STANDARD LOAN AGREEMENT TERMS AND CONDITIONS (applicable as of 15 January 2007)

GENERAL PROVISIONS
1.1 The standard loan agreement terms and conditions shall form an inseparable part of the loan agreement concluded between the bank and the borrower.
1.2 The bank shall have the right to amend the loan agreement and/or the standard loan agreement terms and conditions unilaterally if the legislation regulating consumer credit or other relations arising from the loan agreement and/or the standard loan agreement terms and conditions change and amendment of the loan agreement and/or the standard loan agreement terms and conditions arises from harmonisation thereof with legal standards; the bank shall notify the borrower in advance of the respective changes.
1.3 Initial annual percentage rate expresses the burden of annual costs (interest, agreement fee) to the borrower arising from the use of the loan limit. Upon calculation of the initial annual percentage rate, the bank shall proceed from the formula established by the Minister of Finance of the Republic of Estonia. The agreement shall specify the initial annual percentage rate as the interest rate may change in accordance with the procedure agreed on in the agreement. The calculation of initial annual percentage rate shall be based on the interest rate valid at the moment of signing the agreement or concluding an amendment thereto.

2 DISBURSEMENT OF LOAN AMOUNT
2.1 The bank shall disburse the loan amount or a part thereof in accordance with the loan agreement.
2.2 If the borrower has provided the bank with false material information or the circumstances forming the basis for granting the loan limit have changed, the bank shall have the right to refuse disbursement of the loan amount or a part thereof on the basis of the loan agreement.

3 CALCULATION AND PAYMENT OF INTEREST
3.1 The borrower shall pay interest under terms and conditions provided for in the loan agreement in accordance with the amounts specified in the schedule.
3.2 On calculating interest, the bank shall proceed from the actual number of days in a calendar month and a 360-day year. The borrower shall pay the bank the interest on the outstanding loan amount on the basis of the interest rate under the loan agreement. The bank shall start calculating the interest as of the date of granting the borrower use of the loan amount or a part thereof. The interest shall be calculated until the repayment of the entire loan amount.
3.3 If the base rate under the loan agreement is the European Interbank Offered Rate (hereinafter: EURIBOR), then on the dates of changing interest rate the bank shall fix a new interest rate based on the EURIBOR of the corresponding months, which is published on page 248 of Telerate and Reuters’ “EURIBOR=” page or, if the latter changes, on the relevant page published by Reuters at the dates of changing interest rate.
3.4 If the base rate of the loan agreement is connected to the interest rate of the euro, the interest rate of the euro shall be the average weighted interest rate of the inter-bank closing prices of the euro interest rate swaps corresponding to the periods lasting until the end of the fixation period of the repayments of the loan amount under the schedule. The closing prices of the interest rate swaps of the euro are published on Reuters’ website “EURIBOR6MD=,” “EURIBOR1Y=,” “EURAB6E2Y=,” “EURAB6E3Y=,” “EURAB6E4Y=,” “EURAB6E5Y=,” “EURAB6E6Y=,” “EURAB6E7Y=,” “EURAB6E8Y=,” “EURAB6E9Y=,” “EURAB6E10Y=,” “EURAB6E11Y=,” “EURAB6E12Y=,” “EURAB6E13Y=,” “EURAB6E14Y=,” and “EURAB6E15Y=” or, if the addresses of the sites change, on corresponding websites published by Reuters.

4 REPAYMENT OF LOAN AMOUNT
4.1 The borrower shall repay the loan amount under the terms and conditions provided for in the loan agreement in accordance with the amounts specified in the schedule.
4.2 The borrower shall be entitled to repay the loan amount or a part thereof before the loan amount final repayment date without the obligation to pay the early repayment fee specified in the principal loan agreement terms and conditions in case the borrower notifies the bank of his or her wish to repay the loan amount or a part thereof at least 3 (three) months in advance and repays the loan amount or a part thereof within 10 (ten) banking days after the aforementioned 3 (three) months are over. The bank shall start calculating the three-month period as of the day it has received the respective written application from the borrower. If the borrower wishes to repay the loan amount or any part thereof before the 3 (three) months are over, the bank shall have the right to charge the borrower a fee to cover the costs related to the early
repayment of the loan amount or a part thereof pursuant to the rate specified in the principal loan agreement terms and conditions.

4.3 If the applicable base rate of the loan agreement is connected to the interest rate of the euro, the borrower shall pay early repayment fee pursuant to the rate calculated on the amount subject to early repayment on the basis of difference between the interest rate of the euro specified in the loan agreement and the corresponding applicable interest rate of the euro of the period remaining until the end of the fixation period on the day when the bank receives the borrower’s request for early repayment. The bank shall calculate the early repayment fee on the amount subject to early repayment on the basis of the actual number of days in a calendar month, divided by a 360-day year, for the time remaining between the day of early repayment and the final repayment date. The borrower shall pay the early repayment fee along with the amount subject to early repayment within 10 (ten) banking days as of the receipt of the request for early repayment by the bank.

