

METHODOLOGY FOR THE ORGANISATION AND ASSESSMENT OF THE SELECTION OF ACCREDITED PRIVATE INVESTORS

I. DEFINITIONS

1. In the Selection Organisation and Assessment Methodology (hereinafter, the **Methodology**), capitalised terms and phrases shall have the meaning assigned to them below and/or in the Fund Agreement, unless the context requires otherwise:

Accredited Private Investor (API), Accredited Business Angel (ABA)	means a private investor and/or Business Angel selected and approved by the Fund's General Partner, UAB „Kofinansavimas“, in accordance with the procedure set out in this Methodology, to whom the Investment Profit-Sharing Scheme may be applied when co-investing alongside the Fund in the Fund's portfolio companies.
List of Accredited Private Investors and Business Angels (APIBA List)	means the list of Accredited Private Investors who may potentially co-invest and submit proposals regarding Fund investments in companies under the Investment Profit-Sharing Scheme.
Selection (Accreditation)	means the continuous (ongoing) process aimed at selecting Business Angels and other Private Investors with whom the Fund could potentially co-invest in companies under the Investment Profit-Sharing Scheme, which is conducted until the end of the investment period of all Sub-funds of the Fund.
Selection Criteria (List of Selection Criteria)	The Selection Criteria set out in Annexes 2 and 3 to this Methodology.
Selection Terms	means the publicly announced Selection Terms under which the Fund's General Partner selects Private Investors and Business Angels for inclusion in the APIBA List.
Investment Committee	means the collegial body formed in accordance with the procedure set out in the Fund Agreement, whose principal functions include taking decisions on the inclusion of Private Investors and Business Angels in the APIBA List, taking investment decisions, and other functions provided for in the Fund Agreement and the Articles of Association of the General Partner.
Investment Profit-Sharing Scheme	Means the principle of sharing Profit from an investment provided for in the Fund Agreement, which may be further detailed in the Investor Group Agreement for a specific investment in a Portfolio Company.
Investor Group Agreement	Means the agreement signed between the Fund and Accredited Private Investors regarding investment in a specific Portfolio Company, prepared in accordance with the requirements of the Fund Agreement.
Funder	Means the funders of an Applicant that is a legal entity whose activities are, in essence, equivalent to those of a Business Angel group, club and/or syndicate acting together, who are not considered beneficial owners of such Applicant but have granted ordinary and/or convertible loans to the beneficial owner(s) of such legal entity for the purpose of making an investment in a Fund portfolio company.

Fund	Means the umbrella fund „Koinvesticinis fondas“ operating under the Coinvest Capital brand, which is divided into Sub-funds with different investment strategies and operating conditions for each Sub-fund, including the General Partner and the Intermediate Companies, as defined in the Fund Agreement.
Fund Portfolio Companies	Small and medium-sized enterprises (SMEs) in which the Fund has invested entrusted capital through the Intermediate Company of the relevant Sub-fund in the form of equity, quasi-equity and/or debt.
Fund Agreement	means the partnership agreement of the limited partnership „Koinvesticinis fondas“ (in its version effective as of 6 November 2025), with all subsequent updates, supplements and/or amendments, concluded on 24 May 2017 between UAB ILTE and UAB „Kofinansavimas“.
Ultimate Beneficial Owner	In the context of the Fund Agreement, the final recipient is the Fund Portfolio Company. In the context of this Methodology, the term Ultimate Beneficial Owner applies only to the ultimate Beneficial Owners of private investors undergoing accreditation.
Client	Applicants, Accredited Private Investors and/or Accredited Business Angels and other Private Investors are private investors who independently make their own personal investment decisions regarding specific investments in specific companies. Applicants, Accredited Private Investors and/or Accredited Business Angels and other Private Investors, as well as Fund Portfolio Companies, are considered Clients of the Fund solely for the purposes of the Procedure for the Prevention of Money Laundering, Terrorist Financing and/or Tax Fraud and the Implementation of International Sanctions (latest version approved by Order No. ADM-25/6-7 of the Director of the Fund's General Partner dated 30 June 2025) and the 'know your customer' principle defined in the Law of the Republic of Lithuania on the Prevention of Money Laundering and Terrorist Financing. In terms of the substance of its activities (business conducted), the sole client of the Fund management company is ILTE UAB, which acts as the sole Limited Partner of the Fund, while the Fund management company, the Fund's sole General Partner, provides fund management services by managing the capital entrusted by the sole Limited Partner.
Beneficial Owner	For the purposes of this Methodology, Beneficial Owner means the Applicant and/or Accredited Private Investor and/or Accredited Business Angel if they are a natural person, and in the case of a legal entity – the natural persons who directly or indirectly hold more than 25% of the shares and/or voting rights in such legal entity and/or control it by other means.

