

Industry Standard for Receivables Management

A. Preamble

The Digital Lending Association is the central representative body of the Digital Lending ecosystem. Its affiliated members stand for the professional, honest and transparent operation of their businesses as well as the fulfillment of the highest quality standards in the interest of debtors, investors, and business partners. With the adoption of the "General Principles and Rules of Conduct" by the General Meeting on 4 June 2019, these self-imposed standards were codified. In accordance with the Articles of Association, all Ordinary Members undertake to comply with these principles and rules.

By resolution number 30 of the Board of Directors on 29 May 2020 (30-VS-200529-1), it was decided to flesh out these General Principles and Rules of Conduct by developing individual standards and thus set benchmarks for the entire industry. The authority to adopt them as "Industry Standards" lies with the General Meeting.

The subject of this standard is the firm establishment of Section I/7 of the General Principles and Rules of Conduct.

The objective of the standard is to develop and promote an industry-wide understanding regarding the handling of receivables management and the monitoring of the procedures and processes underlying receivables management. This industry standard applies to all Ordinary Members if and to the extent that they assume, in whole or in part, the collection, management and/or realization of the receivables originated or arranged via the platform and acquired by the investors on behalf of the investors of their respective platform. This shall apply irrespective of whether the Members provide the receivables management directly, indirectly via companies affiliated with them, subcontractors and/or other fulfillment agents.

Members that are neither directly nor indirectly entrusted by the respective investors of their platform with the collection, management or realization of the receivables acquired from the investors are not bound by this industry standard.

To make this document more readable, all references to the masculine gender shall include all genders, and any reference to persons apply equally to all genders.

B. Object of Receivables Management

The following section explains the terms used in the industry standard for receivables management and the objectives of receivables management.

I. Definitions

1. Managed Receivable: any receivable, claim, title or other instrument (including securitized receivables) that is originated or brokered via the platform of the respective member or of a company affiliated with the member within the meaning of sections 15 et seq. AktG and was acquired or subscribed by individual or several investors of the respective platform.

2. Receivables Management: The collection of receivables, receivables management and/or receivables realization of managed receivables.
3. Receivables Collection: any payment services and services in support of payment services in relation to managed receivables, including but not limited to their collection and disbursements or distributions to investors, where the provision of payment services is carried out by third party payment service providers, if applicable.
4. Receivables management: the management of managed receivables for investors, including the monitoring of managed receivables, reporting to investors, and dunning.
5. Recovery of Receivables: The recovery of managed receivables in the event of their default, including the provision of collection services or subcontracting of and/or sale to collection service provider(s).
6. Debtor: any natural or legal person who is the debtor of a managed receivable.

