

CONFLICTS OF INTEREST AVOIDANCE, IDENTIFICATION AND MANAGEMENT POLICY

1. GENERAL PROVISIONS

- 1.1. This UAB Nordstreet ("**The company**") Policy on Avoiding, Identifying and Managing Conflicts of Interest ("**Politics**") establishes measures to identify and avoid conflicts of interest that may arise during the Company's operation as a crowdfunding service provider and that may negatively affect the interests of the Company's Clients. The policy also establishes the measures that the Company takes in order to properly manage conflicts of interest arising in the Company's activities.
- 1.2. The policy is 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 specifics of the organization of activities (business).
- 1.3. This Policy aims to reasonably ensure that damage to the Company's Clients is avoided interests or, if this is not possible, the damage would be properly controlled and minimized.
- 1.4. The policy is prepared in accordance with Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for businesses, which amends Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 ("**Regulations**") provisions and other legal acts applicable to the Company and regulating its activities.

2. CONCEPTS

2.1. In this Policy, capitalized terms have the following meanings, unless the context of their use requires otherwise:

- 2.1.1. **The company**—UAB Nordstreet, legal entity code 304565690, registered office address Naugarduko st. 19, Vilnius;
- 2.1.2. **Investor**—a natural or legal person who, through the Platform, provides financing (in the form of loans) to Projects published on the Platform (Project Owners);
- 2.1.3. **The client**—Project owner or Investor;
- 2.1.4. **Control communications**—a situation where two or more natural or legal persons are related by control, i.e. related by parent-subsidary relations in all cases referred to in Article 22(1) and (2) of Directive 2013/34/EU, or when any natural or legal persons are related by similar relations and firm; all subsidiaries of subsidiaries are also considered subsidiaries of the parent company at the top of the hierarchy of these companies;
- 2.1.5. **Platform**—publicly available online information system (<https://nordstreet.com/lt>), which is administered and managed by the Company;
- 2.1.6. **Politics**—this document;
- 2.1.7. **Project**—one or more types of business activity for which the Project Owner seeks to obtain financing by submitting a crowdfunding proposal;
- 2.1.8. **Project owner**—a legal entity or a natural person (entrepreneur) who seeks to receive financing through the Platform;
- 2.1.9. **Regulations**—Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for businesses, amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937;
- 2.1.10. **Related persons**—the following persons are considered related persons:
 - 2.1.10.1. any of the Company's shareholders with 20% or more of the Company's stock capital or voting rights;
 - 2.1.10.2. Managers or employees of the company;
 - 2.1.10.3. others Control relations with the persons specified in 2.1.10.1-2.1.10.2 of this Policy related natural or legal persons.

2.2. Other terms used in this Policy are understood as they are defined in the Regulations or other documents of the Company, unless the context requires otherwise.

3. AVOIDANCE OF CONFLICTS OF INTEREST

3.1. In order to avoid conflicts of interest, the company undertakes the implementation of at least the following measures:

3.1.1. does not participate in crowdfunding published on the Platform administered by the Company in funding proposals (Projects);

3.1.2. does not publish Projects owned by anyone on the Company-administered Platform from Related Persons;

3.1.3. determines whether any of the Related persons was part of the Project published on the Platform Investor;

3.1.4. requires Related Persons to declare and periodically update information about persons with whom they are linked by Control Relations;

3.1.5. requires all Related persons, the latter performing their functions in the Company's activities, to constantly monitor whether there is no conflict of interest due to their activities and/or the decisions they make;

3.1.6. requires Related persons, after they identify a possible risk of conflict of interest, immediately inform the Company's manager about it and indicate the reason and nature of the possible conflict of interest;

3.1.7. requires the Related Persons to perform all actions they take towards the Clients in action objectively and impartially towards the relevant entities;

3.1.8. obligates the Related Persons to comply with confidentiality requirements, to act honestly and professionally towards the Clients, to strive to always take into account the interests of the Clients regardless of the interests of other Clients, their other activities, the Company or other Related Persons;

3.1.9. ensures that the applied reward system for Related Persons does not create conditions for Related Persons to receive financial benefits from situations that cause or may cause a conflict of interests and violate the interests of Clients;

3.1.10. prohibits Related persons from publishing and exchanging information about Customers known to them, which may negatively affect the interests of the Client; also publish, exchange information that is not publicly published and any other information related to the Client that is not necessary for the Related Persons to perform their direct functions;

3.1.11. ensures that all Investors are provided with the same financing conditions Projects published on the Platform, except for cases where differentiated interest is determined according to the amount invested by the Investor in the Project (its size);

3.1.12. ensures that all Customers have access to the same information about the Projects published on the Platform and their owners, and Related Persons cannot obtain additional confidential information for their own benefit or that of third parties;

3.1.13. The head of the Company constantly monitors and ensures that the Company's employees have access only to the information that is necessary to perform their direct functions;

3.1.14. ensures that the organizational structure of the Company does not allow any of the Related persons to exert any influence on other Related persons, which could lead to a conflict of interest;

3.1.15. determines 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. The head of the company, having received p. 3.1.6 of this Policy. notification, must immediately consider its validity and, having established that a conflict of interest has indeed arisen or there is a real risk of it arising, makes a decision by which it determines all measures necessary to avoid or control a conflict of interest (e.g. removing an employee from certain functions; temporarily transferring the employee's functions to another employee, etc.). If the conflict of interests cannot be completely avoided, the Company's manager must take all possible measures

measures to control the relevant conflict, with the maximum aim of acting objectively and honestly in relation to the interests of the Clients.