Independent Investor	Means an independent private investor as defined in Article 2(72) of the EU General Block Exemption Regulation. That is, an independent investor is an investor who is not a shareholder of the eligible undertaking in which it invests. In the case of follow-on investments, an investor remains independent if it was considered an independent investor at the previous investment stage. Upon the establishment of a new company, all private investors, including the founders of that new company, are considered independent of that company.
Methodology (Selection Organisation and Assessment Methodology)	means this Methodology for the Organisation and Assessment of the Selection of Accredited Private Investors and Business Angels, under which the Fund accredits Business Angels and Private Investors and includes them in the APIBA List.
Application (Accreditation Application)	means the completed and duly signed documents submitted by the Applicant: the Accreditation Application for natural persons or legal entities (the standard form of which is approved by order of the Director of the Fund's General Partner), together with the additional documents and information specified in the Application form.
Applicant	means a natural person or legal entity and/or a group of such persons acting on a joint activity or similar basis, submitting an Application under the Selection Terms for inclusion in the APIBA List.
Advisory Committee	means the collegial body formed in accordance with the procedure set out in the Fund Agreement, which is responsible for overseeing the proper implementation of the financial instruments provided for in the Fund Agreement and for evaluating the Fund's performance.

Private Investor	means an independent private investor as defined in Article 2(72) of the EU General Block Exemption Regulation. That is, private investors are investors who, irrespective of their ownership structure, pursue purely commercial interests, use their own resources and bear the full risk of their investments, in particular: credit institutions investing at their own risk and from their own resources, private endowments and foundations, family offices and informal investors, corporate investors, insurance companies, pension funds, academic institutions, as well as natural persons whether or not they carry out an economic activity. For the purposes of this definition, the following shall not be considered private investors: (i) the European Investment Bank, the European Investment Fund, an international financial institution in which a Member State is a shareholder, or a legal entity professionally conducting financial activities which has been mandated by a Member State or a central, regional or local entity of a Member State to carry out development or promotional activities (a national promotional bank or other promotional institution); (ii) public limited companies whose shares are traded on a regulated market; and (iii) venture capital funds whose capital structure includes public EU funds. The concept of Private Investor includes business angels, venture capital funds, private equity funds, corporate venture capital funds, public limited companies, private limited companies, limited and small partnerships, business angel clubs and/or syndicates, groups of private investors acting under a joint activity agreement or other legal structures, and/or a group of such natural persons and/or legal entities.
Venture Capital Fund	means regulated (licensed and supervised by financial market supervisory authorities) and unregulated venture capital and private equity funds that provide financing to companies, as well as alternative financing funds and other collective investment undertakings intended for professional investors and/or their management companies.
General Partner	means UAB „Kofinansavimas“, legal entity code 304295647, registered address Palangos g. 4-101, Vilnius, registered with the Register of Legal Entities.
Eligibility Requirements	means the minimum requirements set out in the Selection Terms AND in Annex 3 to the Methodology that must be met by an Applicant seeking inclusion in the APIBA List.
Business Angel	means a private natural person who invests their own capital in business start-ups or the development of innovative businesses and provides free-of-charge advisory and mentoring services to the companies in which they invest.

II. GENERAL PROVISIONS

- The Methodology has been prepared in accordance with Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles

107 and 108 of the Treaty, Order No. 4-265 of the Minister of Economy of the Republic of Lithuania of 4 April 2016 'On the approval of the scheme of the venture capital instrument „Ko-investicinis fondas“, other legal acts of the European Union and the Republic of Lithuania applicable to the relevant sub-fund, and the latest effective version of the Fund Agreement.

3. The Selection is organised and assessed in accordance with the principles of transparency and non-discrimination, while complying with the requirements of confidentiality, impartiality and the avoidance of conflicts of interest.
4. Applicants shall bear all costs related to their participation in the Selection. The Fund undertakes no obligation to reimburse and cannot be held liable for any costs incurred by Applicants in preparing the Application and/or any other costs related to participation and/or preparation for participation in the Selection procedures, including where the Selection procedures are terminated at the Fund's initiative, irrespective of the reasons for such termination.
5. The purpose of the Selection is, in accordance with the requirements set out in the Methodology, to carry out an initial screening of Applicants to determine whether they meet the Fund's requirements for an Accredited Private Investor or Accredited Business Angel for the co-financing of investments from the Fund's resources, and to include such Applicants in the APIBA List.
6. Applications submitted for the Selection must be consistent with the goals and objectives of the Methodology.
7. Under the Fund Agreement, the Selection is organised and conducted by the General Partner, while decisions on the inclusion of Applicants in, or their removal from, the APIBA List are taken by the Investment Committee (except in the cases specified in Section 8 of the Methodology).
8. The Selection is a continuous (ongoing) process conducted until the end of the investment period of all Sub-funds of the Fund.
9. The Selection Terms, a description of the process, the requirements for Applicants, Application forms and other relevant information are published on the Fund's website www.coinvest.lt.

