

## TERMS AND CONDITIONS (BORROWER)

The following terms and conditions (Borrower Terms) for Borrower, explain the crowd funding platform (BenneFin), Borrower on the platform (Borrower) and use the website [www.bennefin.com](http://www.bennefin.com) (website). These Borrower Terms explain the BenneFin services, features and products, some of which may not be relevant to you.

BenneFin BSC Closed (used interchangeably as BenneFin, platform, we, us and our) is incorporated in Kingdom of Bahrain, under licence number CR 158875-1. We are licensed and regulated by Central Bank of Bahrain (CBB) for activity- Crowd funding Platform Operator, and whose registered office and principal place of business is at Office 151, Building 58, Road 1701, Block 317, Manama, Kingdom of Bahrain. The terms of service set out in this Website applies to you as a user (you, your) of the Website including the services/products/information/tools (Collectively referred to as Service) of BenneFin, on behalf of an entity.

By becoming a Borrower on the BenneFin, you agree that you have read, understood and agree to be bound by the terms in this document, ie Borrower Terms along with Terms of Service, Financing Terms, and Cookie, Security and Privacy Policy, which are incorporated in these Borrower Terms by reference. You read each of those documents carefully to ensure you understand and agree to be bound by them. We shall indicate on the Website when there is a change in Terms and you accept that it is enough notice. By continued usage of the Website, you agree to comply with the changes and all changes are binding on the users.

If you are acting as an appointed representative of sole proprietorship, partnership, company or business you hereby confirm that you have the authority to enter into these Borrower Terms on behalf of the company or business you represent and that your company or business agree to be bound by these Borrower Terms. You will not be able to become a Borrower, if you do not agree to these Borrower Terms.

Each Loan Agreement entered into between an Investor and a Borrower on the platform is bound by Finance Terms. The Loan Agreement is a separate binding legal tripartite agreement between You, BenneFin and the Investor who is funding you. Your relationship with the Investor is governed by the relevant Loan Agreement. Each Loan Agreement includes the Finance Terms and the specific Contract Term Sheet that are relevant to that Loan Agreement. All provisions stated therein, in the loan agreement, are applicable on the parties herein. However, this agreement in particular is to govern the contractual relationship between the Borrower and BenneFin.

You will be invited to accept the Finance Terms after registration and KYC and agree to be bound by them, in your capacity as a Borrower, in all your Loan transactions entered into on BenneFin. If you enter into a Finance Contract as an appointed representative of a sole proprietorship, partnership, company, or other business you will be required to warrant that you are duly authorised to act on its behalf. Breach of this requirement may result in legal action being taken against you personally. These Borrower Terms outline all the products that platform offers although you may only be using certain products or only eligible for specific products due to not meeting our minimum terms as set out below.

### **1. Registering as a Borrower on our Platform**

1.1. To become a Borrower, you must meet the following minimum eligibility criteria:

1.1.1. you must be a business which includes a company, a free zone company, professional licensee, sole proprietor and partnership based in Kingdom of Bahrain, or in any other country subject to approval from Platform;

1.1.2. the business must have a current valid company registration document/trade license issued by the appropriate licensing authority;

1.1.3. your business should be active for a continuous period of at least two years;

1.1.4. you must have a permanent address of operations;

1.1.5. you must have a valid bank account with a valid IBAN number. The repayments on the platform need to come from a bank account and must be able to provide security cheques for each instalment and the full amount the loan received on the platform;

1.1.6. your business, its directors, members, partners or proprietors, as applicable need meet the credit criteria

of the platform

1.1.7 we may obtain a report from a recognized credit agency or third party to make credit or KYC/AML decision;

1.1.7. your business must not be a party to any ongoing legal proceedings or police investigations; and

1.1.8. we will disclose/publish on our platform all or some of the information that you submit to us prospective investors.

1.2. There might be other requirements or eligibility criteria that which is listed above. We reserve the right to reject any application to become a Borrower in our sole discretion. All decisions made by us shall be final and binding.

