

# DEBITUM NETWORK

## GENERAL TERMS AND CONDITIONS OF THE USER AGREEMENT

### 1. DEFINITIONS

<b>Agreement</b>	an agreement of a user of the Platform concluded between the User and Debitum Network (the present agreement).
<b>Assignee</b>	a User of the Platform, who has purchased a Claim from the Originator pursuant to the concluded Assignment Agreement.
<b>Assignment Agreement</b>	an assignment agreement concluded between the Originator as the Assignor and the User as the Assignee, and pursuant to which the Originator (the Assignor) transfers a Claim arising from the Financing Agreement to the User (the Assignee).
<b>Assignor</b>	the Originator who owns the Claim and assigns it to the Assignee under the Assignment Agreement.
<b>Borrower</b>	a legal person with whom the Originator has entered into a Financing Agreement or in respect to whom the Originator has a monetary claim pursuant to a Financing Agreement (i.e. any other person that has a monetary obligation to the Originator under a Financing Agreement, including when that person is not a party to the Financing Agreement (for example, in a factoring relationship)).
<b>Business Day</b>	any day, on which banks in Latvia are operating, except Saturdays, Sundays, and public holidays.
<b>Claim</b>	monetary claim of the Originator or a part thereof against the Borrower arising out of or pursuant to the Financing Agreement. Detailed amount and composition of the Claim is established in the Assignment Agreement.
<b>Claim Amount</b>	a Loan or a part thereof, to the extent whereof the Assignor transfers a Claim to the Assignee and which, together with a mark-up or discount (if any) forms the Claim Price.
<b>Claim Application</b>	a User's application filled in on the Platform concerning a purchase (transfer) of a single or multiple Claims selected by the User.
<b>Claim Price</b>	the price for the assignment of the Claim as specified in the Assignment Agreement.
<b>Collateral or Security</b>	Originator's pledge rights on real property, movable property, or aggregation of property, a third party guarantee, title to a vehicle or any other legally permissible means of securing the fulfilment of the Borrower's obligations arising from the Financing Agreement, indicated in the Assignment Agreement.
<b>Credit Risk Assessor</b>	a person performing credit risk assessment of the Loan, chosen by the Operator
<b>Debt Collector</b>	a person tasked with collecting the outstanding debt for the Claim in the cases prescribed in this Agreement and the Assignment Agreement, chosen by the Operator).

<b>DEB token</b>	a unit of Debitum Network (DEB) token, generated by Ethereum blockchain contract 0x151202C9c18e495656f372281F493EB7698961D5.
<b>DEB Wallet</b>	a virtual currency wallet enabling the User to store, track, transfer, and manage his/her balance of DEB tokens, in the manner allowed by the Agreement and the Platform.
<b>Debitum Network or Us</b>	<b>SIA PROSPERITU</b> , a company organised and existing under the laws of the Republic of Latvia, registration number: 40103288584, legal address: Lāceņu iela 15, Kadaga, Ādažu novads, LV-2103, the Republic of Latvia, represented by the Member Member of the Board of the Management Board Mārtiņš Pērkonis, acting in accordance with the Articles of Association.
<b>Debitum Network bank account/-s</b>	the bank account/-s indicated on the Platform, to which, pursuant to the present Agreement, the User's funds must be deposited for carrying out transactions on the Platform and on which funds are maintained separately from the property of Debitum Network.
<b>Financing Agreement</b>	A loan, credit, leasing, factoring or another agreement regarding the provision of a loan or comparable financing to a third party concluded between the Originator and a Borrower under which that Borrower has an obligation to repay the credit granted by the Originator to that Borrower, pay interest on the borrowed amount and/or make other payments to the Originator or, if the Borrower is not the party to such financing agreement, pursuant to which the Originator has a monetary claim against the Borrower.
<b>Interest</b>	the interest for the use of the financing, which is payable by the Borrower pursuant to the Financing Agreement.
<b>Loan</b>	the principal amount of the credit issued to the Borrower in compliance with the Financing Agreement and yet not repaid or a part thereof, which, pursuant to the Financing Agreement shall be repaid by the Borrower, and which Debitum Network channels in favour of the Originator.
<b>Originator</b>	a person, who, in compliance with the partnership agreement concluded between the said Originator and Debitum Network, has authorised Debitum Network to transfer the Claims by means of the Platform, and on behalf of the Originator, to take other steps prescribed in the Agreement and in the Assignment Agreement.
<b>Parties</b>	the User, Originator and Debitum Network.
<b>Payments</b>	payments of the Borrower made to the Originator under the Financing Agreement.
<b>Platform</b>	the sites created and serviced by Debitum Network, which are combined under a domain name <a href="https://debitum.network/">https://debitum.network/</a> and allow its User to use various interactive services offered by Debitum Network, such as listing of loans issued by Originators, matching loans and Assignees and collection of loan instalments from originators.
<b>Price List</b>	the price list of services provided by Debitum Network published on the Platform, which is an integral part of the Agreement.
<b>Privacy Policy</b>	Privacy Policy of the Platform.
<b>Registration Application</b>	an application prepared by the User on the Platform in compliance with Clause 2 of the Terms and Conditions for the registration on the Platform and for the use of the services offered in compliance with the Terms and Conditions.
<b>Summary</b>	a summary of one or more Claims selected by the User for Purchase.