III. PARTICIPATION IN THE SELECTION

10. Private Investors wishing to co-invest in companies alongside the Fund under the Investment Profit-Sharing Scheme must first be included in the APIBA List. All other Private Investors may co-invest with the Fund *pari passu*, i.e. on equal transaction terms, rather than under the Investment Profit-Sharing Scheme. *Pari passu* terms may also be applied to Accredited Private Investors in specific transactions.
11. Any Private Investor or Business Angel may participate in the Selection.
12. Where a Private Investor is a legal entity, it may be accredited to co-invest alongside the Fund under the Investment Profit-Sharing Scheme only if the capital allocated to its investments (including equity, quasi-equity and/or debt capital) contains no public funds allocated, directly or indirectly, from the budgets of the Republic of Lithuania and/or the European Union or other states.
13. Each Private Investor and/or Business Angel participates in the Selection and is included in the APIBA List

individually. An Applicant may submit an Application even if, at the time of submission, it does not yet have a specific project requiring co-financing.

14. Where a group of natural persons and/or legal entities participates in the Selection, including but not limited to clubs, syndicates, etc. of Business Angels and/or Private Investors having the status of a legal entity, it shall submit a joint activity agreement, a syndicate financing agreement or a duly certified copy thereof and/or an equivalent document. Such document must specify the specific financial and other contributions of the parties to the joint activity, the obligations of each party to the joint activity agreement, and the joint and several liability of the parties towards third parties. The joint activity agreement must also specify which single person represents the group of economic operators in its relations with the Fund, i.e. with which member of the group the Fund should communicate on all matters related to the Selection. The Fund reserves the right to verify each member of such group for compliance with the accreditation and APIBA List inclusion requirements set out in this Methodology, as well as with the requirements of the Procedure for the Prevention of Money Laundering, Terrorist Financing and/or Tax Fraud and the Implementation of International Sanctions.

IV. PREPARATION AND SUBMISSION OF THE APPLICATION

15. The Application is prepared and submitted in accordance with the requirements set out in the Methodology, with the Applicant completing the electronic application form available on the Fund's website www.coinvest.it and submitting the additional documents and information specified in the application form.
16. If the Fund's General Partner amends or supplements the Selection Terms and/or their annexes, Applicants must submit Applications in accordance with the updated Selection Terms. Taking into account the expectations of private investors and Portfolio Companies and the duration of the investment preparation process, the Fund's General Partner may establish a transitional period during which documents prepared in accordance with the previously applicable requirements will be accepted and assessed, provided that Applicants submit any other relevant information requested by the Fund's General Partner.
17. The Application is submitted electronically by logging in to the www.coinvest.it website. At the Applicant's request, the Fund's General Partner shall provide confirmation that the documents have been received. Each Applicant is assigned a code in accordance with the procedure established by the Fund's General Partner.
18. The Applicant may amend (correct, supplement, etc.) the submitted Application on its own initiative or at the request of the Fund's General Partner to clarify and/or supplement the information provided in the Application.
19. The Applicant may withdraw the submitted Application at any time by sending a free-form request by e-mail to info@coinvest.it. If the Applicant withdraws its Application before the date of the Investment Committee's decision, the Investment Committee shall no longer consider it.
20. Where the Applicant withdraws its Application, the General Partner or the Investment Committee rejects the Application on the grounds set out in this Methodology, or the Investment Committee does not include the Applicant in the APIBA List, the Applicant may submit a new Application no earlier than 3 months after the occurrence of the circumstances specified in this clause, unless in a specific case the Investment Committee agrees to an earlier submission of a new (repeat) Application.

