L2F-OA-01

OPERATING AGREEMENT

relating to a Spanish pilot on an existing crowdfunding permission

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This agreement is made on the date written in Schedule 1

BETWEEN

(1) The company named in Schedule 1 as the Firm, a proveedor de servicios de financiación participativa (the "Firm"); and

AND

(2) The company named in Schedule 1 as Lend2Friend ("Lend2Friend").

BACKGROUND

(A) The Firm is authorised to facilitate loans to businesses, and already moves the funds for those loans through a payment service provider.

(B) Lend2Friend operates a system that matches lenders' minimum yearly rates and terms with business borrowers' maximum yearly rates and terms, and that keeps matching them so that money that can complete an ask is lent. It also operates the brand through which those persons meet the Firm.

(C) The parties wish to run a Spanish pilot on the permission the Firm already holds. The Firm contributes that permission and the payment rails it already uses. Lend2Friend contributes the matching system, the brand, and the daily operation. The Firm keeps the customer relationship, the credit decision, the price, the complaints, and the money.

(D) Lend2Friend does not provide the crowdfunding service in its own name, does not hold client money, and does not decide, in its own name, which business may borrow.

IT IS AGREED as follows.

1. Definitions and interpretation

1.1 In this agreement the following words have the following meanings. Words in the singular include the plural, and the reverse.

"Authorisation"	means the Firm's authorisation to facilitate loans to businesses, including individual portfolio management of loans only if Schedule 1 says that it is included.
"Business"	means an autónomo or a company borrowing for its trade, and not for a purpose outside that trade.
"Fee"	means the gap of X points a year between the yearly rate a Business pays and the yearly rate the Lender of that Loan receives. X is the number in Schedule 1. It is the same on every Loan.

"Key"	means the access the Firm issues to Lend2Friend for the Payment Firm's interface, limited to the permissions in clause 11.
"Lender"	means a Spanish resident who provides money for a Loan, and who is the original lender of that named Loan.
"Loan"	means a loan between a Lender, a Business, and the Firm, made under this agreement.
"Mandate"	means the instruction by which a Lender names an amount, the lowest yearly rate the Lender will accept, and the shortest and longest term the Lender can be without the money.
"Matching System"	means the system Lend2Friend operates to match Lenders and Businesses under clause 6.
"Payment Firm"	means the payment service provider named in Schedule 1, being the provider the Firm already uses.
"Pilot"	means the Spanish pilot described in clause 3.
"Pilot Wording"	means the Spanish pilot screens, terms of use, risk warnings, and acquisition copy published in the Lend2Friend webapp for the Pilot, identified by the URL and version (or date) in Schedule 1. Materially consistent Spanish or English translations and introducer scripts that do not change the meaning are included.
"Rules"	means the Firm's written credit and pricing rules, identified in Schedule 1.
"Software Charge"	means the amount Lend2Friend invoices under clause 16, being the fixed amount in Schedule 1 plus the variable amount. The variable amount is the percentage in Schedule 1 of the Fee the Firm has actually collected on Loans made through the Pilot. The percentage is the same on every Loan.

1.2 The Schedules are part of this agreement. A heading is for convenience and does not change the meaning of a clause.

1.3 A reference to a regulation is to that regulation as amended or replaced. Regulation (EU) 2020/1503 is the regulation on European crowdfunding service providers.

2. Appointment

2.1 The Firm appoints Lend2Friend, and Lend2Friend accepts appointment, as technology supplier and operator of the screen for the Pilot.

2.2 Lend2Friend shall not provide the crowdfunding service in its own name, shall not hold client money, and shall not decide, in its own name, which Business may borrow. Lend2Friend prepares the file, applies the Rules, and stops where the Rules say stop.

2.3 Each Loan is a contract between the Lender, the Business, and the Firm. Lend2Friend is not a party to a Loan. The Firm's name is on the contract from the first Loan.

2.4 Nothing in this agreement makes either party the partner or employee of the other, or gives Lend2Friend authority to hold client money, to bind the Firm to a Loan, or to give the final answer to a complaint.

3. The Pilot

3.1 The Pilot is in Spain. Lenders are Spanish residents. Borrowers are Businesses. Lend2Friend shall refuse a personal purpose on the screen, and shall not send such a file to the Firm.

