

RULES FOR THE ASSESSMENT OF RELIABILITY OF PROJECT OWNERS OF BENDRAS FINANSAVIMAS UAB

1. GENERAL PROVISIONS

- 1.1. The Rules for the Assessment of Reliability of Project Owners (hereinafter referred to as the “**Rules**”) of Bendras finansavimas UAB (hereinafter referred to as the “**Company**”) shall set forth the requirements applicable in assessment of the criteria for the assessment of the reputation and creditworthiness of Project Owners.
- 1.2. The definitions used in the Rules shall be understood as defined in Regulation (EU) 2020/1503 (hereinafter referred to as the “**Regulation**”) unless otherwise provided for in the Rules.
- 1.3. The Rules have been drawn up in accordance with the Regulation and its accompanying implementing legislation and the guidelines of the competent authorities.
- 1.4. The Company shall approve, implement and maintain appropriate and effective measures, processes and methods to ensure that these Rules are always observed. The Company shall take necessary measures to avoid the use of the Platform of the Company for criminal purposes.

2. DEFINITIONS

- 2.1. Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:
 - 2.1.1. “**SAVY**” or “**Company**” shall mean Bendras finansavimas UAB, legal entity registration number 303259527, address Latvių g. 36A, Vilnius, Lithuania;
 - 2.1.2. “**Funder**” shall mean a person who has registered on the portal <https://gosavy.com/> and accepted the terms and conditions of the portal, in whose respect the Operator of the Platform has carried out an assessment of the eligibility for funding and who was warned of the risks of crowdfunding and who concluded the the Platform Operator Service Use Agreement. The Funder shall be entitled, at its own discretion and risk, provide (borrow) crowdfunding funds to the Project Owner;
 - 2.1.3. “**Participant**” shall mean mean a participant of the Project Owner whose direct or indirect holding of voting rights or share of the authorised capital is equal to or exceeds 20 per cent or who may have a direct and/or indirect decisive influence on the Project Owner;
 - 2.1.4. “**User**” shall mean a person who has registered on the Platform and uses it to finance the Project or receive funding for the Project published on the Platform;
 - 2.1.5. “**Reliability Assessment**” shall mean an assessment of the reputation and creditworthiness of the Project Owner carried out by the Company;
 - 2.1.6. “**Loan**” shall mean a civil contract according to which the Funders provide the Project Owner with crowdfunding funds in monetary form, and the Project Owners undertake to repay the amount of the loan and pay interest to the Funders, which can be secured by a mortgage and/or pledge together with other means securing the performance of the obligations.
 - 2.1.7. “**Platform**” shall mean the publicly available crowdfunding online information system (<https://gosavy.com/>) administered and operated by SAVY;
 - 2.1.8. “**Supervisory Authority**” shall mean the Bank of Lithuania;

- 2.1.9. “**Project**” shall mean a project prepared and published on the Platform of the Company to satisfy the business, professional, scientific, research and other needs, excluding the consumption, for the implementation of which the Project Owner seeks to attract crowdfunding funds;
- 2.1.10. “**Project Owner**” or “**Customer**” shall mean the User who initiates and publishes a Project through the Platform for Funders. The Project Owner may be a legal person or a natural person, i.e. entrepreneur;
- 2.1.11. “**Manager**” shall mean the Director of the Company.
- 2.2. Unless the context otherwise requires, for the purposes of the Rules, the words in singular shall also include the plural and vice versa.
- 3. ASSESSMENT OF THE RELIABILITY OF PROJECT OWNERS AND THE PRINCIPLES OF ASSESSMENT**
- 3.1. The Company shall carry out an assessment of the Project Owner (in conjunction with the assessment of the Project) at least in the following cases:
- 3.1.1. before publishing the relevant Project on the Platform;
- 3.1.2. where the Company considers it unlikely that the Project Owner shall fully perform his obligations to repay the Loan granted by means of crowdfunding and the Company fails to take any relevant actions of enforcement of the security rights and other actions with similar effects;
- 3.1.3. in the event of default by the Project Owner;
- 3.1.4. where the Company assists the Funder to withdraw before the date of maturity of the Loan.
- 3.2. The Company shall assess the projects submitted by Project Owners in a responsible manner, in accordance with the requirements of these Rules and other legislation governing crowdfunding.
- 3.3. The Company shall take all necessary measures to prevent the use of the Platform for criminal purposes. If there are reasonable suspicions that the Platform is being used for illegal purposes, the Company’s employees shall inform the competent authorities, terminate the publication and financing of such Project, follow the instructions of law enforcement authorities.
- 3.4. The policy of assessment and approval of the Projects submitted by the Project Owners shall be based on the assumption that the obligations under the financing transaction shall be fulfilled, i.e. the Loan shall be repaid from the cash flow of income of the Project Owner, for the increase or creation of which financing funds are provided, and not due to enforced repayment using means securing the the claim.
- 3.5. The assessment of the Project Owners’ Projects shall be based on the following man provisions:
- 3.5.1. Before making a decision to approve the Project Owner’s Project, the Company shall assess the Project Owner’s creditworthiness and reputation:
- 3.4.1.1. The purpose of the assessment of the creditworthiness of the Project Owner shall be to evaluate the possibilities of the Project Owner to assume a specific financial obligation which, together with the existing financial obligations, the Project Owner would be able to fulfil from the existing or planned cash flow,

which is supported or created by the funds provided under the financing transaction;

