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Privacy Policy and Procedures

Last updated: September 11, 2013

Daric has been awarded TRUSTe's Privacy Seal signifying that this privacy policy and practices have been reviewed by TRUSTe for compliance with TRUSTe's program requirements including transparency, accountability and choice regarding the collection and use of your personal information. The TRUSTe program does not cover information that may be collected through downloadable software. The TRUSTe program covers only information that is collected through this Web site, www.daric.com.

EMPLOYEE CONDUCT

Daric expresses its absolute commitment to integrity, and our corporate values and ethical standards and the associated business conduct we expect from all our employees. The Daric Code of Conduct includes very specific guidelines concerning the safeguarding of confidential information, which includes customer information. In general, these guidelines limit employee access to confidential information, and limit the use and disclosure of such information to specifically authorized processes and transactions. If it is determined that employees have violated the Code of Conduct, corrective action may be taken, including immediate dismissal.

VERIFICATION OF PRACTICES

We regularly review our operations and business practices to ensure that they comply with corporate policies and procedures governing the confidentiality of sensitive data. These reviews are carried out both by internal staff and external contractors, including, but not limited to, auditing firms and government regulators. These self-assessments and external audits review controls and safeguards related to consumer privacy.

INTRODUCTION

The following documents disclose what information we collect about you, as well as how we use it and why we need it. It also explains the control you have and what choices you can make

over how we collect and use this information. We also describe how your personal information is protected both physically and electronically.

In general, and as described in detail below, we collect several types of information from you:

- Personal information required to verify your identity
- Personal and financial information necessary to assess your eligibility to borrow money or invest through Daric or one of its marketing partners.
- Optional personal information you may wish to share in the furtherance of your goals in using our site
- Information about your visits to and use of this web site or the web sites of third party services to help us maintain the appropriate features, functionality and user experience

COLLECTED INFORMATION

We require personal and financial information from you as you register for and use the Site. Additional information may be gathered during your subsequent use of the site. We also collect information from you when you communicate with us.

Certain personal information must be supplied during the member, investor and borrower registration processes, as indicated below, in order to (a) enable registered users to login to the site, (b) determine borrowers' eligibility for loans through our proprietary credit scoring process, (c) verify borrowers' and investors' identities, (d) establish borrowers' ability to request loans and investors' ability to invest by verifying that they are at least 18 years of age, and (e) guard against potential fraud. This basic personal information includes:

- Your name
- Your email address
- Your date of birth
- Your address
- Your Social Security number
- Your tax ID number if not a U.S. citizen (borrower registration only)

When you register as a borrower, we will use this information to pull a credit report from a credit bureau to determine your creditworthiness as well as to help investors assess your loan request in the context of your overall financial situation. We will also use your required and optional information to facilitate activities and transactions that need to occur during the lending process, such as:

- Generating loan listings on the site
- Assigning borrowers a credit grade and interest rates
- Establishing automatic payments and fund transfers
- Contacting you if there is a problem completing a transaction you requested or to discuss a problem with your account
- Implementing collection activities as needed
- Maintaining regular communications with you concerning transactions you initiate, such as requesting information or assistance, submitting a loan request, making payments, transferring funds, etc.

When you register as an investor, we will request some required and optional data in order to facilitate such activities as:

- Enabling our financial services partners to verify identity, implement fund transfers and the receipt of borrower payments
- Enabling our financial services partners to implement automatic payments and fund transfers
- Contacting you if there is a problem completing a transaction you requested or to discuss a problem with your account
- Maintaining regular communications with you as may be necessary to execute transactions you request, such as submitting loan portfolios and transferring funds, etc.

In addition, we gather names and email addresses of people who contact us through email with inquiries or statements. We collect this information for the sole purpose of responding to such inquiries and do not store the contact information unless requested .

Finally, we (and/or our service providers) collect information about your computer and your visits to our web site, such as your IP address, geographical location, browser type, referral source, length of visit, and page views through the use of log files. We (and/or our service providers) use this aggregated information in the administration of our web site to improve its usability and to evaluate the success of particular marketing/advertising campaigns, search engine optimization strategies and other marketing activities. We (and/or our service providers) use non-identifying and aggregated information to help optimize our web site based on the needs of our users.

We will retain your information for as long as your account is active or as needed to provide you services. We will retain and use your information as necessary to comply with our legal obligations, resolve disputes, and enforce our agreements.