II. Objectives of effective receivables management

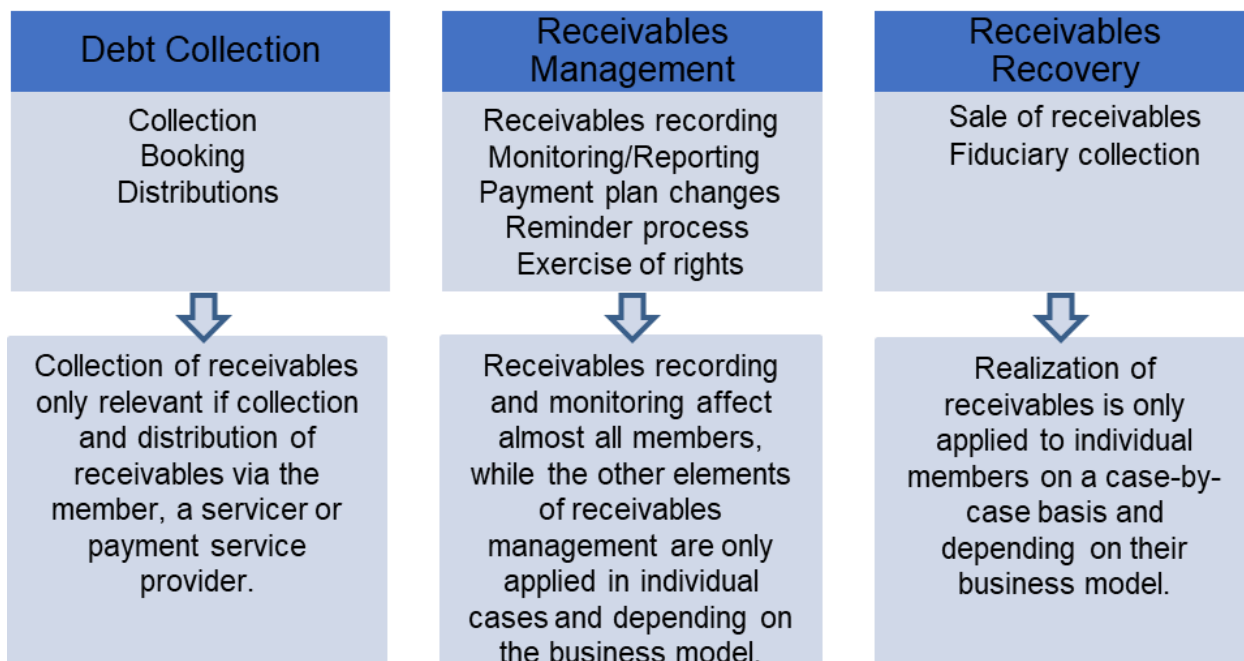
The members of the Association of German Credit Platforms create or mediate additional financing offers in Germany via internet platforms or online credit marketplaces (together referred to as "Platforms"). In doing so, they act as intermediaries directly between customers seeking capital on the one hand and private and/or institutional investors on the other. The receivables originated or brokered in this way via the platforms are assigned to the individual investors, either in full or on a pro rata basis, when or after they arise. With the assignment of a receivable, the economic risk of the collectability of the receivable is also transferred to the respective investor or investors.

The objective of effective receivables management is the efficient recording, processing, monitoring and enforcement of managed receivables in order to avoid payment defaults and to secure the best possible return for the investors in the managed receivables. In doing so, the Member shall, in addition to the investors' interest in the best possible return, also give due consideration to the interests of other affected reference groups and weigh the respective interests affected against each other in accordance with the principle of proportionality. In addition to the interests of the debtors concerned, this also includes, for example, the interests of the public (e.g. economic aspects, sustainability concerns).

Last, but not least, in order to do justice to the member's intermediary function and thus its obligation to the interests of both parties, effective receivables management does not mean realizing receivables "at any price". In addition to the binding legal requirements (such as those relating to the dunning process), the interests of the debtors of the managed receivables must be adequately taken into account and reconciled with the interest of the investors in the managed receivables in the best possible return.

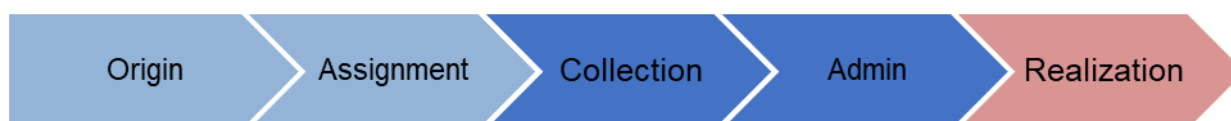
C. Receivables Management of the Affiliated (Lending) platforms

The business models of the members of the Association of German Credit Platforms are multi-faceted and extremely diverse. Accordingly, the industry standards for receivables management affect the members to varying degrees: depending on the business model, the industry standards are fully, only partially or not at all applicable to the respective members. The elements of receivables management outlined below are only to be observed by members if and to the extent that they affect them:



The investors regularly instruct the operator of the platform or an affiliated company within the meaning of sections 15 et seq. AktG (each a "**Servicer**") with the receivables management. The receivables management with regard to the managed receivables is essentially divided into the areas of receivables collection, receivables administration and receivables liquidation. The range of services provided by the servicer usually covers the entire life cycle of the managed receivables from the time the managed receivable is assigned to the investor or investors.