V. REVIEW OF APPLICATIONS AND GROUNDS FOR REJECTION

21. Submitted Applications are reviewed by the General Partner (the responsible person appointed by it).
22. First, it is checked whether the Application meets the formal requirements set out in the Methodology (e.g. whether all documents have been submitted, etc.) and whether the Applicant meets the Eligibility Requirements set out in Annex 1 to the Methodology. In the event of non-compliance, the General Partner may request the Applicant to supplement and/or clarify the information provided.
23. During the review of Applications, the General Partner has the right to reject an Application if:
 - 23.1. the Application does not meet the form and/or content requirements set out in the Selection Terms or has been improperly completed, or not all required documents and information have been submitted with the Application, and, at the General Partner's request, the Applicant has failed to clarify, supplement or explain the inaccurate or incomplete information within the time limit set by the General Partner;
 - 23.2. the Applicant does not meet the Eligibility Requirements, or the Applicant has provided inaccurate or incomplete information about its eligibility and, at the General Partner's request, has failed to clarify, supplement or explain the inaccurate or incomplete information within the time limit set by the General Partner;
 - 23.3. the Applicant has provided false information in the Application, which the General Partner can prove by any lawful means.
24. If the General Partner has doubts as to the Applicant's compliance with the Eligibility Requirements, the General Partner has the right to contact competent authorities or other persons in order to obtain all information about the Applicant, including carrying out the additional verification provided for in Section 7 of the Methodology before the Investment Committee takes a decision on the inclusion of the Applicant in the APIBA List. If the verification carried out by the General Partner and/or the Applicant does not confirm and/or substantiate the accuracy of the information provided by the Applicant, the General Partner has the right to reject the Application.
25. Only Applicants that meet the Eligibility Requirements may be included in the APIBA List. Where a group of economic operators participates in the Selection, each member of the group must individually meet the Eligibility Requirements.
26. An Application that does not meet the formal requirements, as well as an Application that does not meet the Eligibility Requirements, shall be rejected, and the Applicant shall be informed accordingly.

VI. ASSESSMENT OF APPLICATIONS

27. The General Partner assesses Applicants whose Applications have not been rejected for the reasons set out in clause 22 of the Methodology against the List of Selection Criteria set out in Annex 2 to the Methodology.
28. The General Partner meets or organises video calls with Applicants whose Applications have not been rejected for the reasons set out in clause 22 of the Methodology. In rare cases, where there is an objective need, an in-person meeting may be arranged at the General Partner's office or at another location agreed

by the parties.

29. During the interview, the Applicant may be asked questions to clarify the information provided in the Application and, where necessary, additional questions.
30. After the meeting with the Applicant, the General Partner assesses the Applicant against the List of Selection Criteria on the basis of the information provided in the Application and obtained during the meeting.
 - 30.1. The General Partner submits a proposal to the Investment Committee to include the Applicant in the APIBA List where compliance with the selection criteria is:
 - 30.1.1. at least 70% where the Applicant is a Venture Capital Fund;
 - 30.1.2. at least 50% where the Applicant is a Business Angel;
 - 30.1.3. at least 35% for a participant of the LitBAN (Lithuanian Business Angel Network) business angel school, provided that the number of LitBAN business angel school participants who scored (between 35% and 50%) and are participating in an investment together with the relevant group (cohort) does not exceed 40% of the total number of participants of that group participating in the investment.
 - 30.2. in all other cases, i.e. where a lower score is obtained, by decision of the General Partner formalised by order of the General Partner's Director, the Applicant is not included in the APIBA List and the application is not submitted to the Investment Committee for consideration as not meeting the qualification criteria.
31. Meetings of the Investment Committee regarding the inclusion of Applicants in the APIBA List are organised by the General Partner in accordance with the general procedure. At the Investment Committee's proposal or request, the Applicant may be invited to a meeting of the Investment Committee.
32. The assessment of Applications and decisions on the inclusion of Applicants in the APIBA List are carried out confidentially, without the participation of Applicants and/or their representatives.
33. The members of the Investment Committee, participating in a meeting or by way of written resolution, taking into account the requirements of the Methodology and the General Partner's proposal, decide by simple majority on the inclusion, non-inclusion and/or removal of the Applicant that submitted the Application in/from the APIBA List.
34. The Applicant shall be informed in writing of the decision of the Investment Committee or, as the case may be, of the General Partner's Director to include (not include and/or remove) it in/from the APIBA List within 7 (seven) days of the Investment Committee's decision.
35. At the Applicant's request, it may be informed of the grounds for the decision to include or not include it in the APIBA List; however, the assessment conclusions and other information related to the assessment and review of Applications shall not be provided to it.

