LENDER PARTICIPATION AGREEMENT

This Lender Participation Agreement ("Agreement") is entered into:

BETWEEN

1 Finance P2P Private Limited, a company incorporated under the Companies Act, 2013, bearing Corporate Identity NumberU64990GJ2023PTC146103, having its registered office at Marwadi Financial Plaza, Nana Mava Road, Off: 150 Feet Ring Road,Rajkot-360 001., and Corporate Office at 15th Floor, A - Wing, Lotus Corporate Park, Goregaon (E), Mumbai - 400 063 registered with the Reserve Bank of India as a Non-Banking Financial Company – Peer to Peer Lending Platform (NBFC-P2P) bearing Registration No. B.01.00651 (“Platform” or “Platform Provider”).

AND

The undersigned lender ("Lender").

The Platform and the Lender are hereinafter individually referred to as a "Party" and collectively as the "Parties".

WHEREAS the company operates an online peer-to-peer lending platform registered as a Non-Banking Financial Company -Peer to Peer (NBFC-P2P) with the Reserve Bank of India ("RBI"); and

WHEREAS the Lender desires to participate as a lender on the Platform in accordance with the applicable directions issued bythe Reserve Bank of India governing NBFC-P2P entities, including the Reserve Bank of India (Non-Banking Financial Company –Peer to Peer Lending Platform) Directions, 2025, as amended from time to time (“P2P Directions”) and other applicable laws;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. PURPOSE, SCOPE
   - 1.1. The Platform acts solely as an intermediary marketplace to facilitate lending transactions between registered lenders and borrowers. The Platform does not lend or borrow on its own account, nor does it guarantee any performance, returns, or repayment of loans. The Platform shall not offer any credit enhancement, guarantee repayment, assume credit risk, provide liquidity features such as early exits or secondary markets for loans, or engage in any prohibited activities under the P2PDirections (including no cross-selling except loan-specific insurance products that do not constitute credit enhancement).
   - 1.2. 1.2 This Agreement governs the Lender's access to and use of the Platform's services, including onboarding, loan facilitation, and related services.

2. DEFINITIONS

   Capitalized Terms not defined herein shall have the meaning ascribed to them under the P2P Directions or as displayed on the Platform. Key terms include:
   - a) "Escrow Account(s)": Separate accounts (Lenders' Escrow for pending disbursals and Borrowers' Escrow for collections) operated by a trustee promoted by a scheduled commercial bank.
   - b) "Fair Practices Code": The Platform's Board-approved code for transparent and ethical practices, as displayed on the website.

c) "Grievance Redressal Officer": The designated officer for handling complaints.d) "Annualized Percentage Rate (APR)": The effective interest rate including all fees, disclosed in the prescribed format.

3. LENDER ELIGIBILITY & ONBOARDING
   3.1. The Lender represents that it is legally competent, resident in India, and eligible to lend as per applicable laws and the P2PDirections.
   3.2. The Lender shall complete all onboarding requirements, including but not limited to KYC (Know Your Customer), CKYC, identity verification, and bank account validation, as prescribed by the Platform and regulatory authorities. The Lender consents to storing/processing all data within India in compliance with the Digital Personal Data Protection Act, 2023.
   3.3. The Lender shall notify the Platform of any changes in eligibility (e.g., residency status) and consents to periodic re-verification. The Platform reserves the absolute right to reject, suspend, or terminate the Lender’s account at its sole discretion in case of: (i) non-compliance with this Agreement; (ii) failure to meet eligibility criteria; (iii) provision of false or misleading information; or (iv) any regulatory requirement. The Lender may appeal such decisions as per the Platform’s grievance mechanism. Such action shall be exercised in accordance with the Platform’s internal policies, applicable law, and regulatory compliance requirements.

4. LENDER'S REPRESENTATIONS, WARRANTIES & COVENANTS
   The Lender represents, warrants, and undertakes that:
   4.1. All information and documents provided are true, accurate, current, and complete.
   4.2. All funds deployed through the Platform are from legitimate sources and are not proceeds of any unlawful activity. The Lender complies with Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Prevention of Money Laundering Act, 2002 requirements, and consents to related checks.
   4.3. The Lender has read, understood, and acknowledges the inherent risks of P2P lending, including but not limited to credit risk, default risk, liquidity risk, platform risk, and the possibility of full loss of principal and interest in the event of borrower default, with no recourse to the Platform for recovery including the possibility of total capital loss, including loss of principal and interest, without recourse to the Platform.
   4.4. The Lender is making independent lending decisions after reviewing the information and commercial terms made available on the Platform and based on its own risk assessment. The Platform provides no investment advice, recommendation, assurance, or guarantee of returns, repayment, or recovery..
   4.5. The Lender shall strictly comply with all exposure limits prescribed by the RBI from time to time, including currently: (i)aggregate exposure across all borrowers on all P2P platforms not exceeding Rs. 50,00,000; (ii) exposure to a single borrower not exceeding Rs. 50,000; and (iii) obtaining a Chartered Accountant certificate confirming net worth more than Rs. 50,00,000 if aggregate exposure greater than Rs. 10,00,000. The Lender shall provide certificates confirming adherence as required.