3.2 The Pilot runs at the size the Firm is willing to have on its book under the brand. Lend2Friend shall not exceed a limit the Firm sets in writing.

3.3 By signing this agreement the Firm approves the Pilot Wording identified in Schedule 1 as the words that may be used during the Pilot to invite a Spanish resident Lender or Business to commit funds or to apply for a Loan. No person is asked for money except in the Pilot Wording (or a materially consistent translation or introducer script under the definition of Pilot Wording).

3.4 Lend2Friend may use the Pilot Wording to attract Lenders and Businesses through the Lend2Friend marketplace and through introducer and distribution channels for the Pilot. A material change to the Pilot Wording after the date of this agreement requires the Firm's prior written approval (email suffices). The Firm may halt use of any wording at any time by written notice or by revoking the Key under clause 17.

3.5 By signing, the Firm confirms the matters in Schedule 1, including whether the Authorisation includes individual portfolio management of loans, and it agrees to do the following. Name the Payment Firm and issue a sandbox Key limited to the four permissions in clause 11. Hand over the Rules and name the person who sees exceptions.

4. What the Firm shall do

4.1 The Firm shall make available the Authorisation, the payment rails it already uses, and the Rules. The Firm is not required to build a product, to hire a team for this channel, or to change its Payment Firm.

4.2 The payment rails are the accounts, the safeguarded funds, the transfers in, and the payouts out, of the Payment Firm. The Firm may revoke the Key, and revocation takes effect when it is made.

4.3 The Firm keeps the credit decision, the price, the answer to a complaint, the refusal of a Business, the response to an incident, and written approval of any material change to the Pilot Wording after the date of this agreement. Approval of the Pilot Wording as it stands on signing is given by clause 3.3.

4.4 The division of daily work is Schedule 2. A column marked Decides means the step is not taken unless that party has agreed it.

5. What Lend2Friend shall do

5.1 Lend2Friend shall operate the brand and the marketplace screens for the Pilot, using the Pilot Wording. Lend2Friend may invite Spanish residents through that marketplace and through distribution channels under clause 3.4.

5.2 Lend2Friend shall provide the screens a Lender and a Business use, showing the rate, the term, the match, the state of each euro, and the list of Loans.

5.3 Lend2Friend shall prepare each Business file in the shape the Firm's credit desk already reads, and shall chase missing documents. The desk receives a complete file, or it receives nothing.

5.4 Lend2Friend shall operate the Matching System inside the Rules. It shall propose a Loan only where the Rules have already said yes.

5.5 Lend2Friend shall operate the software against the Payment Firm's interface for identity, incoming transfers, the four-day hold, payout of principal, collection of instalments, and the split. The Payment Firm executes. Lend2Friend records the result.

5.6 Lend2Friend shall give the first answer to a question about the screen. It shall place a complaint about a Loan, the Firm, or the money in the Firm's hands on the day it arrives, and it shall not give the final answer.

5.7 Lend2Friend shall keep a mirror of the ledger. The Payment Firm's record is the record of the money. Where the two disagree, Lend2Friend shall follow the Payment Firm and raise the difference the same day.

6. The Matching System

6.1 Lend2Friend shall operate the Matching System so that Lenders and Businesses become Loans when the system finds a fit. One Business may be funded by several Lenders in the same pass. One Lender may fund several Businesses. Each fit is a Loan on the Firm's book. The Fee is earned on that Loan.

6.2 A pair may be matched only when the Business can pay at least the Fee above the Lender's minimum yearly rate, the term sits inside the Lender's band, the two are different persons, and the Firm has approved the Business.

6.3 A Business is matched only when the money already free on the book can cover the whole amount that Business has asked for. Anything less stays open until a later pass can finish it. The Matching System shall not reserve idle euros for an incomplete ask. Among asks that can be finished whole under those constraints and the Rules, the system takes the largest first, then the next largest that still fits, so leftover money may fund smaller asks the pool can complete. Where one Lender could fund two Businesses, and a second Lender can reach only one of them, the first Lender shall not be used up on the Business the second Lender needs. Only among ways of completing those same asks may the system prefer the wider gap between the two rates, and then the order that has been waiting longer.

6.4 A wider gap does not increase the Fee. Any amount above the Fee is split equally between the Lender and the Business. An odd leftover basis point lowers what the Business pays. The variable part of the Software Charge is a share of the Fee the Firm collects, the same share on every Loan. The Matching System shall not steer a euro toward one approved Business in order to increase a fee.

