

PROFITUS PLATFORM DEBT RECOVERY PROCEDURE

1. GENERAL PROVISIONS

1.1. The purpose of this debt recovery procedure (hereinafter referred to as the **Procedure**) of UAB Sutelktinio finansavimo platforma Profitus (hereinafter referred to as the **Platform**) is to set out the principles, measures and procedures which the Platform shall impose on those Project Owners who fail to fulfill their obligations to Investors in a timely manner (i.e. those who are in debt).

1.2. Capitalised terms used in this Procedure shall have the same meanings as those outlined in the Platform's terms of use. Other terms used in the Procedure shall have the same meaning as that outlined in the Law of the Republic of Lithuania on Crowdfunding and other relevant legislation, unless expressly stated otherwise in the Procedure.

1.3. The Procedure has been prepared in accordance with the provisions of the Law of the Republic of Lithuania on Crowdfunding, the Civil Code of the Republic of Lithuania, the Code of Civil Procedure of the Republic of Lithuania, the Instructions for Enforcement of Judgements and other applicable legislation.

2. THE PRINCIPLES OF DEBT RECOVERY

2.1. The Platform shall observe the principles of prevention, compulsory debt recovery, legality, economy and efficiency, and accountability in the execution of debt recovery procedures:

2.1.1. **The principle of debt prevention.** The Platform shall take objectively feasible measures to prevent debts from arising. To this end, prior to the publication of the Project on the Platform, the Platform shall analyse and assess, inter alia, the creditworthiness, economic situation, credit history, existing indebtedness and other objective circumstances of the Project Owner in order to assess whether the Project Owner is able to meet its obligations to the Investors in a timely manner. Contracts shall be concluded with appreciation of clear and precise terms and conditions of the Project Owner's obligations to the Investors, the conditions and procedures for their execution, the conditions of liability for non-execution of contractual obligations, the manner for securing the fulfillment of the obligations, and any other terms and conditions ensuring proper execution of the contract that are not in conflict with the applicable laws and regulations. The Platform shall continuously monitor the execution of concluded contracts, and shall react promptly to any circumstances which lead or may lead to a default of existing obligations to Investors.

2.1.2. **Compulsory debt recovery.** Debt recovery procedures shall be a compulsory thing with the Platform. In all cases, the Platform must take measures to ensure that the Project Owner fulfills its obligations to the Investors to the maximum extent possible. No Project Owner shall be granted any exclusive relief or concession in respect of untimely execution of their obligations where it means that the interests of the Investors are materially prejudiced thereby. No Project Owner shall be exempted from fulfilling their obligations to Investors.

2.1.3. **The principle of legality.** The recovery actions carried out by the Platform must not contravene applicable laws and must be carried out in accordance with contractual and legal procedures.

2.1.4. **The principle of economy and efficiency.** The Platform must take measures to ensure that debts are collected from the Project Owner quickly and efficiently and at the lowest possible cost and within the shortest possible time. The Platform, which must be acting in the best interests of the Investors, shall have the discretion to choose those means and procedures for the recovery of debts from the Project Owner which it deems most efficient and favourable to the Investors.

2.1.5. **Principle of Accountability.** The Platform shall keep the Investor informed in detail of the recovery actions taken against the Project Owner. Information on the recovery actions carried out by the Platform shall be provided in the news section of the Platform after the Investor has logged into their account.

2.2. The Platform shall act honestly, diligently, fairly, professionally and in the best interests of the Investors, and by the terms and conditions most favourable to the Investors, in the selection of the measures and procedures applied by the Platform to the Project Owners who fail to fulfill their obligations to the Investors in a timely manner.

3. DEBT RECOVERY PROCEDURE

3.1. When deciding on the means and manner of recovery of a debt from a Project Owner, the Platform shall, on a case-by-case basis, consider all relevant circumstances, including but not limited to the Project Owner's intentions to act in good faith to fulfill their obligations to the Investors, the likely extent of fulfillment of such obligations, the objective possibilities of continuing to fulfill the obligations to the Investors in a satisfactory manner, the Project Owner's economic situation, and any other relevant circumstances.

