



BORROWER AGREEMENT

Dated as at 1 April 2021

INTRODUCTION

1. This Borrower Agreement, together with the Terms and Conditions and your Loan Documents govern your participation as a Borrower (also **you** or **your**) through the Service provided by Endow.
2. By applying to be a Borrower and Endow accepting your application, this agreement binds you, us and the Trustee for so long as you remain a Borrower through the Service or until all Loans in which you have an interest have been terminated or expired in accordance with their terms.

DEFINITIONS

3. The terms 'we', 'us', and 'our' are a reference to Endow
4. The terms 'you' and 'your' are a reference to you, as a Borrower.
5. Unless otherwise stated, the following terms will have the following meanings:

AML/CFT Act means the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Associated Persons has the meaning given to it in section 12 of the FMCA.

Board of Directors means the board of directors of Endow.

Borrower means a person or entity who has been accepted as a borrower by us.

Borrower Agreement means the agreement which applies between you, us, and the Trustee when you take out a Loan.

Borrower Disclosure means the disclosure document provided to the Borrower for the purposes of the CCCFA.

Borrower Documents means the combination of the Borrower Agreement, Terms and Conditions, Loan Offer, Loan Documents, Declaration of Trust, and any other agreement entered into between you, us, and the Trustee in connection with a Loan.

CCCFA means the Credit Contracts and Consumer Finance Act 2003.

Clearing Account means the bank account operated by us on behalf of the Trustee into which payments received will be deposited, and from which payments and deductions in relation to RWT may be made, in relation to the provision of the Service.

Commission means the fee payable by the Borrower to us to administer the Loan on behalf of the Investors.

Declaration of Trust means the declaration between the Trustee and the Investors in relation to the Service.

Endow/we/us means Endow Limited.

Fee Schedule means the schedule attached to the Investor Agreement and Borrower Agreement and as published on our website which sets out the fees and charges payable by Investors and Borrowers.

FMA means the Financial Markets Authority.

FMCA means the Financial Markets Conduct Act 2013.

Guarantor means a guarantor in relation to a Loan.

Initially Funded Loan means a Loan which is funded by an Initial Funder(s).

Initial Funder means an investor who funds a Loan.

IRD means the New Zealand Inland Revenue Department.

Investment Authority means the investment authority an Investor provides to make an Offer to invest in a Loan.

Investor means a person or entity who has been accepted as an investor by us and includes us and an Initial Funder, where the context requires.

Investor Account means the account held within the trust account operated by the Trustee for each and every Investor.

Investor Agreement means the investor agreement which applies between you, us, and the Trustee in connection with your participation in a Loan via the Service.

Investor Documents means the combination of the Investor Agreement, Terms and Conditions, Declaration of Trust, and any other agreement entered into between you, us, and the Trustee in connection with your participation in a Loan via the Service.

Listing Period means the ten-working day period of time that the Loan Application is available for subscription.

Loan means a loan to a Borrower from the Trustee on behalf of participating Investors and any rights under a guarantee (if any).

Loan Application means the Borrower's application for a Loan.

Loan Documents means a combination of the Loan Offer and the Loan and security documentation signed by a Borrower and/or Guarantor as detailed in the Loan Offer prior to the advancement of a Loan and granted in favour of the Trustee.

Loan Information Sheet means the document outlining details of the investment including Borrower and Guarantor information, Loan information, interest rates, security provided, listing period, valuation of the security property provided by us to the Investor and, if relevant, confirmation that the Loan is an Initially Funded Loan.

Loan Offer means the document issued by us to a Borrower outlining the terms and conditions of the Loan and required security.

Member means a Borrower or an Investor.

Nominated Account means the account with a bank in New Zealand which is nominated by you for payment of investment interest and principal if you are an Investor, or the account from which Loan payments are deducted if you are a Borrower.

NRWT means non-resident withholding tax imposed under the NRWT in the Income Tax Act 2007.

Offer means an offer by an Investor to participate in a Loan or Loans by providing an Investment Authority.

Privacy Policy means our privacy policy.

RWT means resident withholding tax imposed under the RWT rules in the Income Tax Act 2007.

RWT Exemption Certificate has the meaning in section YA 1 of the Income Tax Act 2007.

Service means the lending service provided by Endow.

Service Documents means the Borrower Documents and Investor Documents.

Terms and Conditions means the terms and conditions governing the use of the Service.

Trust Assets means the Loan and all other monies, property, asset, contracts and rights in respect of the Loan.

