



Emerging Crowd Ltd

Membership Agreement

## 1. Introduction

- 1.1. This Membership Agreement (“**Agreement**”) is made between:
  - 1.1.1. Emerging Crowd, a private limited company incorporated in England and Wales with company number 09022202, whose registered address is 7-10 Adam Street, London WC2N 6AA (“**we**”, “**us**” or “**Emerging Crowd**”); and
  - 1.1.2. You, a user of the Platform, as defined in Clause 1.2.1 below (“**you**”).
- 1.2. For purposes of this Agreement:
  - 1.2.1. “**Platform**” means the investment based crowdfunding platform of Emerging Crowd, comprised of the website currently hosted at the domain <http://www.emergingcrowd.com> and all pages at sub-domains thereof;
  - 1.2.2. Investment opportunities posted on the Platform are offered by a “**Company**”, and each such opportunity is described as a “**Campaign**”;
  - 1.2.3. A Company may be raising money on the Platform by offering either shares (in an “**Equity Campaign**”) or bonds (in a “**Debt Campaign**”), and the term “**Securities**” means those shares or bonds, as the case may be;
  - 1.2.4. “**Issue Price**” means the price at which the Company is offering each share or bond on the Platform, as the case may be.
- 1.3. Before entering into this Agreement, you must satisfy yourself that the activities that you will undertake (including for example reviewing and investing in Campaigns on the Platform) are permitted by the laws of your own jurisdiction. If you are not sure whether you are eligible to undertake these activities, you should seek your own professional advice before entering into this Agreement.
- 1.4. This Agreement should be read in conjunction with our website terms of use and our privacy policy, as well as any Investment Agreement that you enter into when you invest in a Campaign (all available to view and download on the Platform and are referred to as the “**Platform Agreements**”). The Platform Agreements govern your use of the Platform and any investment you make in a Campaign.
- 1.5. This Agreement is a binding contract between you and us, and by entering into this Agreement as indicated on the Platform, you are indicating that you agree to adhere to, and be bound by, all of the terms of this Agreement. If you do not intend to be bound by this Agreement or if you do not agree to all of its terms, then you must immediately discontinue use of the Platform.

## 2. Risk Warnings

- 2.1. By using our Platform in any capacity, you acknowledge and agree that you have read and understood the following risk warnings. If you do not understand any of the risk warnings set out below, you should take advice from an independent financial advisor, solicitor or similar qualified professional before using our Platform. The following list of risk warnings is not intended to be exhaustive, nor is it intended to be a complete explanation of the risks involved. Any decision to make an investment through the Platform is made entirely at your

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own risk. The Invitation Document (as defined in Clause 4.4.3 below) for each Campaign may set out additional risks that you should consider.

- 2.1.1. **Your capital is at risk.** If you invest in a Company through the Platform, it is possible that you will lose all of your invested capital. Your investment is not guaranteed by Emerging Crowd or by the Company that issues the Securities, and you should not invest more money through the Platform than you can afford to lose without altering your standard of living.
- 2.1.2. **Investments are illiquid.** The Securities you purchase through the Platform are not listed on any stock market or securities exchange, and there will be no secondary trading market in which you can sell those Securities. This means that even if your investment increases in value, it is very unlikely that you will be able to sell those Securities to realise your investment until the Company (a) floats on a stock exchange in circumstances that allow you to sell your Securities, or (b) another company makes an offer to acquire your Securities as part of a merger or acquisition or (c) the Company itself offers to buy back the Securities you purchased or (d) in the case of a Debt Campaign, the bonds are repaid at maturity. You should be aware that even if the Company is successful, none of these liquidity events is likely to occur for a number of years after you make your investment, if at all.
- 2.1.3. **Shares rarely pay dividends.** The small and medium-sized businesses presented on Emerging Crowd rarely pay dividends. This means that if you invest in an Equity Campaign, you are unlikely to receive any dividend payments on the shares you purchase or to realise any return on your capital until you are able to sell your shares. As discussed above, this is unlikely to occur for a number of years after you make your investment, even if the Company is successful.
- 2.1.4. **Bonds are unsecured.** If you invest in a Debt Campaign, unless the Invitation Document provides otherwise, the bonds you purchase will be unsecured obligations of the Company and will rank equally with any other unsecured debts of that Company. In some circumstances, the bonds may rank below senior creditors of the Company, such as trade creditors. Since the bonds will not be secured against any fixed asset or property, if the Company were to become insolvent, there is a risk that (a) some or all of the nominal value of the bonds would not be redeemed and (b) some or all of the interest payments due on the bonds would not be paid.
- 2.1.5. **Forward-looking statements.** Campaign Materials may contain forward-looking statements with respect to future results, performance and events. All statements other than statements of historical fact are statements that could be considered forward-looking statements, and some may be identified by the use of words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should" or similar expressions. By their nature, forward-looking statements are not guarantees of future results, performance or events, and many factors could cause actual results, performance or events to be materially different from those that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political and business conditions, changes in investment climate, changes in currency exchange rates and interest rates, changes in business strategy and various other factors that may or may not be referred to in the Campaign Materials. You must not place undue reliance on such forward-looking statements.
- 2.1.6. **Dilution.** If you invest in an Equity Campaign, the Invitation Document will describe whether or not your investment is subject to dilution. Dilution occurs when an investee

Company issues more shares after you invest (for example in a follow-on equity fundraising or in connection with granting share options to its employees), in which case your percentage share of ownership in the investee Company will be smaller than when you invested. Any new shares may also have preferential rights in relation to dividends, voting, sale proceeds or other matters, and those preferential rights may be to your disadvantage.