5. ROLE & OBLIGATIONS OF THE PLATFORM
   5.1. The Platform shall, in accordance with applicable law:
      a) Facilitate the matching of lenders and borrowers (equitable, non-discriminatory, no closed user groups or affiliates).
      b) Display borrower information, risk categories, and APR in the prescribed format based on data received from credit information companies and other sources, subject to the information received from third party. Disclose credit assessment methodology.

c) Operate and manage separate Escrow Accounts with a bank-promoted trustee for all fund flows (Lenders' Escrow and Borrowers' Escrow), as mandated. Funds shall not remain in escrow beyond T+1 bank working day.
d) Update on the Platform periodic statement, reports, and updates on loan portfolios, including monthly NPA details and performance.
e) Facilitate the execution of loan agreements and servicing of loans.
f) Adhere to its Fair Practices Code, provide public disclosures (e.g., business model, portfolio performance, grievances),and maintain IT systems with biennial audits.

5.2. Platform Disclaimer:
The Platform is an intermediary only. It does not (i) guarantee the accuracy of borrower information; (ii) assure repayment or recovery; (iii) act as a trustee for the loan funds or as an agent to assume credit risk, repayment obligations, or fiduciary duties on behalf of the Lender; (iv) provide any investment advice; or (v) assume credit risk. Without prejudice to the foregoing, the Platform shall not be liable for losses arising from borrower fraud, identity theft, inaccuracies in credit bureau data, forged documents, or failures/errors of third-party verification agencies acting beyond the Platform's reasonable control or verification capability.

5.3. Grievance Redressal: The Platform shall maintain a grievance redressal mechanism with a designated Grievance Redressal Officer (details on website). Complaints shall be addressed within one month; unresolved grievances may be escalated to the RBI under its consumer grievance framework.

6. ESCROW & FUNDS FLOW MECHANISM
6.1. All receipt and disbursement of funds (principal and interest) shall occur exclusively through two separate Escrow Accounts (Lenders' Escrow for pending disbursals; Borrowers' Escrow for collections) operated by a trustee promoted by a scheduled commercial bank, in strict compliance with RBI guidelines. No co-mingling of funds flow: Lender → Lenders' Escrow →Borrower (post-matching); Borrower → Borrowers' Escrow → Lender.
6.2. The Platform shall have no proprietary interest in the funds held in escrow, except to collect its fees and/or charges as authorized. The Platform shall not use lender funds for any purpose other than as specified in this Agreement and the P2PDirections. No cash transactions; all via verified bank accounts. The Platform shall not be responsible for delays or failures in fund transfers caused by banking partners, escrow trustees, payment gateways, or other financial system participants.

7. LENDING PROCESS & LOAN AGREEMENT
7.1. The Platform shall provide the Lender access to a list of eligible Borrowers together with the applicable commercial terms, including the proposed rate of interest, tenure, risk category, loan amount, and such other relevant loan parameters as may be determined by the Platform. The Lender may independently review such information and, at its sole discretion, decide whether or not to participate in funding any Loan. Nothing contained herein shall obligate the Lender to fund any Loan that it does not elect to participate in.
7.2. The Lender shall commit funds only after being satisfied with the applicable commercial terms and making its own independent assessment of the relevant Borrower and Loan parameters. Upon providing electronic confirmation on the Platform, the Lender's commitment to lend shall become irrevocable and may be matched only with unrelated Borrowers. The Lender acknowledges that its lending decision is made independently and without reliance on any representation, warranty, assurance, or guarantee by the Platform, and confirms that no promise of returns or recovery has been made by the Platform.

8. FEES, CHARGES & TAXES
    8.1. The Platform may charge a facilitation/service fee as a fixed amount or fixed proportion of the principal amount, disclosed upfront at the time of lending, and not dependent on the borrower's repayment performance. The Platform reserves the right to amend the Fees without prior notice.
    8.2. In the event of a default by the Borrower in repayment of the Loan, the Platform may undertake recovery actions. Where such recovery actions result in successful recovery of amounts from the Borrower, recovery expenses of up to Rs. 500 (Rupees Five Hundred only) per Borrower per recovery instance may be deducted proportionately from each participating Lender's share of the recovered amount. Further, where a Loan is classified as a Non-Performing Asset (NPA) and legal recovery proceedings are initiated, any reasonable legal or recovery-related expenses incurred in connection with such proceedings and recovered only upon successful realization from the Borrower may be apportioned amongst the participating Lenders in proportion to their respective exposure in the Loan and deducted from their respective share of the recovered amount.
    8.3. The Lender is solely responsible for the payment of all taxes (including GST, TDS, income tax) arising from interest earned or transactions conducted via the Platform. The Platform's role is limited to providing information for tax compliance as required by law.

