



Max Crowdfund

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Loan Servicing Policy



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Introduction

What is loan servicing?

Loan servicing is the management of a loan from start to finish. It includes activities like collecting payments, maintaining records, managing inquiries, and handling defaults. It can be done by the lender or outsourced to a third party. Loan servicing is important for borrowers to manage their loans and for lenders to effectively collect payments and handle any issues. It plays a crucial role in the financial system by providing credit access to borrowers and helping lenders manage their portfolios.

This Loan Servicing Policy will cover Max Crowdfund's ("**MCF**") loan servicing as follows:

1. Who with MCF is involved in the loan servicing process?
2. Reporting by the Project Owner.
3. The project re-assessment procedure.
4. What do we do before and after due dates and what are the consequences of late payment?
5. What are the timelines?

Who with MCF is involved in the loan servicing process?

Account Management

MCF's Account Management department maintains communication with Project Owners, enforces policies, and follows the four eyes principle. It handles loan payments, escrow accounts, and personal support for Project Owners in a crowdfunding company. Effective account management ensures compliance with loan agreements, timely communication, and builds trust for successful loan repayment. It plays a crucial role in managing loans and supporting borrowers in a crowdfunding company.

Debtor Management

Debtor Management is overseeing and ensuring timely payment from customers, while minimizing bad debts. It involves credit assessment, invoicing, collections, and dispute resolution. Effective debtor management improves cash flow, reduces credit risk, enhances customer relationships, and increases profitability. Conversely, poor debtor management leads to cash flow problems, bad debts, strained relationships, and damage to reputation.

Investment Committee

The Investment Committee of MCF ("**IC**") is a body which is responsible for performing the risk analysis and authorisation of applications for placement on the platform of MCF. The IC specialties are: Finance, operations, registered property and risk assessment.

Reporting by the Project Owner

What must a Project Owner report on and when?

The Project Owner has a **quarterly** reporting requirement for every Project. What must be reported depends on the business plan and strategy of the Project Owner.

The report of the Project Owner is free of form but must provide an update on the Project and the expected progress (as can be concluded from the business plan and strategy). The report shows or details the progress on the Project (e.g., if a purchase agreement should have been accepted at the time of the monthly report, the Project Owner sends a copy of the agreement.)

What do we do if a Project Owner misses its reporting obligation?

A task is created on the platform of MCF for Account Management to contact the Project Owner if the Project Owner is late with their report. Account Management then verifies the following:

- The reason the Project Owner is late with the report.
- The date the Project Owner expects to file their report.

Account Management informs the Project Owner that late reporting can affect the Credit Score of the Project.

If the answers of the Project Owner gives a reason to do so or if it is the second time the Project Owner is late with the report, Account Management can ask additional questions.

The project re-assessment procedure

What is this procedure?

Because MCF's crowdfunding services include the facilitation of granting loans, it is required to disclose the default rate on crowdfunding projects offered on the Platform. MCF has procedures in place to do a re-assessment of Projects in certain situations. The re-assessment can lead to a default procedure under certain circumstances. The project re-assessment procedure is further explained in this section.

When does this procedure start?

The Project re-assessment procedure starts if one or more of the following happens:

- The Project Owner contacts MCF before or after the due date on a payment obligation and gives reason(s) other than the most common reasons for missing payment, which leads MCF to believe the Project Owner will not meet (or is unlikely to meet) its payment obligations on the due date(s);
- MCF gains information from any reliable source (or the Project Owner) which leads MCF to believe the Project Owner will not meet its payment obligations on the due date;
- The Project Owner's applies for, or is placed in, bankruptcy or similar protection and this would avoid or delay repayment to investors of a credit obligation related to a particular loan; and
- Another Project under the responsibility of the Project Owner defaults or fails in a way which could materially impact a Project offered on the Platform.

What can investors vote on?

Investors of MCF can vote on investments they participate actively in. If MCF approves a proposal of the Project Owner, investors get the opportunity to vote. Examples are:

- A revision of the repayment terms;
- A suspension of payment;
- A change in interest rate; and
- Whether to start legal proceedings.

What is delivered to investors to help them vote?

After a Project has been reassessed and approved by the IC, the investors get to vote on a decision. The IC will provide general information (such as identified risks) while providing supportive data/information gathered from the Project re-assessment procedure.

Investors of the loan are invited to vote. The invite is sent to investors through their preferred email address. Investors are given 5 business days to vote. Before voting the investors are given the chance to download the advice and supportive data/information given by the IC.

The amount of votes given to investors only depends on their share of the amount raised for the Offer.

What do we do before and after due dates and what are the consequences of late payment?