Life-cycle of managed receivables:



I. Industry Standard on the Collection of Receivables

Investors may engage the Servicer to provide certain payment services and/or payment service support services with respect to the Managed Receivables. Specifically, the collection of the Managed Receivable(s) and disbursements or distributions to the investors are considered. The provision of payment services, such as the transfer of the collected payments to the investors, may require a permit pursuant to the German Payment Services Supervision Act ("**ZAG**"). Under certain circumstances, the investors may also commission third parties cooperating with the servicer, such as a credit institution within the meaning of Section 1 (1) of the German Banking Act ("**KWG**"), to collect the receivables (each a "payment service provider"), for example if the servicer itself does not have a permit under the ZAG. In the case of the execution of debt collection by a payment service provider:

- the Servicer will provide reasonable assistance to the Payment Service Provider in fulfilling its obligations to the relevant Investor, such as by providing the information necessary for the collection of receivables and disbursements in accordance with data protection laws; and
- work towards compliance with these industry standards by the payment service provider, for example, through control and instruction rights under company law or appropriate Receivables recovery only applies on a case-by-case basis and depending on the business model for individual member contractual agreements.

1. Collection of receivables

The Servicer shall carry out the collection of payments on or in connection with managed receivables for the investors itself and/or shall support the collection of managed receivables by any payment service provider (sub)commissioned by it or the investor. In the case of full or partial collection of receivables by a payment service provider, the servicer shall provide technical support to the payment service provider and shall provide it with the information required to carry out the collection of receivables. Depending on the individual case, this includes the following information in particular:

- Information on the debtor; and
- Details of the managed debt.

The Servicer must keep at least one Recognized Payment Method available for the Debtor of the Managed Receivable to fulfill its payment obligations under the Managed Receivable. Recognized payment methods include, but are not limited to:

- Collection from the Debtor via SEPA direct debit mandate;
- (Bank) transfer, direct transfer or payment via credit card by the Debtor; and
- Online payment transactions (e.g. PayPal, clickandbuy).

If a Debtor makes (installment) payments on the respective Managed Receivable to the Servicer or the Payment Service Provider, such payments shall be transferred to an account of the Servicer or the Payment Service Provider designated for such purpose, held there for the respective investors and paid to the investors in accordance with the contractual agreements.

Under certain circumstances, in addition to payments from the respective debtors, the Servicer or the payment service provider also receives payments from third parties, such as a collection agency engaged for the purpose of recovery (see the statements under Section C, item 3(a)) or an insurance company (for example, in the case of any payments from the insurer in the event of the conclusion of a residual debt or residual credit insurance policy by the debtor).

2) Posting of Incoming Payments in the Event of Default by the Debtor.

Debt collection by the Servicer or a payment service provider includes any payments made on the respective managed debt, i.e. in addition to the principal payment, in particular also any interest, fees and costs.

Any payment made by a debtor that is insufficient to cover all amounts outstanding at the relevant time in respect of a managed claim shall be credited by the servicer or the payment

service provider against the costs, interest and principal service in accordance with the applicable statutory provisions in the order prescribed in each case and set out in the following paragraph (see in particular sections 367 (1), 497 (3) sentence 1 of the German Civil Code).

Incoming payments shall always first be offset against outstanding costs, including the costs of any legal action. The order in which incoming payments are credited against interest and the principal varies: in principle, amounts paid are first credited against interest and then against the principal (cf. Section 367 (1) of the German Civil Code (BGB)); in the case of general consumer loans, in the event of default, credit is given in the reverse order, i.e. first against the principal and then against the interest (Section 497 (3) sentence 1 of the German Civil Code (BGB)).

3. Disbursements and/or distributions to the investors

The Servicer shall make disbursements to the respective investors of the Managed Receivables itself and/or shall support the disbursement to the respective investors by any payment service provider contracted or sub-contracted by it or the investor.