4.3.1 If the applicable interest rate of the euro of the period remaining until the end of the fixation period on the day when the bank receives the borrower’s request for early repayment is equal to or higher than the interest rate of the euro specified in the loan agreement and the borrower wishes to repay the loan amount before 3 (three) months have passed as of the receipt of the aforementioned request by the bank, the early repayment fee shall be on the amount subject to early repayment pursuant to the rate specified in the principal loan agreement terms and conditions. The bank shall not charge the early repayment fee specified in the previous sentence if the borrower returns the loan amount or a part thereof within 10 (ten) banking days after 3 (three) months are over as of the receipt of the aforementioned request by the bank.

4.4 If the borrower has not repaid the loan amount or a part thereof within the terms specified in clauses 4.2, 4.3 and 4.3.1 of the standard loan agreement terms and conditions, it shall be deemed that the borrower has waived the early repayment request.

4.5 The borrower shall pay the fee for early repayment to the bank on the day of early repayment of the loan amount or a part thereof.

5 SCHEDULE OF LOAN AMOUNT REPAYMENTS AND INTEREST PAYMENTS

5.1 The schedule to be sent to the borrower by the bank is of an informative meaning.

5.2 The bank shall prepare the schedule not later than within 2 (two) banking days as of disbursement of the loan amount or a part thereof to the borrower and/or as of any amendment of the interest rate.

5.3 The bank shall deliver the schedule to the borrower (if there is more than one borrower, to borrower 1) within 7 (seven) banking days to the postal or e-mail address stated in the loan agreement or in any later written notice or through hanza.net. The borrower shall notify the bank of not having received the schedule within the above term. Upon receipt of the corresponding notice, the bank shall send the schedule to the borrower once again.

5.4 If the payments specified in the schedule do not coincide with the payments calculated by the borrower on the basis of the loan agreement terms and conditions, he or she shall notify the bank thereof immediately upon receipt of the schedule.

6 PAYMENT OF AGREEMENT FEE

6.1 If, upon disbursement of the loan amount or the first part thereof to the borrower, the current account specified in the loan agreement holds no sufficient amount for payment of the agreement fee, the bank shall deduct the missing amount from the loan amount to be disbursed. If, upon amendment of the loan agreement terms and conditions, the borrower is obliged to pay the agreement fee, the bank shall debit the current account specified in the loan agreement with the agreement fee.

6.2 The bank is entitled to receive the agreement fee also in case if the borrower does not take the loan amount into his or her use or the bank does not disburse the loan amount due to the fact that the borrower has provided the bank with significant false information in the loan application or any other documents submitted to the bank (incl. in notices and certificates).

7 CALCULATION AND PAYMENT OF DEFAULT INTEREST

7.1 If, as of the payment term of the payments (except the interest) subject to be made in accordance with the loan agreement, the current account specified in the loan agreement holds no funds in the amount payable, the bank is entitled to start calculating default interest on the outstanding amount from the day following the above-specified date on the basis of the rate provided in the bank’s price list. Calculation of the default interest shall end on the day when the outstanding amounts are paid in full.
8 CURRENCY OF PAYMENTS
8.1 The loan amount repayments, interest payments and default interest shall be subject to payment in the currency of the loan limit. All other costs and fees shall be paid in the currency in which the relevant sum has been recorded in the bank’s claim.
8.2 If there is not a sufficient amount in the currency of the relevant payment on the borrower's current account(s) on the due date, the bank shall have the right to debit the amounts in other currencies by converting the necessary amount at the expense of the borrower.

9 INSURANCE
9.1 The borrower shall insure the object encumbered with the collateral under the terms and conditions specified in the loan agreement and the standard loan agreement terms and conditions.
9.2 The borrower shall notify the insurer of the fact that the object forming an object of the insurance agreement has been encumbered with the collateral.
9.3 The borrower shall conclude an insurance agreement under the following terms and conditions:
   - the sum insured shall be equal to the full reinstatement value of the building(s);
   - the insured shall risks include fire, water, vandalism and natural disasters;
   - the beneficiary shall be the bank;
   - the terms and conditions of the insurance agreement listed above may be amended only upon the prior written consent of the bank (except the increase of the insurance amount and/or adding of insured risks).
9.4 If the parties fail do not agree on reinstatement of the damaged or destroyed building(s) on the account of the disbursed insurance indemnity, the bank shall pay the borrower from the indemnity paid to the bank the amount which was left over after full settlement of all the claims of the bank arising from the loan agreement.
9.5 The borrower shall submit a copy of each insurance policy to the bank. If the insurer issues the insurance policy electronically, the borrower shall have the right to agree with the insurer that the latter will send the electronic insurance policy to the bank as well. A copy of the insurance policy can be replaced by a written notice sent to the bank by the insurer in the format agreed on previously with the bank, which indicates the significant terms and conditions of the insurance agreement.
9.6 The borrower shall preserve the effectiveness of the insurance agreement under the foregoing terms and conditions (incl. pay the insurance premiums in due course) until expiry of the loan agreement.

