

Conditions of financial lease agreement (private customer)

Valid from 13
March 2015

These General Conditions of the financial lease agreement shall form an integral part of the financial lease agreement entered into between the Lessor and the Lessee.

The financial lease agreement (hereinafter the Agreement) shall consist of the Special Conditions agreed between the Parties, these General Conditions, the Payment Schedule and other annexes, including any further amendments and additions to be introduced in the future.

Issues not regulated by the Agreement shall be governed by the Lessor's general conditions (General Conditions of AS LHV Pank). The Lessor's general conditions are available at the Lessor's branch offices and on the Lessor's website (www.lhv.ee).

1. TERMS AND DEFINITIONS OF THE AGREEMENT

1.1 Unless otherwise stipulated in the Agreement or evident from the spirit of the Agreement, the terms used in the Agreement shall bear the following meaning:

Special Conditions are the special conditions of the Agreement, which have been separately negotiated and agreed between the Parties to the Agreement and form an integral part of the Agreement.

Downpayment is the first payment made by the Lessee to the Lessor under the Special Conditions and on the basis of the Payment Schedule for the possession, use and acquisition of the Property.

Euribor (Euro Interbank Offered Rate) is the EUR base rate established by the Eurozone banks for each Interest Period, equivalent of the EUR deposit interest rate for six-month deposits, established on the day of change of the Euribor, that is, on the day preceding the Interest Period (published on the corresponding website of Telerate or Reuters or on another official website). Upon entry into the Agreement, the Parties to the Agreement shall be governed by the Euribor established on the day preceding the date of conclusion of the Agreement. Where the day of change of Euribor or the day preceding the Interest Period and/or the day preceding the day of conclusion of the Agreement is a Saturday, a Sunday or a public holiday, the Parties to the Agreement shall be governed by the Euribor established on the last banking day preceding the corresponding day. If the EUR base rate established by the Eurozone banks on the day of change of the Euribor, that is, on the day preceding the Interest Period (or on the last banking day preceding the corresponding day) for six-month deposits is lower than 0% (zero per cent) per annum, that is, negative, the Parties to the Agreement shall adhere to the Euribor of 0% (zero per cent) per annum on the relevant day of change of the Euribor, that is, on the day preceding the Interest Period.

Price List is a list of fees established by the Lessor for the additional and ancillary services to be rendered by the Lessor. The Price List shall be available at the Lessor's branch offices and on the Lessor's website (www.lhv.ee). The Lessor shall have the right to unilaterally change the Price List.

Interest is the fee paid by the Lessee to the Lessor under the Agreement and on the basis of the Payment Schedule for use of the Credit Amount. The interest rate shall be fixed in the Special Conditions and shall consist either of the (i) Euribor for the Interest Period agreed in the Special Conditions, plus the interest margin; or (ii) a fixed interest rate for the entire Lease Period, agreed in the Special Conditions. Interest shall be calculated from and subject to payment from the date of entry into the Agreement (included) until the Payment Due Date of the last Instalment Payment (excluded) in accordance with the Payment Schedule arising from the Agreement.

Interest Period is the time period specified in the Special Conditions during which a specific Euribor rate shall apply. The Lessor shall inform the Lessee of the new Euribor and Interest rate within thirty (30) days after commencement of the new Interest Period. In case of a fixed Interest, the Interest shall remain unchanged during the term of the Agreement.

Insurance Payment Schedule is the schedule for the payments, which are related to the insurance of the Property and which have been financed by the Lessor and shall be payable by the Lessee to the Lessor, and the interest charged thereof, prepared on the basis of the insurance offer accepted by the Lessee.

Third Party is a person who is not a Party to the Agreement.

Total Cost of Credit is the total amount of payments to be made by the Lessee in repayment of the Credit Amount and the costs arising from the use of the Credit Amount, consisting of the Credit Amount, Interest, Agreement Fee, insurance payments for the Property (where the insurance contract(s) is/are concluded via the Lessor) and other fees which are to be paid by the Lessee in connection with the Agreement and which can be clearly identified by the Lessor. The Total Cost of Credit is calculated based on the initial Interest rate and other terms and conditions valid at the time of entry into the Agreement, without accounting for costs which cannot be clearly identified by the Lessor. Where the Property insurance contracts are not concluded via the Lessor, the Property insurance payments shall not be accounted for in the calculation of the Total Cost of Credit. The Total Cost of Credit, calculated based on the data which can be identified at the time of entry into the Agreement, shall be fixed in the Special Conditions. The Total Cost of Credit is a standard example of costs, presented for awareness purposes on the basis of contractual

assumptions, and shall have no bearing on the contractual obligations and payable amounts.

Initial Annual Percentage Rate of Charge is the initial cost of use of the Credit Amount for the Lessee (Interest, Agreement Fee, Property insurance payments (where the insurance contract(s) is/are concluded via the Lessor), expressed as an annual percentage rate of the Credit Amount and calculated based on the assumption that the Agreement will remain valid for the agreed period of time and that the Lessor and the Lessee will fulfil their obligations under the conditions and by the terms set forth in the Agreement. The Initial Annual Percentage Rate of Charge is calculated based on the initial Interest rate and other terms and conditions valid at the time of entry into the Agreement, without accounting for costs which cannot be clearly identified by the Lessor or costs payable by the Lessee upon breach of Agreement. Where the Property insurance contracts are not concluded via the Lessor, the Property insurance payments shall not be accounted for in the calculation of the Initial Annual Percentage Rate of Charge. The Initial Annual Percentage Rate of Charge shall be fixed in the Special Conditions. The Initial Annual Percentage Rate of Charge is a standard example of the annual percentage rate of charge, presented for awareness purposes on the basis of contractual assumptions, and shall have no bearing on the contractual obligations and payable amounts. When calculating the Initial Annual Percentage Rate of Charge, the Lessor shall be governed by the formula established by the Minister of Finance of the Republic of Estonia, and round the result off to two digits after the decimal point.

Credit Amount is the amount of credit, which has been made available to the Lessee by the Lessor under the Agreement, within which the Lessor shall credit the Lessee, and which the Lessee obliges to repay to the Lessor in Lease Payments under the terms and conditions set forth in the Agreement, together with accessory expenses. The Credit Amount forms a part of the cost of the Property, which has been fixed in the Special Conditions and is to be financed by the Lessor in the interests of and on the order of the Lessee. Payment of the Credit Amount by the Lessor directly to the Seller of the Property under the Contract of Sale in the interests of and on the order of the Lessee shall be recognised as the crediting of the Lessee.

Agreement is this financial lease agreement, consisting of the Special Conditions, these General Conditions, the Payment Schedule, instrument of delivery and receipt of the Property, and other annexes, including any further amendments and additions to be introduced in the Agreement in the future.

Parties to the Agreement are the Lessor and the Lessee.

Agreement Fee is the service charge payable by the Lessee to the Lessor each time for the consultations related to the preparation, conclusion, amendment and/or termination of the Agreement, analysis of applications and preparation of the documents of the Agreement. The Agreement Fee payable for the conclusion of the Agreement shall be fixed in the Special Conditions.

Agreement Currency is the currency in which the payment obligations arising from the Agreement are expressed and in which the payments arising from the Agreement are effected. The euro shall be the Agreement Currency, unless otherwise agreed in the Special Conditions.

Lessor is AS LHV Pank (registry code: 10539549), a credit institution established and operating under the laws of the Republic of Estonia.

Lease Payments are the payments to be made by the Lessee to the Lessor for the use and acquisition of the Property.