3.2. In the event that the Project Owner fails to fulfill their obligations to the Investors in a timely manner, the Platform shall call the Project Owner as part of the aim of fulfilling its outstanding obligations to the Investors (hereinafter referred to as the Call).

3.3. If the Platform has reason to believe that the Project Owner may be behaving dishonestly, including engaging in actions to hide or destroy assets, or if it is foreseeable that other circumstances may arise that may prevent us from recovering the debt, the Platform may apply for interim measures of protection. A decision on interim measures shall be taken by the court on the basis of a request on the part of the creditor, made within 3 days of the receipt of such a request. If the court decides to apply interim measures and appropriates a relevant order, the Platform shall, within 14 days, apply to a bailiff, who shall enforce the order (seize accounts and assets in the amount of the debt, etc.). The bailiff shall be paid the necessary enforcement costs for the execution of the interim measures, which shall be subsequently recovered from the Project Owner together with any other sums recoverable.

3.4. In the event of a breach on the part of the Project Owner of its obligations to pay installments and interest to the Investors, the Project Owner shall be subject to the increased interest rates provided for in the Financing Transaction.

3.5. The Platform shall, unless the facts of the situation require otherwise, send at least three Calls to a defaulting Project Owner:

3.5.1. 10 business days prior to the expiry of the Loan Agreement, a reminder shall be sent to the Project Owner by e-mail and registered mail. In addition, 3 business days prior to each interest payment, a reminder shall be sent to the Project Owner of the impending payment by

e-mail.

3.5.2. A Call shall be sent by e-mail and registered mail to the Project Owner in the event that they default on their obligations to the Investors, whereby the Project Owner is invited to fulfill their overdue obligations no later than within 10 calendar days of the receipt of the Call;

3.5.3. In the event of no response from the Project Owner to the Call referred to in Clause 3.5.2 and/or in the absence of the Project Owner's fulfillment of their overdue obligations to the Investors, the Platform shall carry out the following actions:

3.5.3.1. If the Project Owner is in default with the transfer of the contractual Interest, a renewed Call shall be sent by e-mail and registered mail within a maximum period of 5 calendar days after the date of receipt of the Call, calling for fulfillment of the overdue obligations;

3.5.3.2. If the Project Owner is in default of repayment of the Loan (interest, loan amount, a part thereof, etc.), the Platform shall apply to a notary public for the issuance of an enforcement record.

3.5.4. If the Project Owner is more than 25 calendar days late in the payment of the contractual interest, a warning of a termination of the contract shall be sent to the Project Owner by e-mail and by registered mail and an additional 10 calendar days shall be granted to ensure fulfilment of the obligation. If the obligations are not fulfilled within the additional period of time, a Termination Notice shall be sent by e-mail and registered mail. The Contract shall be terminated unilaterally without recourse to the courts, in accordance with the procedure set out in the Financing Transaction.

3.6. In addition to the information referred to in Clause 3.5 of this Procedure, the Call shall specify (unless the facts of the situation or circumstances require otherwise) the defaulted obligation to the Investors; it must specify the Project Owner's rights and obligations in relation to the default to the Investors and the consequences of default, including the legal remedies available to the Platform in the event that the defaulted obligation to the Investors is not met. The Call may also set a deadline for the Project Owner to provide explanations indicating the circumstances which have brought about or are bringing about the default to the Investors, along with an indication as to when the Project Owner plans to fulfill their obligations to the Investors, or to what extent and/or by what means. It shall specify that the data recorded in the default shall be transmitted to the Credit Bureau Infobank administered by Creditinfo Lietuva UAB.