1.3. Public bodies, charities and trusts are not eligible to become a Borrowers.

1.4. You shall not apply for Loan on the platform if you are seeking funding on another crowdfunding platform.

1.5. If you do not meet the criteria listed above, you may be otherwise permitted to become a Borrower subject to our prior written approval, which may be withheld in our absolute discretion. All decisions made by us shall be final.

1.6. You shall solely be responsible for securing all appropriate permits, licenses, authority approvals and waivers (collectively referred to as Approvals) required for performing the activities on the platform. We may not make any separate enquiries from time to time to find out if you have the appropriate Approvals in place.

1.7. It is your responsibility to ensure that the information we hold on record from/for you is up to date. You agree to inform us as soon as reasonably possible if any of the information you provide to us changes at any time.

1.8. When you apply to become a Borrower, we will carry out “know your customer” procedures including identity verification, anti-money laundering and fraud checks on you as an individual or appointed legal representative or authorized signatory of the business or legal entity you represent. We would be required to send us certified copies of various documents, including identification documents, powers of attorney and any other documentation we may require in order for our Platform to be able to carry out, and be satisfied that it has complied with, all necessary KYC or other checks under all applicable laws and regulations. The Investor shall strictly comply with CBB Regulations, with reference to the money laundering & terrorism financing, as and whenever issued. If you fail to provide all of the documentation requested by us, or the documentation that you provide is not accepted by us, you may not be able to become a Borrower on the platform.

## **2. Our Role as Crowd Funding Platform Operator**

2.1. Our role as crowd funding operator, shall be to be the link between the investor and the borrower, to act as a conduit to bring them together through the platform and shall not assume any advisory, agency or fiduciary capacity on behalf of the Investor or the borrower during the term of the finance loan, as defined in this contract agreement. We shall also undertake certain limited actions if a borrower defaults, as per these Borrower Terms or any other applicable terms in coordination with our duly licensed third parties.

2.2. We shall coordinate the payment and collection of sums and shall be responsible for the following, based on the information provided on the platform:

2.2.1 In the event the aggregate amount subscribed to, at the end of the closing of the loan offer, exceeds the minimum offer amount as defined in the loan offer document, we shall be responsible for transferring the proceeds of the loan offer to the borrower, one day after the closing of the loan offer. The borrower shall be responsible for bearing all transaction costs and/or currency exchange fees, if applicable.

2.2.2 In the event the aggregate amount subscribed to, at the end of the closing of the loan offer, is less than the minimum offer amount, as defined in the loan offer document we shall be responsible for transferring the subscription money back to each subscriber, net of any bank charges and/or currency exchange fees.

2.2.3 When receiving any interest profit and principal repayments from the borrower in a bank account specified by the crowd funding operator, the borrower shall be responsible for bearing bank charges and/or currency exchange fees in relation to the transfer from the borrower to the bank account.

2.2.4 When transferring any interest profit and principal repayments received from the borrower and the investor, less any fees, that the financier owes to the crowd funding operator, the financier shall be responsible for bearing bank charges and/or currency exchange fees in relation to the transfer from the bank account to the financier bank account.

2.3. We allocate each borrower a risk rating at the time of processing Loan Request (LR). This will be based on information included in the Borrower application and the results of our credit rating. 4.3 You may have

the option to select to cancel your LR prior to the start of the auction period by informing us in writing on [customer.service@bennefin.com](mailto:customer.service@bennefin.com). Once your IO is posted, the auction process will begin immediately, and prospective investors will be invited to start bidding. The interest rate applied for Loan will be fixed before the auction starts and be mentioned in the Term Sheet. Investors are allotted on a first come basis and the auction will close once your IO is fully subscribed.

2.4. We shall hold the documentation and/or security on our capacity as a Financial Institution or on behalf of the investor and borrower. The security shall be held till the loan is fully settled along with all fees and charges due to the platform and the investor. And the documentation will be held/stored as per regulatory requirements.

2.5. You warrant, represent and undertake to us that all information provided to us, including in the course of the Borrower registration process and for the Loan Request will be complete, true and accurate in all respects and not misleading in any way. You acknowledge that fraud and fraudulent misrepresentation are crimes under Law and may be punishable by a fine or sentence or both.

