



**FUNDING SOUQ:**  
**TERMS AND CONDITIONS FOR BUSINESSES**

**General:**

- Below are the terms and conditions ("**Business Terms**") for businesses ("**Business/es**") utilising the Funding Souq Online Platform ("**Funding Souq**" or the "**Company**"), a loan crowdfunding platform incorporated at Dubai International Financial Centre and regulated by the Dubai Financial Services Authority under licence no. F005822.
- By using the Company's website and utilizing any and all of its services, the Business confirms that it is hereby bound and required to comply with the Business Terms stipulated herein. These terms create legal obligations on the Business that have to be carefully read, understood and followed alongside the Company's **General Terms**, **Finance Conditions** and **Privacy Policy**, all found on the Company's website, [www.fundingsouq.com](http://www.fundingsouq.com), and may be subject to amendment without prior notice. Moreover, terms defined in the General Terms, Finance Conditions and Privacy Policy shall have the same meaning when used herein, unless otherwise defined herein.
- The finance contract ("**FC**") agreed between the Business and a lender from the Company ("**Lender**") is a separate legal agreement comprising a term sheet, term loan facility agreement, a personal guarantee and any other documents as determined by Funding Souq entered into between Funding Souq (acting on behalf of the Investors) and the Business, hereinafter collectively referred to as "**the Parties**", which shall govern the relationship between the Parties. It includes the Finance Conditions.
- Upon registration to use any and all services of Funding Souq, the Business will be invited to accept the FC, binding the Business to the terms set out therein in its capacity as the Business, in all financing transactions entered into by the Company.
- Representatives of a partnership, a company, or any other business are required to provide proof that they are duly authorised to act and enter into the FC on behalf of the Business.
- Authorised agent (i.e. brokers) may be permitted to make a financing application on behalf of a third party that will be the principal Business, provided that it is able to furnish proof of its authority to act on the principal Business's behalf. The Business Terms shall equally apply to businesses choosing to make financing applications through authorised agents. Also, as the authorised agent applying on behalf of a principal Business, provided that the required documents are submitted, the Company will treat the financing application as having been tendered with the principal Business's full authority.
- The Dubai International Financial Centre laws shall govern the Business Terms together with the documents referred to in them, and any non-contractual obligations arising out of or in connection with them. The Business irrevocably submits to the exclusive jurisdiction of the Courts

of the Dubai International Financial Centre over any claim or matter arising under or in connection with the Business Terms. Likewise, the Company submits to the non-exclusive jurisdiction of the Courts of the Dubai International Financial Centre in connection with the same.

- If any clause or part of any clause of the Business Terms is found to be void, unenforceable or invalid, then it will be severed from the Business Terms. However, the remainder of the terms will remain in full force and effect, provided that the severance has not altered the basic nature of the Business Terms.
- Funding Souq's single or partial exercise of, or failure or delay in exercising, any right, power or remedy shall not constitute a waiver from the Company. Similarly, it will not impair or preclude any further exercise of, that or any right, power or remedy arising under the Business Terms or otherwise.
- Funding Souq is offered to the Business from, and the herein Business Terms are entered into at, the Dubai International Financial Centre, Dubai, United Arab Emirates.
- The Company may perform the following with full discretion:
  - i. assign any or all of its rights and obligations herein to any third party; and
  - ii. carry out any of its obligations and exercise any of the rights granted to it herein through a third party.
- The Business Terms and the documents referred to herein set out the entire agreement between the Business and the Company with respect to the use of Funding Souq and the services provided via the Site and shall supersede any and all prior or contemporaneous representations, communications or agreements (written or oral) between them. The Company may occasionally amend the Lender Terms and notify the Business of any such changes on the terms on the Site via email.
- All disclaimers, indemnities and exclusions herein shall survive termination or expiry of the Business Terms.

## **1. Registering/Becoming a Business of Funding Souq**

- The minimum eligibility criteria to become a Business of Funding Souq are as follows:
  - i. The business must have a current valid company registration document or trade licence issued by the appropriate licensing authority. It must be a United Arab Emirates-based (UAE) business (which includes a company, a free zone company, professional licensee, sole trader and partnership);

