

POLICY ON THE PREVENTION, IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

1. GENERAL PROVISIONS

- 1.1. This Policy on the Prevention, Identification and Management of Conflicts of Interest (the “Policy”) of UAB Finance EU (the “Company”) establishes measures intended to identify and prevent conflicts of interest that may arise when the Company acts as a crowdfunding service provider and that may adversely affect the interests of the Company’s Clients. The Policy also establishes the measures taken by the Company to properly manage conflicts of interest arising in the Company’s activities.
- 1.2. The Policy has been prepared taking into account the nature, scale and complexity of the crowdfunding services provided by the Company, as well as the size of the Company and the specific features of the organisation of its business activities.
- 1.3. This Policy is intended to provide reasonable assurance that harm to the interests of the Company’s Clients is prevented or, where this is not possible, is properly managed and minimised to the greatest extent possible.
- 1.4. The Policy has been prepared in accordance with Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the “Regulation”), as well as other legislation applicable to the Company and governing its activities.

2. DEFINITIONS

- 2.1. Capitalised terms used in this Policy shall have the meanings set out below, unless the context requires otherwise:
 - 2.1.1. **Company** – UAB Finance EU, legal entity code 306726092, registered office at Debesijos g. 8-38, Vilnius, Lithuania;
 - 2.1.2. **Director** – the head of the Company;
 - 2.1.3. **Investor** – a natural or legal person who, through the Platform, provides financing (in the form of loans) to Projects (Project Owners) published on the Platform;
 - 2.1.4. **Client** – a Project Owner or an Investor;
 - 2.1.5. **Control Relationship** – a situation in which two or more natural or legal persons are linked by control, i.e. by a parent undertaking–subsidiary relationship in all the cases referred to in Article 22(1) and (2) of Directive 2013/34/EU, or by a similar relationship between any natural or legal person and an undertaking; all subsidiaries of subsidiary undertakings shall also be considered subsidiaries of the parent undertaking that is at the head of those undertakings;
 - 2.1.6. **Platform** – the publicly accessible online information system (www.florrid.com) administered and operated by the Company;
 - 2.1.7. **Policy** – this document;
 - 2.1.8. **Project** – one or more business activities of a small or medium-sized enterprise (SME) for which the Project Owner seeks financing by submitting a crowdfunding offer;
 - 2.1.9. **Project Owner** – a legal person or a natural person (entrepreneur) seeking financing through the Platform;
 - 2.1.10. **Regulation** – Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937;

2.1.11. Related Persons – the following persons shall be considered Related Persons:

2.1.11.1. any shareholder of the Company holding 20% or more of the Company's share capital or voting rights;

2.1.11.2. the Company's managers or employees;

2.1.11.3. any other natural or legal persons linked by a Control Relationship to the persons referred to in Clauses 2.1.10.1–2.1.10.2 of this Policy.

2.2. Other terms used in this Policy shall have the meanings assigned to them in the Regulation or other documents of the Company, unless the context requires otherwise.

3. PREVENTION OF CONFLICTS OF INTEREST

3.1. To prevent conflicts of interest, the Company shall implement at least the following measures:

3.1.1. it shall not participate in Projects published on the Platform administered by the Company;

3.1.2. it shall not publish on the Platform administered by the Company any Projects whose owners are Related Persons;

3.1.3. it shall determine whether any Related Person has invested in a Project published on the Platform (for this purpose, the Company shall implement an automated solution that monitors whether Related Persons invest in Projects published on the Platform; the relevant information shall be continuously monitored by the Company's compliance and AML/CTF specialist);

3.1.4. it shall require Related Persons to declare and periodically update information about persons with whom they have a Control Relationship;

3.1.5. it shall require all Related Persons, when performing their functions in the Company's activities, to continuously monitor whether their activities and/or decisions give rise to a conflict of interest;

3.1.6. it shall require Related Persons, upon identifying a potential risk of a conflict of interest, to immediately notify the Director and specify the cause and nature of the potential conflict of interest;

3.1.7. it shall require Related Persons to perform all actions relating to Clients objectively and impartially in respect of the relevant parties;

3.1.8. it shall require Related Persons to comply with confidentiality requirements, act honestly and professionally towards Clients, and always seek to take Clients' interests into account, irrespective of the interests of other Clients, any other activities performed by them, the Company or other Related Persons;

