

Zagga fair dealing policy

Zagga

Fair Dealing Policy

1. Purpose

This policy outlines how Zagga plans to identify and exclude users if they:

- (i) engage in conduct that is misleading or deceptive or likely to mislead or deceive;
- (ii) make a false or misleading representation in contravention of section 22 of the Financial Market Conduct Act 2013;
- (iii) make an unsubstantiated representation in contravention of section 23 of the Financial Market Conduct Act 2013.

Clause 18 (d) Financial Markets Conduct (Phase 1) Regulations 2014 (Regulations).

2. Policy

A. Process to identify misleading or deceptive conduct:

- (i) Zagga will review each loan application before it is published on the website;
- (ii) Identity checks will be carried out by external solicitors on borrowers prior to loans being drawn down;
- (iii) If a staff member, contractor or external provider identifies conduct that may breach the Regulations then such conduct shall be referred to the CEO of Zagga;
- (iv) The CEO of Zagga at his/her discretion may seek an opinion from an external solicitor in relation to the relevant conduct which opinion shall identify if, in the opinion of the solicitor, the conduct breaches the Regulations;
- (v) The CEO of Zagga shall make determinations whether the conduct in question breaches the Regulations.

B. Process to suspend or cancel services to users:

Borrowers

- (i) If, before a loan application is published on the website, the relevant borrower is identified as having breached Regulations, Zagga will;
 - (a) Refuse to publish the loan application on the website and notify the borrower;
 - (b) Suspend or cancel any or all of our services to the borrower;
 - (c) Retain a copy of the loan application;
 - (d) Publish a censure of or statement relating to the borrower's conduct, or the conduct of any of their associated persons if we consider such conduct warrants a censure.

- (ii) If, after publishing a loan application but before the loan application is fully subscribed, the relevant borrower is identified as having breached the Regulations, Zagga will;
 - (a) Remove the loan application from the website and notify the borrower and any affected investors.
 - (b) Suspend or cancel any or all of our services to the borrower;
 - (c) Retain a copy of the loan application;
 - (d) Publish a censure of or statement relating to the borrower's conduct, or the conduct of any of their associated persons if we consider such conduct warrants a censure.

- (iii) If, after a loan application has been fully subscribed to by investors but has not been drawn down by the borrower, the relevant borrower is identified as having breached the Regulations; Zagga will:
 - (a) Terminate the loan draw down process, remove the loan application from the website and notify the borrower and any affected investors;
 - (b) Suspend or cancel any or all of our services to the borrower;
 - (c) Retain a copy of the loan application;
 - (d) Publish a censure of or statement relating to the borrower's conduct, or the conduct of any of their associated persons if we consider such conduct warrants a censure.

- (iv) If, after a loan has been drawn down by the borrower, the relevant borrower is identified as having breached the Regulations; Zagga will:
 - (a) Review the loan at board level and seek external legal advice;
 - (b) Upon receiving the external legal advice, consider the same at board level and take the required action;
 - (c) Notify the borrower and any affected investors;
 - (d) Suspend or cancel any or all of our services to the borrower;
 - (e) Retain a copy of the loan application;
 - (f) Publish a censure of or statement relating to the borrower's conduct, or the conduct of any of their associated persons if we consider such conduct warrants a censure.
 - (g) Notify the breach to the FMA.

Investors

- (i) If an investor is identified as having breached the Regulations, Zagga will:
 - (a) Notify the investor and any affected borrowers;
 - (b) Suspend or cancel the investor's access to and use of the website;
 - (c) Retain all information regarding that investor;
 - (d) Publish a censure of or statement relating to the investor's conduct, or the conduct of any of their associated persons if we consider such conduct warrants a censure;

- (e) If the relevant loan has been drawn down:
 - (i) Review the loan at board level and seek external advice;
 - (ii) Upon receiving the external legal advice, consider the same at board level and take the required action;
 - (iii) Notify the breach to the FMA.