- 3.4.1.2. The purpose of the assessment of the reputation of the Project Owner shall be to assess the reputation of the Project Owner (if the Project Owner is a natural person), the manager of the Project Owner and his Participants, whose direct or indirect holding of voting rights or share of the authorised capital is equal to or exceeds 20 per cent, or who can make a direct and/or indirect decisive impact on the Project Owner (if the Project Owner is a legal entity) in accordance with the requirements of these Rules and other legal acts regulating crowdfunding in order to protect the interests of the Funders.
- 3.4.2. The Company shall assess all objectively foreseeable significant factors, taking into account the information provided by the Project Owner and available to the Company, which may affect the Project Owner's creditworthiness, in particular, such as the currently generated cash flow of the Project Owner, his credit history, the potential for a change in income (increase or decrease), the purpose of borrowing crowdfunding funds;
- 3.4.3. The assessment of the creditworthiness of the Project Owner based on the information available at the time shall be based on the assumption that the Project Owner shall be able to meet the financial commitments made for the duration of the financing transaction.
- 3.4.4. If, when assessing the creditworthiness of the Project Owner, it is determined that, on the basis of the information available at that time, the Project Owner is unable to fulfil the financial obligations for the entire duration of the financing transaction, the Company shall refuse to publish the Project Owner's project.
- 3.6. The Company shall also carry out continuous monitoring of all Project Owners whose Projects were published on the Company's Platform and/or to whom Loans were granted through crowdfunding, as well as monitoring of the Projects and granted Loans.
- 3.7. For the purpose of monitoring and updating the available data, the Company shall have the right to contact the Project Owner whose Project was published on the Platform and/or to whom a Loan was granted by means of crowdfunding requesting to indicate whether there are any new circumstances that could have a significant impact on the reliability of the Project Owner on an annual basis (or more frequently if the Project Owner fails to perform or there is a possibility that the Project Owner shall not perform the assumed obligations (e.g. whether the Project Owner's assets are not seized, whether the Project Owner is not included as a defendant in judicial proceedings, whether the Project Owner's creditors have not filed claims against him due to non-fulfilment or improper performance of the obligations, whether the Project Owner has not been filed for bankruptcy or a restructuring proceedings have not been initiated, etc.).
- 3.8. If the Project Owner informs the Company about circumstances that may have a significant impact on the Project Owner's reliability (as specified in paragraph **Error! Reference source not found.** hereof), or the Company becomes aware of such circumstances in another way, the Company shall carry out a repeated assessment of the Project Owner's reliability in accordance with the procedure set forth herein.

4. COLLECTION OF INFORMATION ON THE PROJECT

- 4.1. The Project Owner shall be entitled to provide information on the Project on the Portal <https://gosavy.com/>, Section "Loans for business", by clicking the button "Fill in an application"

and filling in the form of the Loan Application. When filling in the Loan Application, the Project Owner shall provide the following information to the Operator of the Platform:

- 4.1.1. information on the Project Owner (recipient of the loan):
 - 4.1.1.1. name of the Company;
 - 4.1.1.2. registration number of the Company;
 - 4.1.1.3. legal form of the Company;
 - 4.1.1.4. address of the registered office of the Company.
 - 4.1.2. Information on the Loan:
 - 4.1.2.1. purpose;
 - 4.1.2.2. amount of the Loan;
 - 4.1.2.3. term of the Loan;
 - 4.1.2.4. interest rate;
 - 4.1.2.5. the Loan repayment method;
 - 4.1.2.6. specification how income shall be generated after implementation of the Project.
 - 4.1.3. the details of the authorised person:
 - 4.1.3.1. name;
 - 4.1.3.2. surname;
 - 4.1.3.3. personal identification number;
 - 4.1.3.4. telephone number;
 - 4.1.3.5. e-mail address.
 - 4.1.4. information on the Loan securities.
- 4.2. Information about the Project Owner and the Project submitted by him shall be collected from the Project Owner as well as the relevant information and whether the data is compared with the information contained in the databases/public information sources and whether the data that is available to the Operator of the Platform or received from the Project Owner by e-mail, for example, financial documents, bank statements, previously implemented Projects of a similar nature, revenue log (if the Project Owner is a natural person), etc.
- 4.3. When collecting information on the Project Owner, the Company's employee:
- 4.3.1. shall have the right to rely on the documents and written explanations provided by the Project Owner (if the Project Owner is a natural person), the Project Owner's representative (if the Project Owner is a legal person)
 - 4.3.2. where there are reasons to doubt the reliability of the provided answers, shall request the Project Owner (if the Project Owner is a natural person), the Project Owner's representative (if the Project Owner is a legal person) to submit the respective certificate issued by the relevant authority or legal person;
 - 4.3.3. shall ensure that the Project Owner's representative has necessary authority to represent and provide documents and information, sign documents and enter into transactions on behalf of the Project Owner.

- 4.4. The Company shall notify the Project Owners of their obligation to provide correct, complete and unambiguous information necessary for the assessment of the Project.
- 4.5. The employee of the Company responsible for the specific assessment shall collect information and make clarifications by telephone, by e-mail and by other necessary means to obtain accurate and complete information.

5. CRITERIA AND PROCEDURE FOR ASSESSMENT OF REPUTATION

- 5.1. In assessing reputation, the Company shall address the Project Owner to assess information about the Project Owner, the Manager of the Project Owner and its Participants. If the Project Owner is a natural person (entrepreneur), information on the Project Owner shall be collected and assessed.
- 5.2. For the purposes of assessing the reputation of the Project Owner, the requested information shall be provided in a standardised form, by filling in the questionnaire laid down in Annex 1 to these Rules. If necessary, the Company's employee performing the assessment shall be entitled to request the Project Owner for additional information necessary for the assessment of the reputation.
- 5.3. When assessing the reputation, it shall be considered appropriate if there is no evidence to the contrary and there are no reasonable grounds to doubt the reputation of the person.
- 5.4. In assessing the reputation, the following circumstances shall be taken into account:
 - 5.4.1. whether the Project Owner has not been convicted of a serious, very serious crime or a crime or criminal offense against property, property rights and property interests, economy and business procedure, financial system, public security, public service and public interests or similar criminal acts in accordance with the criminal laws of other countries if his conviction for the above offenses has not been extinguished or revoked or 3 years have not passed after the judgment by which a natural person is convicted of a criminal offense referred to in this paragraph;
 - 5.4.2. whether there is evidence that the person being assessed is in default or has defaulted on creditors' obligations;
 - 5.4.3. whether there are and/or have been any civil actions, administrative or criminal proceedings, investments or taken risks and loans that could have a material impact on the person's financial soundness;
 - 5.4.4. whether the Project Owner is in the register of records of judgments related to violations of the national rules in the areas of commercial law, bankruptcy law, financial services law, anti-money laundering law, anti-fraud or professional liability duties;
 - 5.4.5. whether the Project Owner is established in a country or territory which according to the relevant EU policy is considered as a non-cooperating country or territory or in a high-risk third country in accordance with Article 9(2) of Directive (EU) 2015/849.
- 5.5. In order to assess the reputation of the Project Owner (natural or legal person), the Company's employee carrying out the assessment:
 - 5.5.1. shall collect and evaluate information about the Project Owner, its manager and its Participants, whose direct or indirect holding of voting rights or share of the authorised capital is equal to or exceeds 20 per cent, or who may have a direct and/or indirect decisive influence on the Project Owner. If the Project owner is a natural person (entrepreneur), information about the Project Owner shall be collected and evaluated;