3.1.9. it shall ensure that the remuneration system applicable to Related Persons does not create incentives for Related Persons to derive financial benefit from situations that cause or may cause a conflict of interest and prejudice the interests of Clients;

3.1.10. it shall prohibit Related Persons from disclosing or exchanging information known to them about Clients that may adversely affect a Client's interests, as well as from disclosing or exchanging information that is not publicly available or any other Client-related information that is not necessary for the direct performance of the Related Persons' functions;

3.1.11. it shall ensure that all Investors are offered the same terms when financing Projects published on the Platform, except where different interest rates are set according to the amount invested by an Investor in a Project;

3.1.12. it shall ensure that all Clients have access to the same information about Projects published on the Platform and their owners and that Related Persons cannot obtain additional non-public information for their own benefit or for the benefit of third parties;

- 3.1.13. the Director shall continuously monitor and ensure that the Company's employees have access only to the information necessary for the performance of their direct functions;
- 3.1.14. it shall ensure that the Company's organisational structure does not enable any Related Person to exert any influence over other Related Persons that could give rise to a conflict of interest;
- 3.1.15. the Company's employees, the Director and shareholders shall be informed of their obligation to immediately report to the Director (or, in the Director's absence, to the shareholders) any situations that cause or may cause a conflict of interest;
- 3.1.16. it shall identify any other circumstances that may cause an actual or potential conflict of interest between the Company, Related Persons and Clients, or between one Client and another Client.
- 3.2. Upon receiving a notification under Clause 3.1.6 of this Policy, the Director shall immediately assess whether it is substantiated. If the Director determines that a conflict of interest has in fact arisen or that there is a real risk of such a conflict arising, the Director shall adopt a decision setting out all measures that, in the Director's assessment, are necessary to prevent or manage the conflict of interest (for example, removing an employee from certain functions or temporarily assigning the employee's functions to another employee). If a conflict of interest cannot be completely avoided, the Director shall take all measures necessary to manage it, seeking to the greatest extent possible to act objectively and fairly in the interests of Clients.
- 3.3. To ensure the proper prevention and management of conflicts of interest within the Company, the Related Persons referred to in Clauses 2.1.11.1–2.1.11.2 of this Policy shall complete the Declaration of Private Interests Form (Annex 1) once a year. The declaration shall be submitted to the Director of the Company or a person authorised by the Director.
- 3.4. Where the Company permits Related Persons to invest in Projects published on the Platform, the Company shall take the following measures:
 - 3.4.1. it shall fully disclose that fact on the Platform, including information about the specific Projects in which the relevant Related Persons have invested;
 - 3.4.2. it shall ensure that investments by the relevant Related Persons are made on the same terms as those applicable to other Investors;
 - 3.4.3. it shall ensure that the relevant Related Persons are not granted any preferential terms or privileged access to information concerning specific Projects published on the Platform.

4. IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

- 4.1. To identify and manage conflicts of interest between the Company, Related Persons and Clients, or between one Client and another Client, the Company shall assess whether the relevant persons:
 - 4.1.1. are likely to make a financial gain or avoid a financial loss at the expense of a Client;
 - 4.1.2. have an interest in the outcome of a service provided to a Client that is distinct from the Client's interest in that outcome;
 - 4.1.3. have a financial or other incentive to favour the interests of one Client or group of Clients over the interests of another Client.
- 4.2. Conflicts of interest may potentially arise in the following principal areas of the Company's activities:
 - 4.2.1. priority may be given to Projects and Project Owners associated with the Company or Related Persons;
 - 4.2.2. Clients may be treated differently from other Clients due to their direct or indirect links with the Company or Related Persons;