COMMUNICATIONS

You will receive communications from us through the Site, as well as email. These communications may include confirmations of specific actions that you have taken, including, but not limited to, completing registration, updating account information, updating banking information, changing your password, requesting a temporary password, applying for a loan, loan status updates, and any investments. You cannot opt out of receiving these communications, as the notifications protect the security of your account. We may also send you responses to inquiries to emails that you send to valid email addresses ending with the @daric.com suffix. We may also send you surveys and requests for user feedback regarding the user experience and site operations, and marketing offers on our behalf or our partners' behalf. The completion of these surveys and requests are completely voluntary. If you do not wish to receive these types of emails, please opt out using the opt-out option located at the bottom of any offer email you receive.

LINKS TO THIRD-PARTY WEBSITES

Daric does not endorse and is not responsible in any way for the content provided by sites that have been linked to from the Site. Please note that third party websites may be governed by different privacy policies and security standards.

INFORMATION SHARING

We share information with other parties in the following ways:

- A borrower's location, financial information, and credit information are only displayed to qualified investors on loan listing pages. This information is filed with the Securities and Exchange Commission, and as such is made publicly available, and is contained anonymously in loan data files available on the statistics page.
- An investor's information is not shared.
- Daric may, with your consent, share required and optional information about you.

For privacy purposes, borrowers and investors remain anonymous on the site. The loan listings include borrowers' credit grades and other financial information that is shown to qualified investors so that they can effectively evaluate loan requests. As noted above, this information is also contained anonymously in loan data files available on the statistics page. Loan listings also contain certain personal information and borrower created loan titles and loan descriptions that

are incorporated into loan listings. Daric is not responsible for any personal information that borrowers or investors may choose to reveal about themselves in their loan descriptions, including the title of loan and loan description. Daric is not responsible for any interactions or consequences that arise from such personal information. However, given the community nature of any peer-to-peer transaction site, however, it may be in the best interests of borrowers and investors to share some level of personal information in order to achieve a satisfactory outcome (i.e., it may be necessary for you to share a certain amount of personal information in order for your loan to receive full funding).

We may share your information with law enforcement or other government agencies as required by law, or for security and fraud prevention purposes. We reserve the right to disclose relevant information when we believe that disclosure is necessary to protect our rights and/or to comply with a judicial proceeding, court order, or legal processes.

Daric works with a team of trusted partners that perform vital functions as part of our operations, including banking partners, credit bureaus, verification services, collection agencies, and electronic payment service providers. Information is shared with these third parties only to the extent necessary for us to process the transactions you initiate or perform other specific services, like collections. Our partners are legally required to keep your information private and secure.

HOW CREDIT HISTORY AND DARIC LOAN DATA IS SHARED

When you create a loan listing, you will be posting personal information on the site that will be visible to all users. This information includes details about your loan request, as well as your screen name, geographic location, Daric credit grade and a description of the loan request.

Qualified Daric investors will also see certain credit data collected from or calculated based on your credit bureau file. It is necessary to allow prospective investors to see this information as they evaluate your loan request. The information displayed to investors includes a credit profile section and a credit history section. As noted above, this information is also contained anonymously in loan data files available on the statistics page.

The credit profile section includes your:

- FICO score range
- Debt-to-income ratio (DTI)
- Gross income
- Home ownership status

- Current employer and tenure in your current position
- Existing debt payments (monthly snapshot of your current outstanding debt)
- Monthly payment amount for the loan being requested

The credit history section includes the following information:

- The date your earliest reported credit line was opened (e.g., revolving credit)
- The total number of credit lines currently in your credit file
- The number of open credit lines currently in your credit file
- Your total balance for all open revolving credit lines
- Revolving line utilization rate, or the amount of credit you are using relative to all of your available credit
- The number of accounts on which you are now delinquent, and the past-due amount you owe
- The number of months since your last delinquency
- The number of 30+ days past-due incidences of delinquency in your credit file for the past 2 years
- The number of negative public records (e.g., bankruptcies and judgments, etc.) placed in your file and the number of months since the last record
- The number of inquiries by creditors during the past 6 months

If you successfully receive a loan through Daric, we will also display status information about your loan to your investors. Your loan tracks back to you by your screen name, so it is important that you choose a screen name that will protect your anonymity. You should not choose a screen name that resembles your actual name or that of any other person. Further, you should not include your name or personally identifiable information in your loan request. Your payment performance information such as late payments, collections activity or any other instances of delinquency will be displayed to your investors. Loan status information is also aggregated and displayed on the statistics page.