- 5.5.2. after collecting and assessing the received and collected data (paragraph **Error! Reference source not found.** of these Rules), before publishing the Project on the Company's Platform, in all cases there must be sufficient reason to believe that all persons listed in paragraph **Error! Reference source not found.** hereof meets **all criteria for assessing reputation**, i.e. that the persons listed in paragraph **Error! Reference source not found.** of the Rules:
- 5.5.2.1. do not meet the terms and conditions set forth in paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** - **Error! Reference source not found.** hereof subject to which it shall be automatically considered that the reputation of the Project Owner cannot be assessed as appropriate;
- 5.5.2.2. there are no negative factors listed in paragraph 5.6 hereof subject to which it shall be automatically considered that the reputation of the Project Owner cannot be assessed as appropriate.
- 5.6. The negative factors subject to which it shall be automatically considered that the reputation of the Project Owner cannot be assessed as appropriate shall be as follows:
- 5.6.1. improper fulfilment of obligations (within the last 3 years), i.e. if at the time of the assessment the total amount of improperly fulfilled financial obligations reaches is higher than EUR 5,000 and the Project Owner fails to provide a specific, clear and reasonable plan on how the afore-mentioned obligations shall be covered after conclusion of a crowdfunding transaction with him;
- 5.6.2. asset seizures/recovery processes (within the last 3 years), i.e. if the assets of the Project Owner (or the person providing the security) is seized during the assessment/recovery is taking place and the Project Owner fails to provide a specific, clear and reasonable plan on how the asset seizure/recovery process shall be completed after conclusion of a crowdfunding transaction with him;
- 5.6.3. initiated pre-trial investigations (within the last 5 years), i.e. if at the time of the assessment a pre-trial investigation against the person is still pending (serious, very serious crime or crime or criminal misdemeanour against property, property rights and property interests, economy and business order, financial system, public safety, civil service and public interests or corresponding criminal acts according to the criminal laws of other states);
- 5.6.4. legal proceedings (the person acted as the defendant) (within the last 5 years), i.e. if at the time of the assessment, more than 5 legal proceedings against the person (the person acts as the defendant) are pending and the provided explanations do not dispel doubts about the extremely high risk posed by the legal proceedings to the assessment of the financial reliability of the Project Owner. Or one extremely significant legal proceeding against the Project Owner has been initiated (the amount of the claim is equal to more than 50 per cent of the Project Owner's annual income), and the Project Owner's explanations do not dispel doubts about the extremely high risk posed by the legal proceedings to the assessment of the Project Owner's financial reliability;
- 5.6.5. investigations carried out by the State Tax Inspectorate, other public authorities (within the last 5 years) if during the assessment the person is subject to an inspection/investigation by a public authority, the subject of which is a potentially unfair/illegal activity of the person (e.g. tax evasion, etc.) and the provided explanations do not dispel doubts about extremely high risks to the assessment of the financial reliability of the Project Owner.

- 5.7. For the purposes of assessing the reputation of Project Owners, the Company shall rely on the following:
- 5.7.1. Documents submitted by Project Owners, their managers and Participants;
 - 5.7.2. Written explanations provided by Project Owners, their managers and Participants;
 - 5.7.3. publicly available and published information about Project Owners, their managers and Participants;
 - 5.7.4. data provided by Creditinfo system (**Creditinfo**) administered by Creditinfo Lietuva UAB and Scorify system (**Scorify**) administered by Scorify UAB;
 - 5.7.5. the registers administered by the State Enterprise Centre of Registers (the Real Property Register, the Register of Legal Entities, the Register of Property Seizure Acts etc.);
 - 5.7.6. data provided by the Departmental Register of Wanted Persons administered by the Information Technology and Communications Department under the Minister of the Interior as well as other reliable databases lawfully accessible to the Company.
- 5.8. For the purposes of carrying out the assessment provided for in paragraph **Error! Reference source not found.** hereof, the Company shall also request the Project Owner to submit relevant (not older than 2 months) extracts/certificates from the registers of judgments passed in criminal and/or administrative cases, which would support the provisions of 5.4.4 of these Rules.
- the absence of the circumstances provided for in paragraph Error! Reference source not found.** hereof:
- 5.8.1. if the Project Owner is a legal entity established in Lithuania or a citizen of Lithuania (in the case of a natural person), the respective extract/certificate from the registers administered by the Information Technology and Communications Department under the Ministry of the Interior of the Republic of Lithuania (<https://ird.lt/>) shall be requested;
 - 5.8.2. if the Project Owner is a legal entity established in a country other than the Republic of Lithuania, or if the Project Owner is a citizen/resident of a country other than the Republic of Lithuania (in case of a natural person), the respective extract/certificate from the information centres of the registers administered by such countries shall be requested.
- 5.9. Where possible, the Company shall also take steps to obtain access to the respective registers in which it could verify information on the Project Owner in the circumstances provided for in paragraph **Error! Reference source not found.** hereof.
- 5.10. If the Project Owners seeks to repeatedly publish the Project on the Platform of the Company, the Company shall reassess the reputation of the Project Owners in accordance with the procedure provided for in these Rules and without any exceptions.

