Swedbank Liising AS
General Terms and Conditions of Hire-Purchase

This is a translation. In case of dispute the Estonian terms and conditions shall prevail.
Effective as of 01.03.2009

I General Provisions
1.1 These General Terms and Conditions of Hire-Purchase form part of the hire-purchase contract which sets out the general grounds for and the procedure of communication between the Leasing Company and the Purchaser, and general conditions for the operations to be performed by the Leasing Company and the Purchaser under the hire-purchase contract.

1.2 The Parties agree that the provisions of Swedbank AS (registration number: 10060701) General Terms and Conditions (hereinafter ‘the Bank’s General Terms and Conditions’) shall be applied to matters not regulated in the hire-purchase contract, taking into account the differences arising from the nature of hire-purchase. The Parties agree that if the provisions of the hire-purchase contract and the Bank’s General Terms and Conditions contradict, the provisions of the hire-purchase agreement shall prevail. The Bank’s General Terms and Conditions are accessible at Swedbank AS (registration number: 10060701) offices and on the website www.swedbank.ee. The purchaser warrants that they have examined the Bank’s General Terms and Conditions.

II Delivery of Object of Hire-Purchase
2.1 After the receipt of the first instalment and the contract fee to the Leasing Company’s bank account, the Leasing Company shall enter into a sales contract with the Seller in order to acquire the Object and do everything within their power to deliver the Object to the Purchaser and grant the Purchaser the use thereof.

2.2 Upon accepting the Object and the accompanying documentation, the Purchaser shall have the right and obligation to:
• examine the technical condition of the Object;
• carefully check the legal status of the Object (the Seller’s ownership of the Object and the Seller’s right to transfer the Object) and verify that the Object is not stolen, pledged or encumbered with other real rights or rights and claims of third parties, and make relevant inquiries or address registers, the police, insurance companies or other institutions if necessary;
• make sure that the documentation delivered by the Seller along with the Object is complete and valid and pay special attention to the conditions of the fixed-term warranty furnished by the Seller with regard to the characteristics and durability of the Object.

2.3 The Purchaser shall notify the Leasing Company of the defects to be eliminated within 5 days and the defects shall be specified in the Instrument of Delivery and Receipt of the Object. The Purchaser shall be entitled to demand that the Seller eliminate both the defects indicated in the Instrument of Delivery and Receipt of the Object (obvious defects) as well as those identified later (within the period of the warranty furnished with regard to the characteristics and durability of the Object and hindering the use of the Object (hidden defects).

2.4 If the Purchaser refuses to accept the Object from the Seller and does not sign the Instrument of Delivery and Receipt due to defects which do not allow the Purchaser to use the Object for ordinary purposes, the Purchaser shall notify the Leasing Company thereof in writing and explain the identified defects and the resulting impossibility of use of the Object within 5 days of the moment the Object was presented by the Seller to the Purchaser for delivery.

2.4.1 Upon discovery of defects stipulated in clause 2.4 of the General Terms and Conditions of Hire-Purchase, the Purchaser shall be entitled to propose to the Seller that an independent expert analysis be carried out in order to assess the technical condition and normal characteristics of the Object.
2.4.2 The results of the expert analysis carried out with regard to the technical condition of the Object and the notice explaining the impossibility of use of the Object issued by the Purchaser to the Leasing Company shall serve as the basis for the Leasing Company's withdrawal from the sales contract.

2.4.3 If the Seller claims compensation for the expenses incurred by them in connection with an unjustified refusal to accept the Object and withdrawal from the sales contract as a result thereof, the Purchaser shall represent the interests of the Leasing Company.

2.4.4 If the court or arbitration court reviewing the Seller’s complaints arising from the refusal to accept the Object declares the refusal to be unjustified, the Purchaser shall bear all the related costs.

2.5 The Leasing Company shall not be liable:
   2.5.1 for the Object’s non-conformity with the terms and conditions of the sales contract and/or for its defects;
   2.5.2 for damages caused to the Purchaser by the Seller’s failure to perform the obligations arising from the sales contract.

2.6 The Leasing Company shall be entitled to check and examine the condition of the Object at any time either directly or through persons authorised to do so by the Leasing Company in writing.

2.6.1 If the need for the inspection of the Object is caused by the Purchaser’s failure to perform or properly perform the hire-purchase contract, the Purchaser shall without argument and in full cover the Leasing Company’s reasonable expenses incurred in connection with such inspection.