- 2.1.7. **Investments should be diversified.** Investing in unlisted small and medium-sized businesses, such as the Companies presented on the Platform, should only be done as part of a diversified portfolio. This means that generally speaking you should invest relatively small amounts across several such businesses in order to mitigate the risk that individual investments fail or cannot be realised. You should also not invest more money in this asset class than you can afford to lose without altering your standard of living.
- 2.1.8. **Currency exchange rates fluctuate.** Investments through the Platform are denominated in pounds sterling, but most Companies on the Platform operate in foreign jurisdictions and therefore transact business and prepare their accounts in other currencies. The exchange rates between the pound sterling and those foreign currencies will fluctuate over the life of your investment. This means that even if the Company is successful and the value of your investment increases in terms of the foreign currency, the pound sterling value of your investment may decrease, and you may lose some or all of your investment solely due to currency exchange rate fluctuations.
- 2.1.9. **Compensation.** You will not be able to bring any claim under the Financial Services Compensation Scheme in relation to your investments on the Platform.

## 3. Becoming A Member Of The Platform

### 3.1. Registration and Membership

- 3.1.1. The Platform recognises three types of users: (a) "**Members**", (b) "**Accredited Members**" and (c) "**Anonymous Users**".
- 3.1.2. Most features of the Platform are available only to users 18 years or older who have signed up for membership on the Platform and created a unique user account containing first name, last name, a verified email address and a confidential password, as well as the user's country of residence (a "**User Account**").
- 3.1.3. A "**Member**" is a user of the Platform who has entered into this Agreement and created and logged in to their User Account and who has been classified pursuant to Clause 3.3 below. Members have full access to most features of the Platform, but they cannot invest in a Campaign until they have become an Accredited Member.
- 3.1.4. An "**Accredited Member**" is a Member who has also successfully undergone the know-your-client, anti-money laundering and other identity checks pursuant to Clause 3.4 below. An Accredited Member can view full information about the Campaigns on the Platform and can also invest money in those Campaigns. If you are an Accredited Member, you may also create a personal profile as set out on the Platform (your "**User Profile**") and choose to display certain parts of that profile to other Members of the Platform.

3.1.5. “**Anonymous Users**” are visitors to the Platform who are neither Members nor Accredited Members. Anonymous Users can access only a very limited amount of information about Campaigns, typically the name and basic details of the Company, the amount of funding sought, and the timeline for the Campaign.

3.1.6. You may have only one User Account on the Platform. If you seek to open or operate more than one User Account, we may suspend or terminate those User Accounts as provided in Clause 12 below.

### 3.2. Security of your User Account

3.2.1. Your membership on the Platform is personal to you and is non-transferable. As a Member, you must keep the details of your User Account confidential and must not share them with anyone else, and you must notify us immediately if you have any reason to believe that the security of any of those details may have been compromised. If for any reason we believe that the security of your User Account has been compromised, we will notify you and we will limit your access to your User Account pending security checks and remediation.

### 3.3. Classification of Investors

3.3.1. In order to become an Accredited Member and make investments through the Platform, you will be required to self-certify on the Platform that you are either (a) an “**Everyday Investor**,” (b) “**Sophisticated Investor**” or a (c) “**High Net Worth Investor**”, as set out below.

3.3.2. An Everyday Investor is an Accredited Member that is neither a Sophisticated Investor nor a High Net Worth Investor (as defined below). If you are an Everyday Investor, we will ask you to complete a short quiz (the “**Accreditation Quiz**”) to confirm that you understand the risks associated with making the types of investments available on the Platform, and you must achieve a sufficient score in order to be able to invest on the Platform. In order to address the risks associated with investing in early stage companies, we will also request that you invest no more than 10% of your net investible financial assets in Campaigns at any one time. You should note that this does not constitute a representation by us or anyone else that investing 10% of your net assets is in any way safe or recommended, and both the Company and the Platform entirely disclaim and as outlined above does not accept any liability for losses that you may suffer as a result of investing in a Company. It is your own responsibility to ensure that you only invest through the Platform assets that you can afford to lose.

3.3.3. If you are either a Sophisticated or a High Net Worth Investor (as those terms are used in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes)(Exemptions) Order 2001), then we do not place any limitation on the percentage of your net investable assets you can invest through the Platform.

3.3.4. You must complete the self-certification process truthfully, honestly and completely, and if applicable you must complete the Accreditation Quiz based on your own knowledge and information. We are entitled to rely upon the information you provide during the self-certification process, and if we have reason to believe the information you have provided is unreliable or inaccurate, we reserve the right to suspend or terminate your membership pursuant to Clause 12 below.

3.3.5. We will ask you to re-certify your status under this Clause every twelve months.

### 3.4. Compliance Checks and Accreditation Procedure

- 3.4.1. In order to become an Accredited Member, you must first complete certain know-your-client, anti-money laundering and other checks as prescribed on the Platform. We are required to establish your identity before you are able to use the Platform.
- 3.4.2. When you make your first investment on the Platform, you will be prompted to provide the Platform with your full legal name, your current residential address and your passport number, among other information. This information will be used to confirm your identity and to fulfil our regulatory and compliance obligations (the “**Accreditation Process**”). The information that we request from you as part of the Accreditation Process may change from time to time and will be specified on the Platform.
- 3.4.3. If you are not resident in the UK, or if the Accreditation Process cannot be successfully completed online, we will ask you to contact us in order to undergo equivalent offline procedures to confirm your identity. This may include, for example, providing certified copies of identification documents such as your passport, driving licence and recent utility bills and providing personal information such as your address, residency and date of birth.
- 3.4.4. By submitting this information to the Platform, you agree that we and the third-party organisations with which we work may use this information and may conduct other searches and checks for the purposes of establishing your identity and your suitability to make an investment through our Platform.
- 3.4.5. We will notify you whether you have successfully completed the Accreditation Process and you have become an Accredited Member. Until that time, you will not be able to make any investments on the Platform.

