

## **RULES ON CUSTOMER COMPLAINT RESOLUTION AND DISPUTE RESOLUTION BETWEEN THE COUNTERPARTIES OF THE FINANCING TRANSACTION**

### **1. GENERAL PROVISIONS**

- 1.1. UAB “PROCENTAS”, legal entity code 301494583, domicile address K. Donelaičio str. 78, Kaunas, Lithuania (hereinafter the **Company**), in providing the services of the operator of the crowdfunding platform [www.heavyfinance.eu](http://www.heavyfinance.eu) and in the activities related thereto, shall comply with the laws of the Republic of Lithuania, resolutions of the Board of the Bank of Lithuania and other legal acts.
- 1.2. These Rules on Customer Complaint Resolution and Dispute Resolution between the Counterparties of the Financing Transaction (hereinafter the **Rules**) regulate the Customer complaints management process, including, but not limited to, Customer complaints procedure, registration, examination, submission of responses to Complaints, evaluation of results of the Complaints investigation procedure, financing counterparty dispute resolution process and other actions and procedures.
- 1.3. These Rules apply to Complaints regarding the services provided by the Company and (or) the agreements concluded with the Company, as far as they are related to the activities of the crowdfunding platform operator performed by the Company.
- 1.4. The Rules do not apply to other claims, requests to fulfil the terms of agreements or provide information, explanations submitted to the Company by the Customers and (or) third parties, as well as in cases when the Customer submits a Complaint about the Company's activities not regulated by special laws and not supervised by the Bank of Lithuania, etc.

### **2. DEFINITIONS**

- 2.1. The following terms are used in the Rules:
  - 2.1.1. **Customer** – a natural or legal person to whom the Company provides the services of the operator of the crowdfunding platform.
  - 2.1.2. **Applicant** – a person filing a Complainant regarding the services rendered by the Company and/or the contracts concluded with the Company, i.e. the existing or potential Customer or his representative.
  - 2.1.3. **Complaint** – a written (or otherwise in a durable medium) application submitted to the Company by the Applicant stating its rights or legitimate interests related to the activities performed by the Company as the crowdfunding platform operator or its contracts have been violated and requesting the satisfaction of the requirements of the Applicant.
  - 2.1.4. **Complaint registration journal** – a paper journal or equivalent electronic document for registration of Complaints received from the Applicants. The recommended form of the Complaint registration journal is provided as Annex 2 to the Rules.
- 2.2. Other terms used in these Rules shall be understood as defined in the Law on Crowdfunding of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

### **3. SUBMISSION OF COMPLAINTS**

- 3.1. If the Customer considers that the Company provides the services of the crowdfunding platform

operator improperly and (or) violates the Customer's rights and legitimate interests, he may submit a Complaint to the Company itself or through a representative in the form prescribed in Annex 1 to these Rules. The Complaint must be filed no later than three months from the date on which the Customer became aware or ought to have become aware of the violation of his rights or legitimate interests.

- 3.2. Complaints to the Company can be filed in the following ways:
  - 3.2.1. in person upon arrival at the Company's office;
  - 3.2.2. by e-mail [info@heavyfinance.eu](mailto:info@heavyfinance.eu) (the Complaint must be signed and scanned as a separate attachment to ensure text protection and to identify the Customer's signature).
- 3.3. The Complaint must contain at least the following information:
  - 3.3.1. Applicant's name and surname/company name;
  - 3.3.2. if the Applicant represents another person – the name of the represented person and the basis of representation (enclosing to the Complaint a power of attorney in the form established by legal acts or another document confirming the powers of the Applicant's representative to act on behalf of the Applicant);
  - 3.3.3. date of Complaint;
  - 3.3.4. Applicant's contact details when requesting a response from the Company;
  - 3.3.5. the substance of the Complaint – the actions or omissions of the Company complained of;
  - 3.3.6. Applicant's requirements;
  - 3.3.7. list of documents attached to the Complaint e.g.: power of attorney, evidence of infringement, etc.
- 3.4. The Complaint must be complete, neat, legible and written in Lithuanian.
- 3.5. If the Complaint does not comply with the requirements set forth in this section of the Rules, the Company may not investigate the Complaint. In this case, the Company notifies the Applicant about the shortcomings of the Complaint and instructs to correct them. A Complaint that is returned to the Applicant for rectification of deficiencies shall be deemed not to have been filed with the Company. Return of the Complaint shall not prevent the Applicant from re-applying to the Company with the same Complaint after correcting the identified deficiencies.
- 3.6. If an identical Complaint is submitted to the Company, or Complaint which is already being examined by another competent authority 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, the Company refuses to examine the respective Complaint.
- 3.7. The Company also will not investigate anonymous Complaints and Complaints submitted to the Company more than three months after the date on which the Customer became aware or ought to have become aware of a violation of its rights or legitimate interests, unless the manager of the Company decides to investigate the relevant Complaint in accordance with the Company's legitimate interests.