For this purpose, the Servicer shall first calculate the amount of the share attributable to the respective Investor of the Debtor's payment collected by the Servicer or the Payment Service Provider on or in connection with the Managed Receivables, if applicable, after deduction of any costs and/or fees of the Servicer, the Payment Service Provider and/or any third parties (each a "**Disbursement Amount**").

The Servicer or the Payment Service Provider, as the case may be, shall pay the Disbursement Amount to a bank account to be designated by each Investor, subject to any specifying contractual arrangements and disbursement schedules. Disbursements to the individual investors should be made at least once a month, unless the contractual arrangements with the respective debtor and/or investor provide for a different payment frequency (for example, quarterly payments by the debtor on the managed claim and corresponding quarterly disbursements to the investors).

In case of full or partial execution of disbursements to the investors by a payment service provider, the servicer shall technically support the payment service provider and provide it with the information required for the execution of the disbursements. Depending on the individual case, this shall include the following information in particular:

- Information on the investor;
- Details of the managed claim;
- Details of the disbursement to the investor, including the recipient account, if applicable; and
- Mandatory tax information, if applicable, such as for the calculation of the deduction of capital gains taxes or the preparation of tax certificates.

II. Industry Standard on Receivables Management

The Servicer typically assumes the administration of the receivables originated or arranged via the platform and acquired by the respective investors on behalf of the investors. If, and to the extent permitted under the agreement concluded between the servicer and the respective investor, the servicer may transfer the administration of receivables in whole or in part to third

parties ("**Sub-Servicers**"), for example if this is necessary and/or expedient for (supervisory) legal reasons. In this case, the Servicer shall conclude a contractual agreement with the Sub-Servicer in which the performance obligations of the Receivables Management shall be regulated as specifically as possible. The Servicer shall ensure and reasonably monitor that the Receivables Management by the Sub-Servicer maintains an appropriate level of performance and meets the requirements of the Receivables Management owed to the Investors and these industry standards.

1. Receivables Recording and Monitoring

The Servicer shall ensure that the Receivables originated or referred through the Platform are accurately recorded and monitored in detail. The recording and monitoring can be carried out by the Servicer, the platform operator itself, a company affiliated with it within the meaning of §§15ff. AktG, or by Sub-Servicers or third parties (such as a cooperating credit institution within the meaning of Section 1 (1) KWG), for example lending banks. If the collection and monitoring of the managed receivables is not carried out by the Servicer itself, but by another of the above-mentioned parties, the Servicer shall ensure the timely, complete and secure transmission of the data required for receivables management by means of appropriate contractual agreements and technical precautions (e.g. programming interfaces (so-called "**API**")) of the data required for receivables management.

2. Monitoring and Investor Reporting

The Servicer records, monitors and controls the managed receivables and their status on an ongoing basis. In addition to the performance of the individual receivables under management, the Servicer shall also monitor the performance of the overall portfolio and, if applicable, the performance of individual investor portfolios ("**Monitoring**"). Monitoring includes the following information in particular:

- Status and turnover of the receivables account of the managed receivable;
- Number and amount of payments made on and in connection with the managed receivable;
- If applicable, further indicators for measuring the performance (so-called key performance indicators) of individual receivables, the overall portfolio and/or the portfolio of individual investors, for example on the basis of quantitative (e.g., so-called roll rates; age, number and amount of reminder stages and/or chargebacks) or qualitative metrics (e.g., customer complaints) (hereinafter "**Payment Status Data**").

At least once a month, the Servicer shall provide the investors with a reporting showing the payment status data regarding all receivables acquired by the respective investor ("**Investor Reporting**"). The purpose of investor reporting is to enable investors to monitor their portfolio and the individual receivables under management and any changes thereto in a transparent and meaningful manner. Investors shall be provided with an appropriate level of information regardless of the volume of their respective portfolios. The Servicer may define and individually contractually agree with individual investors additional investor reporting requirements.

The Servicer shall select a suitable transport channel for the transmission of the Investor Reporting, such as a technical interface ("**API**") between the investor and the Servicer and/or a

login area on the website of the Servicer or the operator of the platform protected by user name and password.