NOTIFICATIONS

Daric will send you email notifications from time to time, and these are required elements of your transactions on our web site, such as confirmations of particular actions you have taken. These required notices are sent typically to notify you of a change in status such as when you are confirmed as a borrower or investor, or for legal or security purposes. For example, certain

notifications are sent for your own protection to ensure that no one can make a change to your account without your knowledge, such as confirming the addition of a new email address or linked external bank account. These notifications are sent to you so that you can be assured that no one is making changes to your account without your knowledge. In other cases, these notifications involve changes to various legal agreements or site policies. Generally you may not opt out of these service related emails.

WHERE TO FIND AND UPDATE YOUR INFORMATION

You can access and maintain your personal and financial information in the Account Management section of our site. You can update your password, email address, physical address, and bank account information at any time on the website. Please contact us at support@daric.com if you encounter problems or have questions.

WEB-RELATED INFORMATION COLLECTION

We may use web beacons or pixel tags in conjunction with cookies on our web site, including session ID cookies, non-persistent cookies and persistent cookies. A cookie is a text file sent by a web server to a web browser, and stored by the browser. The text file is then sent back to the server each time the browser requests a page from the server. This enables the web server to identify and track the web browser and load the pages according to a user's preferences for that particular site, including the personalization of content. Cookies are also used to gather statistical data, such as which pages are visited, what is downloaded, the ISP's domain name and country of origin, and the addresses of sites visited before and after coming to our site, as well as your "click stream" activity (meaning, the paths taken by visitors to our site as they navigate from page to page) and transactional attributes in accordance with information you voluntarily submit in the course of using our site. This data is aggregated for analysis to ensure proper functioning of our site, in terms of navigation and usability, as well as to evaluate the effectiveness of our marketing efforts. At no time do any of our cookies capture any personal information. More importantly, using cookies also helps us protect the security of your account. Session ID cookies follow your activities on our site so that we can ensure that no one is making changes to your profile, applying for loans or making loans on your behalf. This information is encrypted and no personal data about you is stored on our servers.

Most browsers allow you to refuse to accept cookies. (For example, in Internet Explorer you can refuse all cookie by clicking "Tools", "Internet Options", "Privacy", and selecting "Block all cookies" using the sliding selector). Blocking cookies, however, can also have a negative impact on the usability of many web sites.

Cookies may have long-term expiration dates, or none, and thus can stay in your hard drive for months at a time. While you can remove them as instructed by the help content in your chosen browser, disabling cookies will prevent you from using our site. As with many transactional web sites, cookies must be enabled in order to use our site.

We use third-party tracking services (e.g. Google Analytics) that use cookies to track non-personal information about visitors to our site in the aggregate (such as web page views and referral page information to track the success of our marketing efforts to bring people to our site as well as overall site performance). We use respective web beacons to gather information that lets us tune and improve our users' browsing experience, as well as track user responsiveness to various advertising campaigns and user activities. As with cookies, the information these beacons collect is aggregated, anonymous "click stream" and transactional data, and is not associated with any users as individuals. No personal or sensitive information is transmitted to advertising partners (but some partners may use incoming IP addresses to avoid double-counting the number of new members who joined as a result of the advertising campaign).

If you would like more information about the use of third-party cookies and tags, or the process of opting out of such cookies or tags, please visit <http://www.google.com/privacy.html>.

STATE AND FEDERAL LAW COMPLIANCE

Privacy rights may vary from state to state; this privacy policy may not constitute your entire set of privacy rights. Contact the appropriate agency in your state that is charged with overseeing privacy rights of consumers to know what your state offers. Certain regulations issued by state and/or federal government agencies may require us to maintain and report demographic information on the collective activities of our membership. We may also be required to maintain your personal information for at least seven years in order to comply with applicable federal and state laws regarding recordkeeping, reporting and audits.

SECURITY POLICY

Daric works hard to safeguard your sensitive information. We physically and electronically protect data and implement strict operational policies and practices. All data is considered to be highly confidential. Data can only be read or written through defined service access points, the use of which is password-protected. The physical security of the data is achieved through a combination of network firewalls (there is no direct communication allowed between the database server and the Internet) and servers with hardened operating systems, all housed in a secure facility. Access to the system, both physical and electronic, is controlled and sanctioned by a high-ranking manager.