## 4. Reviewing A Campaign

### 4.1. Campaign Features

- 4.1.1. As a Member or an Accredited Member you are able to view details of all of the Campaigns available on the Platform. You should familiarise yourself with the following key features of every Campaign.

### 4.2. Target Amount and Longstop Date

- 4.2.1. In conjunction with us, each Company will set the amount of funding they are seeking to raise (the “**Target Amount**”) and the latest date on which the Campaign will end (the “**Longstop Date**”).

### 4.3. Summary Card

- 4.3.1. Each Campaign is recognisable by a playing card sized “**Summary Card**” that tells you the name of the Company raising money, the type of business they operate, the Target Amount, and the number of days left until the Longstop Date. For an Equity Campaign, the Summary Card will show you the percentage equity on offer, and for a Debt Campaign, the Summary Card will show you the interest rate you will earn on your investment and the maturity date of the bonds. The Summary Card will also show you the amount of any Overfunding, if any (see Clause 5.3.2 below).

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#### 4.4. Campaign Page

- 4.4.1. Clicking on a Summary Card opens up the “**Campaign Page**” for that Campaign. Anonymous Users can see only limited information on the Campaign Page, but as a Member or an Accredited Member, you will see all the details of the Campaign here, including the following additional information:
- 4.4.2. **Campaign Video.** The Campaign Page may include an informational “**Campaign Video**” prepared by the Company to tell you about themselves, their business and their strategy.
- 4.4.3. **Invitation Document.** On the Campaign Page you will find a link to view and download the Company’s “**Invitation Document**”, which you should read prior to investing. The Invitation Document is prepared by the Company and contains important information about the Company, its ownership and management, its operations, its finances and its prospects, as well as risk factors related to an investment in the Company’s Securities. The Invitation Document also sets out the full details of the investment and the terms on offer, including the rights that will attach to any shares for which you subscribe or the bonds that you purchase. You should always read and make sure you understand the Invitation Document before making an investment in a Campaign. The Invitation Document does not constitute a “prospectus” to which the Prospectus Rules of the UK Financial Conduct Authority (the “**FCA**”) apply and has not been approved by the FCA or any other regulatory body.
- 4.4.4. **Campaign Materials.** Some of the information in the Invitation Document is also visible on the Campaign Page under the headings “*The Company*,” “*The Offer*” and “*FAQs*.” This information, the Invitation Document and the Campaign Video are referred to as the “**Campaign Materials**”. The Campaign Materials have been approved as Financial Promotions by Share In Limited, which is authorised and regulated by the FCA (No. 603332). You should not take the approval of Campaign Materials as any form of recommendation to invest in a Company or as an endorsement of the merits of the Campaign or its suitability for you.
- 4.4.5. **News.** Under the “*News*” heading, you will find any news item or disclosures made by the Company during or after a Campaign, such as those made under the Continuing Disclosure Obligations set out in Clause 7.2 below. The information under the “*News*” heading does not form part of the Campaign Materials, and you should not place undue reliance on such information.
- 4.4.6. **Q&A.** As a Member, you have the opportunity to ask questions directly to the owners and management of the Company in a Campaign by using the Q&A feature on the Platform. Those questions and the answers from the Company will be posted under the “*Q&A*” heading. Depending on the question asked, the Company may choose to reply by making information available directly to a Member by way of information shared in a virtual data room or otherwise. Emerging Crowd is not in any way responsible for the content of these exchanges or for the information so provided, and we do not approve or, in general, monitor them. You are not permitted to use the Q&A feature for any purpose other than exchanging questions and answers directly with the Company about the Campaign, and no other uses will be allowed. The information under the Q&A heading does not form part of the Campaign Materials, and you should not place undue reliance on such information.

4.4.7. **Investor List.** Under the “*Investors*” heading, you will find a list of Members who have already pledged investments in the Campaign you are reviewing. If you decide to invest, you may choose to display your investment here under your full name, your first and last initials, or as “Anonymous”. The information under the “*Investors*” heading does not form part of the Campaign Materials, and you should not place undue reliance on such information.

#### 4.5. No Public Offer

No Campaign on Emerging Crowd constitutes a public offer in any jurisdiction. The Campaign Materials do not form a part of any offer or solicitation to purchase or subscribe for securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In particular, the Securities have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”), and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

#### 4.6. No Advice

We do not provide advice in relation to any Campaign or the transactions conducted on the Platform (other than in relation to the technical operation of the Platform itself), and we are unable to offer you any financial, investment, legal, tax or other specialist advice in relation to your membership or any investment decisions you might make. Neither the Campaign Materials nor any other information on the Platform shall be interpreted as investment advice by Emerging Crowd or any other party in relation to an investment in the Securities. If you are in any doubt about whether to invest or whether to take any action, you should contact a professional advisor authorised by the FCA to conduct investment business and who specialises in advising on investment in unlisted shares and bonds.

