee, including those incurred in respect of any enforcement action by us or the Security Trustee (or by any manager, receiver or administrator appointed by it or on its behalf);

(b) secondly, to each holder of the Debentures who will receive (on a pro rata basis) the interest and then the capital they are owed;

(c) thirdly, the remaining funds (if any) will be paid to any other person entitled to it.

3.6 Payment by us via the the Cash Account to your Nominated Bank Account shall be conclusive evidence of receipt by you of any sums in accordance with paragraph 3.5(b). Acknowledgement of receipt by the relevant recipient shall (subject to applicable law and regulation including FCA Rules) be sufficient to show receipt by that person for the purpose of paragraphs 3.5(a) and 3.5(c).

4. **Powers of Abundance as Agent**

4.1 We shall not be obliged to do anything unless we are instructed to do so by the required number of holders of Debentures (see paragraph 5 below “**Meetings and Investor Democracy**”)

4.2 Before we take any action, we may need to be sure that our costs in doing so will be covered. This may involve requiring reimbursement from holders of Debentures.

4.3 We may obtain any clarification we need by discussion with holders of Debentures.

4.4 Where we are required or entitled to exercise any discretion or power, take any action, make any decision or give any direction, we are entitled (but not obliged), before doing this, to seek directions from the holders of relevant Debentures in accordance with this Schedule. We shall not (subject to applicable law and regulation including FCA Rules) be responsible for any loss or liability incurred by any person as a result of any delay in our exercising any such discretion or power, taking such action, or giving such direction where we are seeking such directions or giving such directions or the instructions sought are not provided by the relevant holders.

4.5 In the absence of instructions from the holders of relevant Debentures in accordance with this Schedule, we may (subject to applicable law and regulation including FCA Rules) act (or refrain from acting) as we consider in good faith to be in the best interests of the holders of the relevant issue of Debentures as a whole.

5. **Meetings and Investor Democracy**

5.1 Where relevant, decisions as to important issues relating to the Debentures will be taken by holders of the Debentures. This means that investors can pass resolutions at a meeting of holders of Debentures.

5.2 A meeting can be a physical gathering of holders of Debentures or a virtual meeting. A virtual meeting can be conducted online or by electronic means without the simultaneous physical presence of one or all holders. A virtual meeting will entail holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak (or make written representations).

5.3 A virtual meeting may in particular (and as we as agent may reasonably consider appropriate) take place with:

(a) a notice of the meeting being given in accordance with this paragraph 5;

(b) the opportunity being given for holders of the relevant Debentures and the Issuer to make representations or statements in writing over a period of not less than 14 days; and

(c) a written resolution or resolutions being passed in accordance with this Schedule.

- 5.4 A resolution in writing signed in writing (which includes online or electronic voting in accordance with this Schedule) by or on behalf of holders of relevant Debentures who for the time being are entitled to receive notice of a meeting of the holders of such Debentures, together holding the required majority in relation to the relevant Debentures shall for all purposes be as valid and effective as a resolution passed at a meeting convened and held in accordance with the provisions contained in this Schedule. Any such resolution in writing may be contained in one document or in several documents in similar form each signed by one or more holders. Signature of any resolution may be in such electronic form as Abundance reasonably believes conveys the wishes and authority of the required percentage of holders (including, by way of online voting in accordance with this Schedule).
- 5.5 Online voting may take any form which we reasonably consider conveys the intention of holders, including by clicking or by electronic signature. Clauses 4.6 and 4.9 of the Terms apply equally to online voting. This means that we may assume that any vote cast or communication made to us using your username, password and the answers to your security questions comes from you and reflects your intention.
- 5.6 We or the Issuer or may convene a meeting of the holders of relevant Debentures at any time. The holders of not less than 10% of principal of relevant Debentures may request a meeting to the Issuer or Agent setting out the purpose of the meeting.
- 5.7 We shall notify you (by means of the Abundance Service, e-mail or other electronic means) not less than 7 and not more than 21 days before any meeting. We shall specify before the meeting:
- (a) the date, time and location of the meeting or if virtual the basis on which it is being held;
- (b) the agenda and the terms of any Ordinary Resolution or Special Resolution (as applicable) to be proposed for adoption at that meeting;
- 5.8 The quorum for any meeting is to be:

Type of Resolution	Any meeting (other than a meeting adjourned for want of a quorum)	Meeting previously adjourned for want of a quorum
Ordinary Resolution	One or more persons present holding or representing by proxy one-tenth of the Principal of the Debentures	One or more persons present holding or representing by proxy any amount of the Principal of the Debentures
Special Resolution	Two or more persons present holding or representing by proxy a	Two or more persons present holding or by proxy representing not less than twenty five per cent.