III Purchaser’s Obligations

3.1 After the payment of the first instalment and the contract fee the Purchaser shall forward the forms of the instrument of delivery and receipt of the Object to the Leasing Company so that the Leasing Company can sign them.

3.2 Within 7 days of the receipt of the Object at the latest the Purchaser shall deliver to the Leasing Company the latter’s copy of the instrument of delivery and receipt of the Object signed by the Seller and the Purchaser.

3.3 The Purchaser shall have the improvements to be made to the Object preapproved by the Leasing Company in writing. No approval shall be needed in case of minor improvements which can be made to the Object on the premise that these can be removed without damaging the Object. If the Lessee has improved the Object without the Leasing Company's approval, the Leasing Company shall be entitled to consider the improvements made to the Object to have transferred to the ownership of the Leasing Company free of charge.

3.4 The Purchaser shall submit to the Leasing Company all documents related to the possession and use of the Object and/or the Purchaser’s financial reports requested by the Leasing Company within 7 days of the receipt of the corresponding notice from the Leasing Company.

3.5 The Purchaser shall notify the Leasing Company of damages caused to the Object or loss or full or partial destruction thereof immediately, but not later than on the first business day after learning about it.

3.6 The Purchaser shall notify the Leasing Company within 7 days if:
   3.6.1 the Purchaser’s contact address, telecommunications numbers or their bank details indicated in the hire-purchase contract change;
   3.6.2 a competent body of the Purchaser decides to wind up the Purchaser or a bankruptcy petition is filed against the Purchaser with a court;
   3.6.3 lessee undergoes a merger, division or transformation or its share capital is reduced;
   3.6.4 other important events occur, which affect the Purchaser’s performance of the hire-purchase contract;
   3.6.5 the Leasing Company has merged, been transformed, divided or transferred their numbers or their bank details indicated in the hire-purchase contract change;
   3.6.6 the Purchaser has transferred to the ownership of the Leasing Company’s withdrawal from the sales contract.

3.7 The Purchaser shall notify the Leasing Company immediately, but not later than on the day of submission of the application, of their intention to file an application with a court for their reorganisation. The Parties agree that failure to perform this notification obligation shall be deemed fundamental breach of contract, which entitles the Leasing Company to unilaterally cancel the Hire-Purchase Contract before the prescribed time.

3.8 The Parties agree that the Leasing Company shall be entitled to unilaterally and without any prior notice amend the terms and conditions of the Hire-Purchase Contract (incl. the interest rate) or unilaterally cancel the Hire-Purchase Contract before the prescribed time.

3.9 Limited use or impossibility of use of the Object caused by damage to the Object or technical or economic unsuitability thereof or criminal or judicial proceedings initiated with regard to the Object shall not release the Purchaser from the obligation to pay hire-purchase instalments and interest.

IV Leasing Company’s Obligations

4.1 After the receipt of the first instalment and the contract fee to the Leasing Company’s bank account the Leasing Company shall immediately enter into a sales contract with the Seller, which has been approved by the Purchaser, and do everything within their power to ensure timely and proper performance of the Seller’s obligations arising from the sales contract.

4.2 The Leasing Company shall immediately notify the Purchaser of any amendment to material terms and conditions of the sales contract concerning the acquisition
of the Object (late delivery of the Object by the Seller, differences in the Object’s price or specifications, etc.).

4.3 The Leasing Company shall allow the Purchaser to use the Object during the term of the hire-purchase contract and, if and when necessary, issue formal authorisations for the use of the Object or assist the relevant institutions in issuing and preparing the respective documents (notarised powers of attorney, etc.). The Purchaser shall be entitled to demand that the Leasing Company issue, at the Purchaser’s expense, certificates or notarised powers of attorney for the use of the Object outside the Republic of Estonia if these are necessary under applicable law, provided that the Purchaser has performed all the obligations arising from the hire-purchase contract (incl. they have submitted necessary documents) and an insurance policy covering the use of the Object in the corresponding country outside the Republic of Estonia has been taken out.

V Disposal of Object

5.1 Any and all contracts and agreements made by the Purchaser before the expiry of the hire-purchase contract, which provide for the disposal of the Object without the Leasing Company’s written consent or encumbrance thereof with restricted real rights or with other claims, are in conflict with the hire-purchase contract and the Purchaser shall compensate for all related damages caused to the Leasing Company thereby.

