

This **Deed of Novation** is made on _____ by:

- (1) **Kuflink Bridging Ltd** of 21 West Street, Gravesend, Kent DA11 0BF ("**the Original Lender**");
- (2) **Kuflink Ltd** of 21 West Street, Gravesend, Kent DA11 0BF ("**the Operator**") acting as agent for a disclosed principal; and
- (3) [●] ("**the Borrower**").¹

RECITALS

- (A) The Original Lender is lender of the Facility to the Borrower.
- (B) The Original Lender and the Operator wish to arrange for up to 100% of the value of the Facility to be novated to persons nominated by the Operator who have entered into Lending Terms (this being referred to as the Novation Process), and the Borrower has agreed to the Novation Process and to be bound by the consequences thereof.
- (C) Where the disclosed principal is a Website Lender, it has entered into Lending Terms under which, among other things, it:
 - (1) has advanced money to the Operator to be held in the Client Account pending allocation in accordance with the Novation Process;
 - (2) irrevocably agrees to appoint the Operator as its attorney under the Lender Power, so as to enable the novation to it of part of the Original Lender's rights and obligations under the Facility Agreement; and
 - (3) it concurs that this Deed, upon execution also by the Borrower, shall constitute an Article 36H Agreement.

Where the disclosed principal is an Unregulated Lender, however, only (1) and (2) above shall apply.

- (D) The Operator is authorised and regulated by the FCA Registration Number 724890 pursuant to the FSMA 2000, specifically for the purposes of article 36H of the Regulated Activities Order.
- (E) The Security Trustee (which is not a party to this Deed) is not required to be authorised and regulated by the FCA under the FSMA 2000 for any purposes connected with the Facility or the Novation Process.
- (F) The Facility Agreement and the term sheet for the Novation to which this Deed relates are presented in Schedules 1 and 2 to this Deed respectively.

DEFINITIONS

¹ The Borrower MUST be a party if this is intended to take effect as an art. 36H Agreement. Where the novation is of a loan that is not subject to Kuflink's P2P registration, it is not necessary for the Borrower to be a party.

This Deed uses the following defined terms:

Article 36H	refers to art. 36H of the Regulated Activities Order
an Article 36H Agreement	a credit agreement that corresponds with the parameters of art. 36H of the Regulated Activities Order
the Borrower	the party named in the Term sheet as borrower under the Facility
the Client Account	the account maintained by the Operator for the purposes of holding money from Website Lenders and Unregulated Lenders pending its use in the Novation Process, where it has the status of "client money" for the purposes of the FCA Rules
the Facility	the facility that has been advanced by the Original Lender to the Borrower, secured on land where the security has been expressly given to and registered in the name of the Security Trustee
the Facility Agreement	the document evidencing the borrowing by the Borrower of the Facility, an abstract of which appears in Schedule 1 to this Deed
FCA	the Financial Conduct Authority
FSMA 2000	the Financial Services and Markets Act 2000, as amended
the Lender Power	the power of attorney which each Website Lender (at the same time as entering into the Lending Terms) and each Unregulated Lender (at the time of entering into terms for lending outside the framework of regulation under Article 36H) has given to the Operator, under which the Operator is empowered to execute this Deed and to arrange for the Website Lender or the Unregulated Lender (as the case may be) to participate in the Novation Process to the extent of the Novated Part
the Lending Terms	the terms entered into between the Website Lender that states the basis upon which the Website Lender advances moneys to the Operator to be held in the Client Account with a view to these moneys being available for use in the Novation Process
the Operator	Kuflink Ltd
the Novated Part	that part of the Facility which, as from the execution and delivery of this Deed, is treated as novated to the Website Lender or the Unregulated Lender (as the case may be)
the Novation Process	the process by which parts of a Facility are novated to Website Lenders or Unregulated Lenders, as the case may be
Regulated Activities Order	The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended

the Security	refers to the security provided by the Borrower to the Security Trustee in relation to the Facility
the Security Trustee	Kuflink Security Trustees Ltd of 21 West Street, Gravesend, Kent DA11 0BF
the Term Sheet	the terms of the novation of the Novated Part, set out in Schedule 2 to this Deed
Unregulated Lender	refers to any person for whom the Operator has arranged opportunities to participate in the Novation Process for loans that the Operator arrange, but which takes place outside the framework of Article 36H and is therefore not subject to financial regulation
Website Lender	refers to the person named as such in the Term Sheet.