	clear majority of the Principal of the Debentures	(25%) of the Principal of the relevant Debentures
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5.9 If within half an hour from the time appointed for the meeting a quorum is not present, then:

(a) in the case of a meeting requested by holders of relevant Debentures, it shall be dissolved; or

(b) it shall be adjourned to such date and time (which shall not be less than 7 clear days and not more than 21 clear days from the time appointed for the original meeting) and to such place as the chairperson determines provided that no meeting shall be adjourned more than once for the want of a quorum, except for a meeting which is convened to consider a Special Resolution, which may be adjourned one further time or may (in our discretion) may be adjourned one further time following which the quorum requirement for a meeting at which a Special Resolution is to be passed shall be two or more persons present holding or represented by proxy any amount of Principal of the Debentures; or

(c) we may (after consultation with the Issuer) arrange for the adjourned meeting to be held in accordance with the virtual procedures for meetings and written resolutions set out in this Schedule.

5.10 The quorum requirements in this paragraph 5 will always be deemed to have been satisfied where a written resolution has been passed by the required majority in accordance with this Schedule.

6. Voting percentages for Special and Ordinary Resolutions

6.1 Although the terms of Finance Documents will be different from each other, all will have the following (and a summary of each will be provided in the Offer Document):

(a) some issues will need a Special Resolution of holders of Debentures;

(b) others will need an Ordinary Resolution of holders of Debentures.

The terms “Special Resolution” and “Ordinary Resolution” are explained below.

6.2 Examples of situations where a Special Resolution will normally be required include voting on certain reserved matters – these may include, without limitation, significant changes to the Debentures or the terms on which they are issued under the Debenture Deed and the removal of or appointment of a successor agent or Security Trustee.

6.3 Other situations where specific majorities are required may vary as between different Debentures. These may include the issue of a notice requiring early payment of sums under the Debentures (an “**Acceleration Notice**”) following a failure by the Issuer or any relevant third party to comply with certain key terms of the Finance Documents (an “**Event of Default**”) or the waiver of or consent to any Event of Default or modification to the definition of that term in the Debenture Deed. These will normally require a Special Resolution or (if confirmed by virtual meeting and written resolution in accordance with this Schedule) acceptance by a lesser percentage of votes as specified in the relevant Debenture Deed.

- 6.4 We will take reasonable care to ensure that what appear to us to be the most relevant voting percentages and issues requiring a Special Resolution, an Ordinary Resolution or other majority specified in the Offer Document are presented to holders of Debentures.
- 6.5 The minimum percentage requirements required to pass Special and Ordinary Resolutions are set out in the table below:

Special Resolution	The holders of at least 75 per cent (75%) of the principal of the relevant Debentures.
Ordinary Resolution	The holders of more than 50 per cent (50%) of the principal of the relevant Debentures.

- 6.6 In the case voting is equal, the chairperson of the meeting shall be entitled to a casting vote but shall not be obliged to cast such a vote.

7. Chairperson and Holders' Representative

- 7.1 An individual (who may but need not be a holder of Debentures) nominated in writing by us may take the chair of any meeting. In the event of a virtual meeting, the chair shall be a representative of Abundance and may administer and may (in the case of an electronic or virtual meeting) moderate proceedings and make public statements or representations of holders of Debentures and the Issuer.
- 7.2 The chairperson may, with the consent of, and shall if directed by, any such meeting at which a quorum is present adjourn such meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
- 7.3 Holders of at least 25 per cent (25%) of the principal of any Debentures may by notice in writing to us, by a Special Resolution appoint any person or persons as a committee to represent the interests of holders (a "**Holder Representative**") if any of the following events have occurred:
- (a) an Event of Default (however defined) under the Finance Documents has occurred and is continuing;
 - (b) any public announcement of the Issuer to the effect that it seeks or intends to reschedule or restructure the Debentures;
 - (c) any other issue with the agreement of the Issuer.

The Holders' Representative may not be any Group company or associated person of the Issuer.

- 7.4 We shall engage with the Holder Representative in good faith and shall use reasonable efforts to ensure that the Issuer does so. We shall consider and make available to holders of the Debentures any views expressed or representations made by the Holders' Representative.

8. Authority to vote

- 8.1 In addition to paragraph 5.4, we may require such evidence as appears to us to be reasonable as to the authority of any person to vote on behalf any other person, including the authority of any person representing a body corporate, partnership, unincorporated association or trust.
- 8.2 We may accept, or act as, proxy for, and to act on the specific instructions of, any holders on terms which we make available before the relevant meeting or voting on the relevant resolution.