Before a due date

Before a due date MCF ensures that the Project Owner understands their obligations. In addition to an invoice, MCF sends a reminder of key details such as:

- That payment can be made before the due date; and
- To consider the processing times between banks as a result of the transfer of large funds internationally.

In addition the Project Owner is already warned of the consequences of late payment which are:

- A late payment penalty in the form of interest on interest which goes to investors;
- Extrajudicial collection costs which reimburse MCF for the additional effort; and

A Project Owner is always encouraged to proactively communicate with MCF so that issues can be addressed swiftly. Unfortunately, Project Owners do not always communicate properly. For this reason, we have implemented a strict default procedure. During the entire procedure the Project Owner can contact MCF to resolve issues but until a solution is found and accepted by the investors the default process continues as will now be described below.

Payment arrears

After a due date a Project Owner will immediately incur fines and extrajudicial collection costs except for circumstances where the Project Owner has been exempted from fines and extrajudicial collection costs by making a request in accordance with [article 19.5 Terms and Conditions](#). If a Project Owner does not comply with the obligations under which the exemption has been granted the fines and extrajudicial collection costs are still applied after the period of the exemption. An exemption is not a suspension of a payment obligation.

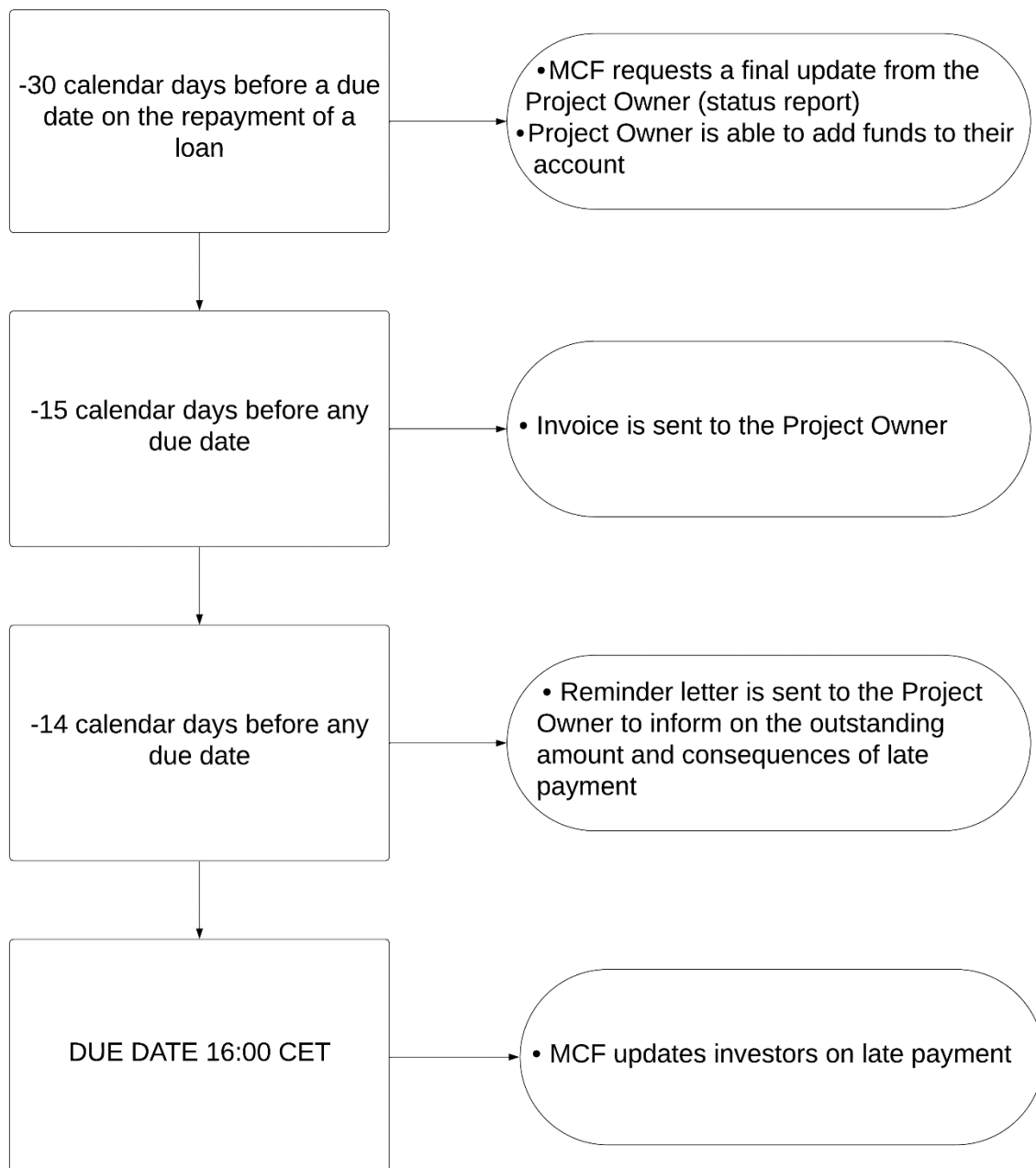
Fines can be an encouragement for Project Owners but can also quickly become a heavy burden. For this reason and to encourage proactive communication MCF implemented the exemption.

