

## ARRANGEMENTS FOR MANAGING OUTSTANDING COMMITMENTS

### 1. GENERAL PROVISIONS

- 1.1. This Procedure for the Management of Outstanding Obligations of UAB "Trečia diena", legal entity code 304211859, registered office at Gynėjų g. 14, Vilnius, Republic of Lithuania (the "**Company**") (the "**Procedure**") establishes the procedures and measures to be taken by the Company in the event that the Project Owner violates the terms of the Loan Agreement and/or does not properly perform its obligations under the Loan Agreement.
- 1.2. The Procedures have been drawn up in accordance with Regulation (EU) 2020/1503 of 7 October 2020 on European Business Crowdfunding Providers and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the "**Regulation**") and other legislation applicable to the Company and governing its activities.
- 1.3. The Company's Chief Executive Officer or his/her designated responsible person shall be responsible for the implementation of the Procedure.

### 2. DEFINITIONS

- 2.1. Unless the context otherwise requires, capitalised terms used in these Rules shall have the meanings set out below:
  - 2.1.1. **The Company** - UAB "Trečia diena", legal entity code 304211859, registered office at Gynėjų g. 14, Vilnius, Republic of Lithuania;
  - 2.1.2. **Financier** - a client of the Company who invests in a Project published on the Platform through the Platform administered by the Company;
  - 2.1.3. **Loan Agreement** - an agreement concluded through the Platform between the Project Owner and the Financier, on the basis of which the Financier finances the Project and provides the crowdfunding funds to the Project Owner, and the Project Owner undertakes to repay the received crowdfunding funds, together with the interest and any other applicable fees, within the timeframe set out in the agreement;
  - 2.1.4. **Platform** - the information system ([www.rontgen.lt](http://www.rontgen.lt)) managed by the Company and used for crowdfunding;
  - 2.1.5. **Project** means a Project developed for business, professional, scientific, research and other purposes other than consumption and published on the Company's Platform, for the implementation of which the Project Owner seeks to raise crowdfunding funds from the Financiers;
  - 2.1.6. **"Project Owner"** means the person who initiates a Project, which the Company publishes on the Platform it administers;
  - 2.1.7. **"Regulation"** means Regulation (EU) 2020/1503 of 7 October 2020 on European providers of business crowdfunding services and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937;
  - 2.1.8. **The procedure** is this document.

### 3. NON-FULFILMENT OF PROJECT OWNERS' OBLIGATIONS

- 3.1. The Company shall deem the Project Owner to be in default under the Loan Agreement upon the occurrence of one of the following events :
  - 3.1.1. The Company believes that the Project Owner is unlikely to pay in full or otherwise meet its credit obligations under the relevant Loan Agreement without taking certain actions (e.g. realisation of collateral). The Company has reason to believe that the Project Owner will not be in a position to adequately perform its obligations under the Loan Agreement when:

- 3.1.1.1. a necessary restructuring of the loan liability has occurred when it was probable that the financial liability would be reduced as a result of a significant cancellation or deferral of principal repayments, interest or related fees;
    - 3.1.1.2. The Project Owner has applied for or been granted bankruptcy status or similar protection to avoid or defer repayment of the credit obligation to the Financiers in respect of the relevant loan;
    - 3.1.1.3. there are other circumstances which, in the reasonable opinion of the Operator, give rise to a reasonable possibility that there is a substantial likelihood that the Project Owner will not be able to perform its obligations under the Loan Agreement.
  - 3.1.2. The Project Owner is more than 90 days late in the performance of any material credit obligation related to the Loan Agreement (unless the Loan Agreement provides for the Project Owner to reschedule or suspend/defer payments under certain conditions, in which case the calculation of days late shall be based on the new payment schedule as it is revised). For the purposes of this clause, the Company shall consider a material credit obligation to be an obligation that exceeds the amount of at least one (1) calendar month's instalments payable by the Project Owner under the Loan Agreement.
- 3.2. If the Company is subject to any of the following Rules 3.1.1-3.1.2 above, the Company shall take the following measures and actions:
- 3.2.1. **first**, promptly inform the Financiers of the relevant circumstances, together with information as to what measures the Company will take to manage the Project Owner's outstanding obligations;
  - 3.2.2. **secondly**, terminate the Loan Agreement with the Project Owner in accordance with the procedures set out in the Loan Agreement;
  - 3.2.3. **thirdly**, initiate procedures and actions for the recovery of the debt from the Project Owner as provided for in these Procedures Section 8.