6.5 When money finishes its four days, the open book shall be cleared together against every approved ask that already fits. Returned principal that the Lender puts back to work joins the same book and may become principal for a later Loan.

6.6 Where Schedule 1 states that individual portfolio management of loans is included in the Authorisation, allocation runs from the Mandate the Lender has given. Where it is not included, the Matching System proposes the fit and the Lender confirms the Business. In both cases the match is what creates the Loan.

7. Loans and the Fee

7.1 The Business receives the full principal at the start. Each month the Business pays the same amount, set so the Loan is cleared over the agreed term. Interest that month is one twelfth of the yearly rate, charged on the balance still owed, and it falls as principal is repaid. The rest of the

payment is principal.

7.2 The yearly rate the Business pays is the Fee above the yearly rate the Lender receives. The Fee is disclosed on the Loan. It is taken only from an instalment the Business has actually paid. It does not change according to which Business is chosen.

7.3 The Pilot offers Loans from about EUR 1,000 to EUR 10,000, for terms of 1 to 36 months, and only inside the band the Rules approve. Lend2Friend shall not offer a yearly rate above 20 percent. A lower ceiling in the Rules prevails. A Loan small enough to skip a credit check and an information sheet shall not be offered.

7.4 Schedule 4 illustrates clause 7 with the Fee at 2.00 points a year. The illustration is an example. The Fee is the number in Schedule 1.

8. Lenders

8.1 A Lender uses the bank account the Lender already has. Lend2Friend shall not ask a Lender to open a separate wallet, and shall not charge a Lender's card for principal. Repayments return to the same IBAN.

8.2 The Payment Firm's hosted identity check runs inside the Lend2Friend screen. The holding of the money is opened under the Firm's arrangement with the Payment Firm.

8.3 Before a Mandate can be used, the Lender completes the entry knowledge test and a simulation of the ability to bear loss, set at 10 percent of net worth. Where the result is weak, the Lender is told that the money can be lost, and acknowledges that warning. The Lender is not blocked from continuing on that ground alone. Where the amount is above the higher of EUR 1,000 or 5 percent of that net worth, the further warning and consent are taken before the Mandate is used. The test is repeated every two years and the simulation every year. Lend2Friend runs the steps. The words are the Pilot Wording.

8.4 The Lender sends the amount from the Lender's IBAN. For four calendar days the balance is locked. Cancelling returns it to the same IBAN, in full, with no fee. It shall not be lent during those four days. The Payment Firm holds it.

8.5 From the fifth day, a Business whose rate and term fit, and which the Firm has approved, may be filled without a new decision and without a new four-day wait, but only where clause 6.6 allows automatic allocation. Otherwise the Lender confirms each Business, and the four days apply to that offer.

8.6 Every Loan is shown to the Lender: the Business, the rate, the maturity, the repayment schedule, the fees, and whether the instalment was paid. The Mandate and each Loan are kept for at least three years after maturity.

8.7 The screen shall not call a balance a deposit, a savings account, or a guaranteed sum. Once the money has become a Loan, a deposit guarantee does not cover it. While it is still only a payment, it sits with the Payment Firm under that firm's safeguarding.

9. Businesses

9.1 Lend2Friend shall take the company, the purpose, the amount, the term, the most the Business will pay in yearly interest, and the documents on the Firm's checklist.

9.2 Lend2Friend shall collect the evidence the regulation requires, including the absence of a relevant criminal record for the persons who represent the Business, and that the Business is

not established in a jurisdiction the European Union treats as non-cooperative or as high-risk for money laundering. A miss stops the file.

9.3 The file is scored and priced under the Rules. A file the Rules already clear may be shown a rate in the same sitting, and that rate includes the Fee. A file that needs a person goes to the Firm's desk. The screen shall say that it is in review, and shall not say that it is approved. The Firm may refuse any file, including one the Rules would have cleared.

9.4 On a Mandate channel, the Lender reads one information sheet for the service before the Mandate is given, and sees the detail of each Loan after it is made. On a channel that confirms each Business, that Business's own sheet is in front of the Lender before the Lender commits. The Business supplies the facts. The Firm checks that the sheet is complete, clear, and not misleading. Lend2Friend shall not open an offer while a sheet the Firm has rejected is attached.