### **3. On Boarding and Loan Request (LR) Process**

3.1. Once we have reviewed your details and verified documentation, we will confirm to you by email whether or not your application to become a Borrower has been successful. If your application is successful, you will be notified by email to set password. Once the password is set you may update the KYC and submit the supporting ID proof, Address Proof and 6 month bank statement of a bank account held in the name of your Business.

Once the KYC is approved, you are on-boarded on BenneFin as a Borrower and eligible to submit Loan Request (LR). You must use your login for all transactions on the website.

3.2. The Borrowers, its shareholders and key management persons may be required to give a personal guarantee, as well as any other security that we consider appropriate, before Loan Opportunity (LO) is posted on the Website. We also reserve the right to request personal guarantees from shareholders and key management persons of the Borrower before LO is posted on the website.

3.3. It is your responsibility to ensure that the information we hold on record for you is up to date. You agree to inform us as soon as reasonably possible if any of the information you provide to us changes at any time. We shall conduct reviews on the Borrowers on an ongoing basis and it is your responsibility to provide us with updated documentation as requested by us. Further it is your responsibility to notify us if there is a change in shareholding, country of residence of any of the Directors and/or shareholders or partners.

3.4. You agree that we have the ongoing right to obtain and hold credit data on the Borrowers, its shareholders and key management persons from the credit bureau and you agree that we can share data on the Borrowers and its shareholders and key management persons with the Credit Bureau/ Agencies and / or with any other relevant reference agency / bureau and / or external collection agencies for the purpose of collection of any overdue debts from you/guarantors. You also agree that we also have the continuing right to undertake additional checks via third parties on the Borrowers, its directors and shareholders.

3.5. We will have no liability to you if your application to become a Borrower is ultimately unsuccessful and will in no circumstances be liable to provide you with further details as to why your application has failed.

### **4. Financing Process**

4.1 Once the LR is finalised and accepted by the borrower, the Investment opportunity (IO) will be displayed on the website. The IO will be visible to prospective investors who will be able to decide whether or not to finance your part of the funds requested based on the information available on the website. The investors can fund your LR by selecting to fund.

4.2 The Term sheet which we will provide to you and which forms part of the Loan Agreement will specify the full legal name of your Business as well as any company registration or commercial licence details. We reserve the right to amend or remove or add to the details you provide on your Loan Request where we deem appropriate at our sole discretion.

4.3 You may have the option to select to cancel your LR prior to the start of the auction period by informing us in writing on [customer.service@bennefin.com](mailto:customer.service@bennefin.com). Once your IO is posted, the auction process will begin immediately, and prospective investors will be invited to start bidding. The interest rate applied for Loan will be fixed before the auction starts and be mentioned in the Term Sheet. Investors are allotted on a first come basis and the auction will close once your IO is fully subscribed.

## **5. Acceptance Process**

5.1. You will have five working days from the date of closure of the auction to accept or reject the Final Offer (FO). If you do not accept the FO within this period your FO will lapse at the end of the fifth day or if you reject the FO, any funds bid will be released to Investors and your IO will be rejected.

5.2 Once a FO has lapsed or rejected by you, you will not be able to recall it and may be unable to secure a FO on the similar terms.

5.3. If your IO has not been funded fully within a period of 30 working days beginning on the start date of the auction process, we reserve the right to remove your IO from the website.

## **6. Risk Rating**

6.1 We shall issue your LR with a risk rating during the processing of the request. The risk band classification allocated shall be based on information included in your application and the results of credit reports obtained from credit reference agencies. We are not obliged to check/edit/add to the information submitted in the LR and shall have no liability to you in this regard or in respect of the risk band classification you are allocated, or for the resultant bidding or lack thereof of your LR. It is your sole responsibility to ensure that the information submitted to us is complete, true and accurate and it should not be misleading in any way.

6.2 The provision of a risk band classification is intended to be indicative only and an Investor will be liable to form their own opinion regarding the investing in an IO and undertake their own research, analysis and assessment of each borrower for each financing, and where appropriate, may seek their own independent financial advice.

6.3 We accept no responsibility and disclaim all liability for any details about you made available to prospective investors through our platform. We may from time to time update or amend your information on LR/IO.

