

## LOAN AGREEMENT GENERAL TERMS AND CONDITIONS

This loan agreement ("**Loan Agreement**") is concluded between the parties:

1. **the Lenders**, represented by the crowdfunding service provider **UAB "Finance EU"**, legal entity code 306726092, registered office address Debesijos g. 8-38, Vilnius, Republic of Lithuania, represented by its director Viktorija Ripinskaitė, acting under the Company's Articles of Association, and
2. **the Borrower**, specified in the Special Conditions of the Loan Agreement.

The Lenders and the Borrower are made aware of these General Terms and Conditions in advance, prior to concluding the Loan Agreement.

The Lenders' representative UAB "Finance EU" exercises all the rights of the Lenders as creditors under Article 3(2) of the Regulation without any separate power of attorney. Since the Lenders have reviewed and confirmed the terms of the Loan Agreement, this Loan Agreement is signed between UAB "Finance EU" (representing the Lenders) and the Borrower (Project Owner).

### 1. DEFINITIONS USED IN THE AGREEMENT

- 1.1. Unless the context requires otherwise, capitalised terms used in this Loan Agreement have the meanings set out below:
  - 1.1.1. **Reflection Period** – a 4 (four) calendar day pre-contractual reflection period during which a non-sophisticated investor may withdraw its offer to invest, without giving any reason and without incurring any negative consequences. This period begins to run when the prospective non-sophisticated investor submits an offer to invest or expresses interest;
  - 1.1.2. **General Terms and Conditions** – the general terms and conditions of this Loan Agreement, together with all subsequent amendments and supplements thereto;
  - 1.1.3. **Business Day** – any day other than a Saturday, a Sunday, or a public holiday established under the legislation of the Republic of Lithuania;
  - 1.1.4. **Individual Portfolio Management of Loans (Automated Investing)** – a crowdfunding service provided by the Operator, whereby the Operator, acting under the mandate individually granted by the Lender and the parameters set out therein, allocates a predetermined amount of the Lender's funds to one or more Projects;
  - 1.1.5. **Payment Service Provider** – a partner engaged by the Operator holding the relevant licence to provide payment services, through whom all payments related to the Loan Agreement are carried out;
  - 1.1.6. **Payment Account** – a unique payment account opened with the Payment Service Provider in the name of the Borrower or the Lender, intended for making payments related to transactions carried out on the Platform;
  - 1.1.7. **Payment Schedule** – a schedule setting out the dates by which the Borrower must repay the Loan Amount, pay Interest, and pay other amounts payable under the Loan Agreement that are known in advance. The Payment Schedule is provided to the Parties on the Platform and in the Special Conditions;
  - 1.1.8. **Terms of Use Agreement** – the Platform terms of use agreement concluded between the Operator and a user of the Platform (the Lender or the Borrower);
  - 1.1.9. **Operator** – the operator of the "florrid.com" crowdfunding platform, the crowdfunding service provider UAB "Finance EU", legal entity code 306726092, registered office address Debesijos g. 8-38, Vilnius, Republic of Lithuania;
  - 1.1.10. **Interest** – consideration for the Loan Amount granted, calculated for each calendar day on the actual outstanding balance of the Loan Amount, on the basis of a 365 (three hundred and sixty-five) day year;
  - 1.1.11. **Lender (Funder)** – an investor who, using the Platform, provides the Loan Amount to the Borrower and is a party to the Loan Agreement;

- 1.1.12. **Borrower (Project Owner)** – a party to the Loan Agreement to whom the Loan Amount is granted and whose details are specified in the Special Conditions;
- 1.1.13. **Loan Amount** – the sum of money financed by the Lenders by way of crowdfunding and granted to the Borrower, which the Borrower must repay on the terms set out in the Loan Agreement;
- 1.1.14. **Loan Agreement** – this loan agreement, comprising the General Terms and Conditions and the Special Conditions, together with all annexes, amendments and supplements thereto. The Project Application, the Key Investment Information Sheet, the Terms of Use Agreement, and other agreements entered into between the Parties and (or) the Operator in connection with the publication and financing of the Project are also deemed to form an integral part of the Loan Agreement;
- 1.1.15. **Service Fee Schedule** – the fees applied by the Operator and payable to it for the services provided, as published on the Platform;
- 1.1.16. **Non-sophisticated Investor** – a Lender who is not a sophisticated investor, as defined in the Regulation;
- 1.1.17. **KIIS** – the key investment information sheet for a specific Project, intended for prospective Funders, which sets out the key information about the Project Owner and the Project;
- 1.1.18. **Platform** – the crowdfunding platform administered by the Operator, accessible at the web address <https://florrid.com/>, through which the Lenders provide the Crowdfunding Funds to the Borrower;
- 1.1.19. **Project** – a project prepared exclusively to meet business needs (not for consumption purposes) and published on the Platform, for the implementation of which the Borrower seeks to raise the Loan Amount from the Lenders through the Platform;
- 1.1.20. **Project Application** – the Borrower's crowdfunding offer, published on the Platform, to conclude a Loan Agreement on terms agreed in advance with, and approved by, the Operator, which sets out the details of the Project and its financing terms, including the KIIS;
- 1.1.21. **Regulation** – Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937;
- 1.1.22. **Special Conditions** – the agreement on the special conditions of the Loan Agreement concluded between the Operator (representing the Lenders) and the Borrower, which sets out the financing terms of a specific Project. The Special Conditions form an integral part of the Loan Agreement;
- 1.1.23. **Related Person** – any person who has assumed obligations to the Lenders (and (or) to the Operator acting on behalf of the Lenders) under Security Measures transactions;
- 1.1.24. **Crowdfunding Funds** – the monetary funds provided by the Lender to the Borrower through the Platform;
- 1.1.25. **Parties** – the Lenders (represented by the Operator acting on their behalf) and the Borrower, together, and "Party" means any one of them individually;
- 1.1.26. **Security Measures** – the measures specified in the Special Conditions by which the Borrower and (or) third parties secure the performance of obligations under the Loan Agreement (e.g., a mortgage over real estate, a pledge of movable property, a suretyship, a guarantee, and the like);
- 1.1.27. **Loan-to-Value Ratio (LTV)** – the maximum permissible ratio, as determined by the Operator, of the outstanding Loan Amount to the value of the Security Measures, which must be observed when disbursing the Loan Amount (or instalments thereof), when giving consent to the transfer of pledged assets, and when determining amounts to be repaid.
- 1.2. Other capitalised terms used in this Loan Agreement have the meanings given to them in the Regulation or other applicable legislation, in the Terms of Use Agreement and (or) in other documents published on the Platform.