9. RISK ACCEPTANCE & DISCLOSURE
    9.1. The Lender explicitly acknowledges and accepts that:
        a) Loans facilitated are generally unsecured and carry a high risk of default.
        b) There is no guaranteed secondary market or liquidity for the amount lent until maturity (maximum 36 months).
        c) The Platform is not liable for borrower creditworthiness, default, delay, or fraud.
        d) The Platform shall not cross-sell any products except loan-specific insurance that does not constitute credit enhancement.

    9.2. The Lender confirms that the risks associated with peer-to-peer lending, including the possibility of borrower default, delay in repayment, loss of principal and interest, absence of guaranteed returns, and lack of liquidity, have been clearly disclosed by the Platform through this Agreement and on the Platform interface. The Lender acknowledges that it has read, understood, and accepted such risks prior to participating in lending transactions.

10. AUTHORIZATION FOR COLLECTION AND ENFORCEMENT
The Lender hereby irrevocably authorizes and appoints the Platform, acting either directly or through its duly appointed service providers, agents, recovery agencies, legal counsel, or the Trustee, as the Lender's lawful agent and representative, to:
    a) Collection of Dues
    Collect, receive, and process all amounts payable by the Borrower in respect of the Loan, including principal, interest, penal charges, fees, costs, and any other amounts due and payable under the applicable Loan Agreement.

    b) Initiation of Recovery Proceedings
    Initiate, pursue, defend, compromise, settle, withdraw, or otherwise deal with any recovery actions, claims, complaints, arbitration proceedings, insolvency proceedings, criminal complaints (including proceedings under Section 138 of the Negotiable Instruments Act, 1881, where applicable), or other legal proceedings against the Borrower or any guarantor, in connection with default or non-payment.

    c) Enforcement Actions

Take such steps as may be necessary or appropriate for enforcement of the Loan, including issuing demand notices, recall notices, legal notices, engaging advocates, filing applications before courts, tribunals (including Debt Recovery Tribunal, if applicable), or any statutory or regulatory authority.

d) Settlement and Compromise
Negotiate, restructure, settle, or compromise any outstanding amounts with the Borrower in accordance with the Platform's policies, applicable law, and regulatory framework, including the Reserve Bank of India guidelines governing Peer-to-Peer Lending Platforms.

e) Execution of Documents
Execute, sign, verify, file, and submit any applications, pleadings, affidavits, vakalatnamas, statements, declarations, or other documents as may be necessary in connection with recovery or enforcement actions.

f) Costs and Expenses
Recover and appropriate any legal costs, recovery expenses, or enforcement charges from the Borrower, and where not recoverable, debit or proportionately allocate such costs to the Lender in accordance with the Platform's disclosed policies.

The Lender agrees that the Platform shall act in good faith and in accordance with applicable law and regulatory requirements, and the Lender shall be bound by the actions taken by the Platform pursuant to this authorization. This authorization shall be irrevocable for so long as any amounts remain outstanding under the relevant Loan and shall survive termination of this Agreement.

11. DATA PRIVACY & CONFIDENTIALITY

11.1. The Platform will collect, process, and store the Lender's personal and financial data in accordance with its Privacy Policy, the Digital Personal Data Protection Act, 2023, and P2P Directions (all data stored/processed in India only).

11.2. The Lender shall maintain the confidentiality of all non-public information concerning the Platform's operations and technology.

11.3. Cybersecurity and Data Breach Disclaimer: The Platform maintains reasonable security practices and safeguards in accordance with applicable law and industry standards. However, the Platform shall not be liable for unauthorized access, cyber-attacks, data breaches, system intrusions, or technology failures occurring despite such reasonable safeguards and beyond its control.

12. TERM & TERMINATION

This Agreement is effective upon the Lender's registration and shall continue until terminated. The Lender can terminate his Agreement by deleting his account from the Platform

13. NATURE OF RELATIONSHIP

Nothing in this Agreement shall be deemed to create any fiduciary, advisory, partnership, or joint venture relationship between the Platform and the Lender. The Platform does not act as an investment adviser or portfolio manager.

14. LIMITATION OF LIABILITY

14.1. The Platform's aggregate liability, for any and all claims under this Agreement, shall be strictly limited to the total amount of fees actually received by the Platform from the Lender in the three (3) months immediately preceding the event giving rise to the claim. The foregoing limitation applies to all causes of action in the aggregate, whether in contract, tort (including negligence), or otherwise.