9.5 Live Mandates, or Lenders who have confirmed the offer and finished its reflection, fill the amount in full under clause 6.3. The principal is paid to the Business's registered IBAN. The screen shall say that the Loan has been paid out only when the Payment Firm confirms the payout.

9.6 Each month the Payment Firm collects the instalment by direct debit and splits it. The Lender receives the principal portion and the Lender's interest. The Firm receives the Fee on the balance still owed. Until the Payment Firm confirms collection, the instalment is shown as due, and not as paid. A miss is visible to the Lender, to the Firm, and to Lend2Friend on the day it happens. The chase follows the Firm's arrears process. Lend2Friend sends the messages and the retries that process names. Lend2Friend shall not agree a waiver, a change of terms, or a write-off.

9.7 Lenders are opened first. Their four days run before the first Business is shown a rate that can be filled. A Business that arrives before any Mandate is live is told that it is waiting for funds. The wait shall not be described as an approval.

10. Client money

10.1 A euro under this agreement is in the Lender's bank, or in the Business's bank, or at the Payment Firm. It shall not be in an account Lend2Friend controls, and the Key shall not be able to send it to one.

10.2 The states of a balance, and what may happen in each state, are Schedule 3. Lend2Friend shall not describe a state as reached until the Payment Firm's record supports it.

10.3 Lend2Friend stores those states against the Payment Firm's transaction identifiers. The store is a copy. At the end of each day the two records are compared. A break is an incident. Lend2Friend shall tell the Firm the same day, and no further allocation runs on the affected balance until the Payment Firm's record and the copy agree. The Firm decides when allocation resumes.

11. The Key

11.1 The Firm shall issue the Key, first in a sandbox and then for the Pilot. Before any live euro, the sandbox is used to prove each of the four permissions below, including a cancellation inside the four days, a refused file, a successful payout, a collected instalment, and a debit that comes back unpaid.

11.2 The Key may be used only for these four permissions. Open: open a holding for a Lender or a Business, and start the hosted identity check. Hold: report that a transfer has arrived, lock that balance for the reflection, and release the lock when the reflection ends. Collect: collect an instalment by direct debit, and record whether it was paid or returned unpaid. Pay: pay money only to an IBAN already registered for that person or that Business. That covers a cancel return, a Business payout, a Lender's share, and a free balance sent home. The Fee is retained on the platform.

11.3 Registering a Lender's or a Business's IBAN, and creating the instruction that shows where to send money, do not use the Key.

11.4 Every request carries Lend2Friend's identifier for that Loan or Mandate. Every response carries the Payment Firm's identifier. Sending the same request again shall not move the money a second time.

11.5 The Key shall refuse a movement when the reflection has not ended, the Business is not approved, the amount, rate, or term falls outside the Mandate, the destination is not the IBAN already registered for that person or Business, or the fee is anything other than the Fee. A revoked Key fails closed. A key that can pay an IBAN nobody has registered shall not be used.

11.6 The Firm may revoke the Key at any time. Lend2Friend shall stop when it is revoked.

12. The permission

12.1 The Pilot is the facilitation of loans under Regulation (EU) 2020/1503. The Firm is the crowdfunding service provider. The Business is the project owner. The Lender is the investor and, on each Loan, the original lender.

12.2 A consumer who borrows for a purpose outside a trade is outside that regulation and outside the Pilot. Lend2Friend shall require the purpose and shall provide no path onward for a personal one.

12.3 Filling Loans from parameters the Lender set in advance is individual portfolio management of loans. It is used only where Schedule 1 states that it is written on the Authorisation. Where it is, the four-day reflection is placed on the first Mandate and not on each later Loan. Where it is not, the Lender confirms the Business, and the four days run on that offer.

12.4 The Mandate includes the rate band and the maturity band. The Firm discloses, in the Mandate, how an allocation is chosen. The Lender can open every Loan. The records of the Mandate and of each Loan are kept for at least three years after the Loan matures.

12.5 The price and the assessment of credit are the Firm's. Lend2Friend applies the method the Firm has written down and shall not keep a second method.

12.6 The Fee does not rise or fall with the Business that is chosen. The variable part of the Software Charge is the same share of that Fee on every Loan, and does not rise for one Business rather than another. The gap is disclosed on the Loan and taken only from interest that has been paid.