<b>Terms and Conditions</b>	the present terms and conditions of Debitum Network Platform user agreement, applicable to all User's agreements and transactions entered into by the User via the Platform.
<b>Virtual Currency Services Terms and Conditions</b>	as described in Section 5
<b>User or You</b>	a person registered on the Platform as its user.
<b>User's Account</b>	a separate account provided for each User by Debitum Network in its system for recording settlements and transactions arising from the Terms and Conditions, Assignment Agreement and Financing Agreement. A User's Account may only be used for recording settlements and transactions, as well as indication of the amount of funds available to the User (in the allowed central bank currency of the User's Account). Besides, in the User Account Debitum Network may provide indication of the approximate amount of funds available to the User in another central bank currency. This information in another central bank currency is only informative and does not impose any obligation for Debitum Network to convert funds in that currency. A User may have several User's sub-accounts with different allowed central bank currencies (provided that Debitum Network allows such central bank currency in the Platform). For avoidance of doubt, a User's Account is not an account with a credit institution, electronic money institution or payment institution, moreover, it is not a virtual currency wallet.
<b>User's ID Number</b>	a personalised number assigned by Debitum Network to each User to identify the User.
<b>User's Profile</b>	a personal site of the User on the Platform, which pursuant to the Agreement is created automatically and is available to the User after a successful registration.

## **2. REGISTRATION ON THE PLATFORM AND CREATION OF A USER'S PROFILE**

- 2.1. Only registered Users, who have concluded the Agreement with Debitum Network and have been assigned a User's ID Number are entitled to use the services offered on the Platform.
- 2.2. In order to submit a Registration Application and to conclude an Agreement, the User must comply with the following criteria:
- 2.2.1. If the User is a natural person, he or she must:
- (a) have full (unrestricted) legal capacity;
  - (b) be at least 18 years old;
  - (c) have unrestricted capacity to enter into agreements and undertake monetary obligations;
  - (d) be fully solvent (no bankruptcy, insolvency proceedings or proceedings of similar nature have been initiated or pending against the User);
- 2.2.2. If the User is a legal entity, it must:
- (a) have unrestricted capacity to enter into agreements and undertake monetary obligations;

- (b) be fully solvent (no bankruptcy, insolvency proceedings or proceedings of similar nature have been initiated or pending against the User).
- 2.3. The User shall acknowledge that, at the time of submitting the Registration Application and at the conclusion of the Agreement, he/she/it is fully legally capacitated and is not under the influence of alcohol, drugs, psychoactive or other intoxicating substances.
- 2.4. The User shall register on the Platform, by filling in the Registration Application and confirming the present Terms and Conditions.
- 2.5. After the User registration and conclusion of the Agreement as envisaged in Section 3, a User's Profile and User's Accounts are created on the Platform. Upon registration of the User on the Platform, Debitum Network assigns the User a unique User's ID number.
- 2.6. In order to access the User's Profile, the User shall identify himself by an e-mail address and a password. The User shall be entitled to change the e-mail address and password used for User's identification in compliance with procedures established on the Platform.
- 2.7. If the User is a legal entity, Debitum Network is entitled to identify the signatory, for whom the rights to sign have been established by Debitum Network, as the User.
- 2.8. Debitum Network may refuse the registration of a new User on the Platform without providing a reason for refusal.
- 2.9. Only the User is authorised to enter into and use the User's Profile.
- 2.10. Debitum Network does not have an obligation to introduce You to Borrowers or Originators.

### **3. VERIFICATION OF USER IDENTIFICATION AND ACCESS TO USER'S ACCOUNT**

- 3.1. Debitum Network shall verify the identification of the User remotely in the following order:
  - 3.1.1. The User must upload the following documents to the Platform:
    - (a) a scanned passport or ID card copy;
    - (b) other documents, if requested by Debitum Network.
  - 3.1.2. Debitum Network performs a check of the document referred to in Clause 3.1.1 upon which the User must transfer funds to the Debitum Network bank account. Debitum Network may store the documents referred to in Clause 3.1.1 for provision of services pursuant to the Terms and Conditions.
  - 3.1.3. Debitum Network performs a check of the payment information received with the User's wire transfer from the bank, payment institution or electronic money institution with which the User has an account, after the User transfers funds to the Debitum Network bank account. The transfer information received by Debitum Network through its bank or payment service provider must contain name and last name of the User. The User must also indicate the User's ID Number assigned to the User as the purpose of payment. Debitum Network may, at its sole discretion, verify the identity of the User by other means of remote identification (electronic signature, streaming video identification etc.).
- 3.2. Debitum Network may, at its sole discretion, at any time request additional documents or information confirming the User's identity and unilaterally determine any additional requirements for the User identification, as well as introduce changes in the User identification process.
- 3.3. The Agreement between Debitum Network and the User shall be deemed entered into and it shall become effective at the time, when the User has confirmed the present Terms and

Conditions on the Platform, Debitum Network has identified the User and verified User's identity. The User can examine the Agreement and the Assignment Agreement in the User's Profile.