The Investor Reporting must comply with the requirements of the provisions of data protection law (including the DS-GVO and the BDSG). If and to the extent that the Investor Reporting contains personal data, such data shall be limited to what is appropriate and substantial for the purpose and necessary for the purposes of the processing, taking into account the principle of data minimization (Art. 5(1)(c) DS-GVO). Insofar as the debtors of the managed receivables or their possible guarantors are natural persons and the identity of the natural person is not already known to the respective investor due to the respective business model or the respective business processes of the member, no data on the debtors should be included on the basis of which it would be possible for the investor or third parties to identify the natural persons. Exceptions to this principle are only possible if and to the extent that this is legally permissible in the individual case.

3. Changes to the Payment Schedule

Under certain circumstances, after the conclusion of the contract underlying the administered claim, changes may be necessary or appropriate with respect to the payment plan agreed with the debtor or the modalities for the satisfaction of the administered claim (each a "**Payment Plan Modification**").

In particular, the following shall qualify as Payment Plan Modifications:

- Modification of the payment date of payments due under the payment plan on the administered claim;
- Deferrals or pauses in payment with respect to payments due under the payment plan on the administered claim; and
- Temporary or permanent reduction of the (monthly) installment payments owed under the payment plan.

If required by (supervisory) law and/or expedient from the perspective of the Servicer, the Servicer may also contract or sub-contract a potential payment service provider or Sub-Servicer with the execution of the payment plan amendment. If necessary, the final decision on the execution of a payment plan change as well as on its specific design is subject to the final decision of the payment service provider or Sub-Servicer for (supervisory) legal reasons, in particular in the case of transactions requiring a license under the German Banking Act (KWG).

A payment plan modification shall only be implemented if it is deemed necessary or appropriate by the Servicer or payment service provider or Sub-Servicer and their respective authorized and competent employees.

In addition to the interest of the investors of managed receivables in achieving the best possible return, the servicer also observes its (due diligence) obligations towards the debtor when executing a payment plan amendment, for example in the event of an impending personal insolvency of the debtor. In this respect, the Servicer takes into account the intermediary function of the member by appropriately considering the interests of the debtor.

Payment plan modifications may be necessary or appropriate, in particular, if losses are potentially to be expected in the future in the satisfaction of the managed debt and the measure

serves to minimize the risk of such losses. Other examples of cases in which the implementation of a payment plan amendment may be or become necessary are:

- Partial early payments on the managed receivable (such as in the case of unscheduled repayments on the part of the debtor or due to the cancellation of a residual debt or residual credit insurance policy taken out by the debtor); or
- Specific statutory or regulatory requirements that, in exceptional circumstances, require the servicer to execute a payment plan amendment (such as with respect to consumer loans due to the COVID-19 Civil, Bankruptcy, and Criminal Procedure Mitigation Act).

Whenever a payment plan is modified, a new payment plan should be made available to the debtor, depending on the circumstances of the individual case, even if this is not legally mandatory.

4. Dunning System

The Servicer shall implement and maintain standardized processes for the appropriate and efficient dunning of Debtors who are in arrears with payments on Managed Receivables (the "**Dunning Process**"). The Servicer may contract or sub-contract Sub-Servicers, in whole or in part, to implement and perform the Dunning Process.

Receivables showing payment defaults should be classified via a series of specific dunning levels. In addition to protecting investors, the division into several dunning levels also aims to protect debtors and is thus an expression of the member's intermediary function. In concrete terms, this means that:

- Debtors are to be protected from disproportionate costs and the negative consequences of a final default; and
- Investors are to benefit from the most efficient and yield-oriented enforcement of the respective managed claim.

To best align these interests, the debtor should have received at least one reminder prior to receiving a termination notice. This enables the Servicer or Sub-Servicer to discuss options for averting a termination together with the debtor at an early stage and to work out individual modalities for the settlement of arrears and the satisfaction of the managed receivable as a whole (See already the comments in section C item 2(c)). At the same time, a systematic classification into dunning levels by means of predefined processes serves the efficiency of debt collection as well as transparency for the investors of the payment-disturbed managed debt.