After the Company's employees have collected enough information from the Project Owner to assess his reputation, his managers and Participants, the Company's employees shall assess the totality of the collected information and decide whether the Project Owner's reputation is suitable for the purpose of publishing his Project on the Platform of the Company, i.e. it shall be satisfied if all persons listed in paragraph **Error! Reference source not found.** hereof satisfy all criteria for the assessment of reputation (as provided for in paragraph 5.5.2 hereof).

6. METHOD, CRITERIA AND PROCEDURE FOR ASSESSING THE CREDITWORTHINESS OF PROJECT OWNERS

- 6.1. When assessing the creditworthiness of the Project owner, the Company shall rely on these Rules and the Internal Procedure for the Analysis of Project Owners and Determination of the Risk Level (Annex 2 to the Rules).
- 6.2. For the method of assessment of the creditworthiness of the Project Owner, the Company shall use the following:
 - 6.2.1. statistical models (e.g. past financial results);
 - 6.2.2. assessment models (e.g. assessment of the business plan and its prospects, assessment of financial forecasts, assessment of reputation).
- 6.3. When assessing the creditworthiness of the Project Owner, external databases shall be verified, and in the absence of information in them, other evidence must be relied upon. The creditworthiness of the Project Owner shall be assessed in the following external databases/public information sources:
 - 6.3.1. If the Project Owner is a natural person – information in the database of the State Social Insurance Fund Board (SODRA), from which information about the Project Owner's income shall be collected;
 - 6.3.2. If the Project owner is a natural person – information in the database administered by the Centre of Registers from which information about the Project Owner's marital status, the number of dependents, other data shall be collected;
 - 6.3.3. Information in the Real Property Cadastre and Register of the Centre of Registers. The information on whether the Project Owner (if the Project Owner is a natural person) or the Project Owner's representative and/or the Project Owner's Participants have real property shall be obtained from the afore-mentioned database;
 - 6.3.4. Creditinfo database Infobank, the Debtor Administration Information System (**DAIS**). Data on personal debts, assumed financial obligations and the history of fulfilment of financial obligations, contact information shall be verified in the afore-mentioned database. In case where the Project Owner is a legal person, enquires shall be made and business links shall be verified in the databases Creditinfo or Creditreform Lietuva UAB, the Loan Risk Database of the Bank of Lithuania (**LRDB**);
 - 6.3.5. Information in the database of the Ministry of the Interior (the Register of Wanted Persons, the Register of Validity of Identity Documents). Information on whether the Project Owner or the Project Owner's manager and Participants, whose direct or indirect holding of voting rights or share of the authorised capital is equal to or exceeds 20 per cent or who may have a direct and/or indirect decisive influence on for the Project Owner, is wanted shall be obtained from the database;
 - 6.3.6. In other databases/public sources of information if it is decided that it is necessary in order to properly assess creditworthiness.
- 6.4. The Company shall assess the creditworthiness of the Project Owner based on the information received from the Project Owner and information collected from databases. When examining the Project submitted by the Project Owner, the Company shall carefully assess the collected information about the purpose of the Project, the Project being implemented or to be implemented, the financial condition, the history of fulfilment of the financial obligations and, if it seems necessary, request additional information and documents.

- 6.5. In the event that the Company collects conflicting data, i.e. the data presented in the Project of the Project Owner does not correspond to the data obtained from the used databases, the Company must be guided by the data that have higher evidentiary value (e.g. *prima facie* evidence of a criminal record) or indicate an objective information (e.g. obligations of the Project Owner specified in external databases), unless the Project Owner indicates that he may support with evidence that he has relevant information.
- 6.6. After the Project Owner submits the Project, the following shall be assessed:
 - 6.6.1. Revenue which shall be assessed on the basis of the documentation provided by the Project Owner as well as after collecting additional information and data allowing to decide on the objectivity of the provided information. The revenue of the Project Owner shall be assessed in two aspects: current and projected revenues from the Project, i.e. the revenue that would be generated in implementation of the Project from the generated cash flow and/or the projected returns;
 - 6.6.2. Credit history, whether the Project Owner improperly performs or improperly performed the financial obligations in the past;
 - 6.6.3. Nature of the Project, its scope and reasonableness in the activities of the Project Owner;
 - 6.6.4. Purpose of use of the funds to be raised;
 - 6.6.5. Structure of ownership (shareholder) of the Project Owner;
 - 6.6.6. The Project Owner shall provide a business plan related to the Project for which funding is sought including but not limited to:
 - 6.6.7. (i) the Project Owner's knowledge of the respective sector and experience in implementing/developing projects of a similar nature; (ii) validity and reliability of the business plan; (iii) analysis of the strengths/weakness of the Project; (iv) competition in the relevant business sector; (v) type of customers of the Project Owners and their geographical location.
 - 6.6.8. Financial documents and indicators of the Project Owner:
 - 6.6.8.1. if the Project Owner has been operating for more than two years, the revenue and cash flows received by the Project Owner in the last two years shall be assessed, if the Project Owner has been operating for less than two years, the afore-mentioned information, the period of time for which the Project Owner has been operated, shall be assessed for a half of the year or one year, respectively;
 - 6.6.8.2. expected revenue and cash flow of a crowdfunding project under different scenarios;
 - 6.6.8.3. the current and projected financial position of the Project Owner, including all existing liabilities:
 - 6.6.8.3.1. amounts of available loans or liabilities at the time of submission of the Project;
 - 6.6.8.3.2. maturity of loans or obligations;
 - 6.6.8.3.3. currency in which loans or obligations are issued;
 - 6.6.8.3.4. loan or obligation repayment schedule;