#### 4.7. Your Use of Information

You must not use any information contained in the Campaign Materials for any purpose other than your considering an investment in the Company. By using the Platform, you agree with Emerging Crowd that you will not directly or indirectly seek to use any such information to enter into competition with the Company or to solicit employees, customers or suppliers of the Company. You must not disclose any confidential information contained in the Campaign Materials to any person, other than your professional advisers on a confidential basis, except with the prior written consent of Emerging Crowd and the Company given in their absolute discretion. You agree to indemnify the Company and Emerging Crowd for any loss or damage including legal and other costs and expenses suffered or incurred by them as a result of your breach of this obligation of confidentiality.

## 5. Making Investments

### 5.1. Payment Methods

5.1.1. **Invest Button.** All investments in a Campaign must be made directly on the Platform by clicking the *Invest* button and following the procedures set out on the Platform. You may not invest in a Campaign other than through the Platform.

- 5.1.2. **Investment Amount.** The minimum amount you can invest in each Campaign will be set out in the Campaign and will normally be £500 (or the next highest whole multiple of the Issue Price), although you can invest more than once in the same Campaign.
- 5.1.3. **Payment Methods.** You may pay for each investment by (a) using a debit card registered in your name, or (b) making a bank transfer or (c) using the Available Balance (if any) in your Wallet. Clause 5.6 below explains the operation of your Wallet.
- (a) If you choose to pay by debit card, your transaction will be processed through the Custodian, and your debit card will be charged with the amount you intend to invest.
  - (b) If you choose to pay by bank transfer, you will need to contact your bank and transfer the investment funds to the Custodian by following the instructions on the Platform.
  - (c) If the Available Balance in your Wallet is sufficient, you may choose to pay with funds already in your Wallet.
  - (d) Please note that you may not combine different payment methods for a single investment.

## 5.2. Funding Your Commitment

- 5.2.1. The total amount of money that you indicate you will invest in a Campaign is your "**Commitment**" for that Campaign. The total amount of money in pounds sterling actually received by the Custodian from you for investment in a Campaign is your "**Funded Commitment**" for that Campaign.
- 5.2.2. It is your responsibility to ensure that the Custodian receives sufficient funds equal to your Commitment for each Campaign. For example, you are responsible for all bank transfer charges and fees and, and if you are transferring funds from an account denominated in a currency other than pounds Sterling, for the currency exchange rate that is applied and any currency exchange fees or charges. Any shortfall in the funds received by the Custodian will reduce your Funded Commitment accordingly.
- 5.2.3. No fractional Securities will be issued. This means that if on Campaign End Date your Funded Commitment is not a whole multiple of the Issue Price, then we will reduce your Funded Commitment to the next lowest whole multiple, and the excess will be applied to your Wallet.
- 5.2.4. For purposes of this Agreement, "**Total Proceeds**" means the total of the Funded Commitments by all investors in a Campaign.

## 5.3. Target Amount and Overfunding

- 5.3.1. Each Company will agree with us the minimum amount of funding they will accept (the "**Minimum Amount**") and the maximum amount of funding they will accept (the "**Maximum Amount**"). Unless otherwise disclosed in the Campaign Materials, the Minimum Amount and Maximum Amount will be 90% and 115% of the Target Amount, respectively.

5.3.2. If the Total Proceeds for any Campaign exceeds the Target Amount, this will be reflected on the Platform as **“Overfunding”**. Overfunding will be accepted up to the Maximum Amount, but not more.

#### 5.4. Investment Agreement, Cooling-Off Period and Refunds

5.4.1. Each time you invest in a Campaign, you will be required to execute an **“Investment Agreement”** between you and us by confirming your agreement on the Platform, confirming the amount of your Commitment and your agreement to purchase the Securities on the Closing Date. You will be able to view and download the Investment Agreement before executing it.

5.4.2. You will have 14 clear days starting on the date of your Investment Agreement to cancel your Commitment (the **“Cooling-Off Period”**). If you choose to cancel your Commitment within this period, you must give notice to Emerging Crowd as indicated on the Platform before the end of the Cooling-Off Period, and your Commitment will be refunded in accordance with Clause 5.4.3 below. You may not cancel your Commitment after the Cooling-Off Period.

5.4.3. If you are entitled to a refund under this Agreement, the following procedures will apply:

- (a) If you have paid by debit card, your Commitment will be refunded to the debit card you used to make payment; and
- (b) If you have paid by bank transfer or from the Available Balance of your Wallet (or if the refund to your debit card cannot be processed), then your Commitment will be refunded to your Wallet.

#### 5.5. How Your Money Is Held

5.5.1. All payments and financial transactions that you make through the Platform are processed by Global Currency Exchange Network Ltd (**“GCEN”**), which is an Authorised Payment Institution authorised and regulated by the FCA under the Payment Services Regulations 2009 (No. 504346) and is a Money Services Business Regulated by HM Revenue & Customs (**“HMRC”**) under the Anti Money Laundering Regulations 2007 (No. 2137189). All funds you invest through the Platform and any cash dividends, interest or principal payments, or other cash distributions due to you in relation to any Securities will be held on your behalf in a segregated client account administered by Global Custodial Services Ltd (**“GCS”**), which is authorised and regulated by the FCA (No. 595875). In this Agreement, GCEN and GCS are referred to collectively as the **“Custodian,”** as the context requires.

