

FAIR PRACTICES CODE

1. BACKGROUND

- 1.1. The Reserve Bank of India (“**RBI**”) issued the Master Directions – Non-Banking Financial Company – Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 bearing No. DNBR (PD) 090/03.10.124/2017-18 dated October 4, 2017 as updated on February 23, 2018 (“**Master Directions**”). These Master Directions require every Non-Banking Financial Company – Peer to Peer Lending Platform (“**NBFC-P2P**”) to implement a Fair Practices Code.
- 1.2. Visionary Financepeer Private Limited (“**Company**”) is a peer to peer lending platform that is applying to the RBI for a registration as NBFC-P2P. For this purpose, the Company also has to implement such a Fair Practices Code in accordance with the Master Directions of the RBI.
- 1.3. In this context, the Board (defined below) of the Company proposed this Fair Practices Code (“**Code**”). The Board held a meeting on November 1, 2017. At this meeting, this Code was approved by the Board. The Code has been created in line with the Master Directions. The Company shall implement this Code across all its departments and verticals. The Company shall modify the Code, as required, to ensure that it is compliant with all RBI directions and standards, as may be issued from time to time.
- 1.4. The Company runs the website www.financepeer.com (“**Platform**”). It shall display the Code on the Platform, for the benefit of all users and participants.

2. SCOPE AND APPLICATION

- 2.1. The Code shall become effective and apply across all the departments and verticals of the Company from November 1, 2017 (“**Effective Date**”).
- 2.2. The Code shall apply to the following key functions on the Platform, details of which are given from Section 4 onwards of this Code:
 - 2.2.1. Process of onboarding Participants
 - 2.2.2. Processing of loans
 - 2.2.3. Disbursement of loans
 - 2.2.4. Supervision and recovery of disbursed loans
 - 2.2.5. Miscellaneous provisions

3. OBJECTIVES

There are two primary objectives of this Code:

3.1. Fairness and Transparency

- 3.1.1. The fundamental principle underlying the activities of the Company shall be fair and transparent dealing with lenders and borrowers on the Platform (collectively referred to as “**Participants**”). Each interaction between the Company and the Participants shall be informed by this principle.
- 3.1.2. Each of the policies, terms and conditions, and codes of the Company shall comply with this Code and the regulations prescribed by the RBI, from time to time.
- 3.1.3. The Company shall clearly communicate the terms and conditions of transacting on the Platform to all Participants that come on to the Platform.

3.2. Seamless and Grievance-free Experience

- 3.2.1. The Company shall make efforts to ensure that each Participant on the Platform has a seamless experience and that all Participants have a uniform experience.
- 3.2.2. The Company shall address every grievance raised by Participants efficiently and effectively.
- 3.2.3. In order to fulfil the requirements of section 3.2.2 above, the Company shall institute a mechanism for escalation of complaints and grievances of the Participants. This mechanism is fully detailed in the Grievance Redressal Policy of the Company. The Grievance Redressal Policy is available on the Platform.
- 3.2.4. At the operational level, the Company would display the name and contact information of the Company’s Grievance Redressal Officer for the benefit of their customers at their branches/places where business is transacted.

4. PROCESS OF ONBOARDING PARTICIPANTS

- 4.1. The Platform shall provide clear, easy-to-understand information on the process for Participant onboarding.
- 4.2. Prior to sharing any information of the Participants with any third party, their consent must be obtained and recorded.
- 4.3. No loan shall be disbursed on the behalf of any lender without that lender’s prior consent.
- 4.4. The Participants shall be provided with access to the draft of the Loan Agreement that they will enter into, prior to the disbursing or availing any loan on the Platform.
- 4.5. The term of the Loan Agreement shall not be altered without prior approval of the concerned Participants.

5. PROCESSING OF LOANS

- 5.1. Each lender shall be required to expressly confirm that it has understood the risks involved in carrying out lending transactions on the Platform.
- 5.2. The Company shall not guarantee any returns to any lender and shall expressly communicate that since no returns are guaranteed, there is a likelihood of loss of all or part of the principal amount invested by the lender, in the event that the borrower defaults on the loan.
- 5.3. The Company shall institute a Recovery Policy, which may provide for assistance with loan recovery. However, at no time, shall the Company give any guarantee or make any assurances relating to the recovery of defaulted loans.
- 5.4. The contact details of the lenders shall not be disclosed to borrowers by the Company.
- 5.5. The Company shall make the following disclosures to Participants looking to enter into a transaction on the Platform:
 - 5.5.1. To the lender:
 - 5.5.1.1. Borrower details including loan amount, interest rate and credit rating as derived by the Company; and
 - 5.5.1.2. Loan details about all the terms and conditions of the loan, including interest, fees and taxes.
 - 5.5.2. To the borrower: lender details including the proposed loan amount and interest rate offered by the lenders.

6. DISBURSEMENT OF LOANS

- 6.1. The Company shall inform the borrower about the amount of loan approved for investment along with the terms and conditions including rate of interest (per annum) and the method of applying interest.
- 6.2. The Company shall provide a copy of the Loan Agreement a copy of each of the enclosures referred to in the Loan Agreement to all the borrowers at the time when the loan is sanctioned/ disbursed.

7. SUPERVISION AND RECOVERY OF DISBURSED LOANS

The Company shall ensure that all the staff that deals recovery matters are adequately trained and required to deal with the Participants in an appropriate manner. The Company shall ensure that the staff does not resort to harassment. The Recovery Policy of the Company, as amended from time to time, shall be complied with by the recovery staff.

8. MISCELLANEOUS PROVISIONS

8.1. The Company shall maintain a strict practice of non-discrimination on the grounds of gender, caste, profession, ethnic origin or religious faith when onboarding Participants.

8.2. For loan recovery, the Company shall employ standard measures that are legally available to it and as per guidelines relating to recovery laid down by the RBI and as enumerated in the Company's Recovery Policy.

9. CONFIDENTIALITY

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

9.2. The Company shall not disclose details of any transaction carried out on its Platform to any person without the prior consent of the Participant. This restriction shall not apply in the following cases:

9.2.1. Where the Company is required to provide such information relating to a Participant, by law or under an order of a government, statutory or regulatory authority.

9.2.2. The Company can share the information with its associate entities or entities engaged by the Company for providing other services or products ancillary to the activities and business being carried out by the Company through the Platform.

10. DISCLAIMER

The RBI 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.

The Company shall ensure that this disclaimer is also displayed on the Platform.

11. GENERAL

11.1. The Company shall not interfere with the affairs of the borrower except for the purposes provided expressly in the Loan Agreement (unless new information, that the borrower previously failed to disclose came to the attention of the Company).

11.2. The Company shall initiate necessary disciplinary action against its staff or agents who abuse any of the terms set out in this Code.

12. FURTHER ASSISTANCE

12.1. A Grievance Redressal Policy laying out the grievance redressal mechanism in the Company along with details of the Grievance Redressal Officer and a contact number to address Participant's complaints has been set up by the Company to resolve grievances registered by Participants on the Platform.

- 12.2. 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. Upon review of such consolidated report, the Board shall suggest such amendments to the Code as it may deem appropriate.