Lease Period is the time period which has been established in the Special Conditions and during which the Lessor shall finance the Lessee and transfer the Property into the possession and use of the Lessee, with the Lessee being obliged to make the payments arising from the Agreement. Upon appropriate fulfilment of all of the Lessee's obligations assumed under the Agreement, the right of ownership of the Property shall be transferred to the Lessee at the end of the Lease Period.

Lessee is a person in the interests of whom the Lessor shall finance, under the Agreement, the purchase of the Property from the Seller, and to whom the Lessor shall transfer, for the duration of the Lease Period, possession and use of the Property, and who will acquire, upon appropriate fulfilment of all obligations arising from the Agreement, the right of ownership of the Property, and who assumes the obligation to make the payments stipulated in the Agreement to the Lessor.

Payment Schedule is the schedule of payment of the amounts arising from the Agreement, signed by the Parties to the Agreement upon entry into the Agreement. In case of an Agreement with a floating Interest rate, the Lessor shall unilaterally adjust the Payment Schedule for the new Interest Period at the end of the Interest Period in accordance with any changes in the Euribor (and the consequent changes in the Interest rate). The adjusted Payment Schedule shall automatically form an integral part of the Agreement and shall not require a separate signature of the Parties to the Agreement.

Payment Due Date is the date established in the Payment Schedule and/or on the basis of the Agreement, by which the contractual payment to be made by the Lessee shall be transferred to the Lessor's bank account.

Contract of Sale is a transaction to be concluded between the Lessor and the Seller for the Lessor to acquire the Property from the Seller on the order of and in the interests of the Lessee.

Seller is a person who has been appointed or designated by the Lessee (the Lessee himself/herself may serve as such a person, if so agreed with the Lessor) and from whom the Lessor acquires the Property under the Contract of Sale.

Instalment Payments are the periodic (monthly, unless otherwise agreed) payments to be made by the Lessee to the Lessor for the use and acquisition of the Property. The Instalment Payments shall consist, among other things, of the Lease Payments and Interest for the corresponding period.

Collateral is property encumbered for the benefit of the Lessor under the Collateral Agreement and/or a surety and/or guarantee provided by a Third Party to the Lessor under the Collateral Agreement.

Collateral Agreement is an agreement concluded or to be concluded between the Lessor and the Lessee and/or the Lessor and a Third Party for securing appropriate fulfilment of the Lessee's obligations arising from the Agreement (including a pledge, surety and/or guarantee agreement).

Property is a movable or movables (together with the accessories, things and documents) which is/are to be acquired, in the interests of the Lessee, by the Lessor from the Seller under the Contract of Sale, and which will subsequently be transferred into the possession and use of the Lessee for the Lease Period under the terms and conditions and pursuant to the procedure agreed between the Lessor and the Lessee in the Agreement, and the ownership of which will be transferred, at the end of the Lease Period, to the Lessee upon appropriate performance of all obligations arising from the Agreement.

Cost of Property or Net Price of Property is the purchase price of the Property, paid or to be paid by the Lessor to the Seller under the Contract of Sale as specified in the Special Conditions, together with the value added tax which is to be imposed in accordance with the Value Added Tax Act.

Fine for Delay is the interest on arrears, payable by the Lessee to the Lessor in case of a delay in the fulfilment of a financial obligation in the rate agreed in the Special Conditions. The Fine for Delay shall be calculated on the debt amount from the moment the obligation falls due until appropriate fulfilment of the obligation. No Fine for Delay shall be calculated on the interest and the Fine for Delay.

2. OBJECT OF THE AGREEMENT

2.1 Under the Agreement, the Lessor shall acquire the Property in the interests of the Lessee, transfer the Property into the use of the Lessee for the term of the Agreement, and undertake not to hinder the possession and use of the Property by the Lessee. The Lessee is obliged to use the Property prudently and in accordance with its intended purpose of use, and to pay to the Lessor for the use of the Property. Upon appropriate fulfilment of all of the Lessee's obligations assumed under the Agreement, the right of ownership of the Property shall be transferred to the Lessee upon expiry of the Agreement.

2.2 The Agreement shall be treated as a financing and credit agreement, under which the Lessor shall finance the Lessee within the Credit Amount. The Lessee is obliged to repay the Credit Amount to the Lessor in Lease Payments together with the Interest and accessory expenses under the terms and conditions set forth in the Agreement. The right of ownership of the Property shall be transferred to the Lessee upon appropriate fulfilment of all contractual obligations (including payment of all Instalment Payments) by the Lessee.

3. ACQUISITION AND DELIVERY OF THE PROPERTY

3.1 The Lessor shall acquire the Property specified in the Special Conditions in the interests of the Lessee under the Contract of Sale, and transfer the Property into the possession and use of the Lessee for the duration of the Lease Period. The acquisition of the Property by the Lessor shall take place upon entry into the Agreement, provided that the Lessee has made the Downpayment and paid the Agreement Fee for the conclusion of the Agreement and meets the preconditions set forth in the Special Conditions (e.g. conclusion of Collateral Agreements).

3.2 The Lessee is obliged to immediately accept the possession of the Property. The Lessor shall not be held liable for any delay caused in the delivery of the Property, unless the delay is caused by the Lessor. The Lessee shall not have the right to refuse to accept or delay acceptance of the Property without a good reason.

3.3 The Property acquired under the Contract of Sale shall be delivered with the instrument of delivery and receipt of the Property. The Lessor shall grant the Lessee authorisation for the signing of the instrument of delivery and receipt of the Property and acceptance of the possession of the Property. The Lessee is obliged, upon acceptance of the Property, to adhere to the requirements and obligations stipulated in this Agreement. The instrument of delivery and receipt of the Property shall be signed by the Lessee and the Seller, and shall specify compliance of the Property with the terms and conditions of the Agreement as well as the exact time of transfer of possession of the Property.

3.4 Upon signing of the instrument of delivery and receipt of the Property or transfer of possession of the Property to the Lessee, the risk of accidental destruction of or damage to the Property shall be transferred to the Lessee. The liability of the possessor of a major source of danger shall be transferred to the Lessee at the same moment. From the moment of acceptance of the Property, the Lessee shall be held liable, in front of the Lessor, for noticeable and hidden deficiencies of the Property as well as for any claims and damage arising from such deficiencies, unless they are subject to elimination or compensation by the Seller or manufacturer of the Property under a valid warranty, Contract of Sale or any other contract or the law, but only if the Seller and/or manufacturer of the Property do/does indeed eliminate or compensate the deficiencies or replace the defective Property. Where the Parties to the Agreement have established, with the Special Conditions, an earlier moment of transfer of liability and/or risk (e.g. delivery of the Property to the carrier), the liability shall be transferred to the Lessee as of the agreed moment.

3.5 Upon acceptance of the Property and its accessories (including keys, remote controls for the alarm system and/or other means for controlling access and

exploitation of the Property as well as documentation) and prior to the signing of the instrument of delivery and receipt of the Property, the Lessee shall have the right and the obligation to:

3.5.1 thoroughly check the compliance of the Property with the terms and conditions of the Agreement (including compliance of the Property with the agreed specification), and to ensure completeness of the Property and the possibility of using the Property in accordance with its intended purpose of use;

3.5.2 thoroughly check the legal status of the Property (the Seller's right of ownership of the Property and/or the right of representation of the Seller's representative), and ensure that the Property has not been pledged, encumbered with other real rights or the rights and claims of Third Parties (including encumbrances under the law of obligations, e.g. lease or rental contracts);

3.5.3 ensure completeness and validity of the documentation accompanying the Property provided by the Seller; where warranty conditions and rules have been established with regard to the Property, check the condition of the Property and compliance with the validity and enforceability conditions of the warranty.