5.5.2. When you invest in a Campaign and choose to pay by debit card, your card details will be verified through the Platform, and the Custodian will charge your debit card with the amount you intend to invest.

5.5.3. When you invest in a Campaign and choose to pay by bank transfer, you may elect to have the Custodian process your payment and hold your funds either in the United Kingdom or offshore. Any such election is at your sole discretion, and neither Emerging Crowd nor the Custodian will have any responsibility for the consequences to you of making such an election. If you are in doubt whether to choose the offshore election, you should consult a professional tax adviser.

- 5.5.4. When you invest in a Campaign and choose to pay using the Available Balance in your Wallet, the Custodian will withdraw those funds from your Wallet.
- 5.5.5. Please note that the services of the Custodian are integrated within the Platform, and you should contact Emerging Crowd with any questions you have regarding these services.
- 5.5.6. We reserve the right to change the identity of the Custodian at any time, and we will notify you of any such change.

## 5.6. Your Wallet

- 5.6.1. As an Accredited Member, your User Account will feature an online “**Wallet**,” reflecting (a) any Commitments you have made to a Campaign, (b) any funds in excess of your Commitments held by the Custodian on your behalf (your “**Available Balance**”) and (c) any transactions you have previously made on the Platform.
- 5.6.2. You may use the funds in your Wallet to invest in a Campaign, provided that your Available Balance is at least the minimum investment for that Campaign, and each such Commitment will reduce your Available Balance accordingly.
- 5.6.3. You may also notify us that you wish to withdraw the available balance of your Wallet to a bank account in your name for which you have provided the details (your “**Nominated Account**”) by following the procedures on the platform.
- 5.6.4. Any payments from the Custodian to your Nominated Account are subject to any compliance checks that the Custodian may require. You will be responsible for the customary charges and fees for any such transfer and for the effect of any currency exchange rate that is applied and any currency exchange fees or charges.

## 6. Closing

- 6.1. The “**Campaign End Date**” will be 5:00 p.m. London Time on the Longstop Date or the time at which the Total Proceeds reaches the Maximum Amount, whichever comes first. On the Campaign End Date, the Campaign will be closed to further investment.
- 6.2. If the Total Proceeds is at least the Minimum Amount on the Campaign End Date, then you will be notified that the Campaign has been funded and that Emerging Crowd and the Company are making preparations for the issuance of the Securities on a date between 3 and 15 days from the Campaign End Date (the “**Closing Date**”), taking into account any unexpired Cooling-Off Periods.
- 6.3. If the Total Proceeds is less than the Minimum Amount by the Campaign End Date, or if it falls below the Minimum Amount before the Closing Date as a result of any applicable Cooling-Off Periods (“**Underfunding**”), then Emerging Crowd will notify you that either:
- 6.3.1. the Longstop Date and Campaign End Date has been extended and that the Campaign will remain open to investment; or
- 6.3.2. the Minimum Amount has been reduced and that the Company proposes to accept the Total Proceeds on terms to be provided to you for acceptance via the Platform;

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- 6.3.3. the Campaign has been aborted as of the Campaign End Date or the Closing Date (as the case may be) and that any funds held by the Custodian as part of your Commitment will be refunded to your Wallet in accordance with Clause 5.4.3 above.
- 6.4. Please note that there is no guarantee that you will be able to invest in every Campaign that you see on the Platform, for example if the Total Proceeds reaches the Maximum Amount before the Longstop Date or before the Custodian has received your Funded Commitment, and/or if a Campaign is aborted as a result of Underfunding. We do not accept any responsibility to you for any loss or damage of whatever nature and howsoever arising that you might suffer as a result of not being able to invest in a particular Campaign.
- 6.5. On the Closing Date, subject to Clause 6.3 above, the following step will take place as part of a single transaction (the “Closing”):
- 6.5.1. **Payment for the Securities.** Emerging Crowd will instruct the Custodian to pay to the Company the Total Proceeds (offset by any amounts due from the Company to Emerging Crowd); and
- 6.5.2. **Issuance of the Securities.** The Company will issue the Securities to the value of the Total Proceeds to the Nominee (as defined in Clause 6.8.1 below) on behalf of the investors in that Campaign.
- 6.6. Upon issuance of the Securities, the Company will update its corporate registers and records to reflect the Nominee as the legal owner of the Securities, for the benefit of the investors in that Campaign.
- 6.7. The Custodian will update investors’ Wallets on the Platform to reflect that the Campaign has been funded.
- 6.8. How Your Securities Are Held**
- 6.8.1. All Securities issued in any Campaigns will be held in a segregated client account by Reyker Securities plc, as nominee for the benefit of the investors in that Campaign (the “Nominee”). The Nominee is authorised and regulated by the FCA (No. 115308) and is a member of the London Stock Exchange No. 730.
- 6.8.2. The Nominee will be recorded in the books and records of the Company as the legal owner of those Securities. You will be recorded in the books and records of the Nominee as the beneficial owner of those Securities. This means, in effect, that you will receive an economic interest in the Company that is equivalent to the economic interest you would hold if you purchased those securities directly, but you will not hold or administer the Securities in your own name.
- 6.8.3. By using the Platform (and in so doing agreeing to the terms of this Agreement) you irrevocably appoint the Nominee to act as your nominee in respect of Securities you purchase through the Platform and any other property it holds on your behalf in accordance with this Agreement, pursuant to the Nominee’s Terms and Conditions, which are available [here](#).
- 6.8.4. The role of the Nominee is to hold those Securities for the investors in the Campaign on the Platform on a “passive” basis. This means that the Nominee will not vote or take any other corporate action on your behalf unless instructed to do so on your behalf.