- 3.4. When registering and logging into (entering) the User's Profile on the Platform, the User must enter the User's e-mail address and password.
- 3.5. All payments, payment orders, instructions, applications, agreements, any other documents confirmed or submitted by the User on the Platform, as well as any activities performed on the Platform shall be binding upon the User.
- 3.6. The User's password is deemed confidential information that the User and Debitum Network undertake not to divulge and shall undertake to prevent third parties from finding it out. The User must keep the User's password in a secure manner, as well as regularly, however not less frequently than after a period prescribed by Debitum Network, change/update the password. The User is prohibited from disclosing his access data to third parties or otherwise allowing third parties to access the User's Profile. Debitum Network shall bear no liability for any losses incurred due to such disclosure or access the User's profile.
- 3.7. If the User's password has become known or may have become known to a third party, the User must immediately inform Debitum Network about it. Upon receiving and processing such information Debitum Network will block access to the User's Profile as soon as practically possible. The User may unblock the User's Profile by submitting a relevant application, upon which Debitum Network shall issue the User a temporary password, allowing the User to access the User's Profile. After logging into the User's Profile using the temporary password, the User must immediately change the temporary password to a new password.
- 3.8. Access to the User's Profile shall be blocked, if the User's password is entered incorrectly three consecutive times.
- 3.9. Debitum Network is entitled to, however is not obliged to, block access to the User's Profile in cases, when Debitum Network suspects that the User's Profile has been accessed without due authorisation, including, if Debitum Network suspects that the User's password has become known or may have become known to a third party or Debitum Network has suspicions of the execution of illegal transactions or money laundering/terrorism financing, as well as in other cases at the discretion of Debitum Network, in order to ensure safety of services, inviolability, confidentiality of the User and/or other Debitum Network' clients or to prevent losses that might be incurred by Debitum Network or other persons.
- 3.10. Debitum Network shall be entitled not to approve any User's transaction, if:
  - 3.10.1. the User fails to comply with the Terms and Conditions;
  - 3.10.2. Debitum Network has suspicions about the identity of the User;
  - 3.10.3. the User's instruction is unclear or distorted due to interruption in communication;
  - 3.10.4. in other cases, stipulated in Clause 3.9 of the Terms and Conditions.

#### **4. USER'S ACCOUNT AND ADDING FUNDS**

- 4.1. After the User has transferred funds to the Debitum Network bank account in the currency of the respective Debitum Network bank account and the Debitum Network has actually received the funds, the funds shall be reflected as available funds in the User's Account having the same allowed currency. Although Debitum Network will use its best efforts to ensure the funds are reflected in the User's Account promptly after Debitum Network has

received the User's payment, the User understands that there might be a certain delay due to processing of the User's payment by Debitum Network.

- 4.2. The User is only entitled to fund the User's Account by using User's own funds, unless the User is authorised to transfer funds on behalf of a third party and has received an express written consent from Debitum Network.
- 4.3. When transferring funds to the Debitum Network bank account, the User must indicate the User's ID Number in the purpose of payment. If Debitum Network receives a payment from the User without the User's ID Number indicated in the purpose of payment, Debitum Network shall be entitled to return such payment at the expense of the User or consider such payment as non-executed before it is identified.
- 4.4. Funds transferred by the User to the Debitum Network bank account and reflected in the User's Account as available funds pursuant to the present Terms and Conditions shall be kept on the Debitum Network bank account. No interest shall be accrued or paid to the User for the User's funds kept on the Debitum Network bank account.
- 4.5. Debitum Network is entitled to use the funds transferred by the Users only pursuant to the provisions of the Agreement and the Assignment Agreement. If Debitum Network transfers User's funds to the Originator pursuant to the Assignment Agreement entered into by the User, Debitum Network and the Originator, the amount of available funds on the relevant User's Account shall be reduced by an equivalent amount, accordingly.
- 4.6. The funds transferred by the User to Debitum Network pursuant to the Terms and Conditions shall be considered funds for entrusted by the User to Debitum Network under an agency agreement relationship and shall not form a part of Debitum Network's property. The User shall retain the claim rights towards Debitum Network for the amount indicated in the User's Account. Accordingly, the respective funds are separated from the property of Debitum Network and shall not appear on the financial statements of Debitum Network.
- 4.7. The User shall make all payments to Debitum Network in euro currency. If Debitum Network receives a payment from the User in a different currency, then Debitum Network may, at its sole discretion, exchange the relevant amount to euro according to an exchange rate established by a credit institution, payment institution or electronic money institution at its choice or by the European Central Bank on the day of receipt of the payment. Any costs related to currency exchange shall be borne by the User.
- 4.8. The User may request Debitum Network to decrease the amount of available funds in a User's Account denominated in one currency and increase the amount of available funds in another User's account denominated in a different currency (provided that Debitum Network allows such central bank currency in the Platform. In such case, Debitum Network will perform an exchange of the corresponding amount of financial means in the same currencies. The User shall cover any costs associated with the currency exchange and shall accept the currency exchange rate used.
- 4.9. If the User's Account has available funds, then, starting with the 6<sup>th</sup> (sixth) month, Debitum Network shall collect a monthly User's Account service commission fee from the User's Account in the amount indicated in the Price List. If the User has owned no Claims for more than 24 consecutive months, Debitum Network shall be entitled to close the User's Account and collect the outstanding amount in the User's Account as an Account closing fee.
- 4.10. The User can access history of transactions performed on the Platform in the User's Profile.
- 4.11. The User shall, on the basis of an application submitted in the User's Profile, be entitled to request Debitum Network to pay out the funds indicated as available funds on the User's

Account to a User's account opened with a credit institution, payment institution or electronic money institution, from which the User previously has made transfers to the Debitum Network bank account. Debitum Network shall initiate the transfer of the available funds in the amount requested by the User within 5 Business Days upon the receipt of the application. The User shall bear the costs associated with such transfer and Debitum Network may deduct the said costs from the available funds on the User's Account. Debitum Network may, but is not obliged to, waive the User's duty to pay the said costs.

