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## CLIENT COMPLAINT HANDLING AND DISPUTE SETTLEMENT POLICY BETWEEN THE PARTIES TO THE FINANCING TRANSACTION

### 1. GENERAL PROVISIONS

- 1.1. UAB Crowdpear ("**Company**") provides the crowdfunding platform operator services. In carrying out the related activities, the Company follows the laws of the Republic of Lithuania, resolutions of the Board of the Bank of Lithuania and other applicable legislation.
- 1.2. The provisions of the present Client Complaint Handling and Dispute Settlement Policy Between the Parties to the Financing Transaction ("**Policy**") apply to Complaints regarding the services provided by the Company and/or contracts concluded with the Company.
- 1.3. The Policy regulates the Client Complaints management process, including, but not limited to, the procedure for filing the Client Complaints, their registration, examination, submission of responses to Complaints, evaluation of the results of Complaints, the dispute resolution process of financing parties and other actions and procedures.
- 1.4. The policy applies as far as it relates to the activities of the crowdfunding platform operator carried out by the Company, but it does not apply to other claims, lawsuits, requests to fulfil the terms of contracts or to provide information, explanations made to the Company by the Clients and/or third parties, as well as in cases where the Client submits a Complaint regarding the Company's activities not regulated by special laws that are not supervised by the Bank of Lithuania, etc.

### 2. DEFINITIONS

- 2.1. The definitions used in the policy:
  - 2.1.1. **Responsible employee** – the employee responsible for handling complaints and appointed by the Manager of the Company;
  - 2.1.2. **Company** – UAB Crowdpear, code of legal entity 305888586, seat address: Kareiviu g. 11B, Vilnius, Lithuania;
  - 2.1.3. **Client** – the natural or legal person to whom the Company provides crowdfunding platform operator services;
  - 2.1.4. **Applicant** – the person who submitted the Complaint regarding the services provided by the Company and/or the contracts concluded with the Company, i. e., the existing or potential Client or its representative;
  - 2.1.5. **Policy** – the present document;
  - 2.1.6. **Complaint** – the Applicant's appeal submitted to the Company in writing (or in another durable medium) stating that personal rights or legitimate interests have been breached in connection with the activities of the crowdfunding platform operator carried out by the Company or the contracts concluded as a result, and requesting to satisfy the Applicant's requirements;
  - 2.1.7. **Complaint log** – the paper log or the corresponding electronic document registration system where the Applicants' Complaints are registered. The recommended form of the Complaint log is provided in the Annex 2 to the Rules.
- 2.2. Other definitions used in the present Policy are understood as they are defined in the Law on Crowdfunding of the Republic of Lithuania and other legislation of the Republic of Lithuania.

### 3. FILING AND REGISTRATION OF COMPLAINTS

- 3.1. If the Client believes that the Company improperly provides the crowdfunding platform operator services and/or breaches the Client's rights and legitimate interests, it may file a Complaint to the Company in accordance with the form set out in Annex 1 of the present Policy itself or through a representative.
- 3.2. A detailed, orderly and legible Complaint in Lithuanian must be submitted no later than three

- months from the day the Client learned or should have learned about the breach of its rights or legitimate interests.
- 3.3. The Complaints may be filed to the Company in the following methods:
    - 3.3.1. By email [info@crowdpear.com](mailto:info@crowdpear.com) (the Complaint must be signed, scanned and attached as a separate attachment to ensure the text protection and ability to identify the Customer's signature).
    - 3.3.2. Personally, upon arrival to the Company's office;
  - 3.4. The Complaint must contain at least the following minimum information:
    - 3.4.1. Name and surname / name of the Applicant. If the Applicant represents another person – name and surname / name of the represented person and the basis of representation (by attaching the power of attorney in the form prescribed by the law or another document confirming the authorisations of the Applicant's representative to act on behalf of the Applicant);
    - 3.4.2. Complaint filing date;
    - 3.4.3. Contact details of the Applicant by which it is desired to receive a response from the Company;
    - 3.4.4. The substance of Complaint – the complained actions or inaction of the Company;
    - 3.4.5. Claim of the Applicant;
    - 3.4.6. List of the documents attached to the Complaint, for instance, the power of attorney, evidence of breach, etc.
  - 3.5. If the filed Complaint does not meet the requirements set forth in this Section of the Policy, the Company may not handle the Complaint and instruct the Applicant to eliminate the deficiencies.
  - 3.6. The complaint returned to the Applicant for elimination of deficiencies is considered not filed to the Company. The return of the Complaint does not prevent the Applicant from re-applying to the Company with the same Complaint, after correcting the deficiencies indicated by the Company.
  - 3.7. If an identical Complaint or a Complaint that is already being examined by another competent institution or court or for which a decision of the Company has been made or for which a court decision, ruling or order has entered into force is filed to the Company, the Company refuses to handle the relevant Complaint.
  - 3.8. The Company does not handle the identical Complaints or Complaints that are already being dealt with by another competent institution or court (for which a decision of the Company has been made or for which a court decision, ruling or order has entered into force), anonymous Complaints and Complaints filed to the Company more than three months after the day the Client learned or should have learned about the breach of its rights or legitimate interests, except for cases when the Manager of the Company decides to handle the relevant Complaint based on the legitimate interests of the Company.
  - 3.9. The employee of the Company who receives (accepts) a Complaint must register it in the Complaint log on the same business day (Annex 2 of the Policy), and in cases where the Complaint is received on a day-off - on the following business day).
  - 3.10. The Complaint log must contain the following information:
    - 3.10.1. Registration number;
    - 3.10.2. Name and surname / name of the Applicant;
    - 3.10.3. Applicant's address specified in the Complaint;
    - 3.10.4. Date and method of Complaint receipt;
    - 3.10.5. Substance of the Complaint (short contents);
    - 3.10.6. Complained services, products or their types of the Company;
    - 3.10.7. Date of response to the Applicant;