- 6.8.5. Each time you invest in an Equity Campaign or a Debt Campaign, you must satisfy yourself prior to making any Commitment that you understand and accept the tax consequences to you of making that particular investment, including (without limitation) the UK and foreign tax treatment of dividends, interest payments and capital gains or losses. The Nominee will not be responsible for any taxes, duties, fees or transaction costs associated with your investments. You will be solely responsible for any such taxes, duties, fees or transaction costs when due, and to the extent they are paid on your behalf by the Custodian, they will be deducted from any proceeds that are paid to you or invoiced to you directly. The Campaign Materials will normally contain some of that information, but you should not rely exclusively on that information, and you should seek your own specialist tax advice where required.
- 6.8.6. We reserve the right to change the identity of the Nominee for any particular Campaign prior to the Closing Date for that Campaign, and we will notify you of any such change.

## 7. Post-Investment

- 7.1. Once you have invested in a Campaign through the Platform, you will be able to view your portfolio of investments and transactions by logging in to your User Account.
- 7.2. In addition, we require each Company that has issued Securities via the Platform to provide us with certain financial and other information on a timely basis for so long as the Nominee holds any of those Securities ("**Continuing Disclosure Obligations**"). We will make this information available to you on the Platform promptly as we receive it.
- 7.3. Any non-cash dividends or distributions due to you in relation to the Securities will be delivered to the Nominee, who will hold that property on your behalf.
- 7.4. Please note that any cash dividends, interest payments or other cash distributions due to you in relation to the Securities will be paid to the Custodian, who will hold those funds on your behalf, as set out in Clause 5.4 above.
- 7.5. Where a Company undertakes any corporate activity requiring the consent or participation of its security holders, you will be notified through the Platform and, to the extent practicable, offered the opportunity to direct the Nominee to vote or act upon the rights acquired by you pursuant to your holding as you see fit. If you do not instruct the Nominee how to act, then no action will be taken.
- 7.6. In the event that the Company is in default of any obligation owed to you, the Nominee and Emerging Crowd may assist Investors in pursuing the discharge by the Company of its obligations and/or any legal remedies that may be available to the Investors but shall not be responsible for doing so. You agree to indemnify and hold harmless Emerging Crowd and the Nominee in relation to any such assistance that may be provided, including (without limitation) costs that either of them might incur.
- 7.7. We do not currently intend to create a secondary trading market to purchase and sell Securities in which you have invested, and you must not rely on our creating any such secondary trading market as a means of selling your Securities.

## 8. Fees

- 8.1. We do not charge you any fees for making investments on the Platform, but any third-party costs incurred by you or by the Nominee or the Custodian on your behalf are your sole responsibility (see Clauses 6.8.5 and Clause 9.6). We reserve the right to change this policy in the future upon at least 30 days' prior notice to you.
- 8.2. We charge each Company whose Campaign is successful a commission (the "**Platform Fee**") that is a fixed percentage of the Total Proceeds for that Campaign. As agreed between each Company and us, the Custodian shall deduct the Platform fee from the Total Proceeds and pay the Platform Fee to us on the Closing Date.

## 9. Tax Treatment

- 9.1. The UK government provides certain types of tax relief for investments in small businesses by UK tax resident individuals, among which are the Enterprise Investment Scheme (EIS) and the Seed Enterprise Investment Scheme (SEIS). Certain investments made through the Platform may be designated on the Platform as being eligible for EIS, SEIS or similar relief ("**Reliefs**"), as described below.
- 9.2. In the event that a Company (i) has received advance assurance from HMRC that it is eligible for a Relief and (ii) has agreed to allow Investors to claim Relief, we will indicate this in the Campaign. Similarly, in the event that a Company has not yet received advance assurance from HMRC that it is eligible for a Relief but (i) appears to us to be eligible for a Relief and (ii) has agreed to allow Investors to claim such Relief, we will indicate this in the Campaign Materials as a condition precedent to Closing.
- 9.3. Notwithstanding advance assurance having been granted as described above, the decision as to whether a Company or investment is ultimately eligible for a Relief is a matter determined by HMRC following completion of the investment. We cannot guarantee that a Relief will be granted even if the Company has received advance assurance, regardless of whether HMRC's refusal to grant Relief is due to a characteristic of the Company or a characteristic of the structure of your investment in the Company or otherwise.
- 9.4. There are a number of restrictions as to which Investors are able to claim a Relief, and even if the Company is eligible for Relief, you may not be able to take advantage of it, or you may lose your ability to take advantage of it. Eligibility for a Relief can be lost as a result of subsequent events (for example sale of the Securities or changes to the business or ownership of the Company), and neither Emerging Crowd nor the Company provide any guarantee that an investee company or your investment will remain eligible.
- 9.5. If your investment ceases to be eligible for a Relief, you may have to repay amounts to HMRC and/or you may lose certain other tax advantages associated with the Relief. Neither Emerging Crowd nor the Company will be liable to you for any losses, damages or costs arising in the event that you are not able to claim a Relief on a particular investment or in the event any Relief you have claimed is lost, due to any of the circumstances described in this Agreement or otherwise. You are strongly advised to speak with your tax adviser and/or a solicitor before making any investment on the basis that you will be able to receive any Relief.