- 4.12. The User may request Debitum Network to pay out the funds to the User to an account different from the one stipulated in Clause 4.11 above. Debitum Network may, but is not obliged to satisfy such request. In this case, the User shall provide Debitum Network with all of the information that is necessary to verify that the indicated account is opened in the name of the User in a credit institution, payment institution or electronic money institution, which is subject to the provisions of Law On the Prevention of Money Laundering and Terrorism Financing (in Latvian: *Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma finansēšanas novēršanas likums*) or the requirements arising from the European Union law concerning the prevention of money laundering and terrorism financing.
- 4.13. Debitum Network shall be entitled to make deductions from the funds available on the User's Account in order to ensure that the User's obligations arising from the Agreement and the Assignment Agreement are performed, including for the payment of Debitum Network's commission fees.
- 4.14. The User is prohibited from transferring funds gained from illegal activity to the Debitum Network bank account. In case Debitum Network has suspicions that the funds transferred to the Debitum Network bank account are proceeds from illegal activity, Debitum Network is entitled to take all actions which Debitum Network deems necessary, including, without limitation, to inform the law enforcement authorities, refuse payout of funds to the User.
- 4.15. If at the time of registering a User or during the period of validity of the Agreement, suspicions arise about money laundering, terrorism financing, breach of national, European Union or international sanctions, or an attempt at either of these activities, Debitum Network shall be entitled to refuse/cancel registration of the User with the Platform, refuse the receipt of funds from the User and/or block access to or close the User's Profile.

## **5. VIRTUAL CURRENCY SERVICES**

- 5.1. The DEB Wallet enables the User to store DEB tokens, receive DEB tokens from other virtual currency wallets of the User and send DEB tokens to other virtual currency wallets of the User, by giving instructions through the Platform (each such transaction is a „DEB Token Transaction”).
- 5.2. After the creation of the User's Account, Debitum Network creates a DEB Wallet on the Platform.
- 5.3. The User is only entitled to send his own DEB tokens to his DEB Wallet, unless the User is authorised to transfer DEB tokens on behalf of a third party and has received an express written consent from Debitum Network.
- 5.4. Debitum Network will process DEB Token Transactions in accordance with the instructions received from the User. The User should verify all transaction information prior to submitting instructions to Debitum Network. Debitum Network do not guarantee the identity of any receiver, requestee or other party. DEB Token Transactions cannot be

reversed once they have been submitted to Ethereum blockchain (hereinafter - the blockchain on the basis of which DEB tokens were created).

- 5.5. Once submitted to the Ethereum blockchain, a DEB Token Transaction will be unconfirmed for a period of time pending sufficient confirmation of the transaction by the Ethereum blockchain. A DEB Token Transaction is not complete while it is in a pending state. DEB tokens associated with DEB Token Transactions that are in a pending state will be designated accordingly, and will not be included in the User's DEB Wallet balance or be available to conduct DEB Token Transactions.
- 5.6. Debitum Network may charge network fees (transaction fees) to process a DEB Token Transaction on the User's behalf. Debitum Network will calculate the network fee in its discretion. Debitum Network will always notify the User regarding the network fee applicable at or before the time the User authorises the DEB Token Transaction.
- 5.7. Debitum Network may refuse to process or cancel any pending DEB Token Transaction as required by law or any court or other authority to which Debitum Network is subject in any jurisdiction.
- 5.8. The Virtual Currency Services are available only in connection with DEB tokens. Under no circumstances should the User attempt to use the DEB Wallet to store, send, request, or receive any other tokens or virtual currencies in any form that the Platform does not support. Debitum Network assumes no responsibility or liability in connection with any attempt to use the DEB Wallet for virtual currencies that the Platform does not support.
- 5.9. The User may purchase DEB tokens by using funds available on the User's Account. By instructing Debitum Network to purchase DEB tokens from the funds available on the User's Account, the User authorises Debitum Network to correspondingly decrease the amount of the funds available according to the User's instruction depending on the price of DEB tokens available then according to Clause 5.11.
- 5.10. The User may sell DEB tokens in exchange for funds available on the User's Account. By instructing Debitum Network to sell DEB tokens from the funds available on the User's Account, the User authorises Debitum Network to increase the amount of the funds available according to the User's instruction.
- 5.11. A purchase or sale of DEB tokens is subject to a conversion fee and exchange rate as set by Debitum Network or its partner (third party). The User agrees to accept the conversion fee and the exchange when the User authorises a transaction. The User shall cover any costs associated with the transaction.
- 5.12. The User is authorising Debitum Network to initiate the transaction at the quoted price and agree to any associated conversion and exchange rate. The User cannot cancel, reverse, or change any transaction marked as complete or pending. If the User's payment is not successful or if the payment method has insufficient funds, the User authorises Debitum Network, in its sole discretion, to cancel the transaction. The User is responsible for maintaining an adequate balance and/or sufficient credit limits in order to avoid overdraft, insufficient funds, or similar fees charged by the User's payment service provider.

