

What if an Originator becomes insolvent?

Each Originator concludes an Agreement with IUVO that regulates the listing of the Originator's loans on the Portal. This Agreement also regulates the issues related to any possible declaration of insolvency of the Originator, as well as the very criteria for insolvency applied by IUVO with regard to Originators. The criteria for **insolvency/bankruptcy** approved by IUVO with regard to any Originator are not bound in any way by the legal criteria for insolvency/bankruptcy of an Originator and shall not be interpreted as equivalent terms. IUVO only defines the criteria and consequences for adjudging an Originator as **insolvent/bankrupt**.

According to the criteria set by IUVO under the Agreements with Originators, IUVO assumes that an Originator is **insolvent/bankrupt**, provided that the latter is **in significant arrears** with the payment of its financial obligations arising from its Agreement for Use of Services on the Platform concluded with IUVO, or provided that the Originator has taken actions to appoint a Liquidator, Trustee or other person performing such functions. In such case, IUVO shall stop listing (announcing) the Originator's loans on the Portal, and shall stop offering the loans already listed. The existence of 'significant arrears' within the meaning of the previous sentence shall be assessed on the basis of the specific contractual clauses set out in each separate Agreement for Use of Services on the Platform concluded between the relevant Originator and IUVO, however it is not equivalent to and shall not be interpreted as if a formal **insolvency/bankruptcy** procedure with regard to the relevant Originator has been initiated before a public authority in its country of origin or before another competent jurisdiction.

The same consequences will occur in the event that the Originator fails to fulfil its material contractual obligations under the Agreements on Transfer of Receivables concluded by the latter, to which the Investors are also a party, and such violations concern, without being limited to, submission of incorrect and/or false information by the Originator, declaring of a loan listed on the Platform as illegal or null, etc.

In case of enforcement of clauses for buy-back of receivables, if any, the Originator shall buy back the receivables sold by the latter and purchased by Investors through the Platform, within a short period of time and at the same price at which they were sold to the Investors through the Platform, in compliance with the concluded Agreements on Transfer of Receivables. Also, in case that IUVO terminates its business relationship with any Originator, for any reason, such Originator shall buy back all liabilities sold by the latter, within a short period of time and at the same price at which they were sold to the Investors through the Platform.

IUVO shall not be liable in any way, including as a joint and several debtor with the Originators, for the proper fulfilment of the Originators' obligations to buy back their receivables. The platform 'activates' the buy-back guarantee only in case that the relevant Originator provides the necessary funds.

Grounds, consequences and rights of Investors, in case of insolvency of the Originator:

I. GROUNDS

1 Event of Default - includes the following hypotheses:

- 1.1. Failure to pay, for a period longer than agreed by the parties, any amount due as a result from the contractual relations under the Co-operation Agreement with IUVO and/or the Agreement on Transfer of Receivables to which Investors are also a party - this includes the

various financial liabilities due by the Originator to IUVO, as well as the amount of instalments made, which the Originator shall pay to Investors on the loans purchased by latter.

1.2. Failure of the Originator to make the due money transfers.

1.3. Submission of false/incorrect information by the Originator - this is an additional guarantee that the receivables acquired by Investors have been lawfully granted and that the information about such receivables is not false.

1.4. Other contractual defaults which are closely related only to the relationship between IUVO and the Originator, and are subject to trade secret, which however are provided as additional safeguards for the due performance of obligations by the relevant Originator.

2 Insolvency/bankruptcy of the Originator:

2.1. Any Originator, who is in significant arrears with the payment of its financial obligations arising from its Agreement for Use of Services on the Platform concluded with IUVO, shall be considered insolvent. The existence of 'significant arrears' within the meaning of the previous sentence shall be assessed on the basis of the specific contractual clauses set out in each separate Agreement for Use of Services on the Platform concluded between the relevant Originator and IUVO. The hypotheses according to which IUVO has the right to consider an Originator insolvent/bankrupt arise entirely from the circumstances and criteria set out in the effective Agreements concluded between IUVO and the relevant Originator, which may be different from the statutory criteria for insolvency/bankruptcy within the meaning of the Estonian law or the jurisdiction of the Originator. Despite the possible discrepancy in the criteria for insolvency/bankruptcy, IUVO reserves the right to determine at its discretion the criteria according to which an Originator will be considered insolvent/bankrupt, and the relevant consequences thereof.

2.2. Any legal/factual activity aimed at appointing a liquidator/trustee or other person performing such functions for the Originator shall be deemed as insolvency of the Originator.

II. CONSEQUENCES

- 3 In case that IUVO ascertains insolvency, termination of legal entity or bankruptcy of the Originator, IUVO has the right to immediately terminate the listing of the Originator's loans on the platform, the transfer of loans already listed and to enforce the buy-back clauses, in case that the Originator has provided the necessary funds under the relevant buy-back guarantees.
- 4 Failure of the Originator to fulfil the above obligations shall also have the consequences described above, and namely IUVO shall have the right to stop listing/offering and transferring the Originator's receivables and to activate buy-back clauses in case that the Originator has provided the funds necessary for the buying back - the only difference is that a short notice shall be given to the Originator.
- 5 The Originator shall buy back its receivables from Investors at the same price at which they were initially sold.