## 2. SUBJECT MATTER OF THE LOAN AGREEMENT

- 2.1. On the terms and in the manner set out in the Loan Agreement, the Lenders undertake to provide the Loan Amount to the Borrower by way of crowdfunding, and the Borrower undertakes to repay the Loan Amount received, to pay Interest and other amounts payable under the Loan Agreement, and to duly perform all other obligations set out in the Loan Agreement.
- 2.2. The Borrower confirms that the Loan Amount will be used exclusively to finance the Project intended for business needs and will not be used for consumption purposes. The Borrower undertakes to use the Loan Amount (or any part thereof) only for the purpose specified in the Special Conditions and (or) the Project Application. This provision is a material condition of the Loan Agreement.
- 2.3. At the Operator's written request, the Borrower must, without delay but no later than within 3 (three) Business Days, provide the Operator with information and documents substantiating the use of the Loan Amount for its intended purpose.
- 2.4. The Parties agree that the Operator has the right, both before the disbursement of the Loan Amount and at any time thereafter, to:
  - 2.4.1. verify the accuracy and completeness of the information provided by the Borrower and the Related Persons;
  - 2.4.2. request additional documents or information necessary to ascertain the Borrower's readiness to perform, and (or) the proper performance of, the Loan Agreement;
  - 2.4.3. verify the circumstances relating to the use of the Loan Amount for its intended purpose.

### **3. CONCLUSION OF THE LOAN AGREEMENT**

- 3.1. The Loan Agreement is a crowdfunding transaction concluded on the basis of a crowdfunding offer published on the Platform, once the Lenders have submitted offers to provide an amount of Crowdfunding Funds corresponding to the Loan Amount.
- 3.2. A Lender's offer to finance a Project submitted on the Platform is irrevocable and may not be cancelled without the Operator's separate written consent, except for the following exception: a Non-sophisticated Investor has the right, during the Reflection Period, i.e. within 4 (four) calendar days from the time the offer to invest is submitted, to withdraw its offer to invest in the Project or its expressed interest, without giving any reason and without incurring any negative consequences.
- 3.3. The Parties agree that:
  - 3.3.1. the actions taken and the data provided by the Borrower and the Lenders on the Platform are deemed sufficient to express the Parties' intent to conclude the Loan Agreement, and the Project Application together with the financing offers submitted on its basis are deemed to constitute a single original document, equivalent to a document in written form, giving rise to the same legal consequences as a document signed by the Parties;
  - 3.3.2. all separate agreements concluded between the Borrower and the Operator (e.g., an agreement on the publication of the Project on the Platform) are deemed to form an integral part of the Loan Agreement, and a breach of the requirements set out therein is deemed equivalent to a breach of the Loan Agreement;
  - 3.3.3. the Operator has the right to give the Borrower the opportunity to raise additional financing (increase the Loan Amount), provided that this is consistent with the terms of the Project Application and does not prejudice the interests of the Lenders.
- 3.4. The Loan Agreement is deemed concluded from the moment the entire Loan Amount is successfully financed on the Platform and the Reflection Periods of all Non-sophisticated Investors have expired. Where the Loan Amount is financed in stages and (or) the Loan Amount sought for the Project is disbursed in instalments, the Loan Agreement (or the relevant annex thereto) is deemed concluded from the moment the amount of the relevant financing stage is successfully financed on the platform. Each subsequent financing stage is formalised by a separate annex to the Loan Agreement concluded upon the financing of the first financing stage. All financing stages together constitute a single Loan Agreement. The Loan Agreement remains in effect until the Parties' obligations under the Loan Agreement have been fully performed.
- 3.5. The Lenders are informed of the staged financing of a Project or a specific Loan Amount together with the other information published on the Platform regarding the relevant Project.
- 3.6. Where the Loan Amount is financed in instalments (stages), the relevant stages are formalised by concluding an annex to the principal Loan Agreement (concluded after the first financing stage),

thereby ensuring that all stages of financing of the Loan Amount are secured by the same Security Measure provided by the Borrower.

- 3.7. If, during the Loan Amount collection period, an amount smaller or larger than the Loan Amount for the relevant stage is raised, the Loan Amount for that stage may, by joint decision of the Borrower and the Operator, be adjusted to match the amount actually raised. The Borrower and the Operator must make such a decision no later than the day following the end of the Loan Amount collection period. The Loan Amount actually raised is published on the Platform no later than 2 (two) days after the end of the Loan Amount collection period.
- 3.8. The Operator has the right, by unilateral decision, to extend the Loan Amount collection period for an additional period not exceeding 14 (fourteen) days, by notifying the other Parties thereof in writing before the end of the original Loan Amount collection period.

#### **4. PRE-CONTRACTUAL REFLECTION PERIOD**

- 4.1. A Reflection Period applies to each Non-sophisticated Investor – a 4 (four) calendar day pre-contractual reflection period calculated from the moment its offer to invest in the Project is submitted on the Platform or its interest in the crowdfunding offer is expressed. During this period, such person has the right, at any time, without giving any reason and without incurring any negative consequences, to withdraw its offer to invest or expressed interest in the manner and by the means set out in the Platform's Terms of Use Agreement.
- 4.2. A Project is deemed successfully financed, and the Loan Amount (or the relevant part thereof) is disbursed to the Borrower, only once the entire Loan Amount (or the amount set for the relevant financing stage) has been raised and the Reflection Periods of all Non-sophisticated Investors who financed the Project have expired, i.e. at least 4 (four) calendar days have passed since the last Non-sophisticated Investor's offer to invest (or expression of interest) was submitted.
- 4.3. If, as a result of offers to invest being withdrawn during the Reflection Period, the amount raised becomes lower than the Loan Amount (or the amount set for the relevant financing stage), the shortfall may continue to be raised during the financing collection period, including the possibility of extending it in the manner set out in the Platform's Terms of Use Agreement. The Borrower does not acquire the right to claim damages from the Operator, the Lenders, or the persons who withdrew their offers, or to raise any other claims in connection with the withdrawal of offers to invest during the Reflection Period or the resulting change in the duration of the financing collection period.
- 4.4. When using the Individual Portfolio Management of Loans (Automated Investing) functionality, the Reflection Period applies to the Non-sophisticated Investor's initial mandate granted to the Operator for investing, and does not apply to subsequent investments in specific Projects made under such mandate.