14.2. In no event shall the Platform, its directors, or employees be liable for any indirect, consequential, incidental, punitive, or special damages, including loss of profits, loss of opportunity, investment losses, or losses arising from platform downtime, system unavailability, or service interruptions. This exclusion applies even if the Platform has been advised of or should have known of the possibility of such damages.

14.3. The Platform shall not be liable for losses arising from: (a) Borrower default; (b) system errors or failures beyond its reasonable control (subject to force majeure); (c) reliance on information provided by third parties; (d) actions or inactions of banking partners or escrow agents; or (e) any regulatory action, change in law, or directions issued by statutory authorities.

15. INDEMNIFICATION

15.1. The Lender shall indemnify, defend, and hold harmless the Platform, its affiliates, and their respective officers from and against any and all claims, losses, liabilities, damages, and expenses (including legal fees) arising from: (i) the Lender's breach of this Agreement; (ii) violation of any law; or (iii) misrepresentation of information.

15.2. The Platform shall indemnify the Lender for direct losses arising from the Platform's gross negligence, wilful misconduct, or material breach of its core obligations under this Agreement, subject to the Limitation of Liability set forth in Clause 14.

15.3. The Lender shall indemnify and hold harmless the Platform against any regulatory, legal, or financial consequences arising from the Lender's violation of applicable laws, exposure limits, AML obligations, or misrepresentation of information.

16. GOVERNING LAW & DISPUTE RESOLUTION

16.1. This Agreement shall be governed by and construed in accordance with the laws of India.

16.2. Any dispute, controversy, or claim arising out of or relating to this Agreement shall be settled by binding arbitration in accordance with the Arbitration and Conciliation Act, 1996, as amended.

16.3. The arbitration shall be conducted by a sole arbitrator appointed mutually by the Parties. If the Parties fail to appoint within 15 days, the arbitrator shall be appointed by the Indian Council of Arbitration. The seat and venue of arbitration shall be Mumbai, India. The proceedings shall be conducted in the English language. The arbitration award shall be final and binding on the Parties. The arbitral proceedings shall be conducted on a fast-track basis and shall be completed within six (6) months from the date of appointment of the arbitrator. Disputes under this Agreement shall be resolved on an individual basis, and no class action or class arbitration shall be permitted.

16.4. Notwithstanding the above, the Platform may seek injunctive relief in any court of competent jurisdiction to protect its intellectual property or confidential information.

17. REGULATORY COMPLIANCE CLARIFICATION

The Platform operates strictly in accordance with applicable RBI regulations governing NBFC-P2P entities and shall not be construed as providing any investment product, guaranteed return, or credit protection mechanism.

18. MISCELLANEOUS

18.1. Amendments:

The Platform may modify this Agreement by posting an updated version on its website. The Lender's continued use constitutes acceptance. This Agreement shall be interpreted in compliance with the P2P Directions, as amended, provided that such modifications are not materially prejudicial to the Lender’s existing rights in respect of already executed loan transactions.

18.2. Severability:

If any provision is held invalid, the remainder shall remain in full force.

18.3. Assignment:

The Lender may not assign its rights under this Agreement without the Platform's prior written consent. The Platform may assign its rights and obligations to any successor entity.

18.4. Notices:

Communications shall be sent via email (to the Lender's registered email) or displayed on the Platform's dashboard, and shall be deemed effective upon sending or posting.

18.5. Waiver:

No waiver of any provision shall be effective unless in writing and signed by the waiving Party.

18.6. Force Majeure:

Neither Party shall be liable for delays or failures due to events beyond reasonable control (e.g., natural disasters, regulatory changes), provided notice is given promptly.

18.7. Entire Agreement:

This Agreement, along with the Term and Conditions of Use, Privacy Policy and Fair Practices Code, constitutes the entire understanding between the Parties.

18.8. Electronic Execution:

This Agreement and all related documents may be executed and stored electronically, with such records constituting conclusive evidence of the agreement.

Agreed and Accepted by the Platform & Lender

Details of Platform

Name as registered with RBI	
CIN	
Registered Office Address	
Corporate Office Address	
Registration Number	

Details of Lender:

Lender Name	
Lender PAN	
Lender ID	

LENDER'S DECLARATIONI/We have carefully read, understood, and agree to be bound by all the terms and conditions of this Lender Participation Agreement, the Risk Disclosure Document, the Privacy Policy and the Fair Practices Code. I/We acknowledge the risks involved in peer-to-peer lending (including full principal loss, no guarantees, and compliance with exposure limits) and confirm that I/We am/are participating voluntarily and at my/our own risk.