3.6 The Lessee shall not have the right to refuse to sign the instrument of delivery and receipt of the Property upon transfer of the possession of the Property to the Lessee. Should the Lessee nonetheless refuse to sign the instrument of delivery and receipt of the Property upon transfer of the possession of the Property, it shall be deemed that the Lessee has signed the instrument.

3.7 The Lessee shall ensure that the signed instrument of delivery and receipt of the Property would be submitted to the Lessor at the latest within three (3) calendar days after transfer of the possession of the Property to the Lessee.

3.8 If it turns out, upon acceptance of the Property, that the Property (including its accessories) or its documentation does not comply with the Agreement or the terms and conditions agreed between the Lessee and the Seller and/or the general requirements with regard to the Property, the Lessee shall be obliged to:

(i) refuse to accept the Property, submitting to the Seller a corresponding claim justifying the refusal and demanding immediate elimination of the deficiencies or replacement of the Property;

(ii) ensure the fixation of the discovered deficiencies in writing; and

(iii) inform the Lessor of the circumstances straight away (not later than within three (3) calendar days), specifying the deficiencies which have been discovered or have become evident, and justifying the refusal to accept the Property thereof.

3.9 If it is established that the Lessee had no grounds to refuse to accept the Property or if the Lessee has refused to accept or delayed acceptance of the Property without a good reason, the Lessee shall be obliged to immediately accept the Property and compensate to the Lessor any expenses and damage related to the delay in the acceptance of the Property.

3.10 If the Lessee accepts a Property which contains deficiencies, the Lessee shall bear any expenses, damage and risks related to the elimination of the deficiencies (except where the Seller and/or manufacturer of the Property eliminates or compensates for the deficiencies or replaces the Property).

3.11 The Lessee is obliged to pay and to compensate any expenses, fees and taxes related to the acquisition, acceptance and use of the Property, along with any damage, including taxes, fees and service charges related to the registration and acquisition of the Property. Where any taxes, fees or expenses related to the acquisition and registration of the Property are to be borne by the Lessor or where the Lessor pays for such taxes, fees or expenses on behalf of the Lessee or in response to a demand placed by a Third Party, the Lessee shall be obliged to immediately compensate such expenses, fees and taxes to the Lessor. The expenses, taxes and fees specified in this clause shall always be borne by the Lessee and shall not be subject to compensation by the Lessor to the Lessee during the validity of or upon expiry of the Agreement.

4. PAYMENTS AND INTEREST

4.1 Under the Agreement, the Lessee obliges to make payments to the Lessor for the use, possession and acquisition of the Property under the terms and conditions and based on the rate stipulated in the Agreement.

4.2 Unless otherwise agreed in the Special Conditions, the Lessee shall make the Downpayment and pay the Lessor the Agreement Fee for the conclusion of the Agreement on the day of entry into the Agreement.

4.3 The Lessee is obliged to make Instalment Payments to the Lessor in accordance with the Payment Schedule for the entire Lease Period. The Lessee shall have the right to demand from the Lessor the presentation of the Payment Schedule free of charge at any time during the validity of the Agreement.

4.4 Among other things, the Lessee shall pay Interest to the Lessor as a part of the Instalment Payment on each Payment Due Date. The Interest shall be calculated on the outstanding Credit Amount, which is fixed at the beginning of each Interest calculation period and in accordance with the applicable Interest rate. Until the Payment Due Date of the first Instalment Payment, Interest shall be calculated based on the actual number of days per month and a 360-day year. Thereafter, Interest shall be calculated based on a 30-day month and a 360-day year. Interest shall be calculated and paid from the day of entry into the Agreement until (including) the last Payment Due Date of the Lease Payment under the Payment Schedule. The outstanding Credit Amount at the given moment in time shall be calculated by deducting from the Credit Amount the Downpayment and all Lease Payments made to the Lessor by the particular moment. The Lessor shall inform the Lessee of the changes in the Interest rate prompted by the change of the key interest rate (Euribor) on a periodical basis, i.e. within 2 weeks after commencement of each Interest period.

4.5 Where the Lessee has ordered ancillary services (e.g. insurance, fuel card) upon agreement with the Lessor or via the Lessor, the Lessee shall be obliged to pay to the Lessor for the corresponding accessory expenses in accordance with the agreement and the Price List.

4.6 If the Lessee wishes to order from the Lessor additional services or operations not specified in the Agreement (for example, introduction of amendments in the Agreement), the Lessee shall pay to the Lessor the Agreement Fee or another

