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DEBT RECOVERY PROCEDURE (07.1PP)

1. General provisions

1.1. Debt recovery procedure of Paysera LT, UAB (hereinafter referred to as the Operator) establishes the measures applied by the Operator in cases where the Consumer Credit Recipient fails to fulfil the financial obligations stipulated in the Consumer Credit Agreement on time, i.e. when they have debts due to improper performance of their obligations under the Consumer Credit Agreement.

1.2. The Consumer Credit Recipient receives the invoice and other information regarding current payments in their account on the Operator's Platform or through a separate notice from the Operator by the 10th day of each month, and must settle the payment no later than the date specified in the Consumer Credit Agreement (Repayment Schedule). If the Consumer Credit Recipient fails to fulfil their obligations on time, the debt administration actions described below will be carried out.

2. Debt administration and pre-trial recovery

2.1. The Operator reminds the Consumer Credit Recipient of the upcoming payment due date via email and SMS. The Consumer Credit Recipient is informed that the specified day of the month is the final date to make the current instalment payment.

2.2. If the Consumer Credit Recipient fails to fulfil their obligations for 2–5 (two to five) days, the Operator notifies them via email and SMS about the delay and warns that late fees will be applied to the overdue amount.

2.3. If the Consumer Credit Recipient fails to fulfil their obligations for 5–10 (five to ten) days, an Operator's employee calls the Consumer Credit Recipient to clarify the reasons for the delay, determine the expected payment date, and remind them again about the outstanding amount and the consequences of the delay.

2.4. If the Consumer Credit Recipient fails to fulfil their obligations for 10–15 (ten to fifteen) days, the Operator sends an email and SMS to urge the Consumer Credit Recipient to make the payment as soon as possible and warns about the transfer of the Consumer Credit Recipient's data to UAB Creditinfo Lietuva and the potential recovery actions that may be applied.

2.5. If the Consumer Credit Recipient fails to fulfil their obligations for 15–20 (fifteen to twenty) days, the Operator sends a warning via email and SMS regarding the registration of the debt in the UAB Creditinfo Lietuva database and the intention to initiate enforced debt recovery.

2.6. If the Consumer Credit Recipient fails to fulfil their obligations for 20–25 (twenty to twenty-five) days, an Operator employee calls the Consumer Credit Recipient to remind them of the unpaid instalment and to warn them about the consequences of failing to fulfil their obligations on time, as well

as the documents being prepared for pre-trial recovery.

2.7. If the Consumer Credit Recipient fails to fulfil their obligations for 25–30 (twenty-five to thirty) days, the Operator initiates pre-trial recovery. To prevent the Consumer Credit Recipient from taking on further financial obligations, information about the debt is registered in the Operator's internal database (blacklist) and submitted to the UAB Creditinfo Lietuva database.

2.8. The list of notifications and other methods of contacting Consumer Credit Recipients who are late in fulfilling their obligations, as described in clauses 2.1–2.7 of this Procedure, is not exhaustive. The Operator's employees may send additional notifications or contact the Consumer Credit Recipient more frequently, for example, to remind them of the date they promised to make a payment or to follow up if the payment was not made on the agreed date. If it is not possible to reach the late Consumer Credit Recipient by phone, an SMS and/or email may be sent. Additionally, if the Consumer Credit Recipient fails to fulfil their obligations for more than 30 days, a payment request may be sent to their residential and/or registered address.

2.9. The Operator ensures that debt recovery actions and their outcomes are disclosed to Consumer Credit Providers in their personal accounts and/or via email notifications. Upon request from Consumer Credit Providers, explanations and all additional information and/or documents are provided.

2.10. Once the Consumer Credit Recipient has repaid the debt, the debt recovery actions are terminated, and the Consumer Credit Recipient is returned to the previous Repayment Schedule or another schedule agreed upon by the Operator and the Consumer Credit Recipient.

3. Pre-trial recovery using debt collection companies/bailiffs

3.1. If the Consumer Credit Recipient fails to meet their obligations for 30–60 (thirty to sixty) days, taking into account the Recipient's willingness to communicate, efforts to resolve the debt, and other actions, the Operator's employee responsible for pre-trial recovery decides whether to refer the Consumer Credit Recipient's debt to a judicial recovery company or a bailiff. If such a decision is made, the Consumer Credit Recipient is notified via email and SMS. The Operator may only transfer the debt or the right to claim it to a debt collection service provider after it has contacted the Consumer Credit Recipient at least once regarding the full outstanding amount and at least 30 days have passed since that contact.