#### **5. PROCEDURE FOR DISBURSEMENT OF THE LOAN AMOUNT**

- 5.1. Once the Lenders have financed all or part of the Loan Amount specified in the Project Application, it is transferred, in the manner set out in the Loan Agreement, through the Payment Service Provider to the Payment Account opened in the name of the Borrower (or, by agreement of the Parties, to another account specified by the Borrower). The Lenders confirm that the Operator has the right to initiate the transfer of the financing amounts offered by the Lenders from the Lenders' Payment Accounts to the Borrower's Payment Account (or another account specified in the Loan Agreement).
- 5.2. The Loan Amount (or part thereof) may be disbursed to the Borrower only once all of the following conditions have been fulfilled:
  - 5.2.1. the Borrower has paid all fees set out in the Service Fee Schedule that the Operator has requested to be paid;
  - 5.2.2. none of the grounds for termination of the Loan Agreement provided for in the General Terms and Conditions exists, and, in the Operator's assessment, there is no reason to believe that such a ground may arise in the future;
  - 5.2.3. the Borrower is duly performing its other obligations under this and other loan agreements concluded on the Platform, the Terms of Use Agreement, and other agreements concluded with the Operator;
  - 5.2.4. the Borrower has duly, timely, and in a form acceptable to the Operator, provided (put in place) all agreed Security Measures;

- 5.2.5. at the Operator's request, the Borrower has, within the period specified by the Operator, provided documents confirming detailed information about the Borrower's financial position and the sources of income required to make payments under the Loan Agreement;
  - 5.2.6. the Operator has no reasonable doubts that, after the Loan Amount is transferred to the Borrower, the ratio of the Loan Amount to the value of the assets pledged to secure the performance of obligations arising under the Loan Agreement will not become higher than that specified in the Special Conditions of the Loan Agreement;
  - 5.2.7. there are no existing or potential encumbrances on the assets to be pledged (if any) to secure the performance of obligations arising under the Loan Agreement, except as otherwise provided in the Loan Agreement;
  - 5.2.8. at the Operator's additional request, the Borrower has, within the period specified by the Operator, provided the documents requested by the Operator relating to the Security Measures and (or) the financial position of the Borrower or the Related Persons;
  - 5.2.9. the Reflection Periods of all Non-sophisticated Investors who financed the Project have expired since the moment of full (or partial) financing of the Project (at least 4 (four) calendar days have passed since the last Non-sophisticated Investor's offer to invest or expression of interest was submitted);
  - 5.2.10. other conditions set out in the Loan Agreement or in other agreements between the Parties, to which the disbursement of the Loan Amount is linked, have been duly fulfilled.
- 5.3. The disbursement of the Loan Amount may also be subject to additional conditions not provided for in Clause 5.2 of the General Terms and Conditions, which are in all cases specified in the Special Conditions.
- 5.4. All conditions specified in Clause 5.2 of the General Terms and Conditions and the additional conditions established pursuant to Clause 5.3 must be fulfilled in a manner and form acceptable to the Operator. The Operator has the right to independently assess whether a particular condition has been duly fulfilled.
- 5.5. The Operator has the right, at its discretion, to waive one or more of the conditions set out in Clause 5.2 for the Borrower, except for the condition set out in Clause 5.2.9, which is mandatory in all cases. The Operator shall notify the Borrower in writing of the waiver of a condition.
- 5.6. If, within 20 (twenty) calendar days from the date the Project Application is financed, any condition set out in Clause 5.2 or established pursuant to Clause 5.3 is not fulfilled, the Operator has the right, without any adverse consequences for itself or the Lenders, to terminate the Loan Agreement immediately, by notifying the Borrower thereof.
- 5.7. When disbursing the Loan Amount or part thereof, the Operator has the right to deduct from the amount disbursed the fees payable to it under the Service Fee Schedule and (or) separate agreements.

## **6. PROTECTION OF THE LENDERS' INTERESTS. SECURITY MEASURES**

- 6.1. The performance of the Borrower's obligations under the Loan Agreement is secured by the Security Measures specified in the Special Conditions, which must be provided prior to the disbursement of the Loan, unless the parties agree otherwise. All documents and transactions creating the Security Measures must be in a form and content acceptable to the Operator and agreed with it in advance.
- 6.2. If the Loan Amount is raised in several stages, the Loan Agreement concluded after the first financing stage is supplemented by a corresponding annex after each subsequent stage. The funds provided across all financing stages are deemed to have been provided under the same Loan Agreement and constitute a single obligation of the Borrower, secured by the same Security Measures provided by the Borrower, unless otherwise provided in the Special Conditions of the Loan Agreement.
- 6.3. If the Loan Agreement is secured by a Security Measure, the Borrower must, prior to the pledge of assets, ensure that all of the following conditions are fulfilled (except for conditions which the Operator decides to waive and of which it notifies the Borrower in writing):
  - 6.3.1. a resolution of the competent management body regarding the conclusion of the Loan Agreement and the pledge of assets to secure the performance of obligations under the Loan Agreement has been provided to the Operator, except where a separate resolution of the

management body is not required for such actions under the Borrower's constitutional documents;