- 6.6.8.3.5. interest rate or any other compensation stipulated in the loan or obligations agreement;
- 6.6.9. The influence of the circumstances known to the Operator of the Platform on the economic and financial situation of the Project Owner (if information about such circumstances is available);
- 6.6.10. Data on the security of the Loan (in case of direct credit collateral);
 - 6.6.10.1. term of the collateral;
 - 6.6.10.2. in case of a financial collateral, the last known price and the average price of the collateral for the last 12 months in the liquid and traded market
 - 6.6.10.3. in case of a physical collateral, the most recent available value of the market;
 - 6.6.10.4. the measure of volatility of the value of the collateral;
 - 6.6.10.5. the existence of a market which allows the collateral to be easily liquidated;
 - 6.6.10.6. in the absence of an objective market price or market value, the Operator of the Platform shall take into account the following information:
 - 6.6.10.6.1. the frequency with which the value can be readily derived, including professional valuation or simple valuation;
 - 6.6.10.6.2. the assumptions used to estimate the value of the collateral;
 - 6.6.10.7. in case of indirect security
 - 6.6.10.7.1. the identity of the guarantor;
 - 6.6.10.7.2. the type of guarantee;
 - 6.6.10.7.3. the possibility of enforcement of the guarantee;
 - 6.6.10.7.4. the level of protection afforded by the guarantee;
 - 6.6.10.7.5. the amount that the security provider has undertaken to pay in the event of default or non-payment by the Project Owner.
- 6.6.11. other circumstances which, in the opinion of the Operator of the Platform, are significant.
- 6.7. In assessing the creditworthiness of the Project Owner, the Company's employee shall satisfy himself that:
 - 6.7.1. The Loan application submitted by the Project Owner is genuine and that, if the application is approved, the Project Owner shall be able to generate revenue to service the Loans, i.e. the expected revenue from the Project shall be sufficient to pay interest and other taxes and repay the Loans or perform other obligations assumed under the financing transaction depending on the type of financing transaction;
 - 6.7.2. The Project Owner has the necessary permits and licences for his activities, when permits or licences are necessary according to the requirements of legal acts;
 - 6.7.3. The collected information about the assessment of the collateral and guarantees is accurate;

- 6.7.4. The collateral and guarantees are effective and enforceable;
- 6.7.5. No bankruptcy proceedings have been filed against the Project Owner.
- 6.8. Having assessed the qualitative and financial indicators of the Project Owner in accordance with the Procedure for the Analysis of Project Owners and Determination of the Risk Level, the Company shall grant a credit rating to the Project. Each Project shall be assigned one of the risk levels A, B, C, D, and E where:
 - 6.8.1. A – high reliability;
 - 6.8.2. B – higher than average reliability;
 - 6.8.3. C – average reliability;
 - 6.8.4. D – low reliability;
 - 6.8.5. E – very low reliability (not credited).
- 6.9. By assigning the risk level to the Project Owner, the Company shall assess the following indicators of the Project Owner:
 - 6.9.1. Financial indicators:
 - 6.9.1.1. Annual Net Income);
 - 6.9.1.2. EBITDA;
 - 6.9.1.3. Return on Equity (RoE) - $RoE=(EBIT-Tax-Interest\ Paid)/(Average\ Equity));$
 - 6.9.1.4. Return on Assets (RoA) – $RoA=(EBIT-Tax)/(Average\ Total\ Assets));$
 - 6.9.1.5. Net Profit Margin (NPM) – $NPM=(EBIT-Tax)/(Average\ Total\ Assets));$
 - 6.9.1.6. Sales to Total Assets (STA) - $STA=Sales/(Average\ Total\ Assets));$
 - 6.9.1.7. Debt to Equity Ratio (DER) – $DER=(Debt+Value\ of\ Leases)/Equity;$
 - 6.9.1.8. Debt Ratio (DR) – $DR=(Total\ Debt)/(Total\ Assets));$
 - 6.9.1.9. Debt Yield (DY) - $DY=EBITDA/Loan\ Amount);$
 - 6.9.1.10. Loan to Value (LV) – $LV=(Loan\ Amount)/(Value\ of\ the\ Property));$
 - 6.9.1.11. Interest Coverage Ratio (ICR) – $ICR=EBIT/Interest\ Expenses;$
 - 6.9.1.12. Debt Service Coverage Ratio (DSCR) - $DSCR=EBITDA/(Principal\ Amount+Interest\ Amount));$
 - 6.9.1.13. Cash Ratio (CR) – $CR=(Cash+Marketable\ Securities)/(Current\ Liabilities));$
 - 6.9.1.14. Net Working Capital to Total Assets (NWCTA) - $NWCTA=(Current\ Assets\ (Cash,\ Short-Term\ Securities,\ Receivable,\ Inventories,\ Other\ Current\ Assets))/Assets);$
 - 6.9.1.15. Capitalisation Rate (CR) - $CR=(Net\ Operating\ Income)/Capital);$
 - 6.9.1.16. Profit Yield (PY) $=(Net\ Income)/Capital);$
 - 6.9.1.17. Information about the sector in which the Project Owner operates, including macroeconomic conditions and competition;
 - 6.9.1.18. Information about the business plan;
 - 6.9.1.19. Expected profitability of the Project;

- 6.9.1.20. Expected cash flows of the Project owner;
 - 6.9.1.21. Knowledge and experience of the Project Owner in the respective business sector.
 - 6.9.2. Okredo credit rating;
 - 6.9.3. Creditinfo bankruptcy rating;
 - 6.9.4. Period of performance of the Project Owner's activities;
 - 6.9.5. Number of employees of the Company;
 - 6.9.6. Active overdue payments to third parties;
 - 6.9.7. Active overdue payments to credit institutions (according to the LRDB);
 - 6.9.8. Participation of the Project Owner as a defendant in legal proceedings (according to Creditinfo).
- 6.10. In the light of the criteria set out in paragraph **Error! Reference source not found.** hereof and taking into account other relevant circumstances or factors and following the Procedure for the Analysis of Project Owners and Determination of the Risk Level, the risk level may be changed by one value (e.g. from B to C or A).
- 6.11. Different interest shall be applicable to different risk level of the Company:

| Credit rating | Interest | Probability of loss of the Funder |
|---------------|----------|-----------------------------------|
| A | 5-12 % | Not determined |
| B | 9-16% | Not determined |
| C | 12-19 % | Not determined |
| D | 15-22 % | Not determined |