VII. ADDITIONAL VERIFICATION OF PRIVATE INVESTORS

36. Private Investors and their ultimate Beneficial Owners, as defined in Article 2(14) of the Law of the Republic of Lithuania on the Prevention of Money Laundering and Terrorist Financing, may be subject to additional verification in accordance with the 'Policy on the Prevention of Money Laundering and/or Terrorist Financing and the Implementation of International Sanctions' approved by decision of the Board of UAB „ILTE“ and binding on the General Partner, and the 'Procedure for the Prevention of Money Laundering, Terrorist Financing and Tax Fraud' approved by the Fund's General Partner; they may be requested to submit a consolidated certificate or its equivalent or, where such documents are not issued in the Private Investor's country of residence, a declaration of corresponding content, and may also be additionally or repeatedly verified with respect to:
 - 36.1. compliance with the Eligibility Requirements and the Application assessment criteria;
 - 36.2. information regarding reputation and compliance with national security interests;
 - 36.3. information regarding the non-application of relevant international sanctions established in the Fund's regulatory documents (for example, any trade, economic or financial sanctions, embargoes or other restrictive measures imposed, applied or administered by the United Nations Security Council, the European Union, the Republic of Lithuania, the Government of the United States of America (including *The Office of Foreign Assets Control of the U.S. Department of the Treasury*), or the United Kingdom of Great Britain and Northern Ireland);
 - 36.4. other aspects which, at the Fund's discretion, may be relevant when deciding on co-investing with the Private Investor and/or during the holding and/or exit of the investment.
37. Additional verification of a Private Investor included in the APIBA List may be carried out:
 - 37.1. before co-investing alongside the Fund;
 - 37.2. at any time after a joint investment has been made, in accordance with the provisions of the Procedure for the Prevention of Money Laundering, Terrorist Financing and Tax Fraud;
 - 37.3. and/or before the Fund pays out the excess investment profit in the event of success, where the investment was made under the Investment Profit-Sharing Scheme.
38. Verification of a Private Investor included in the APIBA List may be carried out using third-party databases and/or may be outsourced to a service provider selected by the General Partner.
39. Where the activities of a Private Investor are supervised by the Bank of Lithuania, the verification specified in this Section may be omitted; however, the decision shall take into account the information provided by the Bank of Lithuania on the Private Investor's activities (supervisory measures applied or being applied, warnings regarding non-compliance with prudential requirements, etc.).

VIII. PERIODIC REVIEW OF PRIVATE INVESTOR ACCREDITATION

40. The Advisory Committee, the Investment Committee and/or the General Partner have the right at any time to initiate a review of the APIBA List and the removal of an Accredited Private Investor from the APIBA List.

The review may cover either the entire APIBA List or the information of a specific Private Investor included in the APIBA List.

41. By submitting an Application, the Applicant confirms that it is aware of the Fund's requirement for an Accredited Private Investor to update its information (the data provided in the Application) (or to confirm that the Applicant's financial situation has not materially deteriorated and that its declarations remain valid) every 3 (three) years, and that the General Partner may request an Accredited Private Investor to update the information provided about itself before co-investing in a specific company.
42. Upon the expiry of 3 (three) years after the Applicant's inclusion in the APIBA List, and no later than 31 December of that year, the General Partner shall send the Accredited Private Investor information by e-mail on the need to update the data provided in the Application or to provide confirmation that the Applicant's financial situation has not materially deteriorated and that the information and data it provided remain valid. The Accredited Private Investor is at all times responsible for the accuracy of the data provided.
43. If an Accredited Private Investor that has not made an investment alongside the Fund fails to provide updated Application information, or confirmation that the Applicant's financial situation has not materially deteriorated and that the information and data it provided remain valid, within 30 (thirty) days after the notice of the need to update has been sent, it shall be removed from the List without a separate decision of the Investment Committee and shall be informed thereof by e-mail within 7 (seven) days.
44. If an Accredited Private Investor that has made an investment alongside the Fund fails to provide updated information within 30 (thirty) days after the notice of the need to update has been sent, it shall not be removed from the List; however, such Private Investor may not be treated as an Accredited Private Investor when making a new investment with the Fund until it submits updated Application documents.
45. Once an Accredited Private Investor has submitted an updated Application, these documents shall be assessed in accordance with the provisions of Section 5 of the Methodology.

IX. FINAL PROVISIONS

46. The Methodology may be amended and/or supplemented by decision of the General Partner. The Methodology is prepared by the General Partner and agreed with the Investment Committee and the Advisory Committee. The Methodology must be reviewed and updated at least once every 2 (two) years.
47. Amendments and supplements to the Methodology shall enter into force on the date of their approval by the General Partner, unless a different effective date is specified in the supplements and/or amendments themselves, and shall remain in force until the Methodology is amended, supplemented and/or repealed.