- fee in accordance with the Price List, or, upon agreement of the Parties, another service charge.
- 4.7 If the Lessee fails to make the Instalment Payment or pay any other contractual amount by the Payment Due Date, the Lessor shall have the right to demand from the Lessee a Fine for Delay, calculated on the outstanding debt amount based on the rates stipulated in the Special Conditions, from the day following the Payment Due Date until appropriate fulfilment of the obligation. No Fine for Delay shall be calculated on the Interest and the Fine for Delay.
- 4.8 Should the amounts paid by the Lessee prove insufficient for the fulfilment of the Lessee's obligations, the collection costs of the debt shall be deemed as paid in the first order, Lease Payments and insurance payments (provided that the insurance contract(s) is/are concluded via the Lessor) in the second order, Interest that has fallen due and interest calculated on the insurance premiums for the Property (provided that the insurance contract(s) is/are concluded via the Lessor) in the third order, and the Fine for Delay, contractual penalties and compensation of damage thereafter.
- 4.9 If the Lessee fails to pay the contractual amounts in a timely manner, the Lessor shall have the right to demand from the Lessee compensation for the expenses incurred in connection with the collection of the debt in accordance with the rate(s) established in the Price List and/or the actual costs incurred by the Lessor. If the Lessee delays fulfilment of the payment obligation, the Lessor shall have the right to send to the Lessee a letter of claim of payment of the debt, with the Lessee being obliged to pay to the Lessor the fee specified in the Price List for the processing and delivery of each letter of claim.
- 4.10 Where the payment due date for an amount payable under the Agreement has not been fixed in the Payment Schedule and/or the Agreement, the amount shall be paid within seven (7) calendar days after the payment obligation falls due.
- 4.11 All contractual payments shall be transferred to the Lessor's current account specified in the Agreement, and deemed as paid upon transfer of the corresponding amounts to the Lessor's account. The Lessor shall inform the Lessee of any changes in the account information, as well as of other details required for the effecting of the payment.
- 4.12 By signing the Agreement, the Lessee shall grant the Lessor an irrevocable payment order so that the Lessor could, on the Payment Due Date or another date on which a contractual payment is due, debit the payable amount, without the Lessee's separate consent or order, from the Lessee's accounts opened with the Lessor in the amount required for complete payment of the amounts payable under the Agreement. The payment order specified in this clause shall remain valid until appropriate and complete fulfilment of all of the Lessee's obligations arising from the Agreement. The payment order for the debiting of the Lessee's account, given to the Lessor under this clause, shall not exempt the Lessee from the obligation to transfer all contractual payments to the Lessor's account by the Payment Due Date. The Lessee shall maintain liability for breach of the corresponding obligation in accordance with the law and this Agreement.
- 4.13 Should the funds available on the Lessee's account(s) opened with the Lessor in the Agreement Currency prove insufficient for the appropriate fulfilment of the Lessee's obligations, and the Lessee's account(s) opened with the Lessor contain funds in other currencies (including securities), the Lessor shall have the right to convert the financial resources denominated in other currencies on the Lessee's accounts under the daily exchange rate for the particular currency and, thereafter, to debit the Lessee's accounts and transfer the securities held on the accounts for complete payment of the amounts payable under the Agreement.
- 4.14 The Lessor hereby warns the Lessee that any failure to pay the contractual amounts could have serious consequences for the Lessee (including the obligation to pay a Fine for Delay, premature termination of the Agreement, return of the Property and the potential obligation to compensate for the Credit Amount, with deductions made under the Agreement). This, in turn, may complicate the Lessee's credit funding in the future.
- 5. USE OF THE PROPERTY**
- 5.1 The Lessee undertakes to use the Property in a diligent, sustainable and prudent manner in accordance with the intended purpose of use specified in the technical documentation of the Property and in compliance with the requirements established by the manufacturer of the Property, Seller and/or the Lessor for technical maintenance, use and exploitation of the Property.
- 5.2 The Lessee undertakes to ensure, during the validity of the Agreement until appropriate fulfilment of all obligations arising from the Agreement, the preservation of the condition of the Property at the time of delivery of the Property to the Lessee, considering normal wear and tear conditioned by the use of the Property in accordance with the intended purpose of use. In the assessment of the condition of the Property and the wear and tear, the Parties to the Agreement shall be governed, among other things, by the guidelines of various professional associations (e.g. the guidelines issued by the Estonian Leasing Association, Association of Estonian Automobile Sales and Maintenance Companies for assessment of the normal wear and tear of vehicles) and other standards and good practice.
- 5.3 The Lessee is obliged to ensure performance of technical maintenance on the Property at the time and in the extent specified in the warranty and/or technical documentation by the manufacturer of the Property, Seller or person designated by the Lessor during the validity of the Agreement. The Lessee is obliged, during the validity of the Agreement, to preserve and keep in order the technical and warranty documents on the Property, as well as to perform the operations required for maintaining the warranty under the established terms and conditions.
- 5.4 The Lessee is obliged to ensure elimination of any deficiencies discovered in the Property and its non-compliance with the Agreement and/or the terms and conditions agreed between the Lessee and the Lessor, if the deficiencies have become evident during the validity of the Agreement and/or at the time when the Lessee delayed fulfilment of the obligation to transfer possession of the Property upon expiry or termination of the Agreement. The Lessor is not obliged to conduct repairs on the Property at its own expense, or incur other expenses on the Property.
- 5.5 The Lessee shall have the right to improve the Property only on the Lessor's previous written consent, except for improvements required for the preservation of the Property or for the protection of the Property for complete or partial destruction, as well as improvements which have been designed to facilitate the use of the Property and do not damage the technical condition of the Property and can be removed without damaging the Property.
- 5.6 The Lessor is not obliged to compensate to the Lessee, return or replace any necessary or useful improvements or sumptuary expenses on the Property. Any improvements of the Property shall be transferred, free of charge, to the Lessor upon return of the Property in case of premature termination of the Agreement, unless the improvements can be removed without damaging the Property. Any expenses related to the removal of the improvements shall be borne by the Lessee.
- 5.7 The Lessee shall not be entitled, without the Lessor's previous written consent, to sub-lease the Property to a Third Party or to use the Property in any other way which does not comply with the intended purpose of use Where the Property is a vehicle, the Lessee shall not use the Property, without the Lessor's previous written consent, for the provision of taxi, car lease, security or courier services, for driving practice or emergency response, for racing or for other purposes which may significantly increase the risk of damage to and/or destruction of the Property.
- 5.8 The Lessee shall not be entitled, without the Lessor's previous written consent, to possess and use Property, which is not subject to registration in the traffic register, outside the territory of the Republic of Estonia. The Lessee may take a Property, which has been registered in the traffic register, outside the Republic of Estonia at his/her own responsibility without the Lessor's previous written consent, if the Property has a valid insurance cover, which complies with the terms and conditions of the Agreement, in the corresponding foreign territory for the entire period of the Property's stay in the foreign territory.
- 5.9 The Lessor shall have the right, at any time, to inspect the use of the Property either personally or by designating Third Parties thereof, and to demand from the Lessee the submission of documents related to the possession and use of the Property. Where the need to inspect the Property was caused by and/or where the inspection reveals a breach of Agreement on behalf of the Lessee, the Lessee shall be obliged to compensate in full any expenses incurred by the Lessor in connection with the performance of the inspection.
- 5.10 The Lessee shall keep, safeguard and preserve the Property in such a way as to prevent any transfer of possession of the Property by the Lessee without the Lessor's express consent. The Lessee shall be entitled to protect the Property against any violation, applying self-help, exercising the right to search and seeking legal protection where necessary.
- 5.11 The Lessee is obliged to bear any expenses incurred in connection with the possession, use, exploitation, maintenance and repairing of the Property and any other expenses (including fines imposed for violation of the law in the course of exploitation of the Property, potential recourse actions, claims for damage, etc.), as well as to pay any state and local taxes on the Property. Where the Lessor has, nevertheless, borne expenses in connection with the Property (including conducted repairs on the Property, incurred expenses in connection with reclaiming the Property from the Lessee and/or a Third Party, etc.), the Lessee shall be obliged to immediately and fully compensate such expenses to the Lessor.
- 5.12 Any hindrances in the possession or use of the Property, failure to possess and use the Property, including full or partial restriction of the possession and use of the Property or failure to use the Property regardless of the reason (including loss of possession of the Property by the Lessee, destruction, loss, seizure of the Property, initiation of criminal or other proceedings against the Lessee or the Property and other similar cases) shall not exempt the Lessee from the payment obligations arising from the Agreement (including Lease Payments and Interest payment). The Lessee shall not have the right to demand from the Lessor replacement of the Property or reduction of any payments arising from the Agreement in cases where the use of the Property proves impossible or is restricted.
- 5.13 The Lessor shall have the right to reclaim the Property from illegal possession, demand elimination of any hindrances in the use of the Property and to demand compensation for damage caused to the Property by other parties (including the Lessee).
- 5.14 The Lessee shall not be entitled, during the validity of the Agreement, to transfer the Property or dispose of the Property in any other manner, including to pledge or encumber the Property with any rights of Third Parties.
- 6. INSURANCE OF THE PROPERTY**
- 6.1 The Lessee is obliged to conclude, with an insurer acceptable to the Lessor and on the terms and conditions specified in the Agreement (including the Special Conditions), a property insurance contract on the Property, as well as a motor third party liability insurance contract, where the Property is subject to registration in the traffic register. The insurance contracts shall be concluded immediately, but not later than on the day of transfer of possession of the Property to the Lessee. It shall be forbidden for the Lessee to use the Property (including to enter into traffic) before the insurance contract(s) and the insurance cover take effect.
- 6.2 The Lessee is obliged to ensure validity of the insurance contracts and guarantee a constant insurance cover under the terms and conditions of the Agreement during the term of the Agreement, and to appropriately renew and/or extend the insurance contracts, as required.
- 6.3 Both the property insurance contract and the motor third party liability insurance contract (including the insurance policy issued under the contract) shall be concluded with a term of at least one year, with the insurance premium payable thereof being paid in a lump sum upon entry into the contract. The Property shall be ensured under the property insurance contract in the amount of its market value and/or reinstatement value, with the self-retention rate established in the amount acceptable to the Lessor. The property insurance contract shall cover all risks related to the possession and use of the Property (including traffic accidents, natural disasters, fire, burglary, robbery and acts of vandalism). The insurance cover shall be valid all over Europe (except for the CIS countries).