- 6.3.2. an independent valuation of the assets to be pledged, prepared in accordance with the Law on Mandatory Property and Business Valuation of the Republic of Lithuania, or, where the pledged assets are located in another state, in accordance with valuation standards meeting the requirements of that state's legislation, has been provided to the Operator; the valuation must have been carried out no earlier than 12 (twelve) months prior to the conclusion of the Loan Agreement, unless the Operator determines otherwise;
- 6.3.3. the Borrower has, at its own expense, concluded an insurance contract for the pledged assets acceptable to the Operator (the terms of which may be detailed in the Special Conditions) and provided documents evidencing this no later than the date of conclusion of the pledge (mortgage) transaction;
- 6.3.4. other actions specified in the Special Conditions that must be performed prior to the pledge of assets and (or) the provision of other Security Measures have been performed.
- 6.4. Upon the occurrence of an insured event, the Borrower shall notify the Operator in writing without delay, but no later than within 3 (three) calendar days. The Operator has the right to apply the insurance indemnity received to cover the Borrower's financial obligations under the Loan Agreement, and, once all obligations have been covered, to return the balance to the owner of the pledged assets.
- 6.5. If the Borrower fails to fulfil its obligation to insure the pledged assets, the Operator acquires the right to pay the insurance premiums at the Borrower's expense or to insure the assets on its own initiative and to demand reimbursement of all related costs.
- 6.6. At the Operator's request, the Borrower shall, within a reasonable period specified by the Operator, provide all requested documents and information relating to the Security Measures.
- 6.7. At the Operator's request, no later than within 2 (two) Business Days, the Borrower shall give the Operator's authorised representatives the opportunity to inspect the condition and conditions of use of the pledged (mortgaged) assets at their location.
- 6.8. After the Security Measures have been put in place, the Borrower must ensure that, until the obligations under the Loan Agreement have been fully performed, all of the following conditions are complied with (except those which the Operator decides in writing to waive):
  - 6.8.1. safeguard the pledged assets, properly maintain them, and take care of their condition;
  - 6.8.2. use the pledged assets only for their intended purpose and in accordance with the conditions of use agreed in advance with the Operator;
  - 6.8.3. not carry out major (non-routine) repair or renovation works on the pledged assets without first agreeing their scope and conditions in writing with the Operator; where doubts arise as to the nature of the works, seek clarification from the Operator;
  - 6.8.4. at the Operator's request, carry out a repeat independent valuation of the pledged assets within the period specified by the Operator (but not exceeding 30 (thirty) calendar days);
  - 6.8.5. if it transpires that the pledged assets have been damaged, impaired, or have decreased in value for other reasons, restore, at its own expense and within the period specified by the Operator, the condition of the assets to that existing at the time the pledge transaction was concluded, having agreed the repair works in writing with the Operator in advance;
  - 6.8.6. not transfer the pledged assets in any form or to any extent, otherwise dispose of them, or encumber them, without the Operator's prior express written consent;
  - 6.8.7. in the case of a pledge of movable property – not remove the pledged assets beyond the borders of the state in which the assets were located at the time of their pledge, without the Operator's prior written consent;
  - 6.8.8. at the Operator's request, provide, within the period specified by the Operator, all requested documents and information relating to the pledged assets;
  - 6.8.9. ensure that, until all of its obligations under the Loan Agreement have been fully performed, all Security Measures remain valid and, upon the occurrence of the grounds set out in the Loan Agreement or the relevant Security Measures transactions, can be enforced;

- 6.8.10. duly perform other obligations set out in the Loan Agreement relating to the pledged assets.
- 6.9. The Parties confirm that they understand that the due performance of all obligations set out in Clauses 6.3 – 6.8 of the General Terms and Conditions is of material importance for the protection of the Lenders' interests. If the Borrower fails to perform, or improperly performs, at least one of these obligations, the Operator has the right to terminate the Loan Agreement and (or) apply the fees provided for in the Service Fee Schedule and other agreements.
- 6.10. Where the Security Measure is a pledge of assets (mortgage), a maximum pledge (maximum mortgage) transaction is concluded, unless the Operator specifies otherwise. Security Measures transactions requiring a notarial form are concluded at a time agreed in advance with the Operator, at a notary's office chosen by the Operator, or, where the secured asset is located in another state, at the office of a notary (or other authorised person) competent under the law of that state. The Parties agree that even in cases where a notarial form is not mandatory for a Security Measures transaction, the Operator has the right to require that such transaction be concluded in notarial form at a notary's office chosen by the Operator.
- 6.11. All costs associated with the conclusion of transactions in notarial form, including the remuneration payable to the notary for performing notarial acts, shall be borne by the Borrower.
- 6.12. If the mandatory LTV ratio to be maintained, as set out in the Special Conditions, is exceeded during the term of the Loan Agreement (e.g., due to an increase in the Borrower's indebtedness or a decrease in the value of the pledged assets), the Borrower must, without delay but no later than within the period specified by the Operator, additionally pledge assets acceptable to the Operator, provide other Security Measures acceptable to the Operator, or repay such part of the Loan Amount as is necessary to restore the LTV ratio to the level set out in the Special Conditions.
- 6.13. In Security Measures transactions, the creditor (or the creditors' representative) named is the Operator, acting on behalf of and in the interests of the Lenders; the Lenders themselves are not named in such transactions. The Operator has all the rights and obligations of a pledge (mortgage) creditors' representative established in the Loan Agreement, the Terms of Use Agreement, and other applicable legislation, and no additional power of attorney is required for this purpose.

## **7. REPAYMENT OF THE LOAN AND PAYMENT OF INTEREST**

- 7.1. The Borrower shall repay the Loan Amount and pay Interest by the dates set out in the Payment Schedule. By the final loan repayment date, the Borrower must repay the entire Loan Amount and pay all Interest and other amounts payable under the Loan Agreement.
- 7.2. Interest on the Loan Amount (or part thereof) begins to accrue from the calendar day following the day the Loan Amount (or the relevant part thereof) is disbursed to the Borrower, unless otherwise provided in the Special Conditions. Interest is calculated on the basis of a 365 (three hundred and sixty-five) day year.
- 7.3. All payments under the Loan Agreement shall be made by the Borrower itself, by its own active action, from the Payment Account opened in its name.
- 7.4. If the Borrower intends to make a payment other than from its own Payment Account, or if a third party intends to make a payment on behalf of the Borrower, the Operator shall be notified thereof in writing in advance, and the payment purpose shall clearly state that the payment is being made for the obligations of a specific Borrower under this Loan Agreement.
- 7.5. If the requirements of Clauses 7.3 – 7.4 of the General Terms and Conditions are not complied with, the Borrower assumes the entire risk of delayed application, administration, and distribution of received payments to the Lenders, and must reimburse the Operator for all reasonable costs associated with the administration of such an unauthorised payment.
- 7.6. The Operator additionally has the right to submit, on behalf of the Borrower, an instruction to the Payment Service Provider to transfer (debit) from the Borrower's Payment Account the amounts payable to the Lenders and (or) the Operator. The Operator is not obliged to exercise this right. If the Operator decides to exercise it, the Borrower undertakes to provide the Payment Service Provider with a separate document (consent), if one is required.
- 7.7. If the Borrower fails to make payments under this Loan Agreement properly and on time, the Borrower must pay compensatory interest, Interest, and (or) other payments provided for in the Loan Agreement and (or) in the Service Fee Schedule published by the Operator.