ANNEX 1: APPLICANT ELIGIBILITY REQUIREMENTS

The Applicant must meet the following Eligibility Requirements:

1.	No criminal record and impeccable reputation
Requirement	
The Applicant (natural person) or the head of the Applicant (legal entity) authorised to enter into transactions on behalf of the legal entity has no criminal record (or the conviction has expired or been expunged), and no final conviction has been handed down against the Applicant (legal entity) within the last 5 (five) years for participation in, organisation of or leadership of a criminal association, bribery, trading in influence, graft, fraud, misuse of credit, loans or targeted support or use contrary to the established procedure, credit fraud, failure to pay taxes, submission of false data on income, profit or assets, failure to submit a declaration, report or other document, acquisition or disposal of criminally obtained property, or laundering of criminally obtained money or property. The Applicant (natural person) has no unexpired or unexpunged conviction, and no final conviction has been handed down against the Applicant (legal entity) within the last five years for criminal offences against property, property rights and property interests, intellectual or industrial property, the economy and business order, the financial system, the civil service and public interests. The Applicant (natural person) or the head of the Applicant (legal entity) is of impeccable reputation.	
Documents and information to be submitted	
• Application documents duly completed in accordance with the forms provided in the Selection Terms. • The Fund has the right to request an extract from a court judgment or a document issued by the Information Technology and Communications Department under the Ministry of the Interior or the State Enterprise Centre of Registers in accordance with the procedure established by the Government of the Republic of Lithuania, confirming consolidated data held by the competent authorities, or a document issued by the relevant authority of a foreign country, issued no earlier than 60 (sixty) days before the date of submission of the Application.	
2.	No conviction for criminal bankruptcy
Requirement	
The Applicant who is a natural person, or a member of the Applicant who is a legal entity holding the majority of votes at the general meeting of members of the legal entity, has no unexpired or unexpunged conviction for criminal bankruptcy.	
Documents and information to be submitted	
• Application documents duly completed in accordance with the forms provided in the Selection Terms. • The Fund also has the right to request: • a free-form declaration confirming compliance with the requirement, where the absolute majority of votes at the general meeting of members of the legal entity is held by a legal entity, or where no shareholder holds a simple majority of votes at the general meeting of members of the legal entity; • an extract from a court judgment or a document issued by the Information Technology and Communications Department under the Ministry of the Interior or by the State Enterprise Centre of Registers in accordance with the procedure established by the Government of the Republic of Lithuania, confirming consolidated data held by the competent authorities, or a document issued by the relevant authority of a foreign country, issued no earlier than 60 (sixty) days before the date of submission of the Application, where the absolute majority of votes at the general meeting of members of the legal entity is held by a natural person.	
3.	No bankruptcy / restructuring proceedings
Requirement	
The Applicant is not bankrupt or being liquidated (where the Applicant is a legal entity), has not entered into a settlement agreement with creditors to continue its activities whereby the Applicant assumes certain obligations and the creditors agree to defer, reduce or waive their claims, has not suspended or restricted its activities, and is not in the same or a similar situation under the laws of the country in which the Applicant (legal entity) is registered or (natural person) resides. No	

restructuring or bankruptcy proceedings have been initiated against the Applicant, no out-of-court bankruptcy process is being carried out, and no compulsory liquidation (where it is a legal entity) or arrangement with creditors procedures have been initiated, nor are any analogous procedures being carried out against it under the laws of the country in which the Applicant (legal entity) is registered / (natural person) resides.

Documents and information to be submitted

- Application documents duly completed in accordance with the forms provided in the Selection Terms.
- The Fund has the right to request a document issued by the State Enterprise Centre of Registers or the relevant authority of a foreign country confirming that the Applicant is not bankrupt or being liquidated, that no bankruptcy proceedings have been initiated against it or out-of-court bankruptcy process is being carried out, and that no compulsory liquidation procedure or arrangement with creditors is being sought, or an extract from a court judgment, issued no earlier than 60 (sixty) days before the date of submission of the Application.

4. No tax arrears

Requirement

The Applicant has fulfilled its obligations relating to the payment of taxes, including social insurance contributions, under the laws of the country in which the Applicant is registered (legal entity) or resides (natural person). The Applicant is deemed to have fulfilled its obligations relating to the payment of taxes, including social insurance contributions, if the amount of its outstanding obligations is less than EUR 50 (fifty).

Documents and information to be submitted

- Application documents duly completed in accordance with the forms provided in the Selection Terms.
- As proof of the fulfilment of tax obligations, the Fund has the right to request a document issued by the State Tax Inspectorate or the State Enterprise Centre of Registers in accordance with the procedure established by the Government of the Republic of Lithuania, confirming consolidated data held by the competent authorities, or a document issued by the relevant authority of a foreign country, issued no earlier than 60 (sixty) days before the date of submission of the Application.
- As proof of the fulfilment of obligations relating to the payment of social insurance contributions, the Fund has the right:
 - to check the data as at the date of submission of the Application, where the Applicant is a legal entity registered in the Republic of Lithuania (without requiring it to submit any documents proving compliance with this requirement);
 - - where the Applicant is a natural person registered in the Republic of Lithuania, to request a document issued by the territorial offices of the State Social Insurance Fund Board (Sodra) or other institutions of the State Social Insurance Fund involved in its administration, or a document issued by the State Enterprise Centre of Registers in accordance with the procedure established by the Government of the Republic of Lithuania, confirming consolidated data held by the competent authorities.

