

FAIR PRACTICES CODE

1. Background

- 1.1. The Reserve Bank of India (“**RBI**”) has vide Master Directions – Non-Banking Financial Company – Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 dated October 4, 2017 as updated on November 9, 2017 (“**Master Directions**”) has directed every Non-Banking Financial Company – Peer to Peer Lending Platform (“**NBFC – P2P**”) to implement a Fair Practices Code (“**Code**”).
- 1.2. Bridge Fintech Solutions Private Limited (“**Company**”), being a peer to peer lending platform in the process of applying for a registration with the RBI for NBFC-P2P, is also required to implement such a Fair Practices Code.
- 1.3. Accordingly, the Company has adopted this Fair Practices Code, as approved by its Board of Directors at its meeting held on November 22, 2017.
- 1.4. This Code shall also be made available on the website of the Company (“**Platform**”), for the benefit of all stakeholders.

2. Objective of this Code

The key objectives of framing this Code are:

- 2.1. Fair and transparent dealing with lenders and borrowers (collectively referred to as “**Participants**”) transacting on the Platform.
 - 2.1.1. The Company’s policies and terms for transacting on the Platform shall be in line with this Code.
 - 2.1.2. The Company’s policies and terms for transacting on the Platform shall be accordance with the regulations prescribed by the RBI, from time to time.
 - 2.1.3. The Company’s dealings with its Participants shall be based on the principle of fair dealing and transparency.
 - 2.1.4. The Company will ensure that the Participants are made aware of the terms of dealing on the Platform.
- 2.2. Seamless experience on the Platform
 - 2.2.1. The Company will put checks and balances in place to provide the Participants a trouble free experience on the Platform.
 - 2.2.2. In case of any errors or omissions, the Company shall ensure any grievances are dealt with efficiently and effectively.

- 2.2.3. The Company shall have escalation process in place to handle complaints and grievances of the Participants.

3. Applicability of the Code

The Code shall be applicable to the following key areas:

- 3.1.1. Participant sign up and process thereof
- 3.1.2. Loan processing and terms and conditions
- 3.1.3. Investment of loans
- 3.1.4. Post investment supervision/monitoring
- 3.1.5. Other miscellaneous provisions

3.2. Participant sign up and process thereof

- 3.2.1. The Platform shall provide information on the process of sign up for Participants.
- 3.2.2. The consent of the Participants shall be taken before sharing their information with any third party.
- 3.2.3. Consent of the lender shall be taken before investing loan on his behalf.
- 3.2.4. The Participants shall be given access to draft Loan Agreement setting out the terms of the loan prior to availing of loan.

3.3. Loan processing and terms and conditions

- 3.3.1. Explicit affirmation shall be taken from the lender to the effect that he/she has understood the risks associated with the proposed transaction on the Platform.
- 3.3.2. The lender shall be informed that the Company does not guarantee any return and that there exists a likelihood of loss of entire principal in case of default by the borrower.
- 3.3.3. The Platform shall not provide any assurance of recovery of loans.
- 3.3.4. The Company shall disclose to the lender:
 - (a) details about the borrower/s including loan amount, interest rate and credit rating as arrived by the Company.

- (b) details about all the terms and conditions of the loan, including likely return, fees and taxes.

3.3.5. The Company shall disclose to the borrower:

Details about the lenders including proposed amount, interest rate offered but excluding contact details.

3.4. Investment of Loans

3.4.1. The Company will convey to the borrower, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.

3.4.2. The Company will furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ investment of loans.

3.5. Post investment supervision/monitoring

3.5.1. The Company shall ensure that in the matter of recovery of loans, it shall ensure that the staff are adequately trained to deal with the Participants in an appropriate manner and shall not resort to harassment, viz., persistently bothering the borrowers at odd hours, use of coercion for recovery of loans, etc.

3.6. Other miscellaneous provisions

3.6.1. The Company shall not discriminate on the grounds of gender, caste or religion when onboarding Participants.

3.6.2. In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per guidelines laid down by the RBI.

4. Confidentiality

4.1. The Company shall treat all information of its Participants as private and confidential.

4.2. The Company shall not reveal transaction details to any other person without the prior consent of the Participant other than the following exceptional cases:

4.2.1. If required to provide the information relating to a Participant by law or under an order of government, statutory, regulatory authority.

4.2.2. Associate / entities or companies for providing other services or products.

5. Disclaimer

Reserve Bank of India does not accept any responsibility for the correctness of any of the statements or representations made or opinions expressed by the Company, and do not provide any assurance for repayment of the loans lent on the Platform.

6. General

- 6.1. The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- 6.2. The Company shall initiate necessary disciplinary action against its staff or agents who abuse any of the terms under the code of conduct.

7. Further Assistance

- 7.1. A grievance redressal mechanism within the organization comprising of a Grievance Redressal Officer and a contact number to address Participant's complaints has been set up to resolve disputes arising in this regard.
- 7.2. There will be a periodical review of the compliance of the Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.