- 6.12. The Company shall be obliged to refuse to approve and publish the Project on the Portal if it decides that at the time of the specific assessment the activities carried out by the Project Owner are among the non-creditable areas:
- 6.12.1. the Project Owner does not meet the criteria for assessing the creditworthiness and/or reputation of the Project Owners approved by the Company and/or, according to the Procedure for the Analysis of Project Owners and Determination of the Risk Level, the Project is considered as too risky;
 - 6.12.2. The Company lacks information and documents about the Project to carry out the assessments described herein;
 - 6.12.3. The information available to the Company constitutes grounds for believing that the publication of the Project on the Platform would pose a threat to the interests of the Funders.
- 6.13. The results of assessment of the creditworthiness shall be deemed to be negative if:

- 6.13.1. The Company considers that the Project is classified as non-creditable areas as provided for in paragraphs **Error! Reference source not found.; Error! Reference source not found.; Error! Reference source not found.; Error! Reference source not found.** hereof;
- 6.13.2. The Company considers that the economic viability of the Project is not based on specific data and/or calculations, i.e. it is not specified how revenue shall be generated to pay interest and other payments and repay the Loan;
- 6.13.3. The Company considers that the Project Owner does not receive any income during the creditworthiness assessment;
- 6.13.4. It appears that the Project Owner does not have necessary licence(s) or permits to carry out the activity;
- 6.13.5. Bankruptcy proceedings have been instituted against the Project Owner.
- 6.14. In order to secure the interests of the Funders, the Company, depending on the submitted Project, shall request the Project Owner for one or more securities for the financing transaction, e.g. pledge of real property, pledge of stocks or equipment, pledge of rights of claim, suretyship, pledge of bank accounts, guarantee issued by a credit institution, restriction on paying dividends, sale of existing real property etc.
- 6.15. If the Project presented by the Project Owner is covered by a security, the guarantor's responsibility shall be assumed until full performance of the obligation under the financing transaction.
- 6.16. If the real property of the Project Owner or a person directly or indirectly related to the Project Owner is pledged, the main object of assessment of the Company shall be the Project Owner and the Project submitted by him, and not the real property. In case of pledge of real property, the Loan cannot exceed 90 per cent of the value of the real property (loan-to-value ratio).
- 6.17. The Company shall be obliged to take into account the sureties/guarantees provided by the Project Owner for the obligations of other persons if such information is known to the Operator of the Platform and is provided by the Project Owner himself or is available in external databases. The afore-mentioned obligations shall be assessed individually and depending on the result of the creditworthiness assessment, they may not be taken into account if this does not infringe the interests of the Funders.
- 6.18. If the Project Owner submits a Project to the Company for a joint Loan or another financing transaction, which was evaluated by another credit or financial institution or other competent legal entity (**Other Entity**) before submission to the Operator of the Platform or at the time of submission, the Company shall have the right to be guided by the decision on final assessment of the creditworthiness of the Other Entity. However, such assessment by the Other Entity shall not constitute an obligation on the Company to provide the same terms and conditions of the Loan or provide an identical financing structure and/or securities. In any case, the Company shall be obliged to satisfy itself as to the compliance of the mandatory requirements for the reputation and creditworthiness of the Project Owner with the requirements of these Rules and only them rely on a creditworthiness assessment carried out by the Other Entity.
- 6.19. The Company shall assess each Loan in at least the following circumstances:
 - 6.19.1. at the time of granting the Loan, taking into account adequate and updated information about the Project Owner and the Loan and ensuring that the relevant assessment shall be carried out not later than 3 months to the date of granting the Loan. The Company shall also assess the following criteria:

- 6.19.2. term of the Loan;
 - 6.19.3. periodicity of payments and expected cash flows;
 - 6.19.4. any possibilities to make advance payments under the loan agreement;
 - 6.19.5. interest rate;
 - 6.19.6. probability of default by the Project Owner;
 - 6.19.7. expected losses.
- 6.20. Where the Company considers it unlikely that the Project Owner shall fully perform its obligations to repay the Loan and the Company does not take any action to enforce the relevant security interest and other similar effects.
- 6.21. In case of a failure to perform the obligations, the Company shall take into account the conservative value of the security and expenses/costs related to recovery of the debt.
- 6.22. Where the Company assists the Funder to withdraw before the maturity date of the Loan, the databases shall be used to assess the creditworthiness of the Project Owner with the consent of the Project Owner as required by applicable law.
- 6.23. The Company may, at its discretion, decide on the sources and types of information to be used for the assessment of the Project Owner's creditworthiness, taking into account the specific situation and circumstances, but in each case such decision shall be reasoned and based on the specific circumstances.
- 6.24. The Company shall keep the information, data and documents collected in the course of the creditworthiness assessment for 10 years from the date of performance of the obligations under the financing transaction, unless other legal acts provide for a longer retention period for the information, data and documents in order to enable the Company, if necessary, to provide evidence that the creditworthiness of the Project Owner has been properly assessed.

7. PROCEDURE FOR DETERMINING THE PRICE OF THE LOAN AND OTHER CONDITIONS

- 7.1. Following the provisions of the Regulation and its implementing legislation, in determining the price of the Loan to the Project Owner, the Company shall take into account the following criteria:
- 7.1.1. the principal amount of the Loan;
 - 7.1.2. the maturity of the Loan;
 - 7.1.3. the structure of repayment of the Loan in terms of time;
 - 7.1.4. the credit rating assigned to the Project;
 - 7.1.5. the existence of security, i.e. pledge of assets;
 - 7.1.6. market conditions at the time of the Loan and a possible change in them throughout the term of the Loan agreement;
 - 7.1.7. the business strategy/plan of the Project Owner.