3.10.8. Final results of Complaint handling (decision).

- 3.11. It is also recommended to record all other actions of the Company related to the Complaint handling (for instance, application to the external lawyers, internal consultations regarding the circumstances indicated in the Complaint, internal inspections, etc.) in the Complaint log.
- 3.12. After the Complaint registration, the employee of the Company who accepted the Complaint forwards the Complaint and all information related to the Complaint to the Responsible Employee on the same business day.

#### 4. COMPLAINT HANDLING AND RESPONSE (DECISION) SUBMISSION

- 4.1. The Complaints are handled in the Company free of charge, following the principles of justice, reasonableness, honesty, and economy, in cooperation with the Applicant and in pursuit of the most amicable solution.
- 4.2. If the Complaint is related to the actions (inaction) of the Responsible Employee or his/her close relatives working in the Company, hierarchically higher employees in the Company's organizational structure, or there are other circumstances that cause a conflict of interest, the Responsible Employee must report it to the Manager of the Company who appoints another employee of the Company without a conflict of interest to handle the Complaint.
- 4.3. In addition, the Responsible Employee handling the Complaint must:
  - 4.3.1. collect and evaluate all documents and data related to the Complaint in question;
  - 4.3.2. analyse and evaluate the previous Complaints of the Applicant (if any);
  - 4.3.3. analyse and evaluate the historical data related to the service of the Applicant;
  - 4.3.4. evaluate other available information relevant to the handling of the Complaint (contracts concluded by the Applicant, data related to the fulfilment of obligations to the Company, etc.);
  - 4.3.5. ask the Applicant or its representative to provide the additional information necessary for the Complaint handling, if necessary;
  - 4.3.6. communicate with the Applicant, the employee of the Company whose actions are complained or the colleagues of the said employee to provide the explanations regarding the circumstances of the Complaint, if necessary.
- 4.4. The Complaints are handled in writing at the Company, but in exceptional cases meetings of the parties may be organized in order to end the dispute amicably. Both the Applicant and the Company may organise the meeting.
- 4.5. If during the Complaint handling, the Applicant refuses the Complaint in writing (or otherwise in a durable medium), the initiated handling of the Complaint is terminated and it is noted in the Complaint log.
- 4.6. The Responsible Employee must handle the Complaint and provide a detailed, motivated, documented response to the Applicant **no later than within 15 business days** from the date of receipt of the Applicant's Complaint by the Company.
- 4.7. If it is not possible to provide a response within 15 business days due to reasons beyond the control of the Company, the Company sends an incomplete response by indicating the reasons for the delay in the response to the Complaint and the deadline by which the Applicant will receive the final response. In any case, the deadline for the submission of the final response cannot exceed 35 business days from the date of receipt of the Complaint by the Company.
- 4.8. The Company stores the Complaints of the Applicants, the material related to their handling, the decisions based on them and the response provided to the Applicant for at least 3 years from the date of submission of the final response to the Applicant.
- 4.9. After having examined the Complaint, the original response (decision) and the attached documents

are submitted to the Applicant by its selected method: sent by post or email.

- 4.10. The response to the Applicant must at least contain:
  - 4.10.1. The date of response submission;
  - 4.10.2. The name, surname, position and signature of the person who prepared the response to the Complaint;
  - 4.10.3. The motivated response;
  - 4.10.4. The list of attached documents (if any).
- 4.11. The responses to the Complaints of the Applicants must in all cases be coordinated with the Manager of the Company.
- 4.12. If the Company is not responsible for the activities specified in the received Complaint, the Company indicates the reasons for refusing to accept and handle the Complaint, as well as, if possible, the financial market participant responsible for handling the relevant Complaint.
- 4.13. If the Company does not satisfy the Applicant's requirements or satisfies them partially and the Applicant is a consumer, the Applicant is entitled to apply to the Bank of Lithuania in writing or electronically within 1 (one) year from applying to the Company for a resolution of the dispute. If the Applicant misses the specified deadline for applying to the Bank of Lithuania, it loses the right to the same dispute, i. e., to apply to the Bank of Lithuania for the same matter (claim to the Company) and on the same basis (circumstances on which the claim is based), regardless of its repeated application to the Company.
- 4.14. More information about the procedure for consumer disputes with financial service providers is provided on the website of the Bank of Lithuania: <https://www.lb.lt/lt/daugiau-apie-gincius-su-finansiniu-paslaugu-teikeju>.
- 4.15. If the Company does not satisfy the Applicant's requirements or satisfies them partially and the Applicant is not a consumer, the Applicant is entitled to apply to the court in accordance with the procedure established by the laws of the Republic of Lithuania.
- 4.16. In cases of non-satisfaction or partial satisfaction of the Complaint, the response must indicate other means of protecting the interests of the Applicant, including, but not limited to the means specified in the Clauses 4.13. and 4.15 of the Policy.

