

DEBT RECOVERY PROCEDURE FOR CONSUMER CREDITS

This debt recovery procedure of Bendras Finansavimas UAB, registration No. 303259527 (hereinafter, SAVY), defines measures that SAVY applies towards borrowers of consumer credit failing to ensure timely fulfilment of their financial obligations under consumer credit agreement, i.e., owing debts.

The customer receives an invoice on the first day of the month, which must be paid by the 5th, 15th or 25th of the month (depending on the specific payment schedule). If the borrower of consumer credit (hereinafter, **Customer**) fails to fulfil his/her obligations in due time, the following debt management actions shall be taken in the following order of priority:

A. Debt management and pre-trial recovery within SAVY

1. SAVY shall send a **reminder to the Customer by SMS of the upcoming due date of the payment**. The Customer shall be advised that the 5th, 15th, 25th of the month (as specified in the Customer's particular payment schedule) shall be the last date for making the payment.
2. SAVY shall inform the Customer **by email** that default interest is applied and that further delays in the fulfilment of the Customer's obligations shall result in the Customer's personal data being placed in the systems of the credit bureau Creditinfo Lietuva UAB/Scorify UAB.
3. The SAVY **employee shall make a call** to remind the Customer again of the outstanding payment.
4. SAVY shall send an **SMS** urging the Customer to make the payment as soon as possible to avoid recovery.
5. SAVY shall send an **email warning** to the Customer about the registration of the debt in the databases of Creditinfo Lietuva UAB/Scorify UAB and the intention to transfer the debt management to Debt Collection Department of SAVY.
6. SAVY shall make an **automated call** to remind the Customer of the outstanding payment.
7. If the Customer fails to fulfil his/her obligations for 40–45 days, SAVY transfers the debt management process to Pre-Trial Debt Collection Department of SAVY. To prevent the Customer from incurring further financial obligations, information about the debt is recorded in the databases of Creditinfo Lietuva UAB/Scorify UAB.
8. Please note that all debt recovery actions and statuses are shown to investors in real time:
 - (i) Payment arrangement
 - (ii) Efforts to renew the arrangement
 - (iii) Updating contacts
 - (iv) Additional actionsThe individual status in each investor's personal account provides explanations and additionally shows the meaning of each status.
9. Once the Customer has covered the debt, debt recovery actions are stopped, and the previous payment schedule is applied to the Customer. SAVY informs investors about the status of their investments in relation to the initiation and/or completion of debt recovery actions by electronic messages.

B. Pre-trial recovery through debt collection companies/bailiff

1. After the expiry of the 90-day period, if the Customer has not covered the debt, has been

uncooperative, has otherwise absconded or has not reacted to actions taken by Pre-Trial Debt Collection Department of SAVY, SAVY shall inform the Customer by a notice that debt management has been transferred to a debt collection company/bailiff.

2. The debt collection company/bailiff shall manage the debt for up to 150 days.

3. If the Customer cooperates and efforts are made to enter into a debt settlement agreement, the debt collection company/bailiff may manage the debt for more than 150 days, i.e., until the overdue payments have been made.

C. Termination of consumer credit agreement

1. SAVY terminates agreements with insolvent Customers after 6–7 payments have not been received according to the loan repayment schedule. If the Customer does not make any payments or makes insufficient payments, SAVY may initiate the termination of the agreement even before the failure to receive 6–7 payments.

2. A final reminder shall be sent to the Customer before the termination of the agreement, giving an additional period of two (2) weeks to cover the debt. If the Customer fails to cover the debt within the time limit specified in the last reminder, the documents of the consumer credit agreement necessary for the preparation of the court proceedings for the recovery of the debt shall be forwarded to the lawyer.

D. Judicial recovery

1. Judicial recovery is used as a last resort if the Customer has breached the agreement by failing to make timely payments according to the payment schedule. The judicial recovery process usually takes 3–6 months. In certain cases, judicial recovery may take longer, e.g., if the court rejects or does not accept the claim, finds deficiencies, requests additional evidence, changes the jurisdiction of the case, fails to serve the documents to the defendant, the Customer submits an objection (defence) to the debt claim, an oral hearing is held, the court does not accept the claim of SAVY and SAVY files an appeal, etc.

2. The judicial recovery process is organised by SAVY, and the costs of the process are borne by SAVY. The costs of the proceedings incurred by SAVY (stamp duty, costs of the proceedings, necessary enforcement costs) shall be reimbursed on a priority basis.

E. Post-trial recovery

1. Once the court has awarded the debt, SAVY receives the enforcement document issued by the court and passes it on to the bailiff, who starts the process of enforced debt recovery. Investors are informed about the transfer to the bailiff and the ongoing enforced debt recovery by the "with the bailiff" status attached to the loan, along with additional information about the progress of the debt recovery process, the Customer's financial situation, etc.

2. It should be noted that the timing of the return of the investment to the investor depends on the debtor's actual financial situation at the time of enforcement, i.e., whether the debtor is employed and earns a steady income, whether his/her income is sporadic, whether he/she earns passive income or whether he/she is in possession of an asset which could be encumbered. If the debtor is employed, solvent, has assets and pays the bailiff properly, the enforced debt recovery process is likely to be completed faster. If the debtor is unemployed, insolvent, has no assets and fails to make payments to the bailiff, the recovery process may take time, e.g., until funds are available from which the bailiff can make deductions. Each debtor's case is therefore individual and the length of time it takes to recover the debt varies.