The debtor of a defaulting managed receivable is requested in the individual reminder stages to make up for the missed payments, either by direct transfer to the servicer or payment service provider, additional direct debit attempts, or alternative electronic payment methods (e.g., PayPal or clickandbuy). If necessary - depending on the dunning level and the legal and contractual requirements - additional accompanying measures can be added, such as sending a wage assignment warning to the debtor if the latter is a natural person.

An efficient dunning process can include the following steps or dunning levels in particular:



Members may, at their own discretion, set a higher or lower number of dunning levels and define additional requirements of their own for the dunning process. However, the dunning system must in any case comply with the legal requirements and at least observe the steps required by law between the occurrence of the default and termination of the contract underlying the managed debt.

Debtors who are in arrears with all or part of a payment under the payment plan should be contacted through various channels, such as an automatically generated information letter, outbound calls ("Outbound Telephone"), emails and/or text messages. The Servicer may introduce additional channels, e.g., via a mobile application ("Mobile App"). The main purpose of contacting the debtor via multiple channels is to enforce the managed debt in the best possible way. At the same time, the use of multiple communication channels enables entry into a direct dialog with the debtor for individual discussion and agreement of payment options on the managed debt, if this is necessary and/or appropriate.

All customer communication within the dunning process must be legally compliant, clear and understandable. The impending legal consequences and consequences of failure to make payments on the payment-disturbed managed receivable must be presented to the debtor in a sufficiently clear and understandable manner. The costs or fees charged by the Servicer or Sub-Servicer for the individual steps of the dunning process must be reasonable and comply with the statutory requirements. In addition, reference is made to the Association's principle for non-discriminatory conduct, Section D., and to the minimum requirements for avoiding unfair conduct and discrimination in relations with customers, Section E., in the industry standard for reasonable and non-discriminatory conduct.

To the extent that a debtor makes payments on the defaulting administered debt, this may result in the debtor reverting to an earlier dunning level or the payment disruption being lifted altogether. If, on the other hand, all dunning stages have been passed and the debtor has not settled its contractually owed and missed payments to the required extent, the contract underlying the managed receivable will be terminated and the debtor will be requested to pay the entire outstanding amount (i.e., principal, interest and fees outstanding up to termination) within a period of time set to the debtor. In this context, any contractual and/or statutory provisions on notice periods must be strictly observed, for example, in the case of consumer loan agreements, the two-week period pursuant to Section 498 (1) sentence 1 no. 2 of the German Civil Code (BGB).

In exceptional cases, the Servicer may, at its own discretion, set so-called "Dunning Stops" or instruct the payment service provider or Sub-Servicer to do so and thus delay the time of a possible termination, for example:

- As a gesture of goodwill, in order to avoid additional costs for the debtor (esp. in cases of "hardship");
- To bridge periods of time for reviewing facts or applications of the debtor in order to avoid prior termination of the contract underlying the claim (for example, when reviewing the existence of an insurance case based on a residual debt or residual credit insurance

policy taken out by the debtor or to await initial findings from a parallel criminal investigation); and

- In the case of complex and/or extensive legal issues or reviews.

Under certain circumstances, the contract underlying an administered receivable may be terminated with immediate effect for good cause even without first going through the entire dunning process. Important reasons in this sense are in particular:

- Submission of a statement of assets by the debtor;
- Opening of insolvency proceedings;
- Insolvency of the debtor;
- Substantial deterioration in the debtor's financial circumstances; and
- Death of the debtor without heirs.