#### **4. METHODOLOGY FOR CALCULATING THE DEFAULT RATE**

- 4.1. The Company uses non-overlapping 12-month observation intervals to calculate the arithmetic mean of the one-year default rates observed over the entire previous observation period. The Company shall ensure that all of the following conditions are met when calculating the relevant indicator:
  - 4.1.1. that the denominator is the number of defaulted loans monitored at the beginning of the 12-month observation interval;
  - 4.1.2. that the numerator includes all loans included in the denominator that have been subject to at least one default during the 12-month monitoring interval.
- 4.2. For the purposes of the calculations set out in point 4.1 of this Procedure, loans that are not scheduled to be paid during the 12-month observation period shall not be included in the dataset used for the calculation of the default rate for that period.
- 4.3. For the purposes of these Procedures 4.1 The Company shall ensure that the duration of the historical data tracking used for at least one source is at least 36 months. If the available observation period for any source is longer, the longer period shall be used; if shorter, the maximum possible period shall be used.
- 4.4. All information relating to the methodology for calculating the default rate shall be clearly disclosed to investors on the Company's website.

#### **5. METHODOLOGY FOR CALCULATING THE ACTUAL LOAN DEFAULT RATE BY RISK CATEGORY**

- 5.1. When publishing actual default rates for all loans, the Company calculates arithmetic averages of the one-year default rates observed over the entire previous monitoring period by risk category, using non-overlapping 12-month observation intervals.

- 5.2. In calculating the one-year default rate by risk category, the Company shall ensure that all the following conditions are met:
  - 5.2.1. the denominator would be the number of defaulted loans monitored at the beginning of the 12-month observation period for the risk category for which the default rate is calculated;
  - 5.2.2. the numerator would include all loans included in the denominator that have experienced at least one default during the 12-month observation period.
- 5.3. For the purposes of paragraph 5.2 of this Procedure, loans that are not scheduled for payment during the 12-month observation period shall not be included in the dataset used to calculate the default rate for that period.
- 5.4. For the purposes of these Procedures 5.1 p. The Company shall ensure that the duration of the historical data tracking used by at least one source is at least 36 months for at least one source. If the available observation period for any source is longer, the longer period shall be used; if shorter, the maximum possible period shall be used.
- 5.5. All information relating to the methodology for calculating the actual loan default rate by risk category is clearly disclosed to investors on the Company's website.

## **6. METHODOLOGY FOR CALCULATING THE EXPECTED LOAN DEFAULT RATE BY RISK CATEGORY**

- 6.1. In publishing expected default rates for all loans, the Company shall base its estimates of expected default rates by risk category on actual default rates by risk category calculated in accordance with the following Procedure 5 Section 5.
- 6.2. For the purposes of these Procedures 6.1 p., the Company shall ensure that the duration of the historical data tracking used is at least 36 months for at least one source. If the available observation period for any source is longer, the longer period shall be used; if shorter, the maximum possible period shall be used.

## **7. RISK CATEGORISATION**

- 7.1. The Company shall, in accordance with Chapters 5 and 6 of this Schedule, classify individual loans into the appropriate risk category as set out in the Company's internal documents, taking into account, among other things, all relevant factors that may adversely affect loan performance.