5. No grave professional misconduct

Requirement

The Applicant has not committed grave professional misconduct, which may be proven by any lawful means. For the purposes of this clause, 'grave professional misconduct' means a breach of professional ethics where less than one year has elapsed since the Applicant (legal entity or natural person) was found to have failed to comply with the rules of professional ethics, or a breach of competition, labour, occupational safety and health or environmental legislation for which an administrative penalty has been imposed on an Applicant who is a natural person, or an economic sanction provided for in the laws of the Republic of Lithuania has been imposed on an Applicant who is a legal entity, where less than one year has elapsed since the date on which the decision imposing such sanction became final. Where an Applicant participating in the Selection has infringed Article 5 of the Law on Competition of the Republic of Lithuania, such infringement shall be considered grave professional misconduct under this clause if less than 3 years have elapsed since the date on which the decision imposing the economic sanction provided for in the Law on Competition of the Republic of Lithuania became final. Where the Applicant that is a legal entity, or a shareholder of the Applicant that is a legal entity holding the majority of votes at the general meeting of members of the legal entity, has been found guilty of intentional bankruptcy as defined in the Law on Enterprise Bankruptcy of the Republic of Lithuania, such infringement shall be considered grave professional misconduct under this clause if less than 3 (three) years have elapsed since the date on which the court judgment became final.

Documents and information to be submitted
Application documents duly completed in accordance with the forms provided in the Selection Terms.

Notes:

- a) where, at the Fund's request, the Applicant is unable to submit the documents specified in the table above because such documents are not issued in the relevant country or the documents issued in that country do not cover all the issues concerned, a sworn declaration or an official declaration of the Applicant shall be submitted;
- b) the Fund may request the originals of documents of which copies have been submitted;
- c) where the Application is submitted by a group of economic operators, each member of the group must individually meet the requirements of the table above;
- d) where there are doubts as to the Applicant's compliance with the Eligibility criteria set out in this Annex, the Fund has the right to contact competent authorities or other persons indicated by the Applicant (customers, clients, etc.) in order to obtain all necessary information about the Applicant. If such persons do not confirm the accuracy of the information provided by the Applicant, the Fund has the right to reject the Application.

ANNEX 2 – SELECTION CRITERIA FOR LEGAL ENTITIES

No.	Assessment criteria	Weight
1.	Financial stability (up to 5 points)	25%
The stability of the Applicant's income and the guarantees of fulfilment of its financial obligations (financial capacity), as well as its existing debts and commitments in other investments, are assessed. 0 to 2 points are awarded if no information on the Applicant's financial position has been provided, or there are doubts as to the stability of the Applicant's financial position and its capacity to invest funds in projects; 3 to 4 points are awarded if the information provided substantially demonstrates the stability of the Applicant's income and its financing capacity; 5 points are awarded if the information provided by the Applicant clearly shows that the Applicant is financially stable and capable, and that its existing debts and commitments in other investments do not affect its financial position and raise no doubts as to its investment capacity.		
2.	Business experience (up to 5 points)	20%
The business experience of the Applicant's managers and decision-makers in managing companies and implementing business projects is assessed. 0 to 2 points are awarded if the Applicant has no or little business experience, has not managed companies and/or has not provided specific examples of implemented business projects and results achieved in the Application; 3 to 4 points are awarded if the information provided substantially demonstrates the Applicant's business experience, the Applicant has managed a growing business, and the Application contains specific examples with reasonably good results achieved; 5 points are awarded if the information provided clearly shows that the Applicant has many years of business experience, and the Application contains specific examples with very good business development results achieved.		
3.	Investment experience (up to 5 points)	25%
The investment experience of the Applicant's managers and decision-makers in investing in start-ups, as well as other investment experience (e.g. investing through regulated markets, etc.), is assessed. The investment strategy used in the past is also assessed, including but not limited to investment areas, the planned exit strategy and actual exit results (with specific cases indicated in the Application). 0 to 2 points are awarded if the Applicant has no or little investment experience, its experience is limited to a narrow investment area, or the Applicant has not provided specific investment examples and results achieved in the Application; 3 to 4 points are awarded if the information provided substantially demonstrates the Applicant's investment experience, and the Application contains specific examples with reasonably good results achieved or, where the results are not sufficiently good, the experience is sufficiently significant and the lessons learned are explained; 5 points are awarded if the information provided clearly shows that the Applicant has many years of experience investing in various investment products, and the Application contains specific examples with very good investment results achieved.		
4.	Investment strategy (up to 5 points)	10%
The proposed investment strategy, the plan for sourcing and attracting potential companies, as well as the origin, size and investment focus of the capital to be invested, are assessed. The proposed model for participating in the management of future investments is also assessed. 0 to 2 points are awarded if the Applicant has no investment strategy, does not indicate the funds to be invested, does not propose a model for participating in the management of future investments, or the strategy presented in the Application is not realistic, substantiated and practically applicable. The description provided is difficult to understand, inconsistent, lacking in detail, or important components are not described; 3 to 4 points are awarded if the information provided substantially demonstrates the investment strategy, the description is based on existing experience, and the origin, size and investment focus of the capital to be invested, as well as the proposed model for participating in the management of future investments, raise no doubts;		