5. Exercise of Rights Against the Debtor

The Servicer shall, if applicable, exercise any (structuring) rights vis-à-vis the Debtor in connection with the Managed Receivables on behalf and for the account of the Investors. In particular, if several investors have each acquired parts of a managed receivable, this may be a mandatory prerequisite for maintaining a uniform exercise of (structuring) rights vis-à-vis the debtor. If applicable, the (management) rights are not held by the Servicer itself but by a third party or Sub-Servicer (in particular a cooperating credit institution within the meaning of Section 1 (1) KWG); in this case, the Servicer shall support the third party or Sub-Servicer in the exercise of the (management) rights to the extent necessary or appropriate.

6. Remuneration of the Servicer

The Servicer and/or the Payment Service Provider and/or Sub-Servicer, as the case may be, may demand a fee, (default) damages, reimbursement of costs/expenses and/or fees ("**Servicing Costs**") from the respective Debtor for the (Collection) Services set forth in this Section 2. The servicing costs usually exceed the fees agreed for the main service of the contract on which the managed debt is based. If and insofar as the debtor does not pay the servicing costs or does not pay them in full, the Servicer or the payment service provider and/or Sub-Servicer may claim reimbursement of expenses from the respective investors in the amount of the servicing costs not paid (if applicable, pro rata in proportion to their participation in the managed debt).

In addition to the assertion of its own servicing costs by the Servicer (e.g. for the execution of reminders or payment plan changes), the charging of third-party servicing costs may also be considered (e.g. third-party costs for the processing of return debit notes or the execution of address research for the delivery of contract-related declarations and documents in the event of non-delivery at the address specified by the debtor).

The servicing costs charged by the Servicer or payment service provider and/or Sub-Servicer must be reasonable and comply with the legal requirements.

III. Industry Standard on the Recovery of Receivables

If the contract underlying a managed receivable is terminated (for example, in the event of unsuccessful performance of all of the dunning process steps outlined in Section C (2) (d)), the receivable should not be derecognized in the core banking or receivables management system until a period of two weeks has elapsed. Only after the expiration of the deadline will the receivable be liquidated on behalf of the respective investors in accordance with the provisions of this Item 3.

A defaulted managed receivable can generally be

- Sold and assigned to a third party collection agency ("**Collection Agency**") for the purpose of realizing the Receivable (see in this respect under (a) below); or
- Recovered by the Servicer itself and/or a Sub-Servicer engaged by the Servicer to do so, an external law firm or other third party specializing in the recovery of receivables by way of trust collection (see in this respect under (b) below).

To the extent that the agreement with the respective investors of a managed claim grants the Servicer a discretionary right to choose, the Servicer shall make the decision with due consideration of the interests of the parties involved. In the balancing process, particular weight shall be given to the interest of the investors in a managed claim in the most efficient and return-oriented enforcement of the managed claim.

1. Sale of Defaulted Receivables

If, and to the extent that the investors in a defaulted managed account receivable have authorized the Servicer or Sub-Servicer or payment service provider accordingly, the Servicer may sell defaulted managed accounts receivable to a collection agency or instruct the Sub-Servicer or payment service provider to sell them. If the sale of defaulted managed receivables is made by the Sub-Servicer or payment service provider, the Servicer shall assist them in transmitting all documents relating to the managed receivables to be sold. The proceeds of the sale of the Receivables (after deducting any costs and/or fees of the Servicer, the Payment Service Provider and/or any third parties, as applicable) shall be forwarded to the respective investors in the Managed Receivables. From that point on, the purchaser of the defaulted debt shall undertake further recovery efforts for its own account. Accordingly, the sold and assigned defaulted managed receivables shall no longer fall within the scope of the agreement concluded between the Servicer and the respective investor.

2. Fiduciary Collection

Insofar as the Servicer or a Sub-Servicer commissioned with the trustee collection has a registration as a debt collection service provider in accordance with the German Legal Services Act ("**RDG**"), it may also perform debt collection services itself on behalf of the respective investor for third-party account.

The Servicer or Sub-Servicer should manage the defaulted managed receivables held in trust collection using collection software that meets appropriate technical standards.

If this is necessary and/or appropriate under the circumstances of the individual case (cf. Section 13a RDG), the Servicer or Sub-Servicer shall, as a first step, send a notification letter to the debtor of the defaulted administered claim with a request to make future payments to the Servicer or payment service provider and/or Sub-Servicer and to agree on a new payment plan.