VI Insurance of Object

6.1 The Purchaser shall present the original copy of the insurance policy to the Leasing Company within 7 days of its entry into force. The Purchaser shall renew the optional insurance contract until the expiry of the hire-purchase contract on time (the renewed insurance contract shall enter force on the day following the last day of the term of the previous insurance contract) and present the original copy of the renewed insurance policy to the Leasing Company within 7 days of the renewal of the insurance contract at the latest.

6.1.1 Upon entry into an optional insurance contract, the Purchaser shall, at the request of and within the term determined by the insurer, present the Object for inspection at the insurer’s place of business or, upon agreement, at the location of the Object.

6.1.2 Upon signing the optional insurance contract, the Purchaser shall provide the insurer or their representative with correct information on the material circumstances related to the Object (e.g. number and type of keys, model and brand name of security equipment) and notify the insurer of circumstances which increase the insurance risk (e.g. granting third parties the use of the Object, provision of a service using the Object, alteration of its purpose of use, absence of security equipment) and also immediately notify the insurer of any changes in the respective circumstances which have taken place during the term of the insurance contract.

6.2 Upon the occurrence of an insured event, insurance indemnity shall be paid to the Leasing Company. The insurance indemnity shall be transferred to the Leasing Company’s bank account or, on the basis of the Leasing Company’s written application, to the bank account of a repair shop or the Purchaser.

6.2.1 The Purchaser shall name the Leasing Company as the beneficiary under the insurance contract and ensure that a corresponding entry showing the business name of the Leasing Company is made in the insurance contract. If a valid insurance policy covering the Object has already been taken out, the Purchaser shall make a corresponding amendment within 3 days of the delivery of the Object to the Purchaser at the latest.

6.2.2 If the Leasing Company has not been named in the insurance contract as the beneficiary, the Leasing Company shall be entitled to exercise the rights arising from the insurance contract without the Purchaser’s consent. The Purchaser may not exercise the Leasing Company’s rights arising from the insurance contract on their own behalf or enforce the Leasing Company’s claims against the insurer, waive such claims or enter into any transactions regarding the claims.

6.2.3 If the insurance indemnity is paid to the Purchaser, they shall transfer the entire indemnity to the Leasing Company within 4 days at the latest.

6.3 Insurance premiums and other insurance-related costs shall be borne in full by the Purchaser. The Purchaser shall pay insurance premiums by the due dates and in the amounts specified in the insurance contract.

6.3.1 The Purchaser shall ensure that the insurance contracts are valid, insurance cover is uninterrupted and the insurance contract and hire-purchase contract are properly performed pursuant to the prescribed terms and conditions until the expiry of the term of use of the Object. Upon premature expiry or termination of the optional insurance (incl. upon the withdrawal from the insurance contract), the Purchaser shall enter into a new insurance contract not later than on the day following the expiry or termination of the previous insurance, and present the original copy of the new insurance policy to the Leasing Company within 7 days.

6.3.2 The Purchaser shall reimburse insurance-related expenses and/or damages (incl. recourse claims of insurers) caused by their failure to pay insurance premiums or incurred on other grounds. If the corresponding expenses and/or damages have been covered by the Leasing Company, the Purchaser shall compensate the Leasing Company for corresponding amounts by the deadline and pursuant to the procedure specified by the Leasing Company.

6.4 The Purchaser shall notify the insurer of any changes in the information forming basis for the insurance contract (incl. the information and risk-related issues stipulated in clause 6.1.2 of the General Terms and Conditions of Hire-Purchase) not later than within 4 days of the occurrence of the corresponding change, and amend the insurance contract accordingly if the insurer finds it necessary in order to ensure the validity of insurance cover.

6.5 Upon an insured event, the Purchaser shall:

6.5.1 follow the mandatory instructions provided in the insurance contract regarding the Object:
6.5.2 notify the Leasing Company of the insured event in writing within 3 days by presenting information on the circumstances of the insured event and the extent of loss using the corresponding form of the Leasing Company;

6.5.3 upon occurrence of an insured event, represent the Leasing Company in communication with the insurer, the police and the repair shop where the Object is being repaired, and perform any and all obligations of a policyholder to be performed in the event of loss or an insured event, including:

6.5.3.1 re-register the Object and deliver it to the insurer, if the insurer requires this as a prerequisite for the disbursement of insurance indemnity, and perform all the operations related thereto, except for the acceptance of insurance indemnity without the corresponding written consent of the Leasing Company;

