APPROVED
8 stars, UAB
22.09.2025

PROCEDURE FOR THE MANAGEMENT OF UNFULFILLED OBLIGATIONS

1. GENERAL PROVISIONS

1.1. This Procedure for the Management of Unfulfilled Obligations of the Crowdfunding Platform 8 stars, UAB, legal entity code 303336450, registered office at Gedimino Ave. 9, Vilnius, Republic of Lithuania (hereinafter referred to as the **Company**) (hereinafter referred to as the **Procedure**) establishes the procedures and measures that the Company must take in cases where the Project Owner breaches the terms of the Loan Agreement or the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, and/or improperly performs its obligations assumed under the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding,.

1.2. This Procedure has been prepared in accordance with Regulation (EU) 2020/1503 of 7 October 2020 on European Crowdfunding Service Providers, amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (hereinafter referred to as the "**Regulation**"), and other legal acts applicable to the Company and regulating its activities.

1.3. The Company's Manager, or a person appointed by them, is responsible for the implementation of this Procedure.

2. DEFINITIONS

2.1. Unless the context requires otherwise, the terms used in capital letters in this Procedure shall have the meanings set out below:

2.1.1. **Company** - 8 Stars, UAB, legal entity code 303336450, registered office at Gedimino per. 9, Vilnius, Republic of Lithuania;

2.1.2. **Investor** - a natural or legal person who enters into agreements for the financing of a Project through the Platform;

2.1.3. **Loan Agreement** - a loan agreement entered into (concluded) between the Investor and the Project Owner;

2.1.4. **Trustee** - a person representing the rights of bondholders, acting in accordance with the Law on the Protection of the Interests of Bondholders of Public Limited Companies and Private Limited Companies of the Republic of Lithuania;

2.1.5. **Transferable Securities Subscription Agreement** - a subscription agreement for non-equity securities (bonds) or equity securities (shares;

2.1.6. **Platform** - a publicly accessible online information system, available at www.letsinvest.eu administered and managed by the Company;

2.1.7. **Project** - one or more types of business activities for which the Project Owner seeks to obtain financing by submitting a Crowdfunding Offer;

2.1.8. **Project Owner** - a natural or legal person seeking to obtain financing through the Platform;

2.1.9. **Crowdfunding Offer** - a notification submitted on the Platform in any form and by any means, containing sufficient information about the terms and conditions of the offer and the proposed Project to enable the Investor to invest in the Project;

2.1.10. **Subscription Agreement for Instruments Used for Crowdfunding,** - the Subscription Agreement for Instruments Used for Crowdfunding;

2.1.11. **Procedure** - this document.

3. FAILURE OF PROJECT OWNERS TO FULFIL THEIR OBLIGATIONS

3.1. The Company considers that the Project Owner has failed to fulfil its obligations under the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding, when any of the following events occur):

3.1.1. The Company believes that, unless certain actions are taken, such as the realization of collateral, the Project Owner is unlikely to pay the full amount, redeem the transferable securities and/or instruments used for crowdfunding purposes, or otherwise fulfil its obligations under the relevant Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding. The Company has reason to believe that the Project Owner will not be able to properly perform its obligations under the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding, when:

3.1.1.1. a necessary restructuring of the financial obligation has occurred, where it is likely that the financial obligation will be reduced due to a significant cancellation or deferral of principal repayments, cancellation or deferral of redemption payments of transferable securities, cancellation or deferral of redemption payments of instruments used for crowdfunding purposes, cancellation or deferral of interest, or cancellation or deferral of fees related to the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding,;

3.1.1.2. The Project Owner has requested or been granted the status of a bankrupt or restructured person, or similar protection, in order to avoid or postpone the fulfilment of financial obligations.

3.1.2. The Project Owner is more than 30 (thirty) days late in making any payment arising under the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, (unless the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, provide the Project Owner with the possibility to amend the payment schedule or, under certain conditions, suspend / defer payments – in such case the number of overdue days shall be calculated based on the revised payment schedule, once it has been amended), and, upon a request from the Company and/or the Trustee to remedy such breach of the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, the Project Owner fails to remedy such breach within the term established by the Company and/or the Trustee.