Trustee means Endow Nominees Limited, or any replacement trustee or trustees appointed by us.

Website means www.endow.co.nz

Working Day means a day on which banks are open for business in Auckland other than a Saturday, Sunday or public holiday.

6. In this document:
- a. Words importing the singular shall include the plural and vice versa;
 - b. headings are for convenience only and do not affect the interpretation of these terms;
 - c. an expression importing a person includes any company, trust, partnership, joint venture, association or other body corporate and any Government Agent as well as an individual; and
 - d. references to a document or agreement include that document or agreement as amended or replaced from time to time.

ELIGIBILITY CRITERIA

7. To qualify as a Borrower, you, your directors and/or trustees (as applicable), must:
- a. be 18 years of age or older (if you are a natural person);
 - b. be incorporated or constituted in New Zealand (if you are a company or trust);
 - c. have a New Zealand domiciled bank account;
 - d. not be bankrupt, insolvent or in liquidation;
 - e. have no previous convictions for fraud or dishonesty;
 - f. otherwise comply with the laws of New Zealand;
 - g. provide all the information as required on the application form or as otherwise requested by us at any time; and
 - h. pass our verification requirements in relation to identity (and the identity of any directors, trustees and/or senior managers (if applicable)) and personal information to our sole satisfaction.
8. To qualify as a Borrower, you (and any directors and/or trustees and/or senior managers (if applicable)) must satisfy our identity verification checks, which may take place at any time, and will be required to provide:
- a. full legal name/s;
 - b. date of birth (if applicable);
 - c. residential address or registered address (whichever is applicable);
 - d. proof of address if not resident in New Zealand;
 - e. copy of their passport or driver's licence;
 - f. New Zealand IRD number and RWT rate applicable or NRWT rate (whichever is applicable);
 - g. New Zealand bank account number; and
 - h. if the Borrower is a trust, the trust deed and any ancillary retirements/appointments of trustees (if applicable).
9. Endow may, by providing written notice, impose further eligibility conditions at any time that must be fulfilled by a prospective Borrower.

REGISTRATION AS BORROWER

10. To register as Borrower and apply for a Loan, you must:
- a. Provide us with a fully completed the Borrower application form. You must provide the full details and information required to verify your identity and if the proposed Borrower is not a natural person, the identity of its directors, trustees and senior managers (as applicable) as detailed on the Borrower application form or as otherwise requested by us at any time.
 - b. Fully and completely provide all of the information in the Borrower application form or as otherwise requested by us at any time, including making the required declarations.
 - c. Pass the following checks completed by us:
 - i. identity verification checks;
 - ii. credit checks for each Borrower/s, (including director/s and trustee/s) and Guarantor/s (if any);
 - iii. Companies Office checks (if required);
 - iv. online checks;
 - v. background checks; and
 - vi. any other checks we deem appropriate in our sole discretion.
 - d. Satisfy the minimum standards contained in our Fraud and Anti-Money Laundering Policy and Fair Dealing Policy as published on the Website.
 - e. Once you have been accepted as a Borrower by us, you will receive a confirmation of your acceptance which will include your client reference number. Once you have been accepted as a Borrower, you will be subject to on-going checks of your identity (and the identity of any of your directors, trustees and senior managers (if applicable)) which may take place at any time.

HOW LOANS ARE MADE

APPLYING FOR A LOAN

11. Loan Applications are made by Borrowers (either directly or through third party mortgage brokers). The Loan Application must include:
- a. Loan amount requested;
 - b. type of Loan;
 - c. purpose of Loan;
 - d. term of Loan;
 - e. details of any security offered;
 - f. registered valuation of property offered for security;
 - g. details of the Borrower's ability to service the Loan;