- 7.8. The Operator distributes the funds received to the Lenders and deducts from the amounts received the payments due to the Operator.
- 7.9. If the Borrower is in default of payments, the funds received are applied in the following order of priority:
  - 7.9.1. first – the recovery and administration costs incurred by the Operator and the payments due to the Operator under the Service Fee Schedule;
  - 7.9.2. second – the penalties and (or) compensatory interest due to the Lenders;
  - 7.9.3. third – the Interest due to the Lenders;
  - 7.9.4. fourth – the Loan Amount.
- 7.10. If the Loan Amount was disbursed to the Borrower in stages and the Borrower is late in performing its payment obligations under the Loan Agreement, the funds received from the Borrower are applied, in the manner set out in Clause 7.9 of the General Terms and Conditions, to cover the Borrower's improperly performed obligations under the Loan Agreement, in proportion to the amount of the Borrower's obligations to the Lenders who financed the different stages of the Loan Amount.
- 7.11. If the Loan Agreement is terminated early due to the fault of the Borrower, the Borrower must pay all penalties and interest payable under the Loan Agreement, as well as the amounts provided for in the Service Fee Schedule.
- 7.12. If the Borrower fails to meet the dates set out in the Payment Schedule, compensatory interest set out in the Special Conditions is calculated on the overdue amount for each day of delay.
- 7.13. Payment of compensatory interest does not relieve the Borrower of the obligation to perform other (including monetary) obligations under the Loan Agreement.
- 7.14. Once the final loan repayment date has passed, Interest at the rate set out in the Special Conditions and the compensatory interest referred to in Clause 7.12 of the General Terms and Conditions continue to accrue on the outstanding amount. In such case, the Borrower must also pay the fees set out in the Service Fee Schedule.

## **8. EARLY REPAYMENT OF THE LOAN AMOUNT**

- 8.1. The Borrower has the right to repay the Loan Amount or part thereof ahead of the scheduled date, having notified the Operator thereof in writing no later than 10 (ten) calendar days in advance. The notice must state the details of the Loan Agreement (number and date), the amount of the Loan Amount to be repaid early, and the payment date.
- 8.2. In the case of early repayment, the Borrower shall pay Interest calculated for a period no shorter than the minimum Loan period specified in the Special Conditions (or, where repayment occurs after that period has expired, Interest for the entire actual period of use of the Loan Amount up to the repayment date), as well as the early repayment fee set out in the Service Fee Schedule and (or) the Special Conditions.
- 8.3. Where the Loan Amount is financed in stages and its instalments are disbursed separately after the relevant stage is financed, Interest for the minimum Loan period specified in the Special Conditions of the Loan Agreement, or for the actual period of use of the Loan Amount, is calculated in respect of each financing stage from the date that instalment is disbursed to the Borrower.
- 8.4. Having submitted the notice referred to in Clause 8.1, the Borrower has no right to withdraw it without the Operator's separate written consent and is deemed to have unconditionally undertaken to repay the amount specified in the notice on the specified date. If this obligation is not performed, the same fees and compensatory interest apply as those applicable to a breach of payment obligations under the Loan Agreement.
- 8.5. If the notice does not meet the requirements set out in Clause 8.1, the Operator has the right not to apply the funds received to the early repayment and to return the resulting overpayment to the Borrower.
- 8.6. Once the Borrower has duly repaid the Loan Amount or part thereof ahead of schedule, the Operator shall recalculate and update the Payment Schedule.
- 8.7. Where the Loan Amount is financed in stages and the Borrower repays all or part of the Loan Amount in advance, the amount repaid is first applied to cover the Borrower's obligations arising from the

earliest-financed stage, in the order set out in Clause 7.9 of these General Terms and Conditions. Any remaining amount is applied, in the same order, to cover the Borrower's obligations arising from later stages (in the order of their financing).

## **9. OBLIGATIONS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES**

### **9.1. The Borrower undertakes to:**

- 9.1.1. provide (put in place) the agreed Security Measures on the terms and within the time limits set out in the Loan Agreement, and ensure their validity until the obligations are fully performed;
- 9.1.2. use the Loan Amount only for the purpose set out in the Loan Agreement and (or) other agreements between the Parties, and repay the entire Loan Amount on time;
- 9.1.3. not, without the Operator's prior written consent, throughout the term of the Loan Agreement and for 24 (twenty-four) months after its expiry, directly or indirectly offer to Lenders whose identity became known to the Borrower as a result of the financing of the Project, to finance other projects of the Borrower or otherwise provide it with financing bypassing the Platform;
- 9.1.4. at the Operator's request, provide, within a reasonable period specified by it, documents substantiating the use of the Loan Amount; if, within the specified period, documents clearly substantiating the use of the Loan Amount (or part thereof) for its intended purpose are not provided, the Loan Amount is deemed to have been used other than for its intended purpose, and the Operator acquires the right to unilaterally terminate the Loan Agreement due to the fault of the Borrower;
- 9.1.5. repay the Loan Amount and pay Interest by the dates set out in the Payment Schedule, without a separate reminder from the Operator, and, if payments are delayed, pay compensatory interest and other fees set out in the Service Fee Schedule;
- 9.1.6. before the disbursement of the Loan Amount, provide the Operator with all information on the Borrower's existing obligations to third parties, guarantees and suretyships given and received, and other obligation-securing transactions, as well as any other information that may be of material importance to the Project Application and to the conclusion and performance of the Loan Agreement;
- 9.1.7. if a risk arises that the Loan Amount will not be repaid properly and on time (e.g., due to a deterioration in the financial position of the Borrower, a surety, or a guarantor, a decrease in the value of the pledged assets, or the assets becoming illiquid), at the Operator's written request and within the period specified by it, provide additional Security Measures, repay the Loan Amount together with all related amounts without waiting for the due date, or provide documents refuting the risks identified by the Operator;
- 9.1.8. give the Operator's representatives the opportunity to inspect the Borrower's activities and the pledged assets by visiting the Borrower's registered office or the location of the assets; if this is unreasonably refused, the Operator acquires the right to terminate the Loan Agreement due to the fault of the Borrower;
- 9.1.9. without delay, but no later than within 1 (one) Business Day, notify the Operator in writing of any change of registered office, deterioration of financial position, significant fluctuations in income, anticipated delays in payments, and other material changes that may affect the performance of obligations under the Loan Agreement;
- 9.1.10. cover, at its own expense, the costs of concluding and registering Security Measures transactions, notarial, insurance, asset valuation, asset maintenance costs, and other costs associated with the conclusion and performance of the Loan Agreement;
- 9.1.11. conduct all communication with the Lenders only through the Operator;
- 9.1.12. at the Operator's request, provide a new independent valuation of the pledged assets within 30 (thirty) calendar days;
- 9.1.13. once the Operator has initiated recovery proceedings, or in the event of non-performance of the Loan Agreement, pay the debt administration and recovery fees set out in the Service Fee Schedule, which are added to the amount payable or recoverable;
- 9.1.14. ensure that all information provided by the Borrower to the Operator for the preparation of the KIIS is accurate, complete and not misleading, and notify the Operator in writing, without