## **7. Loan Agreement**

7.1 After your acceptance of a FO it cannot be cancelled or amended by you for any reason. If you accept the FO you agree to enter into a Loan Agreement with the investor. As a condition precedent of the Loan Agreement, you must provide signed cheques from a recognised bank for the Loan amount.

7.2 Separate cheques shall be obtained for each interest payment and dated on the dates that each payment will fall due; and one undated signed cheque for the loan amount. All cheques should be made payable to Benne Fin BSC Closed.

7.3 If, at any time during the term of a Loan Agreement, the authorised signatory who signed the cheques provided is no longer authorised for any reason whatsoever, you agree to provide replacement cheques signed by a duly authorised signatory within three (3) working days of any such change to the authority becoming effective.

7.4. Personal guarantees from directors or shareholders of the Business or Promissory notes or Pledge agreement (as applicable), may be obtained as condition precedent of the Loan Agreement.

7.5. No interest will accrue on your loan until the Loan agreement is formed. The Loan Agreement will incorporate the Term Sheet, which set out the specific details of the financing you have accepted and shall incorporate the Finance Terms. We shall confirm to you the date Loan agreement is formed.

7.6 Any notices and communications between a borrower and any Investors should be sent through us. You acknowledge and agree that in order for binding legal obligations to be created between a Borrower and Investors pursuant to a Loan Agreement or Secondary Transfer, we must disclose the identity of your Business and its registration and contact details to your Investors, and you hereby consent to such disclosure for this purpose.

## **8. Credit of Finance Amount**

8.1 After the Loan Agreement has been formed, we shall credit funds from the relevant Investors to the bank account provided by you.

8.2 The frequency and schedule for repayment of your loan will be set out in the Term Sheet. The scheduled repayments payable by you can be viewed on your dashboard on the Website.

8.3 Your repayment is due on the Repayment Date, however you may choose to settle the loan early through payment by you to the designated client money account of BenneFin. Borrower may repay the financing of a request early at any time, at no extra cost, provided you pay in full Loan. Interest is calculated on a daily basis. You cannot part-pay an individual loan unless agreed in advance by BenneFin. If you wish to pre-pay and settle the Loan, we will calculate and inform you of the repayment. All payments including Loan amount

and interest must be gross of bank charges.

## **9. BenneFin's Fees**

9.1 There shall be a onetime processing fee for each LR and it will be deducted from the loan amount before transfer to your designated bank account. We will deduct the processing fee and any additional fees from the financing amount before it is transferred to you so you will receive the amount of financing less such fees.

9.2 The processing fee covers the costs of external credit reports and our administration costs associated with reviewing and listing of the Borrower on the Site. And for each payment processed through the platform, we will charge an additional fee as compensation for the administrative services we perform. However, the interest rate agreed with you as per the Term sheet would be applicable to you.

9.3 We reserve the right to waive, reduce or increase the applicable fees from time to time. Any such changes shall be notified to you on the Website.

## **10. Acting as Collection Agent**

10.1. You acknowledge that we are appointed as a collection agent on behalf of each of the Investors who has funded the borrower and shall be entitled to follow up and take necessary action both directly and /or indirectly for collection of monies due and in the event of a default in payment of any Loan obtained by you on the platform.

10.2. You acknowledge and agree that we may appoint a registered debt collection agent and that we shall have the right to take all and any reasonable step to protect our and the Investors' rights. The steps may include liquidation of pledged assets, registration of liens, charges and similar rights as available; and any other action as may be available from time to time in concurrence with applicable laws.

## **11. Default**

11.1. If at any time you think that any cheques given by you to us will not be able to be satisfied in cleared and available funds, when dated and presented by us, please contact us immediately. If a cheque is returned either due to technical reasons, lack of funds or any other reason, we will contact you, either by telephone or by visiting your location to check on the reason. We will, in addition, attempt to recollect the payment the next working day after the payment was due. We have the right to charge you an administrative fee of BHD 50 if a cheque is returned.

11.2. If our attempt to collect the funds fails again within three working days after the date payment was originally due, or we have reason to believe that you have left the country in which the business operates or reason to believe that you have attempted to defraud the Investors, your account and the Loan agreement/s will be treated as in -overdue status. We will issue you with a written overdue notice through recorded delivery and/or send you a copy via your registered email.