- h. if the Borrower is a Trust or Company, name and address of the Guarantor/s to satisfy our identity verification checks; and
 - i. proposed drawdown date of the Loan.
- 12. If it is there is to be more than one Borrower for a Loan, each Borrower must be approved by us.
- 13. If there is more than one Borrower:
 - a. each Borrower is jointly and severally liable for all obligations under the Loan Documents; and
 - b. we can rely on instructions or directions relating to the Loan from any one Borrower as being provided on behalf of all of the Borrowers.
- 14. The Loan Application will be reviewed by Endow who will have the sole discretion to decide whether to accept or decline the Loan Application or seek further information or documentation from the Borrower and/or Guarantor/s to support the Loan Application.
- 15. If the Loan Application is approved, Endow will assign it an interest rate and Commission rate and issue a Loan Offer to the Borrower. When assigning an interest rate and commission rate, Endow will give consideration to:
 - a. The current market conditions relation to interest rates for loans comparable to that sought by the Borrower;
 - b. The strength of the security being offered to Investors;
 - c. The ability of the Borrower to service the Loan; and
 - d. The general risk profile of the Loan (including the risk of non-payment) following a review of all relevant factors including (but not limited to) those referred to above.
- 16. Once the Loan Offer has been signed by the Borrower, the Borrower is committed to entering into the Loan once it becomes fully subscribed.
- 17. Endow may choose to publish the Loan on the Website for subscription, or complete subscription directly with Investors. Endow will decide in its sole discretion whether to publish the Loan Application on its Website giving due consideration to the type of loan and timeframes involved.
- 18. If a Loan is not fully subscribed by the end of the Listing Period, the Borrower may choose to extend the Listing Period for an additional ten working day period, or withdraw their Loan Application. If this occurs, notification will be provided to Investors who have subscribed to the Loan of the extension of the Listing Period.
- 19. No further extension will be offered if the Loan remains not fully subscribed at the end of the extension period.
- 20. If any Borrower (or any director, senior manager or trustee (if, and as, applicable)) fails the identity check or any other check we may require from time to time, we will advise and seek further information from them.

SECURITY AND GUARANTEES

21. The security you provide in relation to a Loan will be held by the Trustee.
22. If we require you to provide a guarantee, you must ensure that each Guarantor signs the Loan Documents, and provides us with all information we require in relation to the Loan, the Guarantors and the guarantee.

SETTLEMENT OF THE LOAN

23. Your Loan will be settled in accordance with the terms set out in the Loan Documents.
24. As part of settlement of your Loan, you authorise us, acting on behalf of the Trustee, to deduct the following fees:
 - a. application fee;
 - b. broker fee (if applicable); and
 - c. legal fees associated with the preparation and completion of the Loan Documents and registration of securities,from the value of the Loan advanced by the Trustee under the Loan Documents and to transfer it to our account. The balance of the Loan will be transferred to your Nominated Account.

CONSENT TO DISCLOSURE TO INVESTORS

25. You agree to us disclosing the following personal information to Investors who have provided a completed Investment Authority in respect of a Loan Application made by you:
 - a. your identity information;
 - b. Guarantor identity information (if applicable);
 - c. your Loan application;
 - d. any identity and credit checks undertaken on the Borrower (and, if applicable Directors and/or Trustees and/or senior managers) and Guarantor; and
 - e. any Loan history the Borrower has with Endow.
26. Endow will review the disclosure information prior to publication and distribution to ensure it is easily understandable.

LOAN MAINTENANCE

PAYMENTS

27. You must pay all interest and Commission payments required to be paid under the Loan Documents on the 1st day of every month during the term of a Loan.

REPAYMENTS

28. You must repay the Loan in accordance with the terms of the Loan Documents prior to expiration of the term of the Loan.
29. We may decide, in our sole discretion, whether to charge an early repayment fee which will be paid to each Investor in proportion to their share of the Loan on repayment. Our discretion will be exercised after consideration of:
- a. The length of the unexpired period of the Loan term as at the date of early repayment; and
 - b. The likelihood Endow would be able to offer Investor's replacement investment option/s on terms no less favourable than those applying to the current Loan.
30. Notification to Investors of any repayment will be made within seven days of repayment.

MONITORING DEFAULTS AND REPAYMENTS

31. We have a system in place to keep track of Loan interest, repayments, and any arrears. This includes weekly reporting to Endow's Managing Director.
32. We also provide detailed monthly reports to the Board of Directors which includes the following information:
- a. number and volume of Loans;
 - b. amount of un-invested funds held by the Trustee;
 - c. number of applications awaiting approval; and
 - d. list of Loans due to expire within the following month.
33. In the event the Loan falls into default as defined in the Loan Documents, default proceedings (described below) will be issued, and the debt listed on the Borrower's credit file. We will take into account any factors that we consider relevant including our assessment of the likelihood that the Borrower will start a repayment plan.

DEFAULT

34. If you default on an interest payment, we will:
- a. Immediately contact you to ascertain the reason for the default.

- b. If the default is not remedied within 7 days, issue a letter of demand and default interest will apply to the default period.
- c. If the default remains outstanding for a period of 30 days, manage the default in accordance with the Declaration of Trust, which includes.
 - i. continuing to manage the Loan default;
 - ii. reporting the default to a credit reporting agency;
 - iii. instructing the nominated solicitors to take steps to recover the Loan; and
 - iv. appointing a receiver or liquidator to recover the Loan (if applicable).
- d.