## **8. RECOVERY PROCESS**

- 8.1. if the Project Owner defaults on its obligations and/or fails to pay the amount due under the Loan Agreement within the time limit set out in the Loan Agreement and fails to remedy the default within 14 calendar days (or such other time limit as may be specified by the Company) of the Company's written notice of the default, or if the Project Owner breaches any other material terms of the Loan Agreement, The Company shall have the right to terminate the Loan Agreement and to require the Project Owner to immediately pay the full outstanding amount of the Loan, any interest due and any other amounts payable under the Loan Agreement.
- 8.2. Upon termination of the Loan Agreement, the Company shall commence collection of the debt from the Project Owner. The Company may use an external lawyer or debt collection expert with appropriate expertise and experience in debt collection to carry out the debt collection procedures. The Company shall have the right to commence debt recovery actions even if the Loan Agreement is not terminated, in which case the debt recovery actions shall also be subject, *mutatis mutandis*, to the provisions of these Procedures.
- 8.3. The Company or its nominee shall contact the Project Owner within 2 working days after termination of the Loan Agreement to discuss the possibility of settling the Project Owner's arrears.
- 8.4. In the event that is provided for in Article 8.3, a mutual agreement on the settlement of the Project Owner's arrears is not reached, compulsory debt recovery shall be initiated, i.e.:
  - 8.4.1. immediately apply to the notary for the issuance of an enforcement document under the

mortgage agreement concluded by the Project owner;

- 8.4.2. upon receipt of the enforcement document from the notary, the document is submitted to the bailiff, who initiates recovery from the assets pledged by the Project Owner in favour of the Company.
- 8.5. If the value of the assets pledged by the Project Owner in favour of the Company is not sufficient to cover the Project Owner's indebtedness under the Loan Agreement, the Company shall have the right to apply to the court for the enforcement of the debt. When applying to the court, the Company shall also apply to the court for interim measures of protection and seizure of the Project Owner's assets.
- 8.6. The Company shall also carry out all other procedural steps that are possible and necessary for the recovery of the Project Owner's debts - for example:
  - 8.6.1. go to court to enforce the debt under the surety agreement (if any);
  - 8.6.2. apply to a notary public for the execution of a promissory note issued by the Project Owner (if the Project Owner has issued such a note);
  - 8.6.3. take any other action that may be permitted under any security issued by the Project Owner in favour of the Company.
- 8.7. In the event that the Project Owner is subject to bankruptcy or restructuring proceedings, the Company shall prepare a credit claim and submit it to the insolvency administrator of the Project Owner.
- 8.8. If the Company engages an external service provider (e.g. lawyer, debt collection specialist, etc.) to collect the Project Owner's debts, the Company shall ensure that all debt collection activities carried out by the external service provider are coordinated with the Company and ensure maximum protection of the interests of the Financiers.
- 8.9. All Project Owner debt recovery actions discussed in this section of the Procedures shall be based on the financial situation of each Project Owner and may be modified and/or adjusted accordingly.

## **9. DISCLOSURE OF INFORMATION**

- 9.1. The Company shall disclose at least the following information on the Platform it administers:
  - 9.1.1. annually, default rates for at least the last 36 months for crowdfunding projects proposed on the Platform;
  - 9.1.2. within four months of the end of each financial year, a summary of the results, including:
    - 9.1.2.1. the expected and actual default rates of all loans intermediated by the Company by risk category and indicating the risk categories identified in the risk management framework;
    - 9.1.2.2. a summary of the assumptions used to determine the expected default rates; and
    - 9.1.2.3. the actual return earned, if a target rate has been proposed in relation to the management of an individual loan portfolio.
- 9.2. The information provided for in paragraph 9.1 of this Procedure shall be disclosed on the Company's website in a clearly visible place.

## **10. FINAL PROVISIONS**

- 10.1. These Rules shall come into force on the date of their approval, unless the resolution of the Company's Chief Executive Officer approving the Rules provides for a different effective date.
- 10.2. Decisions on the approval, cancellation, amendment and/or supplementation of the Regulations shall be taken by the Company's CEO.