9. Resignation and substitution

9.1 Subject to applicable law and regulation (including FCA Rules) either we or the Security Trustee may resign in respect of the Debentures of any specified Issuer on such reasonable written notice to the relevant holders as we or the Security Trustee considers appropriate, provided that we or the Security Trustee (as relevant) has taken reasonable care to appoint a substitute who is authorised to perform the relevant functions and appears to us or the Security Trustee to be able and willing to do so and in doing so to treat holders fairly.

10. Application of the Terms and Conditions and Finance Documents to this Schedule

10.1 The provisions of the Terms and Conditions apply equally to this Schedule unless specifically stated otherwise or are inconsistent (in which case this Schedule shall govern). This includes without limitation:

- (a) Clause 32 relating to contact between us;
- (b) Clause 26 (including your obligations in clause 26.3 on use of the Service);
- (c) Clauses 27 and 8 relating to liability as between us and you;
- (d) Clause 33 relating to amendments;
- (e) the Other Important Clauses in clause 34.

11. Perpetuity Period

Subject to the terms of any Finance Document, the perpetuity period for any trust established in accordance with this Schedule shall be 125 years.

Appendix

Municipal Investment (P2P Loan) Product

1. **What is the Municipal Investment (P2P Loan) Product?** The Abundance Online Service also enables you to lend to local authorities under our Municipal Investment (P2P Loan) Product. In providing the Municipal Investment (P2P Loan) Product we are operating an electronic system in relation to lending for the purposes of FSMA.

2. **Our role in relation to the Municipal Investment (P2P Loan) Product.**

In providing the Municipal Investment (P2P Loan) Product, our role will be:

- 2.1. To enable local authorities which we have vetted to seek Loans by displaying Loan Opportunities (and other information relating to the Loans that are being sought) on our website;
- 2.2. To enable the local authority offering the Loan Opportunity to provide you with information which will assist you in considering such Loan Opportunity;
- 2.3. To facilitate your making Loans to such local authorities via our website in response to such Loan Opportunities;
- 2.4. To collect and distribute to you payments of Cash Returns (consisting of principal and interest under the relevant Loans);
- 2.5. To provide you with ongoing information in relation to any Loans you have made; and
- 2.6. To facilitate transfer of Loans using our Marketplace.

3. **Application of the other provisions of this Agreement.**

3.1. The other terms of this Agreement shall apply equally to the Municipal Investment (P2P Loan) Product unless stated otherwise or inconsistent with this Appendix.

3.2. This means in particular that:

3.2.1. You will have a single Abundance Account which enables you both to subscribe for Debentures and to make Loans.

3.2.2. Subject to paragraph 3.1 of this Appendix, the main Agreement will apply as follows:

(a) the Definitions and rules of interpretation set out in Clause 2 apply equally to Loans;

(b) Clause 3 describes the role of Abundance in relation to both Debentures and Loans;

(c) you will register as a Member of Abundance in accordance with clause 4 of the main Agreement and when you do so you will be eligible both to subscribe for Debentures and make Loans;

- (d) you will have the same rights of cancellation of both Debentures and Loans in accordance with Clause 5;
- (e) Cash you deposit can be used both for subscribing for Debentures and making Loans in accordance with clauses 6 and 7 and will be held as Client Money in accordance with these Clauses;
- (f) Cash Returns (which in relation to Loans will be repayments of principal and payments of interest) will be made in accordance with clause 20 of the main Agreement; and
- (g) Clauses 23-35 apply equally to your entering into Loans (though you should note that in accordance with Clause 35, the FSCS does not apply to any part of the Municipal Investment (P2P Loan) Product.

4. The Lending Process.

- 4.1. Where a local authority has satisfied our credit risk and other vetting requirements, we will permit it to display a Loan Opportunity on our website by posting an Offer Document or other materials relating to such a Loan Opportunity.
- 4.2. The Offer Document or other materials posted in relation to the Loan Opportunity will set out information as to the aggregate amount which the local authority wishes to borrow and the terms on which it is prepared to enter into Loan Contracts with individual Members as Lenders. It will also include such other information as we and the Borrower consider appropriate. We will take reasonable care to ensure that any information posted in accordance with this paragraph 4.2 is clear, fair and not misleading and complies with FCA Rules
- 4.3. Before permitting any Loan Opportunity to be posted on our website, we will undertake due diligence in respect of any Loan Opportunity including an assessment of the credit risk that may be involved in relation to the Loan that is sought and the appropriateness of the interest rate that will be payable in respect of the relevant Loan. Details of our due diligence and credit assessment procedures can be seen at [Website Link].
- 4.4. Each Loan Opportunity shall have (in addition to any general information as to the relevant local authority):
 - 4.4.1. Key Terms setting out in detail the specific commercial terms on which the local authority is seeking to borrow, including repayment terms, interest rate and purpose of borrowing as well as the total aggregate amount which it seeks to borrow;
 - 4.4.2. Loan Conditions giving the general terms to which any Loans made by Members will be subject.
- 4.5. If you wish to lend to a local authority in response to a Loan Opportunity, you may indicate via our website that you are willing to lend to that local authority (such indication being a “**Pledge**”) together with the amount which you wish to lend (in such minimum amounts or denominations as may be stated in relation to that Loan Opportunity).
- 4.6. Pledges will be accepted by the local authority electronically on our system and on such matching a binding contract (“**Loan Contract**”) for the amount of the Pledge (subject only