## **5. DISPUTE SETTLEMENT BETWEEN THE PARTIES TO THE FINANCING TRANSACTION**

- 5.1. If the Client believes that the other party to the financing transaction has breached its rights or legitimate interests, the Client must apply to the Company in the same manner set forth in the present Policy by stating that it is applying for a dispute between the parties to the financing transaction.
- 5.2. After having examined the information provided by the Client related to the dispute between the parties to the financing transaction, the Company may submit an offer to the parties to the financing transaction on a possible method to resolve the dispute within a period of no longer than 35 business days. This offer is not binding or mandatory on the parties.
- 5.3. The information provided by the Client according to the Clause 5.1 of the Policy is not considered a Complaint and it is not subject to other provisions applicable to Complaints provided in the Policy.
- 5.4. In all cases, the Company aims to act in the best interests of its Clients, but does not assume any responsibility for the proposed resolution of the dispute between the parties to the financing transaction, its suitability or consequences.
- 5.5. If the parties to the financing transaction fail to settle the dispute under the procedure set forth in Clause 5.1-5.3 of the present Policy, the dispute between the parties to the financing transaction will be resolved in accordance with the procedure provided by the applicable legislation.

## **6. ASSESSMENT OF COMPLAINT HANDLING RESULTS**

- 6.1. The Company constantly evaluates the results of Complaint to identify its shortcomings and potential legal or operational risks. During this evaluation, the Responsible Employee:
  - 6.1.1. Collects the information about the similar Complaints related to certain service or product,

- performs an analysis of this information to determine the main cause of the Complaints;
- 6.1.2. Proposes the priorities for eliminating the causes to the Manager of the Company;
  - 6.1.3. Assesses whether the main causes of Complaints can be eliminated and offers the ways to eliminate them to the Manager of the Company;
  - 6.1.4. Assesses whether the main reason for the occurrence of certain Complaints may lead to the occurrence of Complaints regarding the other services or products;
  - 6.1.5. Eliminates the identified main causes of Complaints;
  - 6.1.6. Ensures that information on the recurring causes of Complaints is regularly provided to the Manager of the Company so that he/she can effectively perform his/her functions.
- 6.2. After having familiarised with the information specified in the Clause 6.1 of the present Policy about the Complaints received by the Company and the results of their examination, and after having evaluated the proposals received regarding the priorities for the elimination of the causes of the Complaints and the methods of their elimination, the Manager of the Company makes appropriate decisions to eliminate the identified main reasons for the occurrence of Complaints.
- 6.3. The Company stores information about the decisions of the Manager of the Company regarding the elimination of operational deficiencies identified on the basis of complaints and risk management for at least 3 years.

## **7. FINAL PROVISIONS**

- 7.1. The Company collects and, at the request of the Bank of Lithuania, provides information on the number of complaints received, broken down by the reasons for submission and the results of the handling.
- 7.2. The Responsible Employee is responsible for the proper fulfilment of the present Policy. The Responsible Employee must also monitor that the Company's Complaints Management Process is effective and, if necessary, updated, including the updates of this Policy and correction of any identified deficiencies.
- 7.3. The Policy, its amendments and supplements come into force after their approval by the order of the Manager of the Company, unless another date of entry into force of its amendments or supplements is specified.
- 7.4. All employees of the Company are familiarized with the present Policy and its amendments by signing and must follow its provisions.

**COMPLAINT**

*{date}*

Name and surname / name of the person filing a Complaint: {...}

If the representative of the Company's Client files a Complaint – name and surname of the representative, basis of representation: {...}

I would like to receive a response to the Complaint (mark (☒) at least one):

by regular post, address {...};  by registered post, address {...};  by email, address {...}.

Substance of the Complaint and claims:

Attached documents:

- 1.
- 2.
- 3.

Name, surname and signature of the person filing a Complaint:

**COMPLAINT LOG**

No.	Date and method of Complaint receipt	Client (name, surname / name)	Client's address	Complaint description	Complained services and/or products, their types of the Company	Complaint handling process (date, handling person, etc.)	Response date	Complaint handling result (decision)	Additional notes / comments
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									