#### **4. REGISTRATION OF COMPLAINTS**

- 4.1. An employee of the Company who receives (accepts) a Complaint shall register it in the Complaint registration journal on the same business day (in cases where the Complaint is received on a non-business day – on the following business day) (Annex 2 to the Rules).
- 4.2. The Complaints registration journal must contain the following information:
  - 4.2.1. registration number;
  - 4.2.2. Applicant's name and surname/company name;
  - 4.2.3. address of the Applicant indicated in the Complaint;
  - 4.2.4. date and method of receipt of the Complaint;

- 4.2.5. substance matter of the Complaint (short content);
  - 4.2.6. Company's services or products, their types complained;
  - 4.2.7. date of the reply to the Applicant;
  - 4.2.8. final outcome (decision) of the Complaint.
- 4.3. It is also recommended that the Company maintains a record in the Complaint registration journal of all other Company's activities related to the Complaint's handling, such as request for external legal consultation, internal consultations regarding the circumstances stated in the Complaint, internal audits, etc.
- 4.4. The employee of the Company who received the Complaint, after registering it, on the same business day transmits the Complaint and all information related to the Complaint to the employee appointed by the manager of the Company, who is responsible for handling Complaints and registering relevant further data in the Complaint registration journal.

## **5. INVESTIGATION OF COMPLAINTS**

- 5.1.** An employee appointed by the manager of the Company (hereinafter the Responsible Employee) shall be responsible for the handling of Complaints.
- 5.2. Complaints shall be investigated in the Company in accordance with the principles of reasonableness, fairness, justice and cost effectiveness, in cooperation with the Applicant and with a view to reaching a solution as amicably as possible.
- 5.3. If the Complaint concerns the actions (omissions) of the employee responsible for the handling of complaints or his close relatives working for the Company or the employees hierarchically higher in the Company's organisational structure, or there are other circumstances that cause a conflict of interest, the Responsible Employee must notify the manager of the Company who shall appoint another employee of the Company having no conflict of interest during the investigation of the Complaint.
- 5.4. If during the investigation of the Complaint the Applicant waives his Complaint in writing (or otherwise on a durable medium), the initiated Complaint investigation shall be terminated and this shall be noted in the Complaint registration journal.
- 5.5. The Company's employee investigating the Complaint must, among other things:
- 5.5.1. collect and evaluate all documents and data related to the Complaint under consideration;
  - 5.5.2. analyse and evaluate the historical data related to the servicing of the Applicant;
  - 5.5.3. analyse and evaluate the Applicant's previous Complaints (if any);
  - 5.5.4. assess other information available and relevant to the Complaint investigation (contract concluded by the Applicant, data related to the fulfilment of obligations to the Company, etc.);
  - 5.5.5. communicate with the Applicant when necessary;
  - 5.5.6. if necessary, ask the employee of the Company whose actions are complained about or colleagues of the said employee to provide explanations regarding the circumstances of the Complaint;
  - 5.5.7. if necessary, request the Applicant or his/her representative to provide additional information necessary for the investigation of the Complaint.
- 5.6. Complaints in the Company shall be investigated in writing. In exceptional cases, meetings between the parties may be held to bring about an amicable settlement of the dispute. The Meeting may be organised by both the Applicant and the Company.
- 5.7. Complaints in the Company shall be investigated free of charge.
- 5.8. The responsible employee must investigate the Complaint and submit a complete, reasoned, documented response to the Applicant no later than within 15 business days from the receipt of the Applicant's Complaint by the Company.

- 5.9. If for reasons beyond the Company's control it is not possible to provide a response within 15 business days, the Company shall send a provisional response, stating the reasons for the delay in responding to the Complaint and the deadline for the Complainant to receive a final response. In any event, the deadline for submitting the final response may not exceed 35 business days from the date of receipt of the Complaint by the Company.
- 5.10. The Company shall keep the Complaints of the Applicants, the material related to their investigation, as well as the decisions made on the basis thereof and the response provided to the Applicant for at least 3 years from the date of submission of the final response to the Applicant.