- ii. It must be a United Arab Emirates-based (UAE) business (which includes a company, a free zone company, a professional licensee, a sole trader and a partnership).
  - iii. It must have a valid UAE bank account with a valid IBAN number to facilitate repayment of any financing secured via Funding Souq and must be able to provide a security cheque(s) for each instalment and a cheque for the full amount of any financings secured.
  - iv. It must have a permanent place of business.
  - v. It must submit details of the business for publication on the Site and partial disclosure to prospective Investors (see below for further details on the information for disclosure).
  - vi. The business must have been actively trading (not dormant) for a continuous period of at least one (1) year.
  - vii. The business, its directors, members, partners or proprietors (as applicable) must meet the minimum credit and fraud risk criteria as determined by the Company. Note that Funding Souq may secure a credit report from a recognised agency or third party to make such determination).
  - viii. The business must not be a party to any ongoing legal proceedings or police investigations.
- The screening criteria are not limited to the list above. The Company has sole discretion to reject any application to become a Business as deemed appropriate. Note that all Company decisions on this matter shall be deemed final.
  - Public bodies, charities and trusts are ineligible to become a Business.
  - The Business cannot apply for financing on Funding Souq if it is also seeking finance on another crowdfunding site.

## **2.The Approval Process**

- The Company will conduct Know Your Business ("KYB") assessments via public searches on available information, as well as third-party (including credit reference agencies) searches on all Business applicants.

- Checks will comprise, but not be limited to, identity verification of the representative, the business, key individuals associated with the business, and authorised agents of the business, and will be based on the Company's internal guidelines and policies.
- In addition, the Company may require certified copies of documents not limited to those listed below as part of the KYB procedure and/or other similar checks under all applicable laws and regulations; and failure to produce, comply with, and/or submit such, as required, will automatically disqualify the applicant from becoming a Funding Souq's Business:
  - a. Current and past bank statements for a specified period.
  - b. Passports.
  - c. Powers of Attorney.
  - d. Other Identification documents.
- The Business will be directed to specify the sum of money it intends to raise through Funding Souq when it registers to become a Business.
- The Company reserves its right to request personal guarantees, as well as any other security as deemed appropriate, from directors or shareholders, partners, sole traders and members (as applicable) of the Business, to support any Funding Request ("FR") before it is posted on the Site.
- The Business assents to the Company's ongoing right to obtain and hold credit data on the Business, its directors and shareholders directly from any relevant agency and agrees that the same can be shared with the relevant agency and/or with any other relevant credit reference agency/bureau and/or external collection agencies for the purpose of collecting any overdue debts of the Business and/or its guarantors. Likewise, the Company has the ongoing right to undertake additional checks via third parties on the Business, its directors and shareholders.
- Business applicants will be notified by email of the status of their Application once assessment and verification of personal/business details and submitted documents have been finalised. Upon email notification, successful applicants shall be allocated with a unique reference number (URN) indicating that the Business applicant has passed the evaluation and is now a registered Business of Funding Souq, eligible to apply for financing. The URN will be used for all transactions and communications on Funding Souq.
- The Business attests, declares, and agrees that any and all information provided to the Company, including disclosed details during the Business registration and finance application process and/or review process, are complete, clear, true and accurate. Further, the Business is fully aware and acknowledges that fraud, including false misrepresentation, is a crime and a felony charge under UAE Federal Law No. 03 of 1987, with potential penalties ranging from suspended sentences and probation and fines to custodial sentences.

- All of the Company's decisions are final. For unsuccessful applicants, Funding Souq will not be liable in providing further information detailing rejected applications.
- The Business's responsibilities include:
  - i. Regularly updating any and all Business information on the Company's website and immediately advising the Company of any changes and updates pertaining thereto as soon as reasonably possible;
  - ii. Providing the Company with updated documentation as requested as Funding Souq will monitor, track and perform reviews on the Business on an ongoing basis and it is the Business's responsibility to provide such updated documentation; and
  - iii. Notifying the Company of changes in country address of any of its directors and/or shareholders, partners, sole traders and/or members. Note that Funding Souq has the right to refuse any Business where jurisdiction is outside the countries in which the Company does business.

### **3.Business Finance**

#### *The Financing Process*

- Upon acceptance of the application to raise funds, the Business will receive an email confirmation from the Company and an FR page will be displayed on the Site via the Funding Souq marketplace ("**Marketplace**"). The FR page will be visible to prospective Investors bidding to finance part of the funds requested by the Business based on the information available in an auction. The FR page will invite Investors to bid on Funding Souq to fund the Business's financing request.
- The Company will provide the Business with the relevant information specifying the full legal name of the Business as well as any company registration or commercial licence details. Please see Funding Souq's Privacy Policy for more information on which details are provided to, and those which are withheld from, prospective Investors. The Company reserves its right to amend the Business's details posted on its FR page (except identity information) as deemed appropriate.
- The Business can edit its information on the FR page at any time before the auction begins. However, amendment of information is not allowed in the following circumstances:
  - i. once the auction has started and until the auction period expires; and
  - ii. once the Business has accepted financing, and until the entire financing has been repaid in full.
- Nonetheless, the Business may opt to cancel its FR prior to the expiry of the auction period.