delay but no later than within 1 (one) Business Day, of any material changes to this information that become apparent during the validity period of the crowdfunding offer;

- 9.1.15. duly perform all other obligations arising from or related to the Loan Agreement.
- 9.2. The Borrower undertakes to notify the Operator in writing, without delay but no later than within 2 (two) Business Days, if:
  - 9.2.1. the Borrower is unable to make payments or perform other obligations under the Loan Agreement properly and on time;
  - 9.2.2. the pledged assets are damaged, destroyed, or otherwise decrease in value;
  - 9.2.3. a decision is made regarding the reorganisation, transformation, liquidation, or restructuring of the Borrower, or the initiation of bankruptcy proceedings or an out-of-court bankruptcy procedure;
  - 9.2.4. the Loan Amount is intended to be used other than for the purpose specified in the Project Application;
  - 9.2.5. the Borrower's financial position deteriorates or may deteriorate, or circumstances arise that reduce its solvency or financial reliability;
  - 9.2.6. any judicial, arbitration, or enforcement proceedings are initiated by or against the Borrower.
- 9.3. The Borrower undertakes to notify the Operator in writing, no later than within 5 (five) calendar days, of:
  - 9.3.1. a breach of any obligation set out in the Loan Agreement;
  - 9.3.2. changes to the Borrower's constitutional documents, its manager, the composition of its management bodies, its shareholders (participants), or the shares (interests) they hold;
  - 9.3.3. a change of contact details;
  - 9.3.4. the assumption of debt obligations under credit, leasing, suretyship, or other transactions, unless the Operator's prior written consent has been obtained;
  - 9.3.5. third-party claims to the pledged assets;
  - 9.3.6. proceedings brought against the Borrower in court, arbitration, or pre-trial institutions;
  - 9.3.7. measures imposed by the state or other competent authorities that restrict the Borrower's right to carry out economic and financial activities;
  - 9.3.8. payment delays, deterioration of financial position, and other events that may adversely affect the performance of obligations.
- 9.4. At the Operator's request, the Borrower undertakes to provide, no later than within 5 (five) calendar days:
  - 9.4.1. interim and (or) preliminary annual financial statements signed by the Borrower's manager and (or) the person responsible for finance;
  - 9.4.2. the Borrower's audited annual financial statements together with all auditor's opinions (where an audit is mandatory or has been performed);
  - 9.4.3. explanations of the main items of the Borrower's balance sheet and profit (loss) statement;
  - 9.4.4. data on the Borrower's financial and economic position, activities, and prospects;
  - 9.4.5. reports from an independent company supervising the Project, appropriately qualified and independent of and unrelated to the Borrower, on the progress of works, compliance with the budget and schedule, and the use of the Loan Amount (where applicable);
  - 9.4.6. statements of the Borrower's settlement accounts;
  - 9.4.7. other information necessary for the Operator to perform the duties set out in the Regulation and to represent the interests of the Lenders.
- 9.5. The Borrower undertakes, without the Operator's prior written consent, not to:
  - 9.5.1. provide suretyships or guarantees, or pledge its assets to third parties;
  - 9.5.2. encumber the pledged assets in any form;

- 9.5.3. assume new loans or credit facilities;
- 9.5.4. grant loans to third parties in a total amount exceeding 30 (thirty) percent of the Loan Amount;
- 9.5.5. reduce its share capital, or initiate reorganisation, transformation, or liquidation procedures;
- 9.5.6. take other actions that may have a material adverse effect on the performance of the Loan Agreement;
- 9.6. Failure to perform, or improper performance of, the obligations set out in Clauses 9.1 - 9.5 of the General Terms and Conditions is deemed a material breach of the Loan Agreement. Upon becoming aware of such circumstances of which the Borrower failed to notify it, the Operator has the right to take appropriate action, including terminating the Loan Agreement and suspending and (or) removing the Borrower's activity on the Platform.
- 9.7. Representation of the Lenders:
  - 9.7.1. the Operator, acting on behalf of and in the interests of the Lenders, exercises all rights of the Lenders as creditors under the Loan Agreement and the Security Measures transactions;
  - 9.7.2. the Operator shall, within 3 (three) business days, allocate and transfer to the accounts specified by the Lenders the instalments related to loan repayment (interest, principal, or other payments) received from the Borrower;
  - 9.7.3. when concluding Security Measures transactions, the Operator is named as the creditor (creditors' representative). The Operator has all the rights and obligations of a pledge (mortgage) creditor (or its representative) provided for in the Loan Agreement, the Platform's terms of use, and (or) applicable legislation;
  - 9.7.4. in the event of a breach of the Loan Agreement or recovery proceedings, the Operator has the right to decide, at its discretion, the order in which and which Security Measures are to be enforced, irrespective of the position of the Borrower, a surety, or another provider of Security Measures, while acting in the interests of the Lenders and seeking the greatest possible satisfaction of their claims.
- 9.8. Each Party represents and warrants to the other Party that:
  - 9.8.1. the Party has the right to conclude the Loan Agreement and the Security Measures transactions, and their conclusion and performance do not contravene applicable legislation, decisions of courts or other authorities, the Party's constitutional documents, or obligations assumed under other agreements; the Party has obtained all necessary consents and resolutions of management bodies, state authorities, or other persons;
  - 9.8.2. the Party's representative acts within the scope of the authority granted, and such authority was granted without violating legislation, constitutional documents, or resolutions of management bodies;
  - 9.8.3. in concluding the Loan Agreement, the Party expresses its true intent, has duly familiarised itself with the provisions of the Loan Agreement, and understands their content.
- 9.9. The Borrower additionally represents and warrants that:
  - 9.9.1. all representations and warranties of the Borrower and the Related Persons relating to the Loan Agreement are true, accurate, valid, and supported by the documents submitted to the Operator;
  - 9.9.2. as at the date of conclusion of the Loan Agreement, the Borrower has no financial obligations, or obligations under pledge, suretyship, guarantee, or other obligation-securing agreements, that have not been disclosed to the Operator;
  - 9.9.3. no proceedings have been brought against the Borrower, and it is not aware of any intention to bring proceedings in court or arbitration, decisions in which could adversely affect the Borrower's financial position, activities, or the performance of its obligations under the Loan Agreement;
  - 9.9.4. prior to the conclusion of the Loan Agreement, the Borrower provided the Operator with all information necessary for the assessment of the Borrower, the Project, and its creditworthiness, including information not directly requested by the Operator but which could