to such rights of cancellation as are referred to in this Agreement) will come into existence between the relevant Member and the Borrower consisting of:

4.6.1. The Key Terms;

4.6.2. The Loan Conditions; and

4.6.3. This Agreement.

- 4.7. If there is any inconsistency between the Key Terms and the General Conditions, the Key Terms shall take precedence. If there is any inconsistency between either the Key terms or the Loan Conditions and this Agreement, then the Key Terms or General Conditions shall take precedence over the terms of this Agreement.
- 4.8. Where a binding agreement in relation to a Loan has been concluded in accordance with this Agreement, we will confirm this to you and the Lender.
- 4.9. Each Loan is an independent bilateral contract between the Lender and the Borrower on the terms set out in paragraph 4.6. While we may have a role in relation to Loans, we will not be a party to them as lender or borrower and we do not guarantee that the Borrower will observe the requirements of the Loan or make payments under it.

5. Our ongoing role (including default and enforcement)

- 5.1. We will receive and pay to you Cash Returns (comprising interest and/or principal under your Loan) received from the Borrower in accordance with this Agreement.
- 5.2. We will monitor the performance of each Loan and provide you with such information as we obtain and consider relevant as to the performance of that Loan.
- 5.3. Where there is any failure to pay any amount under a Loan, we will liaise with the Borrower as to the reason for such failure and will keep you reasonably informed as to this.
- 5.4. If we judge that there is no alternative course available, you authorise us to take such action on your behalf as your agent as we consider appropriate to enforce each Loan, including by demanding repayment of all sums due, by litigation or otherwise. You should note that local authorities cannot legally give security over their assets in any conventional sense and so lending to local authorities should be regarded as unsecured. Under section 13 of the Local Government Act 2003, all monies borrowed by a local authority are charged on the revenues of the local authority but this does not amount to security as such term is generally understood. Similarly, conventional insolvency proceedings are not available in respect of a local authority. A receiver may be appointed under section 13 of the same Act with powers (for example) to collect revenues but such a receiver may only be appointed in respect of borrowing of more than £10,000.
- 5.5. We may consult with you and obtain your views on any proposed course of action (including ascertaining the views of a majority of Lenders). We are not, however, obliged to do so and have full authority to act in what we believe to be the best interests of Lenders as a whole. We may appoint such agents or other third parties as we consider

to be necessary in our absolute discretion and any fees of any such agent or other third party may be deducted from any amounts collected from the relevant local authority.

5.6. Where we receive any payments from the Borrower (including Cash Returns or any amounts received on enforcement of a Loan), subject to the terms of the Loan Contract, any amounts received or recovered will be applied in the following order of priority:

- 5.6.1. First in paying all costs expenses, losses or liabilities incurred in relation to the collection or recovery of the amounts involved;
- 5.6.2. Second in paying any fees and charges which are due to us from the Borrower or any Lenders; and
- 5.6.3. Thereafter proportionately to the Lenders pro rata to their Loans.

5.7. You accept that all payments received shall (subject to paragraph 5.6 of this Appendix) be shared proportionately between all Lenders pro rata to their individual Loans and if there is any shortfall, all lenders will receive only a proportionate share of sums received.

6. Transfer of Loans and use of the Marketplace

6.1. Loans (or parts of them in such minimum amounts as shall be specified from time to time in relation to any Loan) shall be transferable using the Marketplace as set out in Clauses 15, 16 and 17 of the main Agreement.

6.2. Where a Lender ("**Existing Lender**") and a person who wishes to buy all or part of a Loan ("**New Lender**") agree to transfer all or part of a Loan, they shall execute a Transfer Certificate which will transfer the Existing Lender's rights and obligations under the underlying Loan by novation to the New Lender. The Transfer Certificate will be entered into by electronic means and the Borrower gives its consent to such transfers and waives any requirement for it to sign, or receive copy of, a Transfer Certificate and agrees that it will be bound by any such novation. The Loan Conditions set out the execution of a Transfer Certificate in more detail.