- 6.4 The list of insurers acceptable to the Lessor, the self retention acceptable to the Lessor and/or other details regarding the insurance of the Property are available at the Lessor's branch offices or on the Lessor's website (www.lhv.ee). The Lessor shall have the right to make changes in the list of insurers acceptable to the Lessor. Where the Property has been insured by an insurer which is not acceptable to the Lessor but which was included in the list of insurers acceptable to the Lessor at the time of conclusion of the insurance contract, the Lessee shall have the obligation, upon expiry of the insurance contract and/or the insurance policy, to conclude a new insurance contract with an insurer acceptable to the Lessor.
- 6.5 Upon agreement with the Lessor, the Lessee may conclude insurance contracts via the Lessor. In this case, the Lessor shall conclude the insurance contract(s) on its own behalf but at the expense of the Lessee. Upon the Lessee's request, the Lessor shall finance the insurance payments to be made under the insurance contracts concluded via the Lessor. In this case, interest shall be charged from the Lessee on the payments. The Lessee shall make all payments arising from the insurance contract(s) concluded via the Lessor either on the basis of the Insurance Payment Schedule prepared by the Lessor and/or on the basis of separate invoices to be presented by the Lessor.
- 6.6 Upon conclusion of the property insurance contract (including via the Lessor), the Lessee is obliged, upon the insurer's demand, to allow the Property to be inspected by the insurer or the insurer's representative, and to provide the insurer with truthful information any significant circumstances related to the Property as well as any factors liable to add to the insurance risk, and to immediately report any change of such circumstances during the validity of the insurance contract.
- 6.7 The Lessee is obliged to establish the Lessor as the beneficiary in the insurance contract. Insurance contracts shall always be concluded in such a way that in case of an insured event the Lessor would be the beneficiary of the financial compensation and the insurer would transfer the insurance indemnity to the Lessor's account (or, based on the Lessor's written application, to the account of the repair service provider or of the Lessee).
- 6.8 The Lessee is obliged to submit to the Lessor the valid Property insurance policies at the latest on the date of transfer of possession of the Property to the Lessee and/or the extended policies (in case of extension of the policies) at the latest within seven (7) calendar days prior to the expiry of the valid insurance policy/policies, by sending an e-mail to poliis@lhv.ee.
- 6.9 Should the Lessee fail to submit the insurance policies to the Lessor in a timely manner or to conclude insurance contract(s) altogether, the Lessor shall have the right to conclude the insurance contract(s), on its own behalf and at the expense of the Lessee, with an insurer(s) chosen by the Lessor in accordance with the provisions of the Agreement, and to demand from the Lessee full compensation of any costs incurred thereof, with the Lessor also entitled to finance the insurance payments to be made under the above insurance contract(s), in which case the Lessor shall pay, in addition to compensation for the insurance payments, any interest calculated on the insurance payments (on the basis of the Insurance Payment Schedule prepared by the Lessor and/or on the basis of separate invoices to be presented by the Lessor).
- 6.10 The Lessee is obliged to appropriately fulfil all of the obligations of the policyholder and/or the Property owner arising from the insurance contract, to refrain from any activity or failure to act which may, pursuant to the Property insurance contract, result in the amendment or cancellation of the contract, increase the insurance premium, trigger an insured event or add to the probability of occurrence of an insured event.
- 6.11 Upon occurrence of an insured event, the Lessee shall be obliged to apply all measures to save the Property and prevent further damage, to immediately report the insured event to the insurer, law enforcement authorities and/or the Rescue Board, and fulfil other obligations stipulated in the insurance contract, and to inform the Lessor at the latest within three (3) calendar days of the circumstances related to the damaging or destruction of the Property.
- 6.12 In case of occurrence of an insured event, the Lessee is obliged to represent the Lessor in communication with the insurer, the police, vehicle register, repair service provider and any other parties in connection with the occurrence of an insured event, insurance indemnity and issues related to the reinstatement and repairing of the Property. The Lessor shall have the right to personally participate in the negotiations at any time.
- 6.13 In case of damage to the Property, the Lessee shall be obliged to reinstate the Property at his/her own expense as soon as possible, and to inform the Lessor of the measures taken to reinstate the Property. The Lessee is obliged to select contractors who would provide the work with a warranty acceptable to the Lessor.
- 6.14 In case of an insured event, where the Property is destroyed or rendered unfit for use, is stolen or lost, etc., the insurance indemnity shall be used, to the extent possible, to compensate to the Lessor any fees and expenses which are related to the acquisition of the Property and which are yet to be compensated by the Lessee to the Lessor under the Agreement, as well as the outstanding Credit Amount and any expenses and damage (including financing expenses) borne by the Lessor through premature termination of the Agreement.
- 6.15 In a case where the Property is destroyed, damaged, lost, etc., without any compensation payable by the insurer for any reason, or in a case which is not considered an insured event under the insurance contract and is not thus to be compensated by the insurer, or in a case where the insurance indemnity transferred to the Lessor's account does not cover all expenses and damage borne by the Lessor as specified in clause 6.14, the Lessee shall be obliged to compensate to the Lessor all expenses and damages (or the outstanding amount) specified in clause 6.14. The Lessee is obliged, within 14 (fourteen) calendar days after receiving the corresponding notice from the Lessor, to compensate to the Lessor the uncompensated expenses and damage borne by the Lessor.
- 6.16 The Lessee's disagreement with the insurer's decision with regard to the non-recognition of the destruction or damaging of the Property as an insured event or refusal to compensate for the damage, and the corresponding legal disputes, shall not exempt the Lessee from the timely and appropriate fulfilment of the obligation stipulated in clause 6.15 of the Agreement in front of the Lessor.
- 6.17 Upon expiry of the Agreement, the Lessor shall have the contractual right and the Lessee's authorisation to terminate any insurance contracts concluded for the insurance of the Property.
- 6.18 All insurance premiums as well as other expenses and/or damage related to the insurance (including recourse actions filed by insurers against the Lessee with regard to the Property) shall be paid by the Lessee. Where the Lessor has borne any expenses and/or damage, the Lessee shall be obliged to immediately and fully compensate the expenses and/or damage to the Lessor.
- 7. THE LESSEE'S DECLARATIONS AND WARRANTIES. THE LESSEE'S OBLIGATION TO INFORM**
- 7.1 The Lessee's declarations and warranties**
- 7.1.1 By signing the Agreement, the Lessee declares and warrants to the Lessor that:
- (i) the Lessee has active legal capacity as well as the authorisation to enter into and perform this Agreement;
- (ii) there are no restrictions which hinder or may hinder the entry into the Agreement or serve as the basis for premature termination or cancellation of the Agreement;
- (iii) the entry into the Agreement does not violate any contract, document, legal act, administrative act, judicial decision or precept of administrative agencies, which is binding to the Lessee;
- (iv) no bankruptcy or execution proceedings have been initiated against the Lessee, and the Lessee is not aware of any circumstances which could lead to the initiation of such proceedings in the future;
- (v) the Lessee shall guarantee fulfilment of the obligations assumed under the Agreement with all of his or her property or any future property that the Lessee may acquire;
- (vi) the information (including the financial information on the Lessee) and other materials and documentation submitted by the Lessee are correct and complete;
- (vii) the Property to be acquired by the Lessor in the interests of the Lessee under the Contract of Sale has been selected by the Lessee; the Lessee has selected and designated the Seller of the Property from whom the Lessor is to acquire the Property; the Lessee has personally examined the Property (in case of a second-hand Property) or the sales and technical documentation on the Property (in case of new Property) prior to entry into the Agreement, and has agreed with the Seller on all requirements with regard to the Property; the Lessee accepts the Property in its current condition, and obliges to bear any costs that may be incurred in connection with the elimination of potential deficiencies;
- (viii) the Lessee recognises that the Lessor operates under the Agreement only as the financier, and not as the Seller of the Property or another person responsible for the compliance of the Property with the Lessee's wishes and requirements;
- (ix) the Lessee has been informed and fully recognises the risks involved with the financing, by the Lessor, of the acquisition and use of the Property, as well as the use of the Financed Amount; the Financed Amount corresponds to the Lessee's credit interest and financial position.
- (x) the Lessee has checked the legal status of the Property prior to entry into the Agreement, including the Seller's right of ownership of the Property, and is convinced that the Property has not been pledged or encumbered with other real rights or any rights of Third Parties.
- 7.2 The Lessee's obligation to inform**
- 7.2.1 The Lessee shall inform the Lessor, within 5 (five) calendar days, of the following:
- (i) any changes in the Lessee's contact address (including e-mail address), contact numbers or bank accounts specified in the Agreement;
- (ii) initiation of bankruptcy proceedings, debt restructuring proceedings or similar proceedings against the Lessee;
- (iii) occurrence of other significant events which affect the fulfilment of the terms and conditions of the Agreement by the Lessee, as well as the measures applied by the Lessee thereof.
- 7.2.2 The Lessee is obliged to notify the Lessor immediately, but not later than within one (1) working day after receiving information thereof, of the following:
- (i) occurrence of any circumstances that may cause a deterioration of the solvency of the Lessee, or impairment of the Collateral;
- (ii) loss of, damage to, or partial or complete destruction of the Property.
- 7.2.3 Where the Property is used on rental space during the term of the Agreement, the Lessee shall be obliged to inform the Lessor immediately thereof and to submit information on each landlord. The Lessee is also obliged to inform each landlord of the fact that the Property belongs to the Lessor, and that the right of pledge in the meaning of section 305 of the Law of Obligations Act does not apply. The Lessor shall have the right to demand from the Lessee compensation for any damage related to the breach of this obligation.
- 7.3 The Lessee is obliged, during the validity of the Agreement, to submit to the Lessor, immediately upon the Lessor's request, the documents attesting to the Lessee's solvency and other information (e.g. pay slip, account statement, etc.).
- 8. LIABILITY AND CONTRACTUAL PENALTY**
- 8.1 The Lessee shall be fully and unconditionally liable for the preservation and maintenance of the Property from the moment of acceptance of the Property until expiry or termination of the Agreement. The loss of possession of, destruction of, loss of or damage to the Property or a similar event shall not exempt the Lessee from his or her liability and the fulfilment of the contractual obligations.
- 8.2 The Lessee is responsible for any deficiency of the Property (including any hidden deficiencies and deficiencies appearing in the future) as well as for any claims and damage related to the Property. The Lessee shall have no claims