- During the application process and auction period, the Business is not permitted to advertise Funding Souq's credit proposal or approach other potential Investors or investors outside the platform.
- Once a FR is approved by Funding Souq, the auction process will commence immediately, and prospective Investors will be invited to start making finance offers ("FO"). The auction will close once the FR is fully funded.
- In the event of a material change during the commitment period, Funding Souq will prominently disclose on its website:
  - i. Details of the material change.
  - ii. That it has notified the committed investors of the material change and requires them to reconfirm their commitment within five (5) business days.
  - iii. That, if reconfirmation is not provided within five (5) business days, it will cancel the commitment.

#### Acceptance Process

- Failure to accept the FO following a successful close to the auction, or upon expiry of the acceptance period thereafter, will mean that Business is no longer able into an FC.
- The acceptance period in respect of an FO will be three (3) working days, from the date the auction closes. If not accepted within said period, the funds offered will be returned to Investors, and the Business' FR will be removed from the Site.

#### 4.Risk Bands and Submitted Information

- The Company shall issue the Business's FR with a risk band classification once the FR is processed based on information included in the application and the results of credit reports obtained from credit reference agencies. It is the sole responsibility of the Business to ensure that the information submitted is complete, true and accurate, and not misleading in any way.
- The risk band classification is intended to provide the Lender with an overview of the creditworthiness of the Business. However, as the Company has no obligation to edit or verify any information submitted and posted by the Business to the site, the Lender must conduct its own independent company and financial due diligence and assessment on the Business.
- The Company is not responsible and liable for the following:
  - i. It is not obliged to check or edit the information submitted or uploaded to the Business's FR page and has no liability to the Business in this regard or in respect of the risk band classification allocated, or for the ultimate success (or lack thereof), of the FR.
  - ii. It is not liable for any information about the Business made available to prospective Investors through Funding Souq. Nonetheless, the Company may

occasionally, but accepts no obligation to, update or amend the Business's information on its FR page (including between when an FR page is first made available on the Site and during the term of any subsequent FC).

## **5. Finance Contract (FC)**

- Once the FR is funded fully and the Business accepts the FO. Accepting the FO implies the Business's agreement to enter into a FC with the Company (acting on behalf of the Investors) who is part of the FO.
- As a condition precedent of the FC, the Business must provide signed cheques from a recognised UAE bank for the financing secured:
  - i. one (1) undated cheque for the full amount of the financing secured; or
  - ii. one (1) undated, signed cheque for one (1) monthly instalment and a signed agreement that all monthly instalments will be made via electronic transfer; and
  - iii. Separate cheques for each financing installment payable in accordance with the FC dated on the dates that each payment will fall due.
- The Business will have three (3) working days from the day of acceptance of the FO to deliver the cheques to Funding Souq's head office address where they will be securely stored in a safe box. Only individuals authorized by Funding Souq will be granted access to the safe box.
- During the existence of an FC, should there be a change in the authorised signatories of the Business for the purpose of issuing cheques, the Business agrees to provide replacement cheques signed by the new duly authorised signatories within three (3) working days upon effectivity of a change in authorised signatory becoming effective.
- During the FR evaluation process, if the Company requests the Business to provide personal guarantees from its directors or shareholders, such guarantees must also be provided in a form acceptable to the Company, as a further condition precedent of the FC.
- No FC shall be established until the conditions precedent have been fulfilled. Once satisfied, the Business will receive confirmation in the 'My Account' section of Funding Souq that the FC has been established.
- No interest will accrue on the Business's financing until the FC is established.

## **6.Funding Souq's Fees**

- If the Business accepts an FO, the Company will charge the same amount together with additional fees, as compensation for its administrative services. The fees charged shall be as per the prevailing fee schedule published on the Site.
- The Company will deduct additional fees from the financing, which cover the costs of external credit reports associated with reviewing and FR Site listing, before it is transferred to the Business or upon receipt of the financing amount of the same.
- The Business shall be notified via Funding Souq's Site whenever the Company invokes its right to waive, reduce or increase the applicable fees from time to time.
- The Business acknowledges that all fees payable to the Company are for compensation of the Company and its affiliates in providing management, as well as for administrating and facilitating services in connection with Funding Souq.