## **6. PURCHASING CLAIMS**

- 6.1. Following conclusion of the Agreement, pursuant to the present Terms and Conditions, the User shall be entitled to purchase Claims offered on the Platform in the order described below.
- 6.2. The User may purchase one or multiple Claims offered on the Platform. By placing the Claims Application the User agrees to purchase the specific Claims for the Claim Price

and in the currency indicated on the Platform. The User may pay the Claim Price fully or partially with DEB tokens. Such purchase is treated as a sale of DEB tokens as described in Section 5 above. The Claims offered on the Platform may not comprise all Claims arising from a specific Financing Agreement and the Originator may retain the respective proportion of the Claims arising from the Financing Agreement which is expressly indicated on the Platform.

- 6.3. The User may not exceed the amount of funds available in the User's Accounts or DEB Waller when purchasing Claims.
- 6.4. All Claim Applications are registered in a chronological sequence and are executed according to procedures of Claim Application execution applicable at the given moment on the Platform. Debitum Network is entitled, at any time, without warning the User, to unilaterally amend and supplement the procedure of Claim Application execution in force.
- 6.5. After the User has selected Claims, a Summary is provided to the User on the Platform. The User shall examine the completeness and accuracy of information included in the Summary on the Platform, and, if the User wishes to, he/she/it may refuse purchasing one or several Claims indicated in the Summary. If the information included in the Summary corresponds to the User's expressed will, the User shall confirm the Summary in compliance with procedures established on the Platform.
- 6.6. Upon the confirmation stipulated in Clause 6.5 of the Terms and Conditions, the User's purchase shall become final and binding upon the User and Debitum Network shall immediately deduct the amount indicated in the Summary from the available funds on the User's Account and the Assignment Agreement shall be considered as concluded.
- 6.7. The Loan may have a credit risk rating made by the Credit Risk Assessor indicated on the Platform. The User acknowledges that a credit risk rating of the Loan is an assessment made by the Credit Risk Assessor independently on the basis of the information available to the Credit Risk Assessor and does not have any binding legal effect. Neither the Operator, nor the Originator nor the Credit Risk Assessor assume any liability towards the User regarding any damages or losses incurred by the User due to reliance on the credit risk rating of the Claim.
- 6.8. The Assignee confirms and understands that the Claim does not contain all Assignor's claims against the Borrower arising out of the Financing Agreement, and that apart from the Assignee there may be other creditors of the Borrower pursuant to the Financing Agreement, and in this situation Debitum Network and the Originator, pursuant to these Terms and Conditions shall manage the Claim together with the Claims of other Users (i.e. Assignees) against the Borrower arising from the Financing Agreement.
- 6.9. The User may, at any time, examine information on the User's Profile regarding all transactions performed by the User on the Platform, payouts made by Debitum Network to the User, as well as deductions made by Debitum Network from the User's Account.
- 6.10. If the User's Account is erroneously credited or debited due to interruption in the operation of the Platform, Debitum Network may make the necessary corrections in order to rectify the error, including reversing any erroneous transactions and adjusting the amount of available funds on the User's Account. If, after the aforementioned corrections the balance on the User's Account is negative, the User must, within 3 (three) Business Days from the receipt of a notification from Debitum Network add funds to the User's Account to clear the negative balance.

## **7. CONCLUSION AND EXECUTION OF THE ASSIGNMENT AGREEMENT**

- 7.1. Simultaneously with the approval stipulated in Clause 6.5 of the Terms and Conditions, the User shall confirm the provisions of the Assignment Agreement.
- 7.2. After the Assignment Agreement is concluded and throughout the period of validity thereof, the Assignment Agreement shall be available to the User on the User's Profile. In addition, the User may examine the schedule of repayment of the purchased Claim and Interest payments. The User is neither entitled to obtain the original Financing Agreement, nor any other documents related to it. All such documents shall be kept with the Originator.
- 7.3. The Borrower shall make the Payments as specified pursuant to the Financing Agreement. The Originator shall transfer received Payments to Debitum Network in the proportion in which the Claim was purchased by the Users. Debitum Network upon the receipt of the Borrower's Payments from the Originator shall distribute the received funds among all Users of the Borrower having claims against the Borrower as follows:
  - 7.3.1. the received principal amount of the Claim shall be divided proportionately to the amount of the Claim of each User against the Borrower (pro rata), irrespective of the chronological order in which each User has purchased a part of the Claim and the Claim Price paid;
  - 7.3.2. the received Interest and other ancillary claims arising from the respective Claim are paid to the User having the respective Claim.
- 7.4. If there are several Financing Agreements entered into with the same Borrower and under all such Financing Agreements Claims have been assigned to Users pursuant to Assignment Agreements, and the amount of funds received from the Borrower is not sufficient to cover all Claims under the aforementioned Financing Agreements, Debitum Network shall distribute the funds received among the Users pro rata based on the amount of Claim held by each User.
- 7.5. Immediately after the division of the received funds, Debitum Network shall increase the amount of the available funds on the User's Account.
- 7.6. If the User has paid the Claim Price fully or partially, using DEB tokens, the User is entitled to receive the Interest fully or partially in DEB tokens. The User may set the proportion of the Interest to be received in DEB Tokens in the User's profile. The amount of DEB tokens received must not exceed the amount of the Claim Price paid by the User using DEB tokens. Debitum Network treats the receipt of the Interest in DEB tokens as purchase of DEB tokens pursuant to Section 5 above.
- 7.7. The User is aware of the risk of default on Borrower's obligations, as a result of which the User might not be able to receive the Claim amount in full. In the event of the Borrower's default, neither Debitum Network nor the Originator shall assume any responsibility for the security of the Claim, and neither Debitum Network nor the Originator shall have an obligation to repay to the User its paid Claim Price or a part thereof, except where Debitum Network or the Originator has expressly undertaken such obligation.