- against the Lessor thereof. The Lessor shall, under no circumstances, be held responsible, in front of the Lessee, for the compliance of the Property with the terms and conditions stipulated in the Agreement and/or the terms and conditions agreed between the Lessee and the Seller. Neither shall the Lessor be responsible, in front of the Lessee, for breach of obligation by the Seller, including cases where the Seller delays delivery of the Property or is in violation of other obligations in front of the Parties to the Agreement.
- 8.3 If the Seller fails to fulfil the obligation of delivery of the Property under the Contract of Sale, or if the Property does not comply with the agreed conditions and the Seller has unjustifiably refused to satisfy the Lessee's legal remedies, the Lessee may refuse to fulfil his or her obligations to the Lessor. The precondition for the exercising of this right is the unjustifiable refusal of the Seller to serve the legal remedies sought by the Lessee.
- 8.4 Where the Agreement does not stipulate another contractual penalty for breach of obligation by the Lessee, the Lessor shall have the right, in case of breach of a contractual obligation other than a payment obligation, to demand from the Lessee a contractual penalty in the amount of up to 3% (three per cent) of the outstanding Credit Amount as at the moment of the breach of the Agreement, unless the breach is corrected within a reasonable period of time established by the Factor. The Lessor is not obliged to establish an additional term, if the correction of the breach is not reasonable or possible under the circumstances, or in case of a fundamental or repeated breach of obligation, or if the Lessor has a legitimate interest, for other reasons, to refuse to accept any correction of the breach. In addition to the contractual penalty, the Lessor shall have the right to demand from the Lessee compensation for the damage caused to the Lessor through breach of Agreement.
- 8.5 The payment of a contractual penalty shall not exempt the Lessee from the fulfilment of the breached obligation or any other contractual obligations, and does not deprive the Lessor of the right to prematurely terminate the Agreement for the same or for another violation on the basis provided in the Agreement or by law.
- 9. EXPIRY OF THE AGREEMENT AND PREMATURE TERMINATION OF THE AGREEMENT**
- 9.1 Expiry of the Agreement**
- 9.1.1 The Agreement shall lapse upon expiry of the Agreement, when all obligations arising from the Agreement have been appropriately fulfilled. Upon expiry of the Agreement, the right of ownership of the Property shall be transferred from the Lessor to the Lessee. The right of ownership of the Property shall not be transferred to the Lessee, if the Lessee has any payables to the Lessor.
- 9.1.2 The Lessee is obliged, upon the Lessor's request, to immediately compensate for any expenses which become evident after the expiry of the Agreement and are related to the possession and use of the Property during the validity of the Agreement as well as during the time the Property was in the possession of the Lessee.
- 9.1.3 When the Lessee has appropriately fulfilled all of the obligations arising from the Agreement, the Lessor shall issue to the Lessee a document verifying transfer of the right of ownership of the Property. Where the transfer of the ownership of the Property needs to be registered in the corresponding register (e.g. Property registered in the traffic register), the Lessor shall provide the Lessee with the documents required for registration of the transfer of the ownership in the corresponding register. In this case, the Lessee is obliged to register the Property into his or her name in the corresponding register at the latest within five (5) calendar days after the issue of the corresponding documents by the Lessor. Any expenses related to the (re)registration of the Property shall be borne by the Lessee.
- 9.2 Premature termination of the Agreement**
- 9.2.1 The Lessor shall have the right to cancel the Agreement extraordinarily and without any advance notification, if:
- (i) the Lessee has submitted false information in the application for the conclusion of the Agreement or in other documents submitted to the Lessor, or has failed to submit information concerning his or her activities or legal status, which significantly affects the performance of the obligations arising from the Agreement;
 - (ii) the Lessee fails to make the Downpayment or pay the Agreement Fee in a timely manner and/or informs the Lessor of his or her intention not to make the Downpayment;
 - (iii) the Lessee refuses to accept or delays acceptance of the possession of the Property without a good reason;
 - (iv) the Lessee partially or completely delays payment of the Instalment Payment for 3 (three) consecutive times, and fails to eliminate the breach within a 14 (fourteen)-day additional term established by the Lessor;
 - (v) The surety or guarantor securing the Lessee's obligations arising from the Agreement is subjected to transformation, is dissolved or declared bankrupt, or a reorganisation plan is approved thereof, reorganising the surety or guarantee provided to the Lessor, and the Lessee fails to provide additional security acceptable to the Lessor within 14 calendar days;
 - (vi) the value of the Property decreases due to the activity of the Lessee or the Lessee's failure to act, including cases where the Lessee fails to eliminate the deficiencies of the Property which the Lessee is obliged to eliminate under the Agreement;
 - (vii) the Property is destroyed or rendered unfit for use or possession of the Property is permanently lost by the Parties to the Agreement (including due to theft, robbery or embezzlement);
 - (viii) the Lessee fails to appropriately insure the Property or to renew the insurance contract pursuant to the procedure provided in the Agreement, or otherwise violates the Property insurance obligation stipulated in Chapter 6 of the General Conditions;
 - (ix) the Lessee fails to adhere to the requirements established by the Seller or manufacturer of the Property for the technical maintenance, use and/or exploitation of the Property;
- (x) the Lessee fails to fulfil any of the obligations arising from the Agreement, and does not eliminate the breach within a 14 (fourteen)-day additional term established by the Lessor;
 - (xi) withdrawal from the Contract of Sale due to deficiencies discovered in the Property or for any other reason;
 - (xii) The Lessee is in breach of any contract concluded with the Lessor or a company incorporated in the same group with the Lessor (including a loan agreement, lease agreement or other financing agreements, collateral agreements or transfer agreements);
 - (xiii) the Lessor has reason to suspect that the purpose of the transaction is money laundering or terrorist financing, and the Lessee fails to provide sufficient evidence, in the eyes of the Lessor, for verifying the legitimate origin of the funds to be used for making payments under the Agreement;
 - (xiv) there are other bases, specified in the Agreement or the Lessor's general conditions (General Conditions of AS LHV Pank) or the law, for cancellation of the Agreement.
- 9.2.2 The Lessor may also withdraw from the Agreement before disbursement of the Credit Amount and/or acquisition of the Property from the Seller and/or delivery of the Property to the Lessee, if:
- (i) the Lessee has become insolvent; and/or
 - (ii) the financial position of the Lessee has deteriorated to such an extent that the Lessee's ability to fulfil the obligations arising from the Agreement is jeopardized; and/or
 - (iii) the Lessee has submitted false information with the aim of receiving financing by the Lessor.
- 9.2.3 In case of cancellation or premature termination of the Agreement, the Lessor shall remain the owner of the Property, and the instalment Payments made by the Lessee during the validity of the Agreement or other amounts paid under the Agreement shall not be returned or otherwise compensated to the Lessee. Notwithstanding the above, the Lessee shall have the right to become the owner of the Property upon appropriate fulfilment of all obligations arising from the Agreement.
- 9.2.4 Upon cancellation of the Agreement on the basis stipulated in clause 9.2.1 of the General Conditions or upon premature termination of the Agreement on any other basis, the Lessee shall, without delay, transfer possession of the Property to the authorised representative of the Lessor or a Third Party designated by the Lessor at the time and pursuant to the procedure established by the Lessor. The Lessee undertakes to deliver the Property and the accompanying documentation to the Lessor at the latest on the day following the day of premature termination of the Agreement.
- 9.2.5 Should the Lessee fail to return the Property on the terms and conditions stipulated in the Agreement, the Lessor shall have the right to apply appropriate measures to reclaim possession of the Property. In case of delay of return of the Property, the Lessee shall pay the Lessor a fee for the use of the Property in the amount of 100 (one hundred) euros for each calendar day of delay of delivery.
- 9.2.6 The Property to be returned by the Lessee to the Lessor and/or a Third Party shall be as complete as and contain the same extras as at the time of delivery of the Property to the Lessee, as well as the installed additional devices and improvements owned by the Lessor. The Property to be returned by the Lessee shall be in the same condition as when the Lessee gained possession of the Property, considering normal wear and tear from the use of the Property in accordance with its intended purpose of use under clause 5.2 of the General Conditions, and shall not be damaged or have significant deficiencies.
- 9.2.7 The Lessor or a person designated by the Lessor shall assess the condition of the Property, wear and tear, and any impairment. If, upon return of the Property, the condition of the Property does not comply with the terms and conditions set forth in the Agreement, the Lessee shall be obliged to bring the Property into the required condition at his/her own expense and/or to compensate to the Lessor any expenses incurred by the Lessor and/or the damage caused through impairment of the Property.
- 9.2.8 When the Property is returned upon premature termination of the Agreement, the market value of the Property shall be ascertained either on the basis of an expert opinion given by an expert designated by the Lessor, or in the course of disposal of the Property. The market value of the Property may also be ascertained in the course of disposal of the Property, with the Lessor and the Lessee separately having agreed that in such cases the market value upon return of the Property shall be the actual sales price of the Property (i.e. proceeds from disposal of the Property, less any sales expenses). Any expenses related to the expert opinion shall be borne by the Lessee. In case of destruction of, loss of or theft of the Property, as well as in other cases where the Property is not returned to the Lessor, the return value of the Property shall be 0 (zero) euros.
- 9.2.9 In case of cancellation or premature termination of the Agreement on other basis, the Lessee shall be obliged to compensate to the Lessor any expenses borne by the Lessor in connection with the Property – above all, the Cost of Property and cost of financing of the Cost of Property in the extent in which these costs have not been covered by the Downpayment and the Lease Payments made. The Lessee is obliged to compensate to the Lessor the outstanding Credit Amount (i.e. the Credit Amount, less the Lease Payments made). The cost of financing to be compensated by the Lessee to the Lessor shall, among other things, contain the cost of fixation of the interest rates (and the cost of premature termination of the agreements on the fixation of interest rates), cost of raising funds required for the financing as well as other costs incurred on the organisation and disbursement of the financing.
- 9.2.10 The Lessee shall immediately compensate to the Lessor any additional expenses and damage related to the cancellation or premature termination of the Agreement, including, but not limited to, the expenses related to reclaiming possession of and collecting the Property (e.g. transportation expenses) and the expenses related to the disposal of the Property (e.g. expenses related to safeguarding, cleaning, bringing the Property into the required technical