- 7.2. It should be noted that some of the criteria set out in paragraph **Error! Reference source not found.** of the Rules are systematically assessed/determined during the assessment of the creditworthiness of the Project Owner, i.e.
- 7.2.1. Paragraphs 7.1.5–7.1.7 of the Rules shall set out the criteria that are assessed during the assessment of the creditworthiness of the Project Owner and are a systematic part that determines the final rating of the Project, which at the same time determines the final price of the Loan;
- 7.2.2. The principal amount of the loan provided for in paragraph **Error! Reference source not found.** hereof shall also be determined taking into account the credit rating set for the Project, i.e.:
- 7.2.2.1. if **A (high reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be the amount of the Project Owner's turnover of the last 3 months or 25% of the turnover of the previous financial year (depending on which of the respective amounts is lower);
- 7.2.2.2. if **B (higher than average reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be the amount of the Project Owner's turnover of the last 3 months or 20% of the turnover of the previous financial year (depending on which of the respective amounts is lower);
- 7.2.2.3. if **C (average reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be the amount of the Project Owner's turnover of the last 3 months or 15% of the turnover of the previous financial year (depending on which of the respective amounts is lower);
- 7.2.2.4. if **D (low reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be the amount of the Project Owner's turnover of the last 3 months or 10% of the turnover of the previous financial year (depending on which of the respective amounts is lower).
- 7.2.3. The presence of a security, i.e. pledge of assets, shall also have a direct impact on the maximum possible principal amount of the Loan, i.e. if the Project Owner pledges movable and/or immovable property to secure the Loan, the maximum principal loan amount available to the Project Owner may be increased, taking into account the rating of the Project, i.e.
- 7.2.3.1. if **A (high reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be up to 80% of the the value of the pledged assets;
- 7.2.3.2. if **B (higher than average reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be up to 70% of the the value of the pledged assets;
- 7.2.3.3. if **C (average reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be up to 60% of the the value of the pledged assets;

7.2.3.4. if **D (low reliability)** credit rating is assigned to the Project, the maximum principal amount of the Loan granted to the Project Owner shall be up to 50% of the the value of the pledged assets.

7.3. Accordingly, having assessed the creditworthiness of the Project Owner and determined the specific credit rating of the Project, as well as taking into account such criteria as the maximum principal amount of the Loan, securities, market conditions at the time of issuance of the Loan and possible changes in them during the period of the Loan agreement, the business strategy/plan of the Project Owner, the Company shall determine the baseline preliminary interest rate which correlates with the credit rating assigned to the Project:

| Credit rating | Baseline preliminary interest rate |
|-------------------------------------|------------------------------------|
| A (high reliability) | From 5 per cent |
| B (higher than average reliability) | From 9 per cent |
| C (average reliability) | From 12 per cent |
| D (low reliability) | From 15 per cent |

7.4. After calculating the initial interest rate as described above, the Company shall assess the period for which the Project Owner seeks to receive a Loan. For this purpose, the Company shall take into account three periods of the Loan agreement: (i) up to 12 months; (ii) from 12 months to 24 months; and (iii) more than 24 months. The following periods of the Loan agreement shall also correlate with the credit rating assigned to the Project Owner and increase the primary interest rate as indicated in the table below:

| Credit rating | Term of the Loan | | |
|--------------------------------------|------------------|-----------------------------|----------------|
| | Up to 12 months | From 12 months to 24 months | From 24 months |
| A (high reliability) | +0 per cent | +2 per cent | +5 per cent |
| B (higher than average reliability) | +0 per cent | +2 per cent | +5 per cent |
| C (average reliability) | +0 per cent | +2 per cent | +5 per cent |
| D (low reliability) | +0 per cent | +2 per cent | +5 per cent |

- 7.5. In addition, when determining the interest rate applicable to the Project Owner, the Company shall take into account the loan repayment schedule desired by the Project owner: if the repayment of the amount of the loan is expected at the end of the term, the interest rate shall be increased in the following order: +1 per cent if the term of the Loan agreement is 1-2 years; +2 per cent if the term of the Loan agreement is more than 2 years.
- 7.6. The final interest rate applicable to the Project Owner may also depend on other individual circumstances (e.g. the specific intended use of the Loan, the business sector of the Project Owner, individual risks, etc.), but the baseline interest rate depending on the assigned credit rating of the Project (which is the key criterion in determining Loan pricing) shall be typically determined as shown in the table below:

| Credit rating | Baseline interest rate |
|-------------------------------------|------------------------|
| A (high reliability) | 5-12 per cent |
| B (higher than average reliability) | 9-16 per cent |
| C (average reliability) | 12-19 per cent |
| D (low reliability) | 15-22 per cent |

- 7.7. In case of each Project, the Company shall publish the final interest rate and an explanation of its calculation in accordance with the criteria established in these Rules on the Platform together with the Project and information related to the relevant Project.
- 7.8. The criteria for determining the Loan pricing and other conditions provided in the Rules shall be general, therefore, the Company shall have the right to deviate from this procedure in individual cases and apply individual conditions for determining the Loan pricing and other conditions, especially when the Company sees individual risks associated with granting a Loan.
- 7.9. The Company shall also publish the pricing related to the fees payable by Project Owners and Funders to the Company on its Platform, at the same time providing specific explanations regarding the applicable pricing and the amount of the applicable fees. In the event that certain fees are individual and depend on the specific Project, the Company shall disclose all information about the relevant fees by publishing the relevant Project on the Platform.