3.1.3. The Project Owner commits another breach of the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, which is not related to a delay in making payments under the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Agreement on the acquisition of instruments used for the purposes of Crowdfunding, and, upon a request from the Company and/or the Trustee to remedy such breach of the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding, the Project Owner fails to remedy such breach within the term established by the Company and/or the Trustee.

3.2. Upon establishing any of the circumstances specified in clauses 3.1.1–3.1.3 of this Procedure, the Company shall take the following measures and actions:

3.2.1. **First**, it shall immediately inform the Investors of the relevant circumstances, together with information on the measures that the Company and/or the Trustee will take to manage the Project Owner's unfulfilled obligations;

3.2.2. **Second**, it shall terminate the Loan Agreement with the Project Owner (if necessary) in accordance with the procedure set out in the Loan Agreement;

3.2.3. **Third**, it shall initiate debt recovery procedures and actions against the Project Owner as provided for in Section 5 of this Procedure.

4. PRE-COURT DEBT RECOVERY PROCESS

4.1. In all cases, the Company shall remind the Project Owner of the upcoming payment date by email. The Project Owner shall be informed that the relevant day of the relevant month (as specified in the specific Loan Agreement, Transferable Securities Subscription Agreement, and/or the payment schedule of the Subscription Agreement for Instruments Used for Crowdfunding, and/or the Loan Agreement, Transferable Securities Subscription Agreement, or Subscription Agreement for Instruments Used for Crowdfunding, itself) is the last date for payment of the instalment.

4.2. If the Project Owner is more than 5 (five) days late in making any payment arising under the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or Subscription Agreement for Instruments Used for Crowdfunding, the Company shall send the Project Owner, by e-mail and SMS message, a reminder demanding immediate payment of the overdue instalment in order to avoid enforcement actions, and at the same time shall inform the Project Owner that late payment interest and/or increased interest will be charged in the event of continued delay in the performance of its obligations.

4.3. If the Project was financed under a Transferable Securities Subscription Agreement and a Trustee has been appointed, the Trustee shall take all measures provided for in the agreement and legislation to protect the interests of Bondholders and Investors.

4.4. If the Project Owner is more than 3 days late in fulfilling any other obligation under the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed), and/or the Subscription Agreement for Instruments Used for Crowdfunding, which is not related to a delay in making a payment under the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding:

4.4.1. The Company shall send a repeated reminder to the Project Owner by email, demanding that the breach of the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding, be remedied. The reminder shall also indicate the Company's intention to initiate termination of the Loan Agreement, the Transferable Securities Subscription Agreement, and/or the Subscription Agreement for Instruments Used for Crowdfunding, and to transfer the debt recovery process to the Company's internal Debt recovery Department and/or third parties providing such services, including external lawyers or debt recovery companies); or

4.4.2. The Company shall have the right to initiate unilateral termination of the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding without the additional reminder specified in Clause 4.4.1 of the Procedure.

4.5. If, after the Company has sent the reminder specified in Clause 4.2 of the Procedure, the Project Owner continues to delay payment of the overdue instalment, the Company shall send a warning by e-mail regarding the registration of the debt and its intention to transfer the administration of the debt to the Company's internal Debt recovery Department and/or third parties providing such services (external lawyers or debt recovery companies, etc.).

4.6. If the Project Owner delays in rectifying any other breach of the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or the Subscription Agreement for Instruments Used for Crowdfunding, the Company may make an automatic call to remind the Project Owner of the breach of the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding.

4.7. If the Project Owner is more than 30 days late in fulfilling any of the obligations under the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or the Subscription Agreement for Instruments Used for Crowdfunding, the Company shall transfer the debt recovery process to the Company's internal Debt recovery Department and/or third parties providing such services (external lawyers or debt recovery companies, etc.). In order to prevent the Project Owner from assuming further financial obligations, information about the debt shall be recorded.