12.7 Payments run through the Payment Firm. This agreement does not require the Firm to obtain a payment licence. Lend2Friend shall not at any time possess the funds.

12.8 A Lender does not buy a share of a pool, a note, or a unit in a fund. Each allocation is a Loan from that Lender to that Business, and the screen shows that Loan.

12.9 The Firm outsources the running of the platform and remains responsible for the service. This agreement gives the Firm approval of the Rules before they run, a right of audit, notice of incidents, an exit that leaves the Loan records and the money with the Firm and the Payment

Firm, and a Key the Firm can revoke.

13. Responsibility

13.1 The Firm remains responsible for the crowdfunding service, including the credit decision, the price, the information given to a Lender, the final answer to a complaint, and the arrangements for client money.

13.2 Lend2Friend is responsible for operating the software and the Matching System in accordance with this agreement and the Rules.

13.3 Each party is responsible for the matters this agreement assigns to it, and is not responsible for a matter assigned to the other party, or to the Payment Firm, except to the extent that party caused the loss by breaching this agreement.

13.4 Nothing in this agreement limits a liability for fraud, or a liability that the law does not allow to be limited.

13.5 The controls in Schedule 5 are part of this agreement. The party named in that schedule may halt the channel as the schedule says. The Firm may halt the channel without Lend2Friend's agreement.

14. Complaints, data, and continuity

14.1 Complaints about a Loan are answered by the Firm, on the procedure the Firm already publishes. The screen names the Firm and gives that procedure. Lend2Friend shall put the complaint in the Firm's hands on the day it is made, with the Loan, the amounts, and the correspondence attached, and shall then send the customer what the Firm instructs. Lend2Friend shall not issue the final answer.

14.2 The customer contracts with the Firm. Lend2Friend processes personal data used for the Pilot only on the Firm's instructions, and for no other purpose, and returns or deletes it when the Firm says the service no longer needs it. Identity evidence is taken by the Payment Firm's hosted check. Lend2Friend shall not store the document images where that check avoids the need to do so.

14.3 If Lend2Friend is unreachable, the Payment Firm still holds every euro that has not been paid out or returned, and the Loan contracts remain the Firm's. Administering a live Loan does not depend on Lend2Friend remaining available. The Firm holds the parties, the schedule, and the payment history, or Lend2Friend shall have delivered them under clause 15.

15. Records, audit, and exit

15.1 The Firm retains the Loan records as the platform. Lend2Friend keeps a mirror. The Payment Firm retains the payments.

15.2 The Firm may audit Lend2Friend's performance of this agreement on reasonable notice, and without notice where the Firm reasonably suspects an incident affecting client money or the Authorisation. Lend2Friend shall give the Firm the records reasonably required for that audit.

15.3 On termination, or earlier if the Firm requires it, Lend2Friend shall deliver the mirror of the parties, the schedules, and the payment history, in a form the Firm can use. The Loans and the money stay with the Firm and the Payment Firm. The supplier may be replaced without reconstructing the book from a system the Firm cannot open.

16. Charges

16.1 The Fee is collected by the Firm, through the Payment Firm's split of an instalment the Business has paid. Lend2Friend shall not take the Fee, or any part of it.

16.2 Lend2Friend's remuneration is the Software Charge. It is a fixed amount plus a variable amount, both as Schedule 1 states. It is not taken inside the split.

16.3 The fixed amount is due for each period named in Schedule 1. For each month, the variable amount is the percentage in Schedule 1 of the Fee the Firm actually collected in that month on Loans made through the Pilot. The percentage is the same on every Loan. If an instalment is not paid, no Fee is collected on it, and no variable amount arises from it.

16.4 Lend2Friend invoices the Firm for the Software Charge. The Fee is collected in full by the Firm through the split. The variable amount is then invoiced from that collected Fee. It is not deducted inside the split.

16.5 Each party bears its own costs of negotiating and signing this agreement.

17. Term and termination

17.1 This agreement begins when both parties have signed it. Its date is the date in Schedule 1 or, if the parties sign on different dates, the later of those dates.

17.2 The Firm may suspend or stop the Pilot at any time by revoking the Key. Lend2Friend shall stop. The Firm does not need Lend2Friend's agreement to do so.