- 9.6. Each time you invest in an Equity Campaign or a Debt Campaign, you must satisfy yourself prior to making any Commitment that you understand and accept the tax consequences to you of making that particular investment, including (without limitation) the UK and foreign tax treatment of dividends, interest payments and capital gains or losses. The Custodian will not be responsible for any taxes, duties, fees or transaction costs associated with your investments. You will be solely responsible for any such taxes, duties, fees or transaction costs when due, and to the extent they are paid on your behalf by the Custodian, they will be deducted from any proceeds that are paid to you or invoiced to you directly. The Campaign Materials will normally contain some of that information, but you should not rely exclusively on that information, and you should seek your own specialist tax advice where required.

## 10. Liability

- 10.1. The Company is solely liable for the Campaign and the information provided in support of the Campaign. Subject to the terms of any Investment Agreement to which you are a Party, you agree that any investment you make through the Platform is made entirely at your own risk and is based on your own independent assessment of the Campaign, including the risks associated with that investment.
- 10.2. Except in the event of fraud, you agree that none of Emerging Crowd, the Custodian or the Nominee, or any of their respective directors, officers, employees, advisers or agents (each a "**Relevant Person**") shall be liable or responsible to you or any other person for any of the following matters, and each Relevant Person hereby excludes, to the fullest extent permitted under law (including contract, tort or breach of statutory duty), any and all liability for, or in respect of:
- 10.2.1. The suitability of any Company for investment;
- 10.2.2. The terms of any investment in a Company (including, without limitation, any Investment Agreement) or of any Securities;
- 10.2.3. The undertaking or outcome of any due diligence exercise in respect of a Company or any due diligence report in respect of a Company (whether legal, financial, technical or otherwise);
- 10.2.4. The financial or operational performance of any Company or its ability to achieve any particular outcome in the future; or
- 10.2.5. Obtaining any Relief in relation to an investment in a Company or that Company remaining eligible for a Relief after the investment has been made.
- 10.3. Except in respect of death, personal injury, or any other matter for which it would be illegal for a Relevant Person to limit its liability, the total aggregate liability of any Relevant Person including any legal and other costs and expenses under or in connection with this Agreement or any investment made through the Platform howsoever arising and whether in contract, tort, or otherwise (including for negligence) shall be £1,000.

## 11. Relationship Between Us

- 11.1. You are not a customer or client of any Relevant Person, as you might be of a stockbroker or a bank. As a registered user of the Platform, Emerging Crowd offers you a number of

protections described in this Agreement. However, there are some protections to which a client would be entitled and to which you are not entitled. No Relevant Person is acting for you nor will be responsible for providing you with any of the protections that would be afforded to clients.

- 11.2. By using the Platform, you are confirming to each Relevant Person that, for the purposes of entering into the transactions contemplated by this Agreement:
- 11.2.1. You are entering into such transactions entirely on the basis of your own assessment of the risks and effect thereof;
- 11.2.2. You are owed no duty of care or other obligation by any Relevant Person; and
- 11.2.3. Insofar as you are owed any such duty or obligation (whether in contract, tort or otherwise) by any Relevant Person, you hereby waive, to the extent permitted by law, any rights (save in the case of any fraud) that you may have in respect of such duty or obligation.

## 12. Suspension and Termination

### 12.1. Termination by you.

- 12.1.1. If you no longer wish to be a Member, you may terminate your membership at any time by notifying us as set out in Clause 15.7 below.

### 12.2. Suspension or termination by us.

- 12.2.1. We may suspend your membership for a period of time or terminate your membership for any reason stated in this Agreement or for no reason by notifying you as set out in Clause 15.7 below.

### 12.3. Consequences of suspension.

- 12.3.1. If your membership is suspended for any reason, you will not be able to log in to your User Account or to make any investments or carry out any transactions on the Platform during the period of the suspension. We will notify when any such suspension is lifted.

### 12.4. Consequences of termination.

- 12.4.1. If your membership is terminated by you or by us, your User Account will be permanently disabled.
- 12.4.2. If the Nominee holds any Securities on your behalf, it will use its best efforts to procure that those Securities are re-registered in your name, provided that you will bear all of the costs of any such re-registration.
- 12.4.3. If any of your Commitments are in a Cooling-Off Period, then those Commitments will be deemed automatically cancelled, and the Custodian will pay your Available Balance (if any) by bank transfer to your Nominated Account in accordance with Clause 5.6.4 above.

- 12.4.4. If any of your Commitments have passed their Cooling-Off periods, then the Custodian will continue to hold those funds on your behalf pending a Closing, and
- (a) if there is a Closing, your Commitment will be used in accordance with the relevant Investment Agreement, save that you acknowledge and agree that the Securities will be issued directly in your name rather than in the name of the Nominee; or
  - (b) if there is not a Closing, the Custodian will refund your Commitment by bank transfer to your Nominated Account in accordance with Clause 5.6.4 above.
- 12.4.5. Notwithstanding any such suspension or termination, this Agreement will continue in full force and effect in respect of prior acts and events. In any event, all disclaimers, indemnities and exclusions in this Agreement shall survive termination of this Agreement for any reason, as shall any other provisions of this Agreement that by their nature are intended to survive such termination.