11.3. In the event you fail to respond to the notice for overdue payment within twenty-four hours, a written legal notice will be issued through recorded delivery as well as your registered email. If you fail to respond to the written legal notice within twenty-four hours you will be in default and we have the right to date and bank the security cheque(s) held for the full amount of the financing and also liquidate the security pledged under the pledge agreement.

11.4. We reserve the right to file a criminal or civil case with the Police at any point that we deem necessary to protect the interests of the Investors. We also reserve the right to enforce the guarantees given, through Courts and / or the Promissory Notes in their local jurisdiction. We shall also enforce the pledge in accordance with the Pledge Agreement, where applicable.

11.5. You may become liable to pay further fees in the event that we reattempt to collect the funds and we may refer the default payment to a debt collections agency, who will attempt to collect the money on Investors' behalf. If the Collection Agency is unable to collect the outstanding funds, we reserve the right to assign the Loan Agreement, on behalf of the Investors, to us or a third party who may seek recovery of the outstanding amounts through the courts.

11.6 If such further action as mentioned above is necessary, it is likely that significant costs will be incurred which will be passed on to you as the Borrower in Default. You agree to indemnify us fully for our costs, expenses, losses and any other liability including any damages, without limitation, incurred by us in connection with or arising out of your failure to comply with the Borrower Terms and/or any Default.

11.7. An Investor may decide to enforce its rights under the Loan Agreement directly against you at any time and you hereby consent to us providing any of your Investors with your relevant contact details for this

purpose.

11.8 You acknowledge that we reserve the right to, at any time:

11.8.1 appoint any Investor/s to act as a separate agent or as a agent jointly with us; or

11.8.2. assign any of our rights or transfer by novation any of our rights and obligations in relation to the Loan Agreement, any security cheque/s, any guarantee/s or promissory note/s or Pledge Agreement to any Investor/s, for the purposes of obtaining and / or enforcing any judgment in any jurisdiction.

## **12. Late Payment and Extension**

12.1 .In case you do not make the full payment of the Loan by the Repayment Date you will be in Default as mentioned above. You must contact us and we will discuss the repayment with you. We on behalf of the Investors and fully at our discretion, may allow you to extend your financing for another thirty days.

12.2 The terms of the Extended Finance Contract will be on the same basis as the original Loan Agreement with the following additional terms:

12.3.1. The maximum term will be 30 days;

12.3.2. You may be charged interest on the full amount outstanding which includes the principle and the pending interest;

12.3.3. The Interest associated with the Extended Finance Contract will be the pro rata 30-day interest rate that was associated with Loan Agreement

12.4. Borrower is allowed only one extension to a Loan Agreement, except in exceptional cases agreed by us in advance. If you do not make the repayment of the Extended Finance Contract by the Extended Repayment Date you will be in Default as set out above and we will have the right to apply additional Administrative Fees.

12.5 In case of any delays beyond the due date you will be charged interest along with penal interest of 2% p.a and fees over and above the agreed rate.

## **13. Exclusion/Limitation of liability**

13.1. We offer no warranty and make no representation to obtain funding for you nor constitute a warranty by us that funding will be made available on the basis that you are listed on our platform as borrower.

13.2. You are not allowed to terminate these Borrower Terms until all outstanding loans are fully paid including the fees, costs, and any other expenses are cleared. On termination of the borrower relationship with the platform, we shall settle your bank account, as per the details held in our records, with any funds we hold belonging to you as a borrower or send a cheque to the address last provided by you.

13.3. In case of any personal guarantee is provided against your obligations as a Borrower, you personally warrant, and warrant on behalf of all directors, shareholders and members of your Business that there has been no undue influence or inducement of the guarantor to provide such guarantee.

13.4. If you are a borrower on BenneFin, you generally cannot also be an Investor. An exception would be where you are investing in your own personal capacity, but you happen to be a director, owner or representative of a Borrower. You may not invest in your own Business on BenneFin.