3.7. The Platform aims to ensure that the obligations to the Investors are fulfilled in the most expeditious and cost-effective manner at the good will of the Project Owner. In order to achieve this objective, the Platform may negotiate with the Project Owner the procedure and the terms and conditions for the fulfillment of outstanding obligations.

3.8. If, in the opinion of the Platform, all possibilities to agree with the Project Owner on terms and conditions of execution favourable to the Investors have been exhausted, or if there are other circumstances suggesting that the obligations to the Investors will not be executed, or will be executed only on terms and conditions unfavourable to the Investors (e.g., on an extremely small scale, with unreasonable delays in the execution of the obligations, etc.), the Platform, acting on behalf of the Investors, shall have the right to satisfy the claims of the Investors out of the value of the items pledged by the Project Owner in the Investors' favour.

3.9. If the Project Owner defaults on their obligations beyond the period provided for in their Financing Transaction and is unable to recover the amounts due to the Project Owner in good faith, a notice of termination of the Financing Transaction for a material breach, with an issued obligation

to repay the full amount of the Financing Transaction, interest and other payments shall be sent to the Project Owner, together with the notices provided for in Clause 3.4.

3.10. If the Project Owner fails to fulfill their obligations within the specified notice period, the Platform shall apply to a notary public for the execution of an executive record as provided for in Article 4.192(1) and/or Article 4.219(2) of the Civil Code of the Republic of Lithuania. The Platform may postpone the application for an enforcement record or the submission of the enforcement document to the bailiff if the Project Owner applies for permission to refinance the indebtedness. The Platform shall issue a written consent to the refinancing of the obligation and shall set a specific deadline for the repayment of the debt. During the full period up until the obligations are fulfilled, the Project Owner shall be charged the increased interest provided for in the Financing Transaction. If the Project Owner fails to repay the indebtedness within the prescribed time limit, recovery action shall continue as provided for in this Procedure.

3.11. The notarial deed executed by the notary public shall be an enforceable and executory document and shall be submitted to the bailiff for execution immediately upon its receipt, in accordance with the procedure provided for in the Code of Civil Procedure of the Republic of Lithuania.

3.12. The claims of the Investors shall be satisfied in the first instance from the assets pledged under the Financing Transactions. The Platform may decide to assume the collateral in enforcement proceedings if the assets fail to be realised in an auction setting or are auctioned for a price disproportionately lower than the market value of the assets, and may organise the sale of the assets in order to satisfy the Investors' claims to the greatest extent possible.

3.13. Unless otherwise provided for in the agreements with the Project Owner and/or the Investors, once the bailiff has commenced enforcement proceedings against the collateral pledged by the Project Owner, the enforcement proceedings shall be carried out, at the sole discretion of the Platform and to the maximum extent permitted by the applicable laws, by any one or a combination of the following methods as permitted by the law:

3.13.1. The collateral shall be sold at public auctions; or

3.13.2. The collateral shall be sold to a third party of the Project Owner's choice, subject to the prior written consent of the Platform (the Platform may refuse to give its consent only if the sale price of the collateral is insufficient to cover all amounts due to the Investors under the Obligations or in connection therewith, and/or the Platform is not sure that the purchaser is solvent. The burden of proving compliance with the aforementioned conditions shall lie with the Project Owner); or

3.13.3. in any other manner permitted under applicable law.

3.14. The responsible employee of the Platform shall be in charge of the execution process with the bailiff, this including the organisation of the sale of the collateral, the sale price, other procedures.

3.15. The sums recovered by the bailiff shall be transferred to the Platform. The Platform shall be entitled to deduct from the funds and/or other assets received by the Project Owner and/or third parties, the Platform's remuneration for the services rendered by the Platform regarding the collection of debts from the Project Owner, including those services provided by the Platform in the exercise of the rights of a pledgee or a mortgagee, and any other direct costs related to the collection of debts from the Project Owner (e.g., notarial fees, enforcement costs, etc.). The remaining funds and/or other assets shall be transferred by the Platform to the Investors.