5 points are awarded if the investment strategy is described in detail and is based on the Applicant's extensive investment and business development experience, the origin, size and investment focus of the capital to be invested are specified, and the proposed model for participating in the management of future investments is substantiated. The description provided is clear, detailed, and the information is presented concisely and in an easily understandable manner.		
<table><tr><td>Team (up to 5 points)</td><td>15%</td></tr></table>	Team (up to 5 points)	15%
Team (up to 5 points)	15%	
The Applicant's ability to attract additional investors, as well as the professional knowledge and experience of the team members, are assessed. 0 to 2 points are awarded if the Applicant has no project team or there are doubts as to whether it can attract additional investors. The professional knowledge and experience of the proposed team members raise doubts as to whether the Applicant will be able to implement the project; 3 to 4 points are awarded if the information provided substantially demonstrates the professional knowledge and experience of the proposed team, and the Applicant is able to attract additional investors; 5 points are awarded if the composition and functions of the proposed team are described in detail. The many years of practical experience and professional knowledge of the team and/or its members give reasonable grounds to believe that the team will be capable of attracting additional investors and implementing the project.		
<table><tr><td>Legal and organisational structure (up to 5 points)</td><td>5%</td></tr></table>	Legal and organisational structure (up to 5 points)	5%
Legal and organisational structure (up to 5 points)	5%	
The legal and organisational structure of the Private Investor proposed by the Applicant is assessed. 0 to 2 points are awarded if the Applicant has not provided a clear legal and organisational structure of the Private Investor or documents confirming it; 3 to 4 points are awarded if the legal and organisational structure of the Private Investor presented by the Applicant is clear, and documents describing and confirming it have been provided; 5 points are awarded if the Applicant's legal and organisational structure is clear and well established in the Applicant's practice, and the Applicant has already made and exited investments using such a legal and organisational structure of the Private Investor.		

ANNEX 3 – SELECTION CRITERIA FOR NATURAL PERSONS

No.	Assessment criteria	Weight
1.	Financial stability (up to 5 points)	35%
The stability of the Applicant's income and its financial capacity, as well as its existing debts and commitments in other investments, are assessed. 0 to 2 points are awarded if no information on the Applicant's financial position has been provided, or there are doubts as to the stability of the Applicant's financial position and its capacity to invest funds in projects; 3 to 4 points are awarded if the information provided substantially demonstrates the stability of the Applicant's income and its financial capacity; 5 points are awarded if the information provided by the Applicant clearly shows that the Applicant is financially stable and capable, and that its existing debts and commitments in other investments do not affect its financial position and raise no doubts as to its investment capacity.		
2.	Business experience (up to 5 points)	35%
The Applicant's business experience in managing companies and implementing business projects is assessed. 0 to 2 points are awarded if the Applicant has no or little business experience, has not managed companies and/or has not provided specific examples of implemented business projects and results achieved in the Application; 3 to 4 points are awarded if the information provided substantially demonstrates the Applicant's business experience, the Applicant has managed a growing business, and the Application contains specific examples with reasonably good results achieved; 5 points are awarded if the information provided clearly shows that the Applicant has many years of business experience, and the Application contains specific examples with very good business development results achieved.		
3.	Investment experience (up to 5 points)	25%
The Applicant's investment experience in investing in start-ups, as well as other investment experience (e.g. investing through regulated markets, etc.), is assessed. 0 to 2 points are awarded if the Applicant has no or little investment experience, its experience is limited to a narrow investment area, or the Applicant has not provided specific investment examples and results achieved in the Application; 3 to 4 points are awarded if the information provided substantially demonstrates the Applicant's investment experience, and the Application contains specific examples with reasonably good results achieved or, where the results are not sufficiently good, the experience is sufficiently significant and the lessons learned are explained; 5 points are awarded if the information provided clearly shows that the Applicant has many years of experience investing in various investment products, and the Application contains specific examples with very good investment results achieved.		
4.	Membership in business angel organisations (e.g. LitBAN, LatBAN, EstBAN, NGL, etc.)	5%