## **14.0. Indemnity**

14.1. You shall indemnify, defend and hold harmless us, as well as our employees, representatives, subsidiaries, affiliates, officers, directors, agents and successors (collectively, BenneFin Indemnified Parties), without limit, from and against any and all judgments, losses, costs, actions, claims, suits, demands, expenses, regulatory fines and / or damages, including attorney's fees, for or arising out of any breach by you of the Borrower Terms or any Loan Agreement and / or any third party claims arising out of any breach and / or failure to comply with any applicable laws and regulations. The provisions contained in this clause shall survive the termination or expiry of these Borrower Terms.

## **15. General Terms**

15.1. The information provided on the website is only for use solely by persons and organisations that meet the criteria of a borrower as per clause 1 above and the equivalent criteria set out in the Investor Terms. These Borrower Terms are entered into in and Benne Fin is offered to you from the Kingdom of Bahrain.

15.2 We may perform any of our obligations, and exercise any of the rights granted to us under the Borrower terms through a third part by assigning any or all our rights and obligations under these Borrower Terms to any third party.

15.3 BenneFin has the right to suspend any Borrower's accounts if we believe that you are not abiding by

these Borrower Terms, if you attempt to use the Site for any purpose other than it is intended, or you attempt to contact other Investors or Borrowers, or you breach the Privacy Policy or any other applicable term.

15.4. In case any part of any clause/s of the Borrower Terms is found to be invalid, void or unenforceable then it will be removed from these Borrower Terms and the remainder will be in full force, provided that the removal has not altered the basic nature of Borrower Terms.

15.5. No single, partial exercise, or failure or delay in exercising any right or remedy by us shall represent a waiver by us of, or impair or preclude any further exercise of any right, power or remedy arising under these Borrower Terms or otherwise.

15.6. All disclaimers, indemnities, limitations and exclusions in the Borrower Terms shall survive termination or expiry of the Borrower Terms.

15.7. Borrower Terms and the documents referred to in it set out the entire agreement between you and us with respect to your use of Platform and the services provided through the Website and supersede any and all prior representations or agreements both written and oral made between you and us. Borrower Terms may be amended by us from time to time, by us providing notification to you of any such amendments on the website.

15.8. Borrower Terms together with the documents referred to in them, and any non-contractual obligations arising in connection with them, shall be governed by the laws of the Kingdom of Bahrain. You irrevocably submit to the exclusive jurisdiction of the Courts of the Kingdom of Bahrain over any claim or matter arising under or in connection with these Borrower Terms or any documents between you and us and we submit to the non-exclusive jurisdiction of the Courts of the Kingdom of Bahrain in connection with the same. In case of non-Bahrain based borrowers the additional terms under clause 16 defines the jurisdiction.

15.9. We will run promotions at times which you may choose to avail. BenneFin has the right to offer and cease promotions at its full discretion and also has the right to remove promotions given if a borrower is abusing the promotion.

15.10. We shall have the right to communicate with you on all registered modes of communication including email, phone number and address. In case of phone numbers, various means of correspondence shall be used including WhatsApp but not limited to it.

## **16. Additional terms for borrowers from UAE**

16.1 The loan will be issued from the client money account of BenneFin in Kingdom of Bahrain and is to be settled back to BenneFin in the client money account of BenneFin in Kingdom of Bahrain. All related bank charges are to be borne by the borrower.

16.2 In case of date of outward and inward transfer of funds, the date of outward transfer from the client money account of BenneFin and date of receipt of inward payment in the client money account of BenneFin shall be considered as the value date of the transaction. It shall be independent of the date of debit or credit in your account in UAE.

16.3 In case of any delays in repayment or any expected delay or in case of need to follow up an agent in UAE or otherwise will reach out to you on the same and you hereby accept that such follow up will be made.

16.4 Borrower Terms together with the documents referred to in them, and any non-contractual obligations arising in connection with them, shall be governed by the laws of the Kingdom of Bahrain. Any claim or matter arising under or in connection with these Borrower Terms or any documents between you and us, shall be in the non-exclusive jurisdiction of courts of Kingdom of Bahrain.

## **17. Contacting us**

In case of any questions about these Terms of Service, please contact us on details provided on [www.bennefin.com/faq/](http://www.bennefin.com/faq/)