## **8. RIGHTS AND OBLIGATIONS OF THE USER**

- 8.1. The User shall undertake:
  - 8.1.1. not to use the Platform for any illicit conduct, including fraud and money laundering;

- 8.1.2. to provide only true and precise information to Debitum Network and the Originator;
- 8.1.3. to use only secure means and devices of electronic communications and data transfer;
- 8.1.4. to promptly, however not later than within 3 (three) Business Days, to inform Debitum Network in writing, if the User's name, surname, e-mail address, account number or other information provided on the Platform changes.
- 8.2. By confirming the present Terms and Conditions, the User represents that he/she/it is capable of making decisions on purchases of Claims and concluding Assignment Agreements, as well as that he/she/it understands all risks including the risk not to recover the Claim or a part thereof. The User understands that by assignment of the Claim security interest incorporated in the Collateral/Security (if any) is not assigned in favour of the Assignee and remains registered in favour of the Originator.
- 8.3. If the User's Profile is used to carry out activities on the Platform (including for buying Claims) using a correct User's e-mail address and password, it shall be considered that the activities with the respective User's Profile have been performed by the User himself/herself/itself.
- 8.4. The User shall ensure that there are sufficient funds on the User's Account for performing payments. If the funds on the User's Account are insufficient, Debitum Network shall have the right not to execute any transactions on the Platform on behalf of the User. Debitum Network shall not be held liable for any losses, which the User might suffer in this regard.
- 8.5. The User understands and is informed that Debitum Network and the Originator have an obligation to ensure the confidentiality of the Borrowers' personal data, therefore Debitum Network and the Originator, in the scope of the Assignment Agreement, shall disclose only a limited content information about the Borrower, the guarantor, the pledgor and the Security (if any). The User understands that no personal data of the Borrower, the guarantor, the pledgor and the Security (if any) will be disclosed to the User. The User shall not request Debitum Network or the Originator to disclose such confidential information and/or personal data about the Borrower, the guarantor, the pledgor and/or the Security (if any), and shall not make any complaints against Debitum Network, the Originator and the Borrower in this regard.
- 8.6. The User (Assignee), during the validity period of the Assignment Agreement, shall not contact the Borrower in respect of the concluded Assignment Agreement and the transferred Claim, including shall not visit the Borrower at his/her/its residence or business location, nor communicate with them, nor request from the Borrower any payments without mediation of the Originator, nor make any claims against the Borrower or the Collateral/Security (if any) and not initiate any claims in court or a court of arbitration against the Borrower even if the User has learned information permitting to undertake such actions without the involvement of Debitum Network or the Originator.
- 8.7. The User understands and is informed that he/she/it is not considered a depositor or an investor under Latvian law for the purposes of depositor or investor protection, thus, is not entitled to any deposit guarantee schemes or investor protection schemes in relation to his purchases of the Claims on the Platform.

## **9. PAYMENTS FOR SERVICES OF THE PLATFORM**

- 9.1. The User shall pay to Debitum Network the fees specified in the Price List.
- 9.2. Debitum Network shall deduct the funds equivalent to the fees state in the Price List (if applicable) from the User's Account without additionally coordinating it with the User.

- 9.3. The User is aware of and understands that pursuant to the taxation laws and other regulatory enactments applicable to the User, the User may be obligated to pay taxes for the income that the User earns in relation to the Claim. The User shall be fully responsible for paying all taxes arising from the User's Claim pursuant to the laws of the Republic of Latvia or any other country the laws of which may apply to the User.