## **6. SUBMISSION OF RESPONSE**

- 6.1. The original of the response, together with the supporting documents, shall be provided to the Applicant in the manner of his choice: sent by post or email.
- 6.2. The response to the Applicant shall contain at least:
  - 6.2.1. date of submission of the response;
  - 6.2.2. reasoned response;
  - 6.2.3. list of attached documents (if any);
  - 6.2.4. the name, position and signature of the person who responded to the Complaint.
- 6.3. Responses to the Complaints of the Applicants must in all cases be agreed with the manager of the Company.
- 6.4. If the Company is not responsible for carrying out the activities specified in the Complaint, the Company shall respond to the Applicant, stating the reasons for refusing to accept and investigate the Complaint, as well as, if possible, the financial market participant responsible for handling the respective Complaint.
- 6.5. If the Complaint is not satisfied or is satisfied in part, the response must indicate other means of protecting the Applicant's interests, including but not limited to those set forth in paragraphs 6.6 and 6.8 of the Rules.
- 6.6. If the Company does not satisfy the Applicant's requirements or partially satisfies them and the Applicant is a consumer, the Applicant shall have the right to apply to the Bank of Lithuania in writing or electronically within 1 (one) year from applying to the Company for settlement of the dispute. The Applicant, who has missed the specified deadline for applying to the Bank of Lithuania, forfeits the right to apply to the Bank of Lithuania for the same dispute, i.e. on the same subject matter (claim against the Company) and on the same grounds (circumstances underlying the claim) regardless of the fact that he has repeatedly contacted the Company.
- 6.7. You can find out more about consumer disputes with financial service providers on the website of the Bank of Lithuania: <https://www.lb.lt/lt/daugiau-apie-gincius-su-finansiniu-paslaugu-teikeju>.
- 6.8. If the Company does not satisfy the Applicant's requirements or partially satisfies them and the Applicant is not a consumer, the Applicant shall have the right to apply to the courts in accordance with the procedure established by the laws of the Republic of Lithuania.

## **7. EVALUATION OF THE RESULTS OF INVESTIGATION OF COMPLAINTS**

- 7.1. In order to identify its weaknesses and potential legal or operational risks, the Company continually evaluates the outcome of the Complaint investigation. During this evaluation, the employee appointed by the manager of the Company:
  - 7.1.1. collects information about similar Complaints related to a particular service or product, performs an analysis of this information in order to determine the root cause of the Complaints, as well as to offer the manager priorities for the removal of reasons;
  - 7.1.2. assesses whether the root cause of certain Complaints may result in Complaints about other services or products;
  - 7.1.3. assesses whether the root causes of the Complaints may be eliminated and suggests to the

manager of the Company ways of remedying them;

- 7.1.4. if necessary, eliminates the identified root causes of the Complaints;
  - 7.1.5. ensures that information on recurring or systemic causes of Complaints is routinely provided to the manager of the Company to enable him to perform his functions effectively.
- 7.2. The manager of the Company, having become aware of the information on the Complaints received by the Company and the results of their examination referred to in paragraph 7.1 of the Procedure, and having evaluated the received proposals regarding the priorities and methods of their elimination, shall take appropriate decisions to eliminate the identified root causes of the occurrence of Complaints.
  - 7.3. The Company shall keep information about the decisions of the manager of the Company regarding the elimination of Complaints and risk management determined on the basis of Complaints for at least 3 years.

## **8. RESOLUTION OF DISPUTES BETWEEN THE COUNTERPARTIES OF THE FINANCING TRANSACTION**

- 8.1. If the Customer considers that the other party to the financing transaction has violated their rights or legitimate interests, the Customer must contact the Company in the same procedure established in these Rules. However, in such cases, the Customer must indicate that he is contacting in respect of a dispute between the counterparties of the financing transaction.
- 8.2. After examining the information provided by the Customer related to the dispute between the participants of the financing transaction, the Company may submit an offer to the parties to the financing transaction on a possible way to resolve the dispute within a maximum period of 35 business days. The offer is not binding or mandatory.
- 8.3. The information provided by the Customer in accordance with Clause 8.1 of the Rules shall not be considered a Complaint and shall not be subject to other provisions of the Rules applicable to Complaints. In all cases, the Company shall endeavour to act in the best interests of its Customers but assumes no responsibility for the offer, suitability or consequences of the dispute resolution submitted.
- 8.4. In the event of a failure to resolve the dispute between the counterparties of the financing transaction in accordance with the procedure laid down in Clauses 8.1 to 8.3 of the Rules, the dispute between the counterparties of the financing transaction shall be resolved further in accordance with the applicable legislation.

## **9. FINAL PROVISIONS**

- 9.1. The Company collects and, at the request of the Bank of Lithuania, provides information on the number of received Complaints, broken down according to the reasons for submission and the results of investigation.
- 9.2. An employee appointed by the manager of the Company is responsible for the proper implementation of these Rules.
- 9.3. The employee appointed by the manager of the Company must also monitor the effectiveness of the Company's Complaint Management Process and, if necessary, update it, including the rectification of any deficiencies observed.
- 9.4. The Rules, their amendments or supplements shall enter into force upon their approval by the order of the manager of the Company, unless it specifies another date of entry into force of the Rules, their amendments or supplements.
- 9.5. These Rules and amendments thereto shall be signed and shall be followed by all employees of the Company.



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Name and signature of Complainant:

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