8. ADDITIONAL UNAUTHORISED PROJECT PUBLICATION CATEGORIES

- 8.1. The Company shall refuse to approve and publish Projects submitted by Project Owners on the Portal if the Project Owners meet the following additional criteria:
- 8.1.1. the Project Owner is under 18 years of age (inclusive);
 - 8.1.2. at the time of submission of the Project the Project Owner has a registered debt with Creditinfo or the LRDB, unless the debt can be considered to be of minor importance up to EUR 100;
 - 8.1.3. the manager of the Project Owner and/or his authorised person fails to submit financial documents (e.g. financial reports and/or other requested documents) to the Operator of the Platform;
 - 8.1.4. the Project Owners do not have a valid telephone number;
 - 8.1.5. if the Company and/or the Company's customers have previously suffered losses related to the lending through the fault of the Project Owner (not only as the beneficiary of the financing but also as the recipient of the loan, guarantor)

8.1.6. if the Project Owner fails to confirm his identity.

8.2. In all other cases, when the Company's employee, assessing the Project Owners and the Projects submitted by them, reasonably believes that the Project's approval shall have a negative impact on the Company's reputation and results.

9. VERIFICATION OF THE PROCESS OF ASSESSMENT OF THE RELIABILITY OF THE PROJECT OWNER

9.1. In order to ensure proper assessment of the reliability of the Project Owner and elimination of human errors as far as possible (e.g. when calculating the credit score), the Company shall implement the following measures:

9.1.1. The standardised procedure for calculating the credit score of Project Owners shall be used (Annex 2);

9.1.2. **The four-eyes principle shall apply.** After calculation of the credit score of the Project Owner and the final assessment of the creditworthiness of the Project Owner by the Company's employees, the calculations made and recorded, together with the sources (documents) supporting them, shall be submitted to another employee of the Company appointed by the Manager. The latter shall verify the calculations and assessments submitted to it (including, *inter alia*, that the credit score has been correctly calculated on the basis of the available data). If any inaccuracies are detected during the verification, the Company's employee conducting the verification shall send them to the original assessor for correction (following correction, a re-examination procedure is carried out).

9.2. The processes and rules for assessing the reliability of Project Owners and the acceptability of crowdfunding transactions to Funders shall be continuously monitored and improved where necessary.

9.3. In order to assess the appropriateness of these Rules, factors such as the quality of financing transactions, overdue payments and the volume of outstanding obligations shall be taken into account.

10. FINAL PROVISIONS

10.1. These Rules shall enter into force on the date of their approval and may be amended or repealed only by order of the Manager of the Company. Where these Rules are amended, the latest version of these Rules shall also be published on the Platform (except for the Annexes to the Rules).

10.2. The Manager shall be responsible for the implementation of and compliance with these Rules.

10.3. Each employee of the Company shall be duly familiarised with these Rules against signed acknowledgement.

10.4. The employees of the Operator of the Platform who assess the Project Owners and the Projects submitted by them shall be responsible for the correct data entry into the computer applications used according to the Project submitted by the Project Owner, the answers received from the databases, the collected information, and are also responsible for correct assessment of the financial status of the Project Owner.

10.5. The Manager or a person authorised by him shall periodically but at least once a year shall review whether the requirements for assessing the reliability of Project Owners specified in

these Rules are sufficiently effective. In performing the afore-mentioned functions, the Manager or his authorised person shall at least:

- 10.5.1. periodically review the provisions of these Rules, suggest ways to improve them, ensure their compatibility with other internal documents of the Company and applicable legislation;
- 10.5.2. inform the Company's employees about the new procedures introduced by the Company and advise them on the procedure for implementing the specific provisions of the Rules;
- 10.5.3. constantly observe amendments in legal regulations and, if necessary, immediately initiate corrections to the Rules taking into account the provisions of the amended legal acts.

| PROJECT OWNER REPUTATION ASSESSMENT QUESTIONNAIRE | |
|--|--------------------------------|
| [...] [...] 20[...] | |
| Name, legal form and registration number of the legal person; | |
| <i>or</i> | |
| Name, surname, personal identification number of the natural person (entrepreneur), basis of carried out commercial activities (e.g. registered individual activity etc.) | |
| <i>legal form, name, registration number/name, surname, registration number, basis of commercial activities</i> | |
| 1. Have you or a company controlled (previously controlled) by you or a company of which you are (were) the manager in the last 10 year: | |
| 1.1. been convicted of a serious, very serious crime or a crime or criminal offense against property, property rights and property interests, economy and business procedure, financial system, public security, public service and public interests or similar criminal acts in accordance with the criminal laws of other countries? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 1.2. been convicted (charged) for a committed criminal act and/or convicted for a criminal act provided for in paragraph 1.1 according to the criminal laws of the Republic of Lithuania or a foreign country? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 1.3. been subject to administrative fines, disciplinary penalties and whether other legal sanctions or sanctions have been applied? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 1.4. been the subject against whom bankruptcy, restructuring proceedings were instituted, an investigation according to Article 2.124 of the Civil Code or the respective procedures according to foreign legal acts were initiated? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 1.5. been suspected in a pre-trial investigation? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |

| | |
|--|--------------------------------|
| 1.6. been subject to civil lawsuits, administrative or criminal proceedings, assumed risks and other obligations that may have a significant impact on financial soundness? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. Do you currently have any not performed debt obligations? | |
| <p style="text-align: center;">Yes <input type="checkbox"/></p> <p style="text-align: center;"><i>(please provide information on all available liabilities and indicate the amount of each of them in the table below, in EUR)</i></p> | No <input type="checkbox"/> |
| 3. Are there other circumstances that have/may have an impact on the assessment of your financial reliability? | |
| <p style="text-align: center;">Yes <input type="checkbox"/></p> <p style="text-align: center;"><i>(please provide information about the above circumstances in the table below)</i></p> | No <input type="checkbox"/> |
| 4. If you answered “yes” to one or more of questions 1-3, please describe the essential circumstances and indicate the dates of the event and relevant decisions. | |
| | |
| <p>The Customer shall certify that all above information is complete and correct. Provision of incorrect information may be subject to liability in accordance with the procedure established by law.</p> <p>The Customer shall undertake to immediately inform about any changes to the above information in writing.</p> | |
| Person filling in the form | |
| <i>position, name, surname</i> | <i>signature</i> |