10 OBLIGATIONS OF BORROWER
10.1 The borrower shall use the loan amount for the specific purpose specified in the principal loan agreement terms and conditions if such a purpose has been fixed.
10.2 If the collateral is a mortgage on a legal share of an immovable, the owner of the aforementioned legal share of the immovable shall, in addition to the agreement on establishment of mortgage in favour of the bank, conclude a notarised agreement on the procedure for use of the immovable subject to entry in the land register with the co-owners of the immovable on the terms and conditions specified by the bank.
10.3 If the bank has information about any possible violation by the borrower of the obligations related to the borrower's financial standing, the collateral and/or the purpose of use of the loan amount specified in the loan agreement and/or the standard loan agreement terms and conditions and due to that the due performance of the loan agreement and/or the standard loan agreement terms and conditions is endangered, the bank shall be entitled to obtain additional documents verifying the performance of obligations by the borrower. The borrower undertakes to submit the respective documents to the bank within 10 (ten) banking days as of the receipt of the relevant request from the bank.
10.4 The borrower shall notify the bank within 5 (five) banking days if:
   10.4.1 the personal data, place of residence and/or other contact data of the borrower change;
   10.4.2 there occurred an insured event with the object encumbered with the collateral. The definition of an insured event and procedure to be followed upon occurrence thereof is specified in the insurance agreement;
   10.4.3 there appeared any rights of third parties with regard to the object encumbered with the collateral, the object encumbered with the collateral was seized or a claim for payment was made with regard thereto;
   10.4.4 there occur any events which jeopardise proper performance of the loan agreement by the borrower.
10.5 All regular income of the borrower, which served as the basis for determining the loan limit (incl. monthly salary) shall accrue to the borrower's current account during the term of the loan agreement, unless the parties have agreed otherwise.
10.6 The borrower shall agree with the bank in writing in advance on assumption of a loan and/or any other financial obligation from a third party in advance if the total amount of the obligations to be assumed forms 10 (ten) percent or more of the loan limit. Loan obligations shall mean such obligations
which have arisen as a result of taking a loan, leasing or security transactions (incl. surety, except for the surety of the state student loan).

11 CANCELLATION OF LOAN AGREEMENT
11.1 The bank shall be entitled to cancel the loan agreement and demand from the borrower discharge of the outstanding loan amount, unpaid interest, agreement fee, default interest, penalties and other claims arising from the loan agreement and standard loan agreement terms and conditions within 20 (twenty) banking days as of the receipt of a corresponding notice from the bank if:
11.1.1 the borrower has provided the bank with false material information in the loan application or other documents presented to the bank (incl. notices, certificates);
11.1.2 the borrower does not duly fulfil the payment obligations arising from the loan agreement (incl. is in delay for at least 3 (three) consequent loan amount repayments wholly or partially and does not settle the debt also within 2 (two) weeks as of the receipt of the respective notice from the bank) or fails to pay default interest;
11.1.3 the borrower fails to perform duly any or all of the obligations referred to in clauses 9, 10.1, 10.4.2, 10.4.3, 10.5, 10.6 of the standard loan agreement terms and conditions and clause 4.6 of the loan agreement and in the special conditions of the loan agreement;
11.1.4 the market value of the object encumbered with the collateral decreases in such a way that the value of the object encumbered with the collateral is not sufficient enough for satisfying the bank’s claims arising from the loan agreement (incl. the object encumbered with the collateral is leased without the prior written consent of the bank or an insurance event which does not allow for payment of insurance indemnity occurs) or a claim for payment is made with regard to the object encumbered with the collateral or the invalidity of the collateral appears and the bank and the borrower fail to come to an agreement on establishment of an additional collateral within 20 (twenty) banking days;
11.1.5 there occur any events which jeopardise due performance of the loan agreement by the borrower;
11.1.6 the borrower fails to fulfil duly the financial obligations arising from other agreements concluded with the bank and/or a subsidiary/subsidiaries belonging to the consolidation group of the bank.

OTHER TERMS AND CONDITIONS
12.1 The loan agreement and the standard loan agreement terms and conditions shall be governed by the laws of the Republic of Estonia.
12.2 The limitation period of the claims arising from the loan agreement and the standard loan agreement terms and conditions shall be 5 (five) years.
12.3 Any amendments and modifications made to the loan agreement shall enter into force as of signing by the parties, unless the parties have agreed otherwise or there occur any circumstances specified in clause 1.2 of the standard loan agreement terms and conditions.
12.4 All notices related to the loan agreement and the standard loan agreement terms and conditions shall be forwarded to the other party to the postal or e-mail address specified in the loan agreement or in a later written notice or through hanza.net or through any other electronic means accepted by the bank.