FEES & CHARGES

- 35. All fees and charges payable by the Borrower are detailed in the Fee Scheule attached.
- 36. All fees and charges may be changed immediately if required by legal or regulatory development or change, or (at its sole discretion) by Endow providing 20 Working Days' notice to you of such change.
- 37. Endow hereby acknowledges, and you hereby agree, that in the event that:
 - a. a Loan is not fully subscribed at the end of a Listing Period and you opt to withdraw the Loan Application, you will pay Endowⁱ an application fee equal to an amount of 1% of the funds subscribed to the Loan;
 - b. a Loan is fully subscribed, you will pay to Endow an application fee, calculated as a percentage of the Loan amount; and
 - c. a Loan is fully subscribed and drawn down, you will pay to Endow a Commission fee, as set out in the Loan Offer.

ENDOW

- 38. The Investors and the Trustee have appointed us to act as agent for the Trustee in relation to:
 - a. entering into this agreement and other Borrower Documents on the Trustee's behalf in relation to the use of the Service by Borrowers;
 - b. entering into Investor Documents on the Trustee's behalf in relation to the use of the Service by Investors;
 - c. opening and administering the Investor Account and Clearing Account;
 - d. entering into Loan Documents with Borrowers and any Guarantors on the Trustee's behalf;
 - e. transferring funds and otherwise settling all Loans in accordance with the Loan Documents;

- f. Administering (including by collection and enforcement) Loans and any security or guarantee, and providing the Borrower Disclosure and any required disclosure to Guarantor(s) for the purposes of the CCCFA;
 - g. transferring any funds to the Investor which are or may become payable from time to time in accordance with the terms of this agreement;
 - h. performing all or any of the other functions or obligations of the Trustee under this agreement or any other agreement relating to the Loans; and
 - i. performing all or any other functions including entering into any other agreement or documentation which are reasonably incidental to any of the functions or duties set out in this paragraph.
- 39. You agree to our appointment as the Trustee's agent on the basis set out above.
- 40. You agree that we may process direct debit payments in relation to any of the fees set out in this agreement that may become due and payable by you from time to time.
- 41. To the extent permitted by law, we may delegate any of our rights, functions or duties set out in this agreement to any member of our corporate group or third party approved by the FMA for the purposes of business continuity. Any delegation will not relieve us of any liability under this agreement.

WARRANTIES

- 42. You warrant to Endow that:
 - a. you meet the eligibility criteria to become a Borrower;
 - b. all information you provide to us is true, accurate and complete and there is no information which has not been provided which would impact on Endow's decision to approve you as a Borrower;
 - c. you will provide Endow with updated information in respect of yourself and your Associated Persons if your circumstances materially change, there are any changes to the information previously provided by you to us or on becoming aware of any errors or omissions in respect of any information previously provided; and
 - d. you will not borrow or raise capital of more than \$2,000,000.00 in any 12-month period using any peer-to-peer lending service, equity crowd funding platform or under the "small offers" exemption under the FMCA as contemplated under the Act including through our Service. This limit applies to each Borrower.
- 43. You will comply with all laws of New Zealand in connection with the use of the Service.
- 44. You accept and agree to comply with and be bound by:
 - a. this agreement;
 - b. Endow's Fair Dealing Policy and Fraud & Anti-Money Laundering Policy as published on the Website from time to time; and

- c. any decision of Endow in relation to whether your conduct has breached Endow's policies, the FMCA or any other applicable law and any decision concerning your membership or use of the Service.
- 45. Endow, the Borrower and all Investors participating or proposing to participate in a Loan may have initial or on-going customer due diligence and other obligations under the AML/CFT Act and ancillary regulations, directives or guidelines. You agree to promptly provide on request any information and documents reasonably required by Endow to comply with those obligations. You herewith authorise Endow to disclose any information or documents it holds about you or your Associated Persons to any regulatory body for this purpose.
- 46. You acknowledge that you do not rely on Endow's judgment as to the suitability or otherwise of Loans obtained through the Service for your specific needs.
- 47. You agree that Endow may communicate with you by electronic means for the purposes of marketing to you.