Further, we also equip our servers with Secure Socket Layer (SSL) certificate technology to ensure that you when you connect to our web site you are actually on our site. SSL also ensures that all data entered into the web site is encrypted. To verify that SSL is being used, look for the key or padlock icon on your browser. For further encryption protection, we use a 128-bit secure browser for logins and transactions. Finally, we subject our systems to periodic security audits to ensure that your information is thoroughly protected and secure.

Secure, off-site hosting

Sensitive financial data, such as bank accounts, is stored in a highly secure, bank account information management system provided by Authorize.Net, a VISA-owned subsidiary.

Session time-outs

We employ session time-outs to protect your account. You will be automatically be logged out of the site after a specified period of inactivity.

Protection of account numbers

When we contact you about your account to confirm a funds transfer, we only reference the last four digits of your bank account number; this is done for your protection so that you will recognize the source or destination account as one which you own. Further, we employ strict access standards ensuring that only the senior-most employees or partner representatives have access to your account numbers and other sensitive information. This access is only granted in order to complete transactions which you request or to provide regular ongoing service to your account.

Passwords

We require you to associate a strong, secure password with your account that includes at least one capital letter and at least one number. We have also instituted secure steps by which you can regain access to your account should you forget your password, including the use of a security question. Your password is not known to any employee or third party with whom we may partner, and we will never ask for your password as a means of identifying yourself via any means. You should never share your password with anyone, and if you ever receive an email purporting to come from Daric that asks for your password, you should immediately report this development at security@daric.com.

ID theft policy

Daric utilizes state of the art authentication technology to verify identities. However, if an investor suspects that one of their loans belongs to a person who has committed ID theft, please contact us at security@lendingclub.com. Daric will work with law enforcement authorities

to track down and prosecute anyone who has committed identity theft. Investors are entitled to reimbursement for the unpaid principal balance of loans for which the borrower has committed identity theft. WHAT ABOUT IF SOMEONE MAKES A FALSE LOAN REQUEST? Borrowers must repay the entire loan amount back to Daric.

What you can do

In addition to our own substantial efforts, you can take several precautions to protect the security of your computer and personal information. For instance, you can start by using a well-chosen password. You should avoid using any information that others can easily learn about you, such as a family member's name or birthday, and you can also use special characters in place of letters. We also recommend that you change your password frequently. You can also install and regularly update antivirus and firewall software to protect your computer from external attacks by malicious users. When you are finished with a session on our site, be sure that you log out and close the browser window.

To protect your account, we send automatic notifications confirming certain actions taken on your account, such as changes to a password or external linked account. We do this for your own protection so that you can be sure no one else is making changes to your account without your knowledge. However, the security offered through these notifications can be undermined if other people have access to your email account. Therefore, you might consider restricting access to the email account you registered with on this site and/or changing your password on that email account frequently.

If you use a computer that is accessed by other people, such as in a public library or Internet cafe, we recommend that you take special precautions to protect the security of your account and personal data. When you are finished using our site, you should log out completely, then close the browser window and clear the browser's cache files.

You should also be aware of fraudulent attempts to gain access to your account information known as "phishing." Phishing is a tactic used by scammers in which unsuspecting people are brought to a web site by a genuine-looking email purporting to be from a legitimate company. The phony or "spoof" email takes the person to a web site that looks legitimate but in fact is not. Either in the email itself or on this fake site, scammers will ask for login information to gain access to people's accounts and withdraw their money. Daric will never ask you for your login information in the context of any email. In general, you can protect yourself against phishing by never providing personal or login information via an email instead, go the web site directly. You might also make it a habit to check the URL of a web site to be sure that it begins with the

correct domain. In the case of Daric, you should always ensure the URL begins with <http://www.daric.com> or <https://www.daric.com>.

CHANGES TO THIS PRIVACY POLICY

As technologies, laws and user needs change, our site and its features will also change. This policy may be updated from time to time as such needs dictate, and we will always communicate these changes to you by posting them on this web site and/or by notifying you via email in the event of any substantive or material changes.

You may contact us at:

Attn: Privacy Department

Daric, Inc.
234 Marshall Street, Suite 14
Redwood City, CA 94063

Or via email at: privacy@daric.com

If Daric is involved in a merger, acquisition, or sale of all or a portion of its assets, you will be notified via email and/or a prominent notice on our Web site of any change in ownership or uses of your personal information, as well as any choices you may have regarding your personal information.