6.5.3.2 guarantee the restoration of the pre-loss condition of the Object and notify the Leasing Company of the measure of a correspondence order to restore the Object, the insurer’s positive or negative decision regarding the indemnification of loss, and of other loss-related circumstances by providing the corresponding information using the relevant form of the Leasing Company;

6.5.4 perform any and all obligations of the policyholder arising from the insurance contract in a timely manner and as required and ensure that the corresponding obligations are performed by persons who possess and use the Object with the Purchaser’s consent;

6.5.5 not terminate the insurance contract if the Object is damaged and continue proper payment of insurance premiums to ensure that the insurance cover regarding the damaged Object remains valid until the insurer makes a decision on the indemnification of loss; the Purchaser shall be entitled to terminate the insurance contract if the Object is transferred to the insurer.

6.6 If the insurance indemnity fully covers the costs incurred by the Leasing Company in acquiring the Object and not compensated for by the Purchaser, the Leasing Company shall transfer the amount exceeding such costs to the bank account indicated by the Purchaser within 9 days of the receipt of the insurance indemnity to the Leasing Company’s bank account.

6.7 If the Object is destroyed, lost or damaged in a manner which is not considered to be an insured event under the insurance contract and therefore is not subject to indemnification by the insurer or if the insurance indemnity does not cover all the expenses of the Leasing Company, the Purchaser shall be liable to the Leasing Company. Within 14 days of the receipt of a corresponding notice from the Leasing Company the Purchaser shall reimburse the expenses which have not been compensated for.

6.8 The Purchaser’s disagreement with the insurer’s decision to refuse to declare the destruction of or damage to the Object an insured event or to indemnify for the loss and the legal disputes arising therefrom shall not release the Purchaser from the performance of the obligation stipulated in clause 6.7 of the General Terms and Conditions of Hire-Purchase in a timely manner and as required.

6.9 Upon the destruction or loss of or damage to the Object to an extent that makes further normal use of the Object impossible, the Purchaser shall be entitled to compensate the Leasing Company for the expenses incurred in acquiring the Object and not compensated for by the Purchaser before the insurer makes their decision.

6.9.1 Upon the application of clause 6.9 of the General Terms and Conditions of Hire-Purchase the Leasing Company shall assign the right of claim against the insurer to the Purchaser.

6.10 Upon the transfer of the ownership of the Object to the Purchaser, the Purchaser shall notify the insurer thereof in writing within 4 days at the latest. The notification obligation shall not be effective if the insurance contract has expired or has been terminated upon agreement with the insurer before the transfer of ownership. Losses arising from the failure to perform the notification obligation shall be covered by the Purchaser.

6.11 If section VI of the General Terms and Conditions of Hire-Purchase is in conflict with any clause of the insurance contract, the provisions of the insurance contract shall apply.

VII Cancellation of Hire-Purchase Contract

7.1 The Leasing Company shall be entitled to cancel the hire-purchase contract if:

7.1.1 the Purchaser has intentionally given false information to the Leasing Company in the hire-purchase application or other documents (incl. foundation documents, balance sheet and income statement of the Purchaser) submitted to the Leasing Company or in reports, notices or certificates issued during the term of the hire-purchase contract;

7.1.2 the lessee who is a consumer has failed to pay three consecutive instalments or two instalments or one instalment under the payment schedule or has not paid them in full;

7.1.3 the lessee who operates as a company or a sole trader has failed to pay a instalment and/or the interest appropriately or paid them in part and failed to settle the debt within 15 days as of the due date;

7.1.4 the value of the Object has been considerably reduced due to the Purchaser’s intentional acts or omissions;

7.1.5 the Purchaser evades the performance of the obligations assumed under the hire-purchase contract and fails to perform them despite the Leasing Company’s repetitive reminders;

7.1.6 the Purchaser fails to sign the insurance contract, pay insurance premiums or renew the insurance contract as prescribed by the hire-purchase contract;

7.1.7 the Leasing Company learns about circumstances which cause the Leasing Company to have reasonable doubts about the Purchaser’s ability to perform the obligations arising from the hire-purchase contract, incl. their payment obligations.

7.2 The Leasing Company shall notify the Purchaser of the
cancellation of the hire-purchase contract under sub-clauses of clause 7.1 of the General Terms and Conditions of Hire-Purchase at least 14 days in advance. Within said term the Purchaser shall be entitled to perform their obligations overdue under the hire-purchase contract.