17.3 Either party may terminate this agreement by giving the other 30 days' written notice.

17.4 Termination or suspension does not affect a Loan already made. Those Loans remain the Firm's. The Payment Firm continues to hold the balances. Clause 15.3 applies.

17.5 Clauses 10, 13, 14, 15, 16, 18, and 20, and this clause 17.4, continue after termination.

18. Confidentiality and intellectual property

18.1 The software, the Matching System, and the brand Lend2Friend belong to Lend2Friend. The Firm may have them used for the Pilot while this agreement continues, and not otherwise.

18.2 The customer contracts, the Loans, and the Loan records belong to the Firm and the persons who are party to those Loans. This agreement does not transfer them to Lend2Friend.

18.3 Each party shall keep the other party's non-public information confidential and shall use it only to perform this agreement. This duty does not apply to information that is public, that was already known without a duty of confidence, or that must be disclosed by law or to a supervisor. The duty lasts during this agreement and for two years after it ends.

19. Notices

19.1 A notice under this agreement shall be in writing and delivered by hand, by courier, or by email to the address in Schedule 1, or to a replacement address that party has notified.

19.2 An email is received on the day of sending if sent on a business day in Madrid before 17:00, and otherwise on the next business day. Revocation of the Key is also effective when the Key is revoked, whether or not a separate notice is sent.

20. General

20.1 This agreement, including the Schedules, is the entire agreement between the parties about the Pilot. It replaces prior discussions, including the operating blueprint L2F-BP-01. If there is a difference, this agreement prevails.

20.2 A variation of this agreement is effective only when it is in writing and signed by both parties. Schedule 1 may be completed in manuscript or electronically at signing, and as completed it is part of this agreement.

20.3 Each party warrants that it has power to enter this agreement and that the person who signs it is authorised to bind that party. The Firm warrants that it holds the Authorisation described in Schedule 1.

20.4 Neither party may assign this agreement without the prior written consent of the other, except that the Firm may appoint a replacement supplier under clause 15.3.

20.5 If a provision of this agreement is held to be unenforceable, the rest of the agreement continues.

20.6 This agreement may be signed in any number of copies, including by electronic signature. Each signed copy is an original, and together they are one agreement.

20.7 This agreement is written in English. It is governed by Spanish law. The courts of the city of the Firm's registered office have exclusive jurisdiction, and each party submits to those courts.

SCHEDULE 1
Particulars

The parties complete this Schedule on signing. A completed particular is part of this agreement. X is one gap, the same on every Loan.

Date of this agreement

Firm: legal name

Firm: registered office

Firm: authorisation number

Firm: email for notices

Individual portfolio management of loans is: [ ] included [ ] not included

Payment Firm: legal name

Payment account

The Fee, X, in points a year

Software Charge, fixed amount, currency, and how often it is due

Software Charge, variable share of the Fee the Firm collects, in percent

Rules: identified as

Pilot Wording: webapp URL

Pilot Wording: version or date on signing

Person who may refuse a Loan: name and office

Person who may revoke the Key: name and office

Person who may approve a material change to Pilot Wording: name and office

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Lend2Friend: legal name

Lend2Friend: registered office

Lend2Friend: email for notices

Lend2Friend person for incidents: name and office

SCHEDULE 2
Division of activities

Decides means the step is not taken unless that party has agreed it. The Payment Firm holds and moves the euros.

Activity	Firm	Lend2Friend	Payment firm
Customer contract	Decides	Prepares the screen	-
Credit decision	Decides	Prepares the file	-
Pricing policy	Decides	Applies the written rule	-
Matching system	Approves the rules	Operates it, to complete whole asks the rules allow	-
Client money	Accountable	No possession	Holds and moves
Identity check	Sets the policy	Hosts the screen	Performs the check
Invitation to commit funds	Approves Pilot Wording on signing; material changes in writing	Uses Pilot Wording on marketplace and channels	-
Complaints	Answers	Forwards the same day	-
The X-point fee	Collects	Does not touch it	Splits the instalment
Software	-	Invoices	-
Loan records	Retains, as the platform	Keeps a mirror	Retains the payments
Incident in the record	Decides when to resume	Detects and notifies	Confirms the balance
Access to the rails	Can revoke the key	Stops when revoked	Enforces the revocation

SCHEDULE 3
States of the money

Lend2Friend shall not treat a balance as being in a later state until the Payment Firm's record supports that state.