If no response from the debtor can be recorded within certain deadlines, the Servicer or Sub-Servicer sends reminder letters or reminders to the debtor.

The Servicer or Sub-Servicer monitors - where relevant - incoming payments, mail returns, insolvency notices, death notices and payment agreements through regular automatic checks.

If the debtor pays the installments owed under the payment plan in full or in part, the proceeds are forwarded to the respective investors in the defaulted managed receivable.

If permitted by the agreement with the respective investors of a managed claim, the Servicer or Sub-Servicer may initiate legal proceedings against the respective debtor in its own name, but for the account of the investors of the defaulted managed claim (so-called involuntary litigation), in order to obtain an enforcement title. Taking into account the provisions of the agreement with the respective investors of an administered claim, the Servicer or Sub-Servicer may thereby, at its own discretion and in all cases where, in the opinion of the Servicer or Sub-Servicer, material issues exist, engage external legal counsel. If payments cannot be obtained through the Enforcement Order, long-term monitoring will be initiated.

The Servicer or Sub-servicer will cease collection efforts particularly in the following cases:

- The debtor settles the administered debt by paying the outstanding amount in full, including any fees and interest on late payments;
- The debtor meets the settlement amount agreed with the Servicer or Sub-Servicer on behalf and for the account of the investors;
- The collection activity may result in reputational risk to the Servicer or Sub-Servicer and/or the investors in the managed claim; or
- The claim becomes uncollectible in court due to a completed insolvency proceeding.

IV. Continuation of claims management in the event of cessation of business operations.

Members shall make arrangements in the event of discontinuation of their business operations to enable proper receivables management, collection and utilization of the managed receivables even after discontinuation of their business operations. Corresponding measures may be implemented either by a business unit established for this task or by a suitable third party, for example a so-called "Back-up Servicer".

Further details can be found in the industry standard on discontinuing operations.

D. Training in Receivables Management; Training of Employees

All employees working in the field of receivables management shall be trained in the principles and procedures of receivables management, including the relevant principles of data protection and money laundering law, on an ad hoc basis.

E. Controls of Compliance with this Industry Standard

The members shall have plans for regular monitoring of compliance with this Industry Standard and specify the allocation of responsibilities. The results shall be reported to the management.

For further details, refer to the Industry Standard for Enterprise Risk Management, the Industry Standard for Compliance Organization, and the Industry Standard for Outsourcing Management.

F. Key Performance Indicators

The Member shall develop key performance indicators (KPIs) to measure essential processes and core functions of receivables management. In principle, the following KPIs could be considered useful:

- Recording and monitoring of managed receivables on an individual basis (e.g., "electronic credit file");
- Recording and monitoring of managed receivables on an overall portfolio and, if applicable, investor portfolio level;
- Analysis and monitoring of managed receivables at overall portfolio level and, if applicable, investor portfolio level, staggered by dunning levels;
- Analysis and monitoring of bad debts; and
- Recording and monitoring of litigation related to managed receivables.

H. Deviations from the Provisions of this Industry Standard

As a general rule, there shall be no deviation from the provisions of this Industry Standard.

Since the business models are various, depending on the size, type, scope, complexity and risk content of business activities, the standard can be implemented by the members in different dimensions and for some only partially. In justified cases, deviations are therefore possible as an exception. For this purpose, an application in text form justifying the deviation shall be submitted to the Board of Directors. The decision shall be taken by a qualified majority in accordance with the Articles of Association.

A member who has been awarded the Quality Seal may have it withdrawn by the General Meeting by a simple majority if the member deviates from the provisions of this Industry Standard without having previously informed the Board of Directors about the deviations in good time.

I. Review clause

This Industry Standard shall be subject to revision by the Committee on Risk & Compliance Management of the Digital Lending Association at two-year intervals. Any amendments and/or additions shall be adopted by the General Meeting by qualified majority.