have been relevant to the assessment, and all such information (including the information specified in the KIIS) is true, complete, and not misleading.

## **10. TERMINATION OF THE LOAN AGREEMENT. RECOVERY OF DEBTS**

- 10.1. The Operator, acting as the authorised representative of the Lenders, has the right to unilaterally terminate the Loan Agreement, without recourse to court, and to demand immediate payment of the entire outstanding Loan Amount, Interest, and other overdue payments, as well as the fees set out in the Service Fee Schedule, on the grounds set out in the Civil Code of the Republic of Lithuania and the Loan Agreement, if:
- 10.1.1. the Borrower fails to pay, by the due date, any amount payable under the Loan Agreement and fails to fully remedy the breach within 14 (fourteen) calendar days from the Operator's written notice of default;
  - 10.1.2. the Borrower breaches the obligations set out in Clauses 9.1 - 9.5 of the General Terms and Conditions and fails to remedy the breach within 7 (seven) calendar days from the Operator's written notice; if remedying the breach is objectively impossible or would no longer serve any purpose, no period for remedying the breach is granted and this ground may be relied upon immediately;
  - 10.1.3. the Borrower breaches any obligation set out in Clause 6.3 or 6.8 of the General Terms and Conditions;
  - 10.1.4. the Loan Amount (or part thereof) is used other than for the purpose specified in the Special Conditions;
  - 10.1.5. it transpires that any representation or warranty of the Borrower referred to in Clauses 9.8 – 9.9 of the General Terms and Conditions is untrue, misleading, or no longer accurate;
  - 10.1.6. the Borrower and (or) the Related Persons materially breach their obligations under the Security Measures transactions or other related transactions specified in the Special Conditions;
  - 10.1.7. the Borrower or any Related Person becomes insolvent or declares its insolvency under applicable legislation;
  - 10.1.8. competent authorities take action as a result of which the Borrower or a Related Person becomes unable to properly and timely perform its obligations under the Loan Agreement or the Security Measures transactions;
  - 10.1.9. judicial, administrative, or arbitration proceedings are initiated against the Borrower or a Related Person which, in the Operator's reasonable assessment, may have a material adverse effect on the performance of the Loan Agreement;
  - 10.1.10. the entire Loan Amount is not disbursed by the deadline set out in Clause 5.6 of the General Terms and Conditions;
  - 10.1.11. the Operator has reasonable grounds to believe that the Borrower will fail to perform, or will improperly perform, the Loan Agreement;
  - 10.1.12. the Borrower fails to perform, or improperly performs, any other obligation arising from the Loan Agreement, the breach of which is to be regarded as material in the context of the Loan Agreement;
  - 10.1.13. the Operator has reasonable grounds for suspicion regarding the value of the Security Measures provided and (or) the information provided by the Borrower regarding the Security Measures;
  - 10.1.14. the Operator has reasonable grounds for suspicion as to the accuracy or completeness of the information provided by the Borrower in the KIIS and (or) other related documents.
- 10.2. If the Loan Agreement was financed in stages and all financing stages were secured by the same Security Measure, upon termination of the Loan Agreement, the claims of all Lenders rank equally in priority, irrespective of the stage in which a Lender invested. All amounts received from or recovered from the Borrower are distributed to all Lenders in proportion to their respective claims.

- 10.3. The Borrower must compensate the Lenders and the Operator for all direct and indirect losses incurred as a result of the termination of the Loan Agreement due to the fault of the Borrower, to the extent not covered by penalties.
- 10.4. Having established at least one of the grounds referred to in Clause 10.1, the Operator has the right to give the Borrower written notice of termination of the Loan Agreement and to demand payment, on the date of termination, of the entire outstanding Loan Amount, the Interest payable, other amounts payable under the Loan Agreement, and the fees set out in the Service Fee Schedule. The Loan Agreement is deemed terminated, and the amounts referred to in this Clause are deemed payable, from the date the notice is received, or, if a later termination date is specified in the notice, from that date.
- 10.5. Once repayment of the Loan Amount has been demanded ahead of schedule, the accrual of compensatory interest and other applicable fees does not cease until the Borrower has fully settled with the Lenders and the Operator. Interest and other payments are not calculated for the day on which the relevant payment is made.
- 10.6. The Lenders and the Borrower agree that, upon termination of the Loan Agreement, the Operator may, at its discretion:
  - 10.6.1. assume the Lenders' claims for the purpose of administering the obligations; or
  - 10.6.2. act as the Lenders' representative carrying out recovery under the Loan Agreement, with all rights granted by the Regulation and other legislation, and take all actions necessary to properly represent the Lenders' interests and administer the recovery of the debt.
- 10.7. The Operator, acting as the Lenders' representative, has all the rights and obligations set out in the Civil Code of the Republic of Lithuania and other legislation; no separate power of attorney or other document of identical content is required for this purpose.
- 10.8. Having terminated the Loan Agreement, the Operator has the right to send the Borrower demands to pay all amounts due and (or) to recover them through judicial or extrajudicial means, and to sub-authorise third parties to represent the Lenders' interests in courts and other institutions.
- 10.9. The Operator shall carry out enforced recovery from the Security Measures provided under the concluded Security Measures transactions, performing all related actions in the manner set out in the relevant transactions, the legislation of the Republic of Lithuania, and (or) the law of the state applicable to the Security Measure.
- 10.10. The Operator has the right to transfer debt recovery to debt collection (administration) companies; in such case, the Borrower must reimburse the applicable recovery fee and cover all other reasonable costs associated with such transfer.
- 10.11. The Parties confirm that the identity of either of them is not material to the other Party, and therefore the claims arising from the Loan Agreement may be assigned without the separate consent of the other Party, subject to the restrictions set out in the Loan Agreement, the Terms of Use Agreement, and applicable legislation.
- 10.12. Where the Loan Amount was financed in stages, upon its termination, the claims of all Lenders rank equally in priority, irrespective of the financing stage in which a Lender invested. All amounts received from or recovered from the Borrower are distributed to all Lenders in proportion to their respective claims.