condition, brokerage fees or other fees payable to the organisers or mediators of the sale, etc.).

9.2.11 The value of the Property shall be deducted from the compensation payable under clauses 9.2.9 and 9.2.10 of the General Conditions. The calculation of the value of the Property shall be governed by clause 9.2.8 of the General Conditions.

9.3 Premature termination of the Agreement by the Lessee

9.3.1 The Lessee shall have the right to withdraw from the Agreement, without giving a reason thereof, for a period of 14 (fourteen) calendar days after entry into the Agreement, by providing the Lessor, within the established term, with the corresponding written application for withdrawal, submitting the application to the Lessor's postal or e-mail address specified in the Agreement.

9.3.2 Where the Lessee exercises the right of withdrawal from the Agreement, the Lessee shall be obliged to immediately return the Property to the Lessor or a representative designated by the Lessor. Clauses 9.2.4 to 9.2.7 shall be applied to the return of the Property in case of withdrawal from the Agreement. In addition, the Lessee is obliged to compensate to the Lessor the impairment of the Property which is not attributable to appropriate use of the Property, and to deliver any fruit and other benefits (including compensation for advantages of use) immediately upon withdrawal from the Agreement. The Lessor or a person designated by the Lessor shall assess the potential impairment of the Property.

9.3.3 The Lessee shall bear the costs related to withdrawal from the Agreement, and is obliged to compensate to the Lessor the standard costs related to the return of the Property, considering the mandatory restrictions established by law.

9.3.4 Where the Lessee withdraws from the Agreement, the Lessee shall also have the right to withdraw from the Contract of Sale. Where the Lessor has transferred the Cost of Property to the Seller under the Contract of Sale, the Seller's rights and obligations shall be transferred to the Lessor.

9.3.5 Where the Lessee has withdrawn from the Contract of Sale upon approval of the Lessor, the Lessee shall have the right to cancel the Agreement without any advance notification. In such cases, clauses 9.2.3 to 9.2.11 shall be applied to the cancellation of the Agreement.