- 4.2.3. Related Persons may enter into crowdfunding transactions on the Platform for their own account using information available to them;
- 4.2.4. certain Clients may be permitted to publish and/or finance Projects on more favourable terms than other Clients.
- 4.3. If the Company determines that a conflict of interest cannot be avoided and may adversely affect a Client's interests, the Client must be informed of the conflict of interest, including its nature and source and the measures taken to properly manage it.
- 4.4. Where a Project Owner is linked to the Company by financial or other relationships (including relationships with the Company's Director, shareholders or employees), the Company shall apply at least the following conflict-of-interest management measures:
 - 4.4.1. Investors shall be informed of the relationship between the Project Owner and the Company in the Project description provided on the Platform;
 - 4.4.2. the Project Owner's Project shall be assessed in accordance with the Company's applicable internal procedures by employees of the Company who have no links with the relevant Project Owner;
 - 4.4.3. agreements with the Project Owner shall be signed, performed and supervised, and decisions on their termination and referral for debt recovery shall be made, by employees of the Company who have no links with the relevant Project Owner;
 - 4.4.4. the measures taken to manage the conflict of interest shall be documented;
 - 4.4.5. where a potential conflict of interest cannot be managed and there is a risk that the interests of Investors may be prejudiced, the Company shall refuse to establish or continue a business relationship with the relevant Project Owner.
- 4.5. To properly manage conflicts of interest, the Company shall also ensure that:
 - 4.5.1. Related Persons cannot, in pursuit of personal gain, adversely influence the Company, other Related Persons or Clients;
 - 4.5.2. Related Persons cannot participate in making specific decisions concerning a Client where such participation would impair the effective management of a conflict of interest;
 - 4.5.3. where a Related Person seeks to finance a Project published on the Platform, that person is granted the same terms as other Investors.

5. MONITORING OF MEASURES FOR THE PREVENTION, IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

- 5.1. The Director or a responsible person appointed by the Director shall continuously monitor whether the measures applied by the Company to prevent, identify and manage conflicts of interest are sufficiently effective to safeguard and protect the interests of Clients.
- 5.2. The Director or a responsible person appointed by the Director shall periodically, and at least annually, review the provisions of this Policy and assess whether the measures for the prevention, identification and management of conflicts of interest established by the Policy are appropriate and safeguard the interests of the Company's Clients.
- 5.3. The Director or a responsible person appointed by the Director shall inform the Company's employees and shareholders of the conflict-of-interest management procedures and measures implemented by the Company.
- 5.4. The Director or a responsible person appointed by the Director shall also advise Related Persons on whether a potential or actual conflict of interest exists in a particular situation and assist in preventing it or, where the relevant conflict of interest cannot be avoided, take measures to manage it.

6. DISCLOSURE OF INFORMATION ON CONFLICTS OF INTEREST

- 6.1. The Company shall publish on the website of the Platform information for Clients on the general nature and sources of conflicts of interest, as well as the steps taken to mitigate them.
- 6.2. The Company shall ensure that any information provided to Clients in relation to conflicts of interest is sufficiently detailed to enable each Client to make an informed decision regarding the use of the crowdfunding services provided by the Company in the context of which a conflict of interest may arise.

7. FINAL PROVISIONS

- 7.1. This Policy shall be approved and/or amended by order of the Director. Amendments to the Policy shall enter into force on the date of the relevant order of the Company, unless otherwise specified in that order.
- 7.2. This Policy shall be published on the website of the Platform administered by the Company.
- 7.3. All employees and shareholders of the Company shall be required to acknowledge this Policy by signature.

DECLARATION OF PRIVATE INTERESTS FORM

[day] [month] 20[year]

Full name:

Position held (basis for appointment):

1. Do you participate in the activities of other legal entities, i.e. do you directly or indirectly hold at least one fifth of the share capital or voting rights of an undertaking?	Yes: ☐	No: ☐
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If you answered “Yes” to the question, complete the table below:

Name of legal entity	Legal entity code	Shareholding / proportion of voting rights

2. Are you, or are legal entities controlled by you, linked to other legal entities by a Control Relationship (subsidiary or parent undertakings)?	Yes: ☐	No: ☐
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If you answered “Yes” to the question, complete the table below:

Name of legal entity	Legal entity code	Type of Control Relationship

3. Are you permanently linked to other natural or legal persons by a Control Relationship (do you jointly participate in the activities of, or control, other legal entities)?	Yes: ☐	No: ☐
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Name of legal entity / Full name of person	Legal entity code / Personal identification number (date of birth)	Type of Control Relationship

Other information

Please provide any other information concerning any other circumstances or situations that may give rise to conflicts of interest in the Company's activities or may affect your objectivity and independence in the performance of your duties.

I confirm that I have read and understood the Policy on the Prevention and Management of Conflicts of Interest and undertake to comply with it.

I confirm that all information provided in this Declaration of Private Interests Form is true and complete.

I undertake to update this Declaration of Private Interests Form whenever there is a material change in circumstances or new information becomes available, and in any event at least once a year.

[full name]