### 13. Complaints

- 13.1. If you have any complaints about any aspect of the Platform or your relationship with Emerging Crowd, you should report it to Emerging Crowd immediately by sending an email to **complaints@emergingcrowd.com** from the email address associated with your User Account with the word "Complaint" in the subject line.
- 13.2. We will reply to that address within 5 Business Days after we receive your message to acknowledge receipt of your email and with either a final response or confirmation that we are continuing to investigate your complaint, in which case we will send you a final response within 8 weeks after your original message. During the course of investigating your complaint, we may need to contact you on the email address associated with your User Account.
- 13.3. If your complaint is not resolved satisfactorily after the period referred to in Clause 13.2 above, then you may have a right, if you meet certain conditions, to refer your complaint directly to the Financial Ombudsman Service, whose details are available at <http://www.financial-ombudsman.org.uk/>, provided that you do so within 6 months of the date of our final response.

### 14. Governing Law and Arbitration

- 14.1. This Agreement and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.
- 14.2. The Parties irrevocably agree that any dispute arising out of or in connection with this Agreement, including a dispute as to the validity, existence or termination of this Agreement or the consequences of its nullity and/or this Clause 14.2 (a "**Dispute**"), shall be resolved by arbitration in London, England, conducted in the English language by three arbitrators (with the claimant(s), irrespective of number, jointly nominating one arbitrator, and the respondent(s), irrespective of number, jointly nominating one arbitrator), in accordance with the rules set down by the LCIA (formerly the London Court of Arbitration) (the "**LCIA Rules**"), which rules are deemed to be incorporated by reference into this Clause 14.2, save that:

- (a) any provision of such LCIA Rules relating to nationality of an arbitrator shall, to that extent, not apply;
  - (b) Article 5.6 of the LCIA Rules shall be amended to read as follows: "Unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If s/he is not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, s/he shall be chosen by the LCIA Court"; and
  - (c) Article 2.1 of the LCIA Rules shall be amended in respect of any Response (as defined in the LCIA Rules) to be given by the Lender such that the Response shall be sent to the Registrar (as defined in the LCIA Rules) within 60 days of service of the Request for Arbitration.
- 14.3. The Parties agree to exclude the jurisdiction of the English courts under Sections 45 and 69 of the Arbitration Act 1996.

## 15. General Provisions

- 15.1. You must inform us as soon as reasonably practicable if you cease to be eligible to be a Member or an Accredited Member under this Agreement. If that happens, your membership of the Platform will be suspended in accordance with this Agreement. If you later become eligible to be a Member again and inform us of this, your membership of the Platform may be reinstated.
- 15.2. Emerging Crowd Limited is an appointed representative of Share In Limited, which is authorised and regulated by the FCA (No. 603332).
- 15.3. We may vary this Agreement at any time and from time to time. If this Agreement is varied, we will notify you by posting the revised terms on the Platform. By continuing to use the Platform, you will be deemed to have accepted the terms of the revised Agreement and agreed to be bound by them.
- 15.4. The Platform Agreements constitute the entire agreement between us relating to your use of the Platform and your investment in any Campaign, and you acknowledge that you have not relied upon any representations, statements or pre-contractual statements that are not expressly set out in the Platform Agreements.
- 15.5. Subject to the following sentence, this Agreement does not confer any rights on any person or party (other than the parties to this Agreement) pursuant to the Contracts (Rights of Third Parties) Act 1999. With the prior written consent of Emerging Crowd, given in its sole discretion in each case, any Relevant Person or Company (or any of such Company's directors, officers, employees, advisers or agents) shall be entitled to enforce any or all of the rights and benefits of Emerging Crowd under this Agreement.
- 15.6. Almost all communications between you and us, and between you and the Company in relation to a Campaign, will take place through the Platform. There are certain situations where we may interact with each other via direct email, telephone or in person, but in general you should expect that your primary means of communicating with us will be through the Platform.

- 15.7. Formal notices to Emerging Crowd under this Agreement should be sent to Emerging Crowd at **info@emergingcrowd.com**. Emerging Crowd will send you notices via the Platform or using the e-mail address associated with your account. Notices will be deemed served on the next Business Day after sending. "**Business Day**" means a day other than a Saturday or a Sunday on which banks are open for business in London, England
- 15.8. You shall from time to time (both during the continuance of this Agreement and after its termination) do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.
- 15.9. Each of us will be responsible for our own costs (for example legal, accounting, and professional service fees) in connection with this Agreement and any associated documentation.
- 15.10. Time shall be of the essence in relation to all matters arising under or pursuant to this Agreement.
- 15.11. No failure or delay by you or us in exercising any of our rights under this Agreement shall be deemed to be a waiver of that right, and no waiver by you or us of a breach of any provision of this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other provision.
- 15.12. If any provision of this Agreement is held by any court or other competent authority to be invalid or unenforceable in whole or in part, this Agreement shall continue to be valid as to its other provisions and the remainder of the affected provision.
- 15.13. This Agreement shall not be construed so as to create a partnership or joint venture between you and us. Nothing in this Agreement shall be construed so as to constitute you and us as agents of one another.
- 15.14. You shall not be entitled to assign, transfer, sub-contract or delegate any of your rights or obligations under this Agreement. Emerging Crowd may assign the whole or part of any of its rights in this Agreement to any person.
- 15.15. We shall not be in breach of this Agreement if there is, and shall not be liable or have responsibility of any kind for any loss or damage incurred by you as a result of, any total or partial failure, interruption or delay in performance of our duties and obligations occasioned by any act of God, fire, act of government, state, governmental or supranational body or regulatory authority or war, civil commotion, terrorism, failure of any internet or computer system, interruptions of power supplies, labour disputes of whatever nature or any other reason (whether or not similar in kind to any of the above) beyond our reasonable control.

- END -