MCF sends payment reminders at regular intervals and sends registered letters on three separate occasions. The first registered letter (at +15 days after a due date) is sent digitally and is signed by the finance department. The second registered letter (at +30 days after a due date) is sent by mail and registered post and is signed by the Management Board of MCF. The final registered letter (at +60 days after a due date) is sent by mail and registered post and is signed by the Management Board of MCF and the Board of the Max Crowdfund Security Trustee Foundation.

Default

After +60 days of payment arrears the final notice of default is sent to the Project Owner. The case is then handed to the Max Crowdfund Security Trustee Foundation who will start the appropriate legal proceedings. At this moment issues can still be resolved but often require payment of all outstanding amounts before loan terms can be revised.

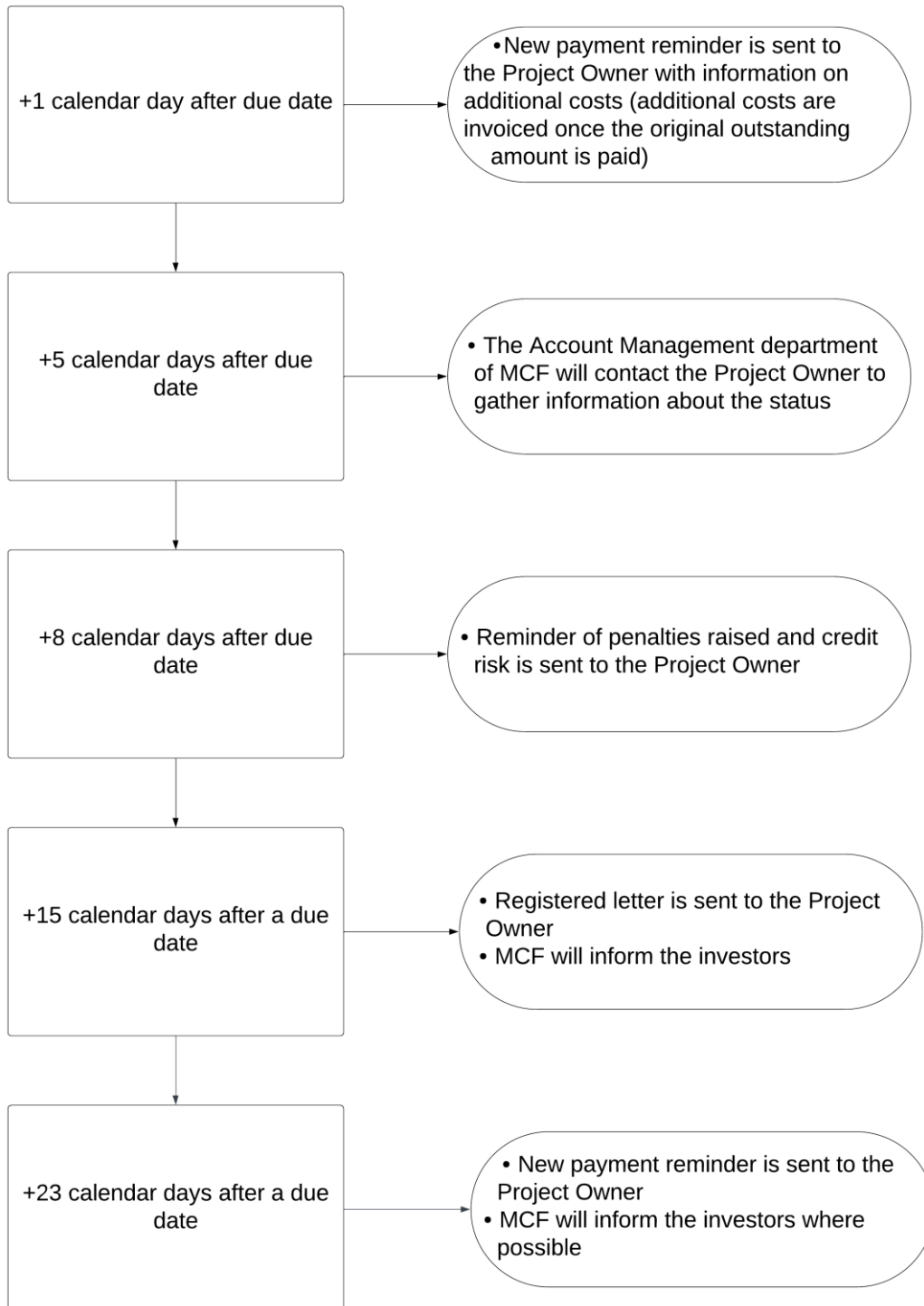
What are the timelines?