## **10. SECONDARY MARKET OF CLAIMS**

- 10.1. The User is entitled to sell his/her/its Claims arising from the Financing Agreements to other Users, including to Debitum Network or the Originator, upon paying the resale fee stipulated in the Price List. Sale of Claims between the Users shall only be performed on the Platform. The User has no rights to sell or otherwise transfer the Claims to a third party, without using the Platform.
- 10.2. If the User wishes to sell a Claim, the User shall mark the Claim on the Platform, which the User wishes to sell within the framework of the Platform to the full extent or only partially. The User may sell the Claim in its entirety or only a part thereof.
- 10.3. The User is entitled to sell his/her/its Claim for the remaining principal amount of the Claim as indicated on the Platform, with or without a discount or a mark-up. If the User wishes to sell the Claim with a discount or a mark-up, then the discount or mark-up is calculated from the remaining principal amount of the Claim as indicated on the Platform. The resale price of the Claim consists of the remaining principal amount of the Claim to be sold as indicated on the Platform, and of a discount or a mark-up, if any, specified by the User.
- 10.4. On the Platform, the User must fill in the parameters of the Claim resale offer and confirm them according to the procedure established on the Platform.
- 10.5. The Claim resale offer shall be considered a binding offer by the selling User for all Users of the Platform and for Debitum Network. The offer shall be considered made at the time when the User has confirmed all parameters of the Claim resale offer on the Platform. The offered Claim becomes visible for all visitors of the Platform, and any of other Users are entitled to purchase it at the resale price of the Claim established by the selling User in compliance with procedures established in the Terms and Conditions and the Assignment Agreement. The selling User is entitled to call off the offer by the selling User proposed on the Platform at any time. The selling User's offer shall be deemed called off at the time, when the offer is no longer available for the Platform Users.
- 10.6. The purchase of Claims shall be performed in compliance with procedures established in Section 5 of the Terms and Conditions.
- 10.7. The Assignment Agreement shall be deemed concluded at the time, when the User (the Assignee) himself/herself/itself or through the Auto Invest application has accepted the offer on the Platform stipulated in Clause 10.5 of the Terms and Conditions. At the time of concluding the Assignment Agreement, the Claim shall be deemed transferred to the User (Assignee).
- 10.8. After concluding the Assignment Agreement, Debitum Network shall transfer the amount of funds equivalent to the resale price of the Claim indicated in the Assignment Agreement from the User's (the Assignee's) Account to the User's (the Assignor's) Account.
- 10.9. With the conclusion of the Assignment Agreement, all further Payments arising from the transferred Claim shall be received by the User (the Assignee). Any Interest and ancillary claims calculated for the period until the conclusion of the Assignment Agreement shall be received by the User (Assignor), whereas any Interest and ancillary claims calculated after the conclusion of the Assignment Agreement shall be received by the User (the Assignee).

10.10. Resale of a Claim within the Platform may be carried out unlimited number of times.

## **11. LIABILITY**

11.1. The User shall be held liable for all losses incurred as a result of unauthorised conduct, if the User has acted illicitly or has intentionally (on purpose) or due to gross negligence failed to fulfil the requirements prescribed in Clauses 3.6 or 3.7 of the Terms and Conditions.

11.2. The User shall assume liability for all losses, assumed commitments, or other activities carried out on the User's Profile until Debitum Network has been warned about situations stipulated in Clause 3.7 of the Terms and Conditions and when Debitum Network has had a sufficient time to block access to the User's Profile.

11.3. Debitum Network shall not be liable to the User for any loss or damage which the User may suffer as a result of using the Platform, except where such loss or damage was caused by wilful activity or gross negligence of Debitum Network. Debitum Network shall not be liable for indirect losses and a decrease in anticipated profits of the User. The amount of damages is restricted with the amount of available funds indicated in the User's Account at the time when the losses were incurred.

11.4. The User is aware of and confirms that Debitum Network is not responsible for the accuracy and completeness of information provided by the Borrower and/or the Originator.

11.5. Debitum Network shall be fully released from liability towards the User for any losses that the User has or might suffer as a result of using the Platform or purchasing Claims, including:

11.5.1. if the User has failed to observe the provisions of the Agreement;

11.5.2. as a result of illegal conduct of third parties until the moment when the User's Profile has been blocked pursuant to procedures established in Clause 3.7 of the present Terms and Conditions;

11.5.3. due to interrupted communications and other interruptions or obstacles that are not dependent on Debitum Network;

11.5.4. if, pursuant to the Agreement, User's access to the User's Profile has been blocked;

11.5.5. due to the Borrower breaching the Financing Agreement or the Borrower's illegal conduct;

11.5.6. due to the Originator breaching the Financing Agreement, Assignment Agreement or the Terms and Conditions.

11.6. Debitum Network and the Originator do not have to repay or compensate to the User for the paid Claim Price or any part thereof.

11.7. The User shall use the Platform on his/her/its own responsibility.

11.8. If the User denies having authorised (consented to) the performance of a transaction, the use of the User's Profile and password shall be deemed a sufficient evidence for that the User has authorised the transaction.

11.9. The User shall be liable for any loss or damage that occurred as a result of any breach of these Terms and Conditions, data protection laws, or any fraudulent or negligent use of the Platform.

11.10. The Parties shall not be held responsible for failure to fulfil their respective obligations if the non-fulfilment has occurred due to reasons that are independent on the Parties' will and have resulted from *force majeure* circumstances. The Parties shall consider such

circumstances as *force majeure* circumstances, which the Parties could not have predicted or affected, including power outages, regulatory enactments adopted by institutions of the Republic of Latvia or the European Union, strikes, military activity, natural calamities, or other circumstances, which the Parties could not have prevented or predicted. A Party may make a reference to *force majeure* circumstances only in case if it has taken all steps that depend on it in order to fulfil the obligations prescribed in the Terms and Conditions. Once the *force majeure* circumstances have ended, the Party must immediately resume the performance of its duties.

- 11.11. Debitum Network may at any time, without prior notice to the User, decrease the amount of available funds on the User's Account for the amount of losses caused by the User to Debitum Network, Originators or other Users.