WEBSITE ACCESS

- 48. Endow does not guarantee that access to the Website will be available at all times and you acknowledge that Endow will not be liable to you for any loss whatsoever arising from the inability to access the Website.
- 49. Endow may at any time, and in its absolute discretion, do any one or more of the following, without giving any reasons prior to notice to a Borrower:
 - a. immediately terminate this agreement;
 - b. suspend your access to the Service and remove you as a Borrower;
 - c. remove content from the Website;
 - d. refuse to publish content on the Website;
 - e. disclose any information necessary to comply with this agreement, any Service Documents and any New Zealand law; and
 - f. publish a censure or statement relating to your conduct or the conduct of any of your Associated Persons. You hereby agree to waive all claims you (or your Associated Person) may have in respect of such censure or statement and shall indemnify Endow against any claims.

INSPECTION AND PRIVACY ACT

- 50. In order to assist us to determine whether you are complying with this agreement and the laws of New Zealand, we may from time to time require you, your directors, your trustees, senior managers or any other Associated Person to provide any documents or further information for inspection.
- 51. You herewith consent to us providing to the FMA any and all documents or records we have in respect of you that the FMA may request.

52. You understand and agree that from time to time Endow will ask you, any Guarantor or Associated Person for personal information for Endow to use Veda's credit reporting services and Verifi's identity checking services. You agree that:
- a. Veda/Verifi/Realme will give Endow information for that purpose.
 - b. Endow will give personal information to Veda/Verifi/Realme and that Veda/Verifi/Realme will hold that information on their systems to use it to provide their reporting service.
 - c. When other Veda customers uses the Veda credit reporting service, Veda may give the information to those customers.
 - d. Endow may use Veda credit reporting services in the future for purposes related to the provision of peer to peer lending services. This may include using Veda's monitoring services to receive updates if any of the information held about you changes;.
 - e. If you default in your payment obligations to Endow, information about the default may be provided to Veda and Veda may give information about the default to other Veda customers.

COMPLAINTS & DISPUTE RESOLUTION

53. If any dispute arises between you and Endow which the parties are unable to resolve by negotiation, the dispute shall be referred to our dispute resolution service, Financial Disputes Resolution Scheme and its determination shall be final and binding on the parties.
54. Endow and the Trustee are registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 to provide the Service and are each a member of the Financial Disputes Resolution Scheme.

LIABILITY & INDEMNITY

55. Endow, the Trustee and Endow's and the Trustee's directors, shareholders, employees and agents are not in any way liable for:
- a. the failure of any Borrower payments;
 - b. any failure by us or the Trustee to comply with this agreement where the failure or non-compliance is outside of our or the Trustee's reasonable control;
 - c. failure of any Loan Application to be fully subscribed by Investors.
56. All liability we have to you is excluded except liability arising from the Consumer Guarantees Act 1993 that cannot be contracted out of.
57. We are not liable to you, and we do not have to pay you for any loss caused by, or resulting from, any action or inaction by us. This exclusion includes loss of profits,

savings, revenue or business and covers any liability arising from breach of contract or in tort and negligence.

- 58. You hereby indemnify us against all liabilities, losses and costs (including legal costs) incurred by us arising out of or in connection with any action or inaction we take in relation to your Loans in accordance with this agreement.
- 59. You hereby indemnify us against any liability we incur to any Investor or third party arising out of or in connection with your Loan, your performance or breach of the Borrower Documents, your use of the Service, and any information published in relation to your Loan or your use of the Service.

MISCELLANEOUS

- 60. This agreement shall be governed by, and interpreted in accordance with the laws of New Zealand, and each party submits to the jurisdiction of the New Zealand courts.
- 61. You may not assign, transfer or otherwise deal with any of your rights or obligations under this agreement without our prior written consent. Such consent may be given or withheld at our own discretion.
- 62. Any indemnity or obligation of confidentiality under this agreement is independent from the other obligations of the parties and survives the termination of this Agreement.
- 63. The rights of obligations of the parties under this agreement do not merge on completion of any transaction completed by this agreement.
- 64. This agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous arrangements or understandings between the parties in connection with its subject matter. The terms of this agreement prevail over any other terms that may appear on the Website or in other documents, unless we determine otherwise at our sole discretion.
- 65. We may amend any Service Document by providing notice of the amendments on the Website or by mail or electronic means.
- 66. You agree that we may use the email address provided in your application (or such other email address provided by you from time to time) to provide notices, communications and/or any disclosures to you. Any electronic communication will be deemed to have been received by you when it is transmitted by us.
- 67. Any notice or communication provided by you must be provided by email to: team@endow.co.nz.

DISCLAIMER

68. Endow does not provide a financial product market as defined under s 309 of the Financial Markets Conduct Act 2013.
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