3.16. If the funds and/or other assets received from the Project Owner and/or third parties are not

enough to fully cover the Project Owner's obligations to the Investors, the funds and/or other assets received by the Platform from the Project Owner and/or third parties shall be distributed to the Investors on a *pro rata* basis, taking into account the amount of the Project Owner's indebtedness owed to each of the Investors. In the meantime, the bailiff shall proceed with recovery efforts from other assets of the Project Owner.

3.17. Unless otherwise provided for in the agreement concluded with the Investors, the Platform shall have the right to assign the Investors' claim rights against the Project Owner. The Platform shall assign the claim rights (i) if the amount of funds received for the assignment of the claim rights is sufficient to cover the Project Owner's obligations to the Investors, as well as in other cases where the assignment of the Investors' claim rights to the Project Owner is likely to result in a greater coverage of the obligations to the Investors than the Platform's continuing debt recovery actions against the Project Owner (i.e. the principle of cost-effectiveness and efficiency).

3.18. Unless otherwise provided for in the contract concluded with the Investors, the Platform may outsource the execution of debt recovery procedures and other related functions to third parties.

3.19. If, at any time during the debt collection process, it is established that there are indications of criminal activity on the part of the Project Owner, the information collected by the Platform shall be forwarded to the relevant law enforcement authorities.

3.20. Where a Financing Transaction is subordinated to other credit facilities by order of the credit institution, with (a) resultant related subordination agreement(s) in place with the credit institution, pursuant to which, notwithstanding anything to the contrary in the Financing Transaction or the matter of whether or not repayment of the Financing Transaction and any and all payment of interest and/or other amounts due under the Financing Transaction are due, the Platform shall not require repayment of the loan granted to the Project Owner under the financing transaction until the Project Owner has satisfied all of its monetary obligations to the credit institution under the subordinated credit agreements with the credit institution, and debt recovery proceedings shall be commenced in accordance with the terms of the subordination agreement and the Financing Transaction. The foreclosure of any mortgage subsequent to the first ranking mortgage in place which is securing the Financing Transaction, shall be carried out in accordance with the statutory procedure.

4. ACTIONS TO BE CARRIED OUT BY THE PLATFORM IN INSOLVENCY PROCEEDINGS

4.1. In the event of insolvency of the Project Owner (legal entity), the Platform may initiate insolvency proceedings against it.

4.2. During insolvency proceedings, the interests of the Investors shall be duly appreciated by the Platform; to include submitting creditors' claims, voting at creditors' meetings, etc.

4.3. During bankruptcy proceedings, the interests of the Investors shall be satisfied from the assets pledged by the Project Owner for the benefit of the Investors in accordance with the procedure established by law. If the Project Owner's pledged assets are not enough to fully cover all the Project Owner's obligations to the Investors, the funds and/or other assets received from the Project Owner and/or third parties shall be distributed to the Investors on a *pro rata* basis, taking into account the amount of the Project Owner's indebtedness owed to each of the Investors.

4.4. The remaining claims of the Investors shall be satisfied on a third-party basis from the assets of the other Project Owner

4.5. The Platform may take other such actions as may be necessary to protect the interests of the

Investors and to ensure the fulfillment of its obligations to them (e.g. to raise the concerns of wilful/criminal bankruptcy, etc.).

5. FINAL PROVISIONS

5.1. The Procedure shall enter into force upon approval and shall remain in force until amended, supplemented or repealed.

5.2. The execution of the Procedure shall be the responsibility of those of the Platform's employees entrusted by the manager with the function of recovering debts from the Project Owner or other duly authorised third parties.

5.3. The Procedure may be amended and supplemented only by decision of the Platform manager. Amendments and additions to the Procedure shall take effect from the date of their approval, unless otherwise specified in the amendments and additions themselves.

5.4. The Procedure shall be published on the Platform's website, on an internal server, and shall be made available to employees in paper form. The Procedure shall be followed by all Platform employees.