## **12. TERMINATION OF THE AGREEMENT**

- 12.1. Debitum Network is entitled to restrict the User's right to use the Platform and/or terminate the Agreement and delete the User's Profile without a prior warning, if:
  - 12.1.1. the User breaches the present Terms and Conditions or the Assignment Agreement or otherwise uses the Platform for unlawful purposes;
  - 12.1.2. the User has provided false or misleading information or counterfeit documents;
  - 12.1.3. if Debitum Network suspects money laundering, terrorism financing, breach of national, European Union or international sanctions, or an attempt to commit any such action, with the involvement of the User or the User's Profile.
- 12.2. Debitum Network has the right to unilaterally terminate the Agreement at any time during the validity period of the Agreement, by sending a notice to the User's e-mail at least 10 (ten) Business Days in advance. In such case, as of the moment of sending the notice, the User is forbidden to conclude new Assignment Agreements, purchase new Claims, or use the User's Profile. In this case, Debitum Network continues to manage all of the User's Claims purchased before the notice by Debitum Network on unilateral termination of Agreement.
- 12.3. At any time during validity of the Agreement the User is entitled to request that the User's Profile is deleted and the Agreement is terminated on the condition that the User does not own any Claims managed by Debitum Network.
- 12.4. If the User wishes to delete the User's Profile and terminate the Agreement, the User shall send a relevant notification from the User's e-mail address to Debitum Network or fill in the relevant notification on the User's Profile and confirms it according to procedures established on the Platform.
- 12.5. If the Agreement is terminated, Debitum Network shall initiate the payment of funds corresponding to the amount of available funds on the User's Account to the User's account with the bank, payment institution or electronic money institution no later than within 3 (three) Business Days after the termination of the Agreement.

## **13. PROCESSING OF PERSONAL DATA**

- 13.1. Each Party will process any personal data obtained within performance of this Agreement only for the purpose of executing this Agreement and in full compliance with the requirements of applicable data processing laws.

## **14. OTHER TERMS AND CONDITIONS**

- 14.1. If the representation of the numbers in words in the text of the Agreement differs from the representation in numbers, the representation of the numbers in words shall prevail.
- 14.2. All notifications of Parties must be put in writing and sent to the other Party within the Platform, by mail or e-mail, to the mailing and/or e-mail address indicated on the User's Profile. Correspondence sent in mail shall be deemed received on the 5th (fifth) business day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter. Notifications sent to the User's e-mail address shall be deemed received within 24 hours after the dispatch.
- 14.3. Debitum Network is entitled unilaterally to introduce amendments to the present Terms and Conditions, by making the amended Terms and Conditions available on the Platform and indicating the number and date of the version of the Terms and Conditions. The Amendments shall enter into force within 10 (ten) days as of the disclosure of the notification on the Platform or when the User accepts the Terms and Conditions in the Platform, whichever occurs earlier. Debitum Network may unilaterally amend the present Terms and Conditions without informing the User if the amendments are in favour of the User. If the User notifies the Platform that the User does not accept the amendments to the Terms and Conditions, the Platform shall be entitled to restrict that User's access to services offered by the Platform which are affected by the respective amendments that the User refused to accept.
- 14.4. Debitum Network shall be entitled to unilaterally amend the Price List at any time, including to determine new commission fees and at the unilateral discretion of Debitum Network grant discounts from commission fees indicated on the Price List. Information about changes in the Price List shall be available on the Platform. The amended Price List shall enter into force within 10 (ten) days as of the disclosure of the notification on the Platform.
- 14.5. These Terms and Conditions make up the entire agreement between Debitum Network and the User in relation to User's membership on the Platform and User's access to and use of the Platform together with any additional and associated services Debitum Network provides to the User by means of the Platform.
- 14.6. By agreeing to these Terms and Conditions and/or by continuing membership on the Platform and/or by accessing or using the Platform, the User confirms that the User has read and understood the Terms and Conditions and agrees to be bound by them and any other document that is incorporated by reference into them, including the Privacy Policy (each as amended from time to time).
- 14.7. The Parties shall undertake not to disclose such information to any third parties, which derives from the present Agreement, except as prescribed in the laws of the Republic of Latvia and in cases established in the Agreement. The obligation to observe confidentiality does not apply to the following information:
  - 14.7.1. that is publicly available or becomes publicly available due to any reason other than caused by violation of the Agreement provisions;
  - 14.7.2. that is provided to any related or affiliated company of Debitum Network, direct or indirect shareholder or subsidiary of Debitum Network, any accountant or auditor or legal adviser or other professional adviser of Debitum Network;
  - 14.7.3. whose release to public is required by regulatory enactments or orders of competent institutions (including orders from a court of competent jurisdiction).
- 14.8. The laws and regulations of the Republic of Latvia shall govern the legal relations arising from the present Agreement.

- 14.9. Any disputes between the parties in relation to the Agreement shall be resolved before Riga City Vidzeme district court (in Latvian: *Rīgas pilsētas Vidzemes priekšpilsētas tiesa*) of the Republic of Latvia.
- 14.10. The Agreement is drafted in the English language. Texts of the Agreement in any other language is a translation. In the event of discrepancies between the languages of the Agreement, the text in the English language shall prevail.