4.8. If the Project Owner fails to remedy the breach of the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or the Subscription Agreement for Instruments Used for Crowdfunding within the time limit specified in the Company's notice, the Loan Agreement, the Transferable Securities Subscription Agreement and/or the Subscription Agreement for Instruments Used for Crowdfunding shall be terminated unilaterally and the Company shall initiate enforcement proceedings. The termination of the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or the Subscription Agreement for Instruments Used for Crowdfunding may be postponed only if an agreement is concluded with the Project Owner on changes to the payment schedule, debt rescheduling, or similar arrangements.

5. JUDICIAL/ENFORCEMENT DEBT RECOVERY PROCESS

5.1. Upon termination of the Loan Agreement, the Transferable Securities Subscription Agreement (where no Trustee has been appointed) and/or the Subscription Agreement for Instruments Used for Crowdfunding, the Company shall commence compulsory debt recovery from the Project Owner and from the collateral. The Company may engage a third party (an external lawyer or a debt recovery company with appropriate competence and experience in the field of debt recovery) to perform debt recovery procedures).

5.2. The Company or its designated responsible person shall, within 2 business days after the signing of the Loan Agreement, Transferable Securities Subscription Agreement (when no Trustee has been appointed), and/or the termination of the Subscription Agreement for Instruments Used for Crowdfunding, attempt to contact the Project Owner by telephone and/or e-mail to discuss possibilities for the repayment of the Project Owner's debts.

5.3. If no mutual agreement on the repayment of the Project Owner's debts can be reached in the manner provided for in Clause 5.2 of the Procedure, or if it is not possible to contact the Project Owner, compulsory debt recovery shall be initiated, i.e.:

5.3.1. Immediately apply to a notary for the issuance of an enforcement instrument in accordance with the mortgage agreement(s);

5.3.2. Upon receipt of the enforcement instrument from the notary, such document, together with an application for the acceptance of the enforcement instrument, shall be submitted to the Chamber of Bailiffs;

5.3.3. Once the Chamber of Bailiffs has selected a bailiff to enforce the debt, the bailiff shall enforce the debt in accordance with the enforcement instrument issued by the notary.

5.4. The Company shall also take all other legal actions that are possible and necessary to recover the Project Owner's debts, including:

5.4.1. Applying to the court for the recovery of the debt under the suretyship agreement (if any);

5.4.2. Applying a notary to carry out the execution of an enforcement clause in accordance with the issued bill of exchange, if one exists);

5.4.3. Taking any other actions that are possible and necessary to recover the Project Owner's debts.

5.5. In the event that bankruptcy or restructuring proceedings are initiated against the Project Owner and/or the provider of security measures, the Company shall prepare a creditor's claim and submit it to the relevant insolvency administrator within the time limits specified by law.

5.6. If the Company engages a third party (an external lawyer or debt recovery company, etc.) to perform debt recovery procedures, the Company undertakes to ensure that all debt recovery actions performed by this external service provider are coordinated with the Company and safeguard the Investors' interests to the maximum extent.

5.7. All enforcement actions for the recovery of the Project Owner’s debt discussed in this Section of the Procedure shall be carried out taking into account the financial situation of each Project Owner and may, accordingly, be amended and/or adjusted.

6. DISCLOSURE OF INFORMATION

6.1. The Company shall disclose at least the following information on the Platform it administers:

6.1.1. annually – the default rates of Projects offered on the Platform over at least the last 36 months;

6.1.2. within four months of the end of each financial year – a summary of results, which includes:

6.1.2.1. the actual default rates of all loans brokered by the Company;

6.1.2.2. the actual debt recovery rates for all loans brokered by the Company.

6.2. The information specified in Clause 6.1 of this Procedure shall be disclosed on the Company's website in a clearly visible location.

7. FINAL PROVISIONS

7.1. This Procedure shall enter into force on the date of their approval, unless the decision of the Company's manager approving the Procedure provides for a different date of entry into force.

7.2. Decisions on the approval, repeal, amendment, and/or supplementation of the Procedure shall be taken by the manager of the Company.

7.3. This Procedure is binding on all Company employees and/or third parties ensuring the proper performance of the Project Owners' obligations and/or the proper pre-trial or enforcement process for debt recovery.

7.4. The manager of the Company is responsible for the implementation of the Procedure, its periodic review, and the assessment of its effectiveness, and shall take appropriate measures to remedy any deficiencies found.