## **7.Financing Repayment**

- All cheques should be made payable to Funding Souq Ltd.
- The schedule for payments will be set out in the FC. Said scheduled payments can be viewed on the Business' dashboard on the Site.

## **8.Business Default**

- If, at any time the Business believes that there are insufficient funds to back any dated cheque given to the Company, please contact Funding Souq immediately. If a cheque is returned (either due to lack of funds or for technical reasons) or an electronic payment is not made, the Company (its staff or through an agent acting on its behalf) will contact the Business, either by telephone or by visiting the premises of the same, within twenty-four (24) hours of notification of non-payment and request for an explanation for the payment default. In addition, the Company shall attempt to collect the payment again on the next working day after the payment was due. Note that the Company reserves its right to charge the Business an administrative fee of Five Hundred Dirhams (AED 500.00) if a cheque is returned.
- If the Company's reattempt to collect the funds fails three (3) working days after the date payment was originally due, or if it suspects that the Business has left the UAE or has attempted to defraud the Investors, the latter's account and the relevant FC will be treated as an overdue account ("**Overdue Account**"). Funding Souq will issue the Business with a written overdue notice via recorded delivery and through registered email.



- In the event that the Business fails to respond to the request for payment within twenty-four (24) hours, a written legal notice will be issued via recorded delivery as well as registered email. Accordingly, if the Business fails to respond to the written legal notice within twenty-four (24) hours, the Business will be considered to have defaulted ("**Default**"). With this, the Company reserves its right to date and bank the security cheque(s) held for the full amount of the financing.

### **Appointing a collection agent**

- Funding Souq retains the right to date and deposit the full security cheque following a Default. If the security cheque is not honoured, Funding Souq reserves the right to refer the default payment to an appropriately licensed recovery, security, or debt collection agent ("**Collections Agency**"). The Lender authorises Funding Souq to appoint the Collections Agency to collect the outstanding amount from the Business on the Lender's behalf. Any fees that the Collections Agency charges will be included in the finance amounts due and payable by the Business.
- Notwithstanding the above, the Lender may decide to pursue the collection on his/her own and will be required to notify the Company immediately of such intention in writing. Thereupon, the Company shall provide the relevant contact details of the Business to enable the Lender in pursuing the claim directly.
- Funding Souq reserves the right to file any legal proceedings, at any point, if deemed necessary to protect the interests of the Investors. It also reserves its right to enforce the guarantees given via the DIFC Courts. All fees and costs incurred will be payable by the Business.
- If a Collections Agency is unable to collect the outstanding funds, the Company has the right to assign the FC, on behalf of the Investors, to itself or a third party who may seek recovery of the outstanding amounts through the courts. If such further action is necessary, it is likely that significant costs will be incurred which will be passed on to the Business in Default. The Business accedes to indemnify the Company fully for any and all costs, expenses, losses and any other liability (including (without limitation) any damages) incurred in connection with, or arising out of, the Business's failure to comply with the Business Terms and/or any Default.

### **9.Liability Exclusion**

- The Business shall not be entitled to terminate the Business Terms until all outstanding financings have been repaid in full and cleared funds, and all fees, costs and expenses otherwise due hereunder have been paid in full and cleared funds. On termination, the Company will either credit to the Business's bank account (as notified to the Company) any funds Funding Souq holds for the Business or send a cheque to the address last provided by the Business. Membership of Funding Souq does not in any way constitute an obligation by the Company to procure funding for the Business or that funding will be made available.

- A Business cannot be a Lender while it has outstanding financing with Funding Souq. The Company retains its right to grant specific exceptions to this rule but shall in no circumstances be obliged to do so.
- In the case of any guarantee provided in respect of the Business's obligations, the guarantor and the Business personally attest, and warrant on behalf of all directors, shareholders and members of the Business and Guarantor (as applicable), that there has been no undue influence or inducement of the guarantor to provide such guarantee.

## **10. Indemnity**

To the extent permitted by law and except to the extent attributable to the intentional or negligent acts or omissions of Funding Souq, the Business shall indemnify and hold Funding Souq, its affiliates, officers and agents harmless from and against any and all actions, claims, judgments, losses, costs, expenses, fines and/or damages, for or arising out of any breach by the Business of these terms or any FC and/or failure to comply with any applicable laws and regulations and/or any third-party claims arising out of the same. The provisions contained in this clause shall survive the termination or expiry of the terms themselves.