State	What is true	What may happen next
Instructed	The person has been shown where to send the money. Nothing has moved.	The transfer arrives, or it does not.
Received	The payment firm has reported the incoming transfer.	The four-day lock starts. The balance is visible and not allocatable.
Locked	The reflection is running.	A full return to the same IBAN, if they cancel. Nothing else.
Allocatable	The reflection has ended and the mandate is live.	A proposal against a business the firm has approved.
Allocated	The firm's rules have accepted a match.	The payment firm moves the amount to the loan.
Disbursed	The payment firm has confirmed the payout to the registered business IBAN.	The loan is described as paid out. Not before.
Due	An instalment date has arrived.	Collection is attempted. The screen does not say paid.
Collected	The payment firm has confirmed the debit.	The lender is paid their share. The firm retains the X points.
Returned unpaid	The debit came back.	The firm's arrears process starts. The lender can see the miss.
Home	A free balance is paid to the registered personal IBAN.	The person cancelled in the four days, or they asked for the cash.

SCHEDULE 4
Illustrative loan

This Schedule illustrates clause 7 with the Fee at 2.00 points a year. It is an example. The Fee under this agreement is the number in Schedule 1. The example is a Loan of EUR 6,000 over 12 months, with the Lender at 4.00 percent a year and the Business at 6.00 percent. The balance is the amount still owed at the start of the month. The last payment is the amount required to finish the Loan. Across a year in which every instalment is paid, the Lender receives EUR 131.19 of interest and the Firm receives EUR 65.60.

Month	Still owed	Payment	Principal	Lender interest	Firm fee
1	EUR 6,000.00	EUR 516.40	EUR 486.40	EUR 20.00	EUR 10.00
6	EUR 3,543.56	EUR 516.40	EUR 498.68	EUR 11.81	EUR 5.91
12	EUR 513.82	EUR 516.39	EUR 513.82	EUR 1.71	EUR 0.86

SCHEDULE 5
Controls

The party named in the last column may halt the channel. The Firm may do so without Lend2Friend's agreement.

What would go wrong	What stops it	Who can halt the channel
Wording outside the signed Pilot Wording	Invitations use only the Pilot Wording adopted on signing (or a later pack the Firm has approved in writing).	The Firm, by notice or by revoking the Key
Client money in Lend2Friend's hands	No account of Lend2Friend's is on the flow. The key cannot pay Lend2Friend.	The firm, by revoking the key
A loan the firm's policy would not make	Allocation uses a rule the firm has signed. Exceptions go to its desk. The screen cannot mark a file approved.	The firm's credit desk, on any file
A fee that depends on which borrower is chosen	The split is fixed at X points. The variable part of the software invoice is the same share of that fee on every loan.	The payment rules, on every instalment
A personal loan presented as a business loan	Purpose is required. A personal purpose has no path to allocation.	The screen, before the desk
A lender or a borrower outside Spain	Residence, the IBAN, and the company are Spanish. A mismatch is not onboarded.	The onboarding rules
Money lent during the four days	The balance is locked. The only outward payment is a full return to the original IBAN.	The payment rules
A payout to an IBAN that was not registered	The key cannot name a new destination at the moment of payment.	The payment rules
An instalment shown as paid when it was not	The screen follows the payment firm's confirmation, not the due date.	The daily reconciliation
A complaint with nowhere to go	The path on the screen is the firm's. Lend2Friend forwards it the same day and does not close it.	The firm's complaints function
A broken record of the money	Allocation on that balance stops. The firm is told the same day.	The firm decides when it resumes
Lend2Friend stops operating	The loans are the firm's. The payment firm still holds the balances. The firm has the parties, the schedule, and the payment history.	The firm's own continuity arrangements

EXECUTION

IN WITNESS WHEREOF the parties have signed this agreement on the date in Schedule 1.

Each person who signs warrants that he or she is authorised to bind the party named above his or her signature.

SIGNED for and on behalf of **THE FIRM**	**SIGNED for and on behalf of** **LEND2FRIEND**
Authorised signatory	Authorised signatory
_____	_____
Name	Name
_____	_____
Position	Position
_____	_____
Date	Date
_____	_____