9.3.6 The Lessee shall have the right, at any time, to partially or completely fulfil the obligations arising from the Agreement prematurely, by submitting the corresponding declaration of intention to the Lessor and by prematurely paying the amounts payable under the Agreement. If the Lessee fails to submit the above declaration of intention to the Lessor, any amounts prematurely paid by the Lessee shall be considered as an advance payment. In case of premature fulfilment of the obligation, the Lessee shall not be obliged to pay the interest or other expenses for the period the credit is not used, except for the compensation for premature fulfilment of the obligation, stipulated in clause 9.3.7 to the General Conditions. In case of partial premature fulfilment of the obligations, the Lessor shall prepare a new Payment Schedule and present it to the Lessee at the latest within seven (7) calendar days after the partial premature fulfilment of the obligations. Clause 9.1 of the General Conditions shall be applied to any premature fulfilment of obligations arising from the Agreement.

9.3.7 In case of partial or complete premature fulfilment of the obligations arising from the Agreement, the Lessor shall have the right to demand from the Lessee compensation for premature fulfilment of the obligations in accordance with the rate(s) or bases of calculation set forth in the Lessor's Price List.

10. AMENDMENT OF THE AGREEMENT. TRANSFER OF THE RIGHTS AND OBLIGATIONS ARISING FROM THE AGREEMENT

10.1 Amendments and additions to the Agreement may, as a rule, only be introduced on the written agreement of the Parties to the Agreement. Notwithstanding the above, the Lessor shall have the right to introduce unilateral amendments and additions to the Agreement (including the General Conditions of the Agreement) without the Lessee's previous consent, if the legal provisions regulating the relationships arising from the Agreement (including the legal provisions concerning the Lessor as a financial institution and the local laws on tax) and if unilateral amendment of the Agreement is justified by the need to comply with the legal provisions. In addition, the Lessor shall have the right to unilaterally introduce amendments and additions to the Agreement for other reasons, by being governed, above all, by the Lessor's general conditions (General Conditions of AS LHV Pank) as well as the restrictions and procedure provided by law (including subsection 43 (2) of the Law of Obligations Act).

10.2 The change of Interest associated with up to 6-month (included) Euribor (and the corresponding change of Payment Schedule) in accordance with the terms and conditions stipulated in the Agreement shall, under no circumstances, be considered amendment of the Agreement.

10.3 The amendments and additions to the Agreement shall enter into force from the moment of their signing by the Parties to the Agreement, unless otherwise stipulated by the terms and conditions of the Agreement.

10.4 The Lessee shall not have the right, without the Lessor's previous written consent, to assign the contractual rights and obligations to Third Parties.

10.5 The Lessor shall have the right to transfer the Property, during the validity of the Agreement, to Third Parties, provided that the Lessor's rights and obligations arising from the Agreement are transferred to the new owner of the Property. By signing the Agreement, the Lessee shall grant the Lessor the right and the irrevocable consent to transfer all rights and obligations arising from the Agreement to a Third Party, who is to acquire the Property from the Lessor (consent to the transfer of the Agreement in the meaning of subsection 179 (1) of the Law of Obligations Act). Transfer of the Property and assignment of the rights and obligations arising from the Agreement (i.e. transfer of the

Agreement) shall take place under a separate agreement to be concluded between the Lessor and the relevant Third Party. The Lessee shall be informed of the transfer of the Agreement.

11. CONFIDENTIALITY OBLIGATION

11.1 The Parties to the Agreement shall keep confidential any information on the terms and conditions of the Agreement, and shall apply all measures at their disposal to prevent disclosure of such information to Third Parties. The publication of information to the counsellors or auditors of the Parties to the Agreement shall not be deemed breach of the confidentiality obligation.

11.2 The Lessor shall have the right to disclose information on the Lessee, the terms and conditions of the Agreement and the performance of the Agreement (including failure to appropriately perform the Agreement) to the following parties:

11.2.1 the Lessor and companies incorporated in the same group with the Lessor, their staff members and service providers, including company/companies or individual(s) rendering debt collection services to the Lessor;

11.2.2 AS Kredidinfo and each current administrator of the register of payment defaults;

11.2.3 persons securing the Agreement (parties to the Collateral Agreement);

11.2.4 the Lessor's creditors who have provided financial resources for the purpose of financing the Agreement;

11.2.5 persons to whom the Lessor intends to or is planning to transfer or assign the rights, obligations or claims arising from the Agreement;

11.2.6 insurance brokers and insurers in connection with the insurance of the Property;

11.2.7 providers of monitoring and other similar services to the Lessor;

11.2.8 persons whose right to receive information arises from the valid legal acts of the Republic of Estonia.

11.3 With the conclusion of the Agreement, the Lessee shall grant the Lessor his or her consent for the processing of the Lessee's personal data in accordance with the "Principles of processing customer data", established by the Lessor and made available on the Lessor's website (www.lhv.ee).

12. EXCHANGE OF NOTICES

12.1 Any notices submitted to the other Party to the Agreement under the Agreement shall be prepared in writing or in a format which can be reproduced in writing (i.e. sent by e-mail or fax). A notice shall be prepared in writing in the cases set forth in the Agreement.

12.2 Notices prepared in writing shall be considered as received by the other Party to the Agreement, if delivered against signature or sent via a post office by registered mail to the Party's address specified in the Agreement, and 5 (five) calendar days have passed since the posting. A notice which has been digitally signed by a Party to the Agreement and sent to the other Party's e-mail address specified in the Agreement shall be considered as received by the other Party to the Agreement on the working day following the day of dispatch.

12.3 If a Party to the Agreement has changed the address, fax number or e-mail address during the validity of the Agreement, and has not informed the other Party to the Agreement thereof, the notice shall be considered as received by the other Party, if sent to the address specified in the Agreement. Any notices regarding breach of the Agreement shall be submitted in writing (except for notices of obligations, which may be submitted in a format which can be reproduced in writing).

13. DOCUMENTS OF THE AGREEMENT

13.1 The Special Conditions, General Conditions of the Agreement, Payment Schedule(s), instrument of delivery and receipt of the Property and other additions, amendments and annexes to the Agreement shall form an integral part of the Agreement.

13.2 The General Conditions of the Agreement shall be valid insofar as they do not contradict the Special Conditions. In case of discrepancies between the Special Conditions and the General Conditions, the terms and conditions agreed in the Special Conditions shall prevail.

14. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

14.1 This Agreement (including the entry into, performance of and any disputes arising from the Agreement) shall be governed by the laws of the Republic of Estonia.

14.2 Any disputes arising from the Agreement shall be solved by the Parties by way of negotiation.

14.3 If the Parties fail to reach an agreement by way of negotiation, the dispute shall be settled by the courts of the Republic of Estonia. The Parties to the Agreement have agreed that Harju County Court (the Kentmanni courthouse) shall serve as the court of first instance in the settlement of disputes. The jurisdiction agreement stipulated in this clause shall be applied insofar as and on the condition that this is not prohibited under a mandatory provision of the law in the particular dispute.

14.4 The Financial Supervision Authority (Sakala 4, 15030 Tallinn; www.fi.ee; telephone: 6680 500; e-mail: info@fi.ee) shall conduct supervision over the Lessor as a credit institution. The Lessee shall also have the right to turn to the Consumer Protection Board (Rahukohtu 2, 10130 Tallinn) for the protection of his or her rights. The Lessee shall have the right to turn to supervisory authorities for extra-judicial settlement of the dispute.