3.2. During the first 30–60 (thirty to sixty) days after the Consumer Credit Recipient's debt has been referred to a debt collection company or a bailiff, the individuals managing the debt aim to resolve the delay amicably by negotiating a settlement agreement for repayment of the debt (with or without additional security measures). Once such an agreement is concluded, they actively administer and monitor its execution until all overdue payments are fully settled.

3.3. Under the terms and conditions set out in the Consumer Credit Agreement, the Operator independently decides on the termination of the Consumer Credit Agreement with the Consumer Credit Recipient, taking into account the size of the debt, the duration of the delay, the Consumer Credit Recipient's cooperation, goodwill, and efforts to repay the overdue amount.

3.4. Before the termination of the Consumer Credit Agreement, the Consumer Credit Recipient is sent notifications and reminders specified in the Agreement to settle the outstanding debt, along with warnings regarding the intention to terminate the Agreement. If the Consumer Credit Recipient fails to settle the debt within the deadline specified in the final reminder, the Consumer Credit Agreement documents necessary to prepare procedural documents for court proceedings to recover the debt are submitted for judicial recovery.

4. Judicial recovery

4.1. Judicial recovery is applied as a last resort after terminating the Consumer Credit Agreement with the Consumer Credit Recipient, if all pre-trial recovery actions have failed to produce a proportionate result, or if, during those actions, the Consumer Credit Recipient avoided communication, evaded contact, ignored notifications and warnings, leading the Operator to decide to discontinue pre-trial recovery efforts.

4.2. Once the judicial recovery process is initiated, the Consumer Credit Recipient and the Consumer Credit Providers are notified by email, explaining that the judicial recovery process typically lasts 3–6 (three to six) months, but may take longer, and providing information on the coverage and reimbursement of litigation costs, as well as other important circumstances related to the initiated process.

4.3. The judicial recovery process is organised and conducted by the Operator or its authorised representatives in the interest of all Consumer Credit Providers. All costs of the pre-trial and judicial process are initially covered by the Operator. The Operator’s incurred costs (including postal fees, court fees, litigation costs, necessary enforcement costs, and other debt recovery-related expenses) may be submitted to the court for recovery, or claimed from the Consumer Credit Recipient and, once paid, are reimbursed to the Operator on a priority basis.

4.4. Consumer Credit Providers are informed about the progress of the debt recovery process, optionally via SMS, email, or a notification in their personal accounts, and also receive updates from the Lithuanian Courts E-Service Portal (EPP). Multiple of the aforementioned methods may be used. This information is updated in the event of new developments no later than within 10 (ten) days.

5. Post-judicial recovery

5.1. Once the Operator receives the enforcement document, it is handed over to a bailiff, who initiates the enforced debt recovery process. The Consumer Credit Recipient and Consumer Credit Providers are informed about the transfer to the bailiff and the ongoing enforced debt recovery via email, SMS, or a notification in their personal accounts. Multiple methods of communication may be used simultaneously. This information is continuously updated.

5.2. In the notification regarding the initiation of enforced debt recovery, the Operator also explains to the Consumer Credit Providers that the timing of payments to them depends on the debtor’s actual financial situation during the enforcement process. This includes whether the debtor is employed and receives regular income, has one-off or other passive income, or owns assets to which restrictions on disposal can be applied. If the debtor is employed, solvent, owns assets, and makes proper payments to the bailiff, the enforced recovery process is likely to conclude more quickly. Conversely, if the debtor is unemployed, insolvent, has no assets, or fails to make payments to the bailiff, the recovery process may take longer, for example, until sufficient funds become available for the bailiff to execute deductions.

5.3. The Operator, taking each individual case into account, may offer the Consumer Credit Providers the option to take over the enforcement process by entering into an agreement with the Operator regarding reimbursement of its incurred costs and other terms and conditions of their mutual relationship, or may offer to sell the claim rights to potential buyers (if any).

6. Final provisions

6.1. The Procedure must be reviewed at least once every 2 (two) calendar years and amended if necessary.