7.2.1 The Leasing Company shall forward the notice on the cancellation of the hire-purchase contract to the Purchaser by mail or other means of communication (e.g. e-mail, fax, etc.). A notice shall be deemed received by the Purchaser when a period usually necessary for the delivery of a notice by the corresponding means of communication has passed from its sending to the contact address or number of the Purchaser or the person entitled to receive the notice on the Purchaser’s behalf known to the Leasing Company.

7.3 Upon cancellation of the hire-purchase contract, the Purchaser shall immediately return the Object to the authorised representative of the Leasing Company. In order to specify the return-related issues and the place of return of the Object, the Purchaser shall contact the Leasing Company’s representative.

7.3.1 If the Purchaser fails to properly perform the return obligation, the Leasing Company shall be entitled to turn to a third party chosen by the Leasing Company and have them perform the operations necessary to restore the Leasing Company's possession of the Object.

VII Expiry of Hire-Purchase Contract

8.1 The hire-purchase contract shall expire after the expiry of its term or upon destruction of the Object, it becoming unfit for use, cancellation of the hire-purchase contract or upon purchase of the Object by the Purchaser pursuant to the procedure set forth in the hire-purchase contract.

8.2 The Object to be returned to the Leasing Company by the Purchaser shall be complete and equipped with the ancillary devices provided along with or installed in the Object and it shall include the improvements belonging to the Leasing Company. The Object to be returned by the Purchaser may not be damaged or materially defective. If the condition of the Object upon its return is not in compliance with the hire-purchase contract, the Purchaser shall, at their own expense, bring the Object to the corresponding condition.

8.2.1 A defect of the Object discovered shall be deemed material if it prevents successful and unconditional passing of the technical inspection carried out by the Motor Vehicle Registration Centre. The Parties may agree to hire a mutually accepted and recognised expert to assess whether the technical defects discovered are material or not.

8.2.2 Mechanical damages to the Object and changes in the exterior of the Object (such as colour defects and defects in the passenger compartment) are declared material defects on the basis of the opinion of a renowned technical inspector or expert accepted by the Parties, which shall indicate whether or not the given defects have been caused as the result of normal wear and tear.

8.3 At the request of the Leasing Company, the Purchaser shall immediately pay any and all expenses related to the use and possession of the Object and incurred during the term of the hire-purchase contract or the time the Object was in the possession of the Purchaser and discovered after the expiry of the hire-purchase contract.

IX Connection of Contracts

9.1 The Parties shall be entitled to prematurely and unilaterally terminate the hire-purchase contract if the other Party is in breach of any other financing agreement, incl. leasing, factoring, security or transfer deed made and entered into by and between the Parties, and such breach entitles the Party to also terminate the respective agreement.

9.2 The Leasing Company shall be entitled to unilaterally terminate the hire-purchase contract also in case the Purchase is in breach of a leasing, factoring or other financing agreement or a security or transfer deed entered into with Swedbank AS (registration number: 10060701) or any of its group companies.

9.3 If a Party is entitled to prematurely and unilaterally terminate the hire-purchase contract due to the other Party’s improper performance of the obligations assumed under the hire-purchase contract, the Party shall also be entitled to prematurely and unilaterally terminate all other valid leasing, factoring or other financing or transfer agreements made and entered into with the other Party.

X Miscellaneous

10.1 The Parties agree that the Purchaser shall make all the payments under the hire-purchase contract in Estonian kroons and in accordance with the applicable exchange rate established by the Bank of Estonia. If the Estonian kroon is replaced by the euro in the Republic of Estonia, all payments under the hire-purchase contract shall be made in euros.

10.2 If any provision of the hire-purchase contract turns out to be in conflict with the laws or other legislation of the Republic of Estonia, it shall not affect the validity of the remaining provisions of the hire-purchase contract.

10.3 All the Parties’ notices regarding the hire-purchase contract shall be sent in writing to the addresses indicated in the hire-purchase contract or such other address of which one of the Parties has notified the other. Urgent notices may be sent by fax or e-mail.

10.4 The Parties shall make all amendments to the hire-purchase contract in writing.

10.5 If disagreements arising from the hire-purchase contract cannot be solved in negotiations, the dispute shall be settled in Harju County Court unless otherwise provided by law.