## **11. BREACHES OF THE LOAN AGREEMENT**

- 11.1. If the Borrower breaches the terms of the Loan Agreement, is late in transferring instalments related to loan repayment, or fails to comply with the terms of the agreement on the publication of the Project on the Platform, compensatory interest set out in the Special Conditions is calculated for the period of the breach.
- 11.2. Where the Borrower is late in performing a monetary obligation, it shall additionally pay the administration fee set out in the Special Conditions and (or) the Service Fee Schedule for each overdue payment.
- 11.3. Once the Operator has initiated recovery proceedings, the Borrower must pay the recovery fee set out in the Special Conditions and (or) the Service Fee Schedule.

- 11.4. If the Borrower has concluded several loan agreements on the Platform and fails to duly perform at least one of them, the Operator, acting in the interests of the Lenders, has the right to apply the instalments received to cover the overdue obligations under the relevant agreements.

## **12. FINAL PROVISIONS**

- 12.1. All communication, notices, and documents related to the Loan Agreement shall be delivered:
- 12.1.1. through the Parties' accounts registered on the Platform – correspondence is deemed received 1 (one) Business Day after it is sent;
  - 12.1.2. by email – correspondence is deemed received 1 (one) Business Day after it is sent;
  - 12.1.3. by courier or registered mail – correspondence is deemed received 3 (three) Business Days after it is sent.
- 12.2. The Special Conditions, the Security Measures transactions, and other information related to the Loan Agreement are deemed confidential and shall not be disclosed to third parties, except where:
- 12.2.1. disclosure of the information is required by applicable legislation or competent authorities;
  - 12.2.2. it is necessary for a Party to disclose the information in order to protect its rights and legitimate interests.
- 12.3. This Loan Agreement, as a crowdfunding transaction, enters into force in the manner set out in this Loan Agreement and remains in effect until the date on which the Parties' obligations arising from this Loan Agreement have been fully performed. Where the Loan Amount is financed in stages, the Loan Agreement is deemed to remain in effect until all obligations arising under all financing stages have been fully performed.
- 12.4. The Loan Agreement may be amended by a separate agreement of the Parties (the Operator, acting on behalf of the Lenders, and the Borrower). All amendments and supplements become an integral part of the Loan Agreement.
- 12.5. The Operator has the right to unilaterally amend these General Terms and Conditions by publishing a new version thereof on the Platform and notifying Platform users thereof in advance. The new version of the General Terms and Conditions applies only to Loan Agreements concluded after the new version enters into force. Loan Agreements already concluded remain subject to the version of the General Terms and Conditions in effect at the time of their conclusion, which may be amended only in the manner set out in Clause 12.4.
- 12.6. Where the Loan Amount is financed in several stages and (or) the Loan Amount is disbursed in instalments, the version of the General Terms and Conditions of the Loan Agreement in effect during the first financing stage of the Loan Amount applies to all such financing stages, unless the Parties agree otherwise. For example, if a Lender participated in the second financing stage of the Loan Amount, during which the Operator had approved and published on the Platform a new version of the General Terms and Conditions of the Loan Agreement, that Lender would still be subject to the version of the General Terms and Conditions of the Loan Agreement that was in effect and that was concluded with the Project Owner when financing the very first financing stage of the Loan Amount.
- 12.7. Upon conclusion of the Loan Agreement, the following also become an integral part thereof:
- 12.7.1. the Terms of Use Agreement in effect at the time of conclusion of the Loan Agreement;
  - 12.7.2. the Project Application and the KIIS published on the Platform, and the actions taken by the Lenders on the Platform in connection with the provision of financing;
  - 12.7.3. the account statement or Platform record documenting the fact and amount of the transfer of funds provided by each Lender.
- 12.8. The Borrower agrees and understands that the Operator has the right to transfer the administration of the Platform to another entity entitled to provide crowdfunding services under the Regulation. In such case, the new operator assumes all rights and obligations of the Operator under the Loan Agreement and other related agreements, while the rights and obligations of the Borrower and the Lenders remain unchanged. The Operator shall notify the Parties of such transfer in advance, in writing and (or) by publication on the Platform.

- 12.9. The Loan Agreement is governed by the law of the Republic of Lithuania. The law of the state in which the assets are located may apply to Security Measures transactions with respect to their form and matters of property rights, to the extent provided for in applicable legal norms.
- 12.10. Disputes arising from the Loan Agreement shall be resolved through negotiations. If no agreement is reached, the dispute shall be resolved in the competent court of the Republic of Lithuania having jurisdiction over the Operator's registered office, except where mandatory legal norms establish different jurisdiction.
- 12.11. If the Loan Agreement (or any document related thereto) is published on the Platform in Lithuanian and another (foreign) language, in the event of any discrepancy, the Lithuanian text shall prevail.
- 12.12. If any provision of the Loan Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in effect, and the invalid provision shall be replaced with a valid provision that corresponds as closely as possible to the intentions of the Parties.