THIS DEED WITNESSES AS FOLLOWS

1. Novation Process

- 1.1 From the date of the execution and delivery of this Deed, the Novated Part shall be treated as novated from the Original Lender to the Website Lender (or the Unregulated Lender, as the case may be).
- 1.2 For avoidance of doubt, the effect of the Novation Process in relation to the Novated Part is that the Website Lender (or the Unregulated lender, as the case may be) is treated as being a party to the Facility Agreement in relation to the Novated Part, and the Borrower and the Website Lender (or the Unregulated Lender, as the case may be) shall henceforth be treated as having contracted with each other under the Facility Agreement as borrower and lender, respectively, in relation to the Novated Part.
- 1.3 The Original Lender is therefore discharged from all further obligations under the Facility Agreement, and transfers all of its rights thereunder to the Website Lender (or the Unregulated Lender, as the case may be), in relation to the Novated Part (but wholly without prejudice to the rights and obligations of the Original Lender regarding any part of the Facility for which the Borrower remains obliged under the Facility Agreement to the Original Lender notwithstanding the Novation Process).

2. Roles of the Parties

- 2.1 The Operator executes and delivers this Deed on behalf of the Website Lender by reason of the authority provided by the Website Lender in the Lender Power
- 2.2 The Original Lender executes and delivers this Deed for itself.

- 2.3 The Borrower executes and delivers this Deed for itself.²
- 2.3 For these purposes the Operator confirms that it remains validly authorised to execute and deliver this Deed by reason of the Lender Power.
- 3. Further provisions and clarifications**
- 3.1 Nothing in this Deed shall affect the obligation of the Security Trustee in relation to the Security.
- 3.2 Further, it is clarified that the effect of the Security vesting legally in the Security Trustee is so as to permit the Security Trustee, as from the execution and delivery of this Deed, to hold the same, and if need be, to enforce the same, for and on behalf of all persons with an interest as a lender under the Facility Agreement subsequent to the Novation Process. However, it is also clarified that the Security Trustee is not required to consult with any Website Lender or any Unregulated Lender in relation to the exercise of its trustee functions.
- 3.3 By reason of this Deed, the Operator is authorised to pay a cash sum from the Client Account, drawn from moneys provided by the Website Lender (or by the Unregulated Lender, as the case may be), to the Original Lender. Such sum shall be as stipulated in the Term Sheet, and by executing and delivering this Deed the Original Lender hereby acknowledges receipt thereof. The effect of such payment is:
- (a) to reduce by the amount of the value of the Novated Part the amount of the Borrower's obligation under the Facility Agreement to repay principal advanced under the Facility to the Original Lender (and to relieve the Borrower of the obligation to pay interest associated with such sum); and
 - (b) to create equal and matching obligations of the Borrower to the Website Lender (or to the Unregulated Lender, as the case may be) in respect of principal and interest due under the Novated Part.
- 3.4 Where the Operator is attorney for a Website Lender, this Deed in conjunction with the Lending Terms is accordingly deemed for all purposes to constitute a valid and binding Article 36H Agreement between the Website Lender and the Borrower in relation to the Novated Part.

Schedule 1

Abstract of the Facility Agreement

² Only needed if the Deed is an Article 36H Agreement, because the counterparty is a Website Lender. Can otherwise be deleted.

Schedule 2

Term sheet

Borrower:

Security:

Website Lender:

Term of Facility:

Value of Novated Part: £

Interest entitlement of the Website Lender:

KUFLINK SPECIMEN

EXECUTED AS A DEED AND DELIVERED ON THE DATE AT THE TOP OF THIS DEED AS FOLLOWS

By Kuflink Ltd, for itself and as duly authorised attorney for the Website Lender, acting by two Directors:

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By Kuflink Bridging Ltd acting by two Directors:

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By the Borrower, acting by its attorney the Original Lender acting by two Kuflink Bridging Ltd Directors

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KUFLINK SPECIMEN