3.3. In the event that the Company allows Related Persons to be Investors in the Projects published on the Platform, the Company shall take the following measures:

3.3.1. fully discloses such fact on its administered Platform, including information about specific Projects in which the relevant Related Persons have invested;

3.3.2. ensures that the investments of the respective Related Persons are made in the same way under conditions applicable to other Investors;

3.3.3. ensures that no preferential treatment is given to the relevant Related Persons conditions or privileged access to information about specific Projects published on the Platform.

4. IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

4.1. In order to identify and manage conflicts of interest between the Company, Related Persons and Clients, or between one Client and another Client, the Company assesses whether the relevant persons:

4.1.1. may receive financial benefits or avoid financial losses at the Customer's expense;

4.1.2. is interested in the result of the service provided to the Client, which differs from the corresponding interest of the Client in that result;

4.1.3. has a financial or other incentive to prioritize the interests of the Client or a group of Clients before The client's interests.

4.2. Conflicts of interest can potentially arise in the following main areas of the Company's activities:

4.2.1. priority is given to Projects related to the Company or Related persons and For project owners;

4.2.2. Customers, depending on their direct or indirect relationships with the Company or Related Persons, may be treated differently from other Customers;

4.2.3. Related persons may enter into crowdfunding transactions on the Platform at their own personal expense, using information known to them;

4.2.4. certain Clients are given the opportunity to publish and/or finance Projects on more favorable terms than other Clients.

4.3. If the Company determines that it is impossible to avoid a conflict of interest and it may negatively affect the Client interests, it is mandatory to inform the Client about the conflict of interest, indicating the nature of the relevant conflict of interest, the source and the means of proper management of such conflict.

4.4. In cases where the Project owner is related to the Company through property or other ties (with the Company's managers, shareholders, employees, etc.), the Company applies at least the following measures for managing conflicts of interest:

4.4.1. Investors are informed about 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 is evaluated according to the internal procedures valid in the Company by those employees of the Company who have no connection with the relevant Project owner;

4.4.3. contracts with the Project owner are signed, executed, supervised, decisions on their termination and transfer for recovery are made by those employees of the Company who have no relations with the relevant Project owner;

4.4.4. measures taken to manage conflicts of interest are documented;

4.4.5. if there is no way to manage a potential conflict of interest and there is a risk of being harmed Investors' interests, the Company refuses to start or continue business relations with the relevant Project owner.

4.5. In order to properly manage conflicts of interest, the company also ensures that:

4.5.1. Related persons, in order to obtain personal benefits, should not have a negative influence on the Company, other Related persons or Customers;

4.5.2. Related persons would not be able to participate in making specific decisions regarding the Client, if such participation would harm the effective management of the conflict of interest;

4.5.3. in cases where the Related Person seeks to finance the Project published on the Platform, it is ensured that the relevant person is given the same conditions as other Investors.

5. MONITORING OF MEASURES FOR THE AVOIDANCE, DETECTION AND MANAGEMENT OF CONFLICTS OF INTEREST

5.1. The head of the Company or a responsible person appointed by the head of the Company constantly supervises whether the Company's applied means of avoiding, identifying and managing conflicts of interest are effective enough to ensure and protect the interests of the Clients.

5.2. The head of the Company or a responsible person appointed by the head of the Company periodically, but at least once a year, reviews the provisions of this Policy and assesses whether the measures for avoiding, identifying and managing conflicts of interest established by the Policy are appropriate and ensure the interests of the Company's Clients.

5.3. The head of the Company or the responsible person appointed by the head of the Company informs the Company's employees and shareholders about the procedures and measures for managing conflicts of interest implemented in the Company.

5.4. The head of the Company or a responsible person appointed by the head of the Company also advises Related Persons whether there is a potential or real conflict of interest in a specific situation and helps to avoid it or, if it is impossible to avoid the corresponding conflict of interest, takes measures to manage this conflict of interest.

6. DISCLOSURE OF INFORMATION ABOUT CONFLICTS OF INTEREST

6.1. The Company publishes information on the website of its administered Platform to the Clients about the general nature and causes of conflicts of interest, as well as the actions taken to reduce them.

6.2. The Company ensures that any information provided to the Clients related to conflicts of interest is sufficiently detailed so that each Client can make an informed decision regarding the use of crowdfunding services provided by the Company, which may result in a conflict of interest.

7. FINAL PROVISIONS

7.1. This Policy is approved and/or changed by the order of the head of the Company. Changes to the policy take effect on the date of the Company's order, unless otherwise specified in the relevant order.

7.2. This Policy is published on the website of the Platform administered by the Company.

7.3. All employees and shareholders of the Company must be familiarized with this Policy by signing it.