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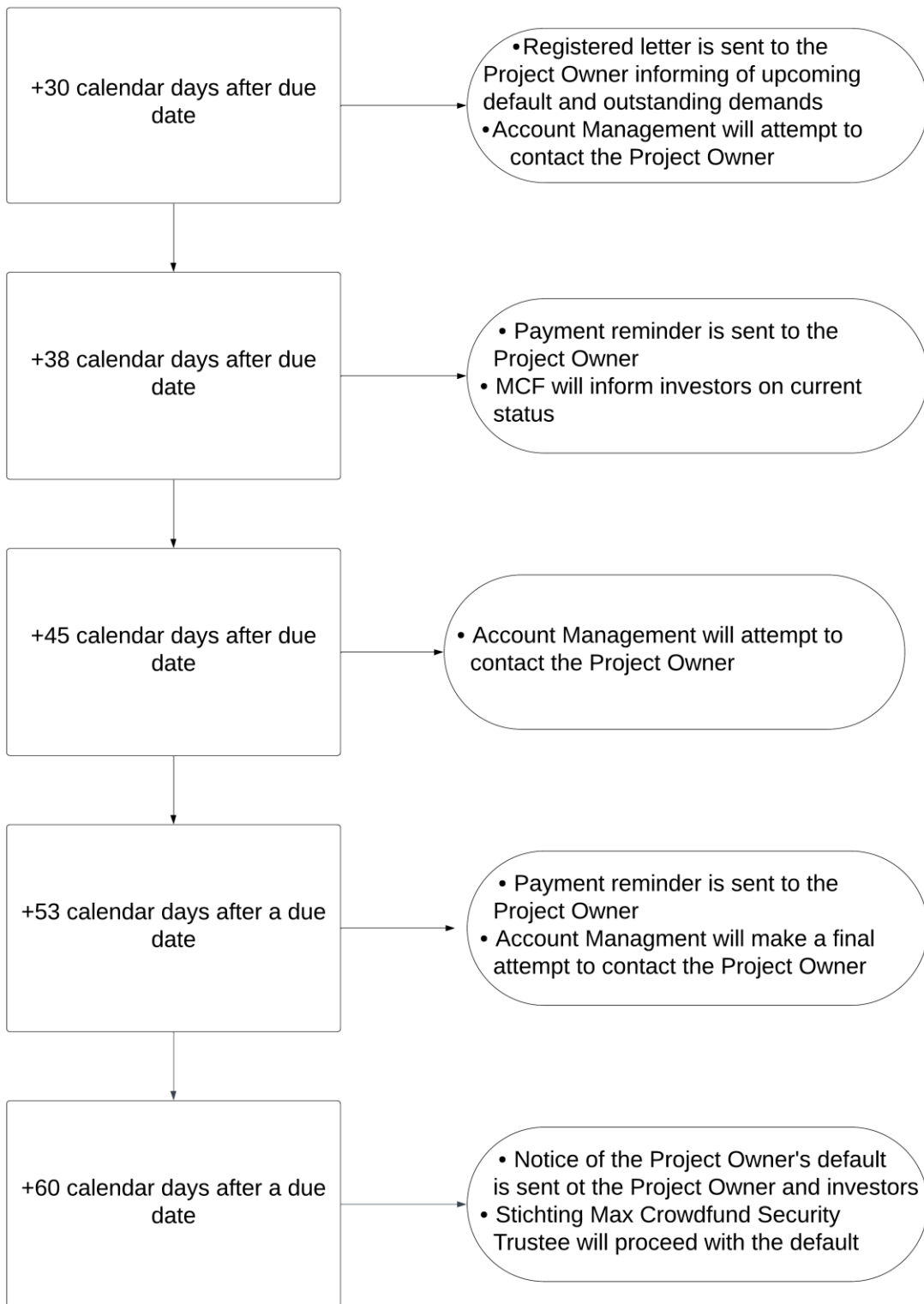
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Annexes

Annex 1: Links to use

For more information, you can go to our website and inform the [Terms and Conditions](#).

For more questions you can go to our website and inform our [FAQ's](#) or search it yourself in our [support centre](#).

If your question is not there, click [here](#) to contact one of our employees personally.