STANDARD CONDITIONS OF SMALL LOAN AGREEMENT (valid from 03.06.2013)

1. DEFINITIONS

**Annuity payment** is a payment in case of which the borrower’s monthly payment to the bank (the total of repayment of the loan amount and interest payment) is equal until the final repayment date, except for the last payment in the payment schedule differing from others due to rounding.

**Current Account** is the current account specified in the principal terms and conditions of the small loan agreement, from which financial liabilities shall be discharged.

**Payment schedule** is the repayment schedule of the loan amount and interest, drawn up on the basis of the terms and conditions of the agreement. The payment schedule provides the amounts, number and due dates of payments.

**Price list** is the bank’s price list that is available in the bank’s service halls or website. The price list is amended pursuant to the procedure set out in the bank’s general conditions.

**Interest** is a fee payable by the borrower to the bank for the use of loan amount.

**Interest rate** is the amount of interest given as a percentage.

**Third person** is any natural or legal person who is not a party to the agreement.

**Total credit cost** is the sum of the loan amount, the interest payable until the final repayment date and the agreement fee. The total credit cost does not include any fees payable to the bank by the borrower in the case of a breach of his or her obligations arising from the agreement. Upon amendment of the agreement, the total credit cost shall be calculated on the basis of the conditions effective upon making the amendment of the agreement.

**Percentage rate of charge** is given as a percentage of the loan amount and it expresses the burden of expenses (the interest, the agreement fee) arising for the borrower from the loan amount per year. The percentage rate of charge is calculated as of the entry into the agreement or making an amendment to the agreement and it is valid only if the final repayment date is not changed and the parties perform their contractual obligations by the agreed time and on the agreed terms and conditions. Upon calculation of the percentage rate of charge, the bank uses the formula approved by the Minister of Finance of the Republic of Estonia on the basis of the requirements of the European Union.

**Borrower** is a natural person whom the bank grants a loan. If there is more than one borrower, all the borrowers shall be solidarily liable before the bank for performing the agreement (i.e. the bank may require the performance of obligations arising from the agreement from all the borrowers jointly or from all or any of them) and for the purposes of the agreement and the standard conditions of the small loan agreement they shall jointly and severally be referred to as “the borrower”.

**Loan amount** is the amount of money granted by the bank to the borrower’s disposal on the basis of the agreement.

**Agreement** is a small loan agreement concluded between the bank and the borrower. Relations not regulated by the small loan agreement shall be subject to the standard conditions of the small loan agreement applicable at the moment of entry into the small loan agreement or making an amendment thereto and relations not regulated by the standard conditions shall also be subject to the general terms and conditions of the bank. In the case of a discrepancy between the principal terms and conditions and the standard conditions, the relevant principal terms and conditions shall apply.

**Agreement fee** is a fee payable by the borrower to the bank for the analysis of the borrower’s loan application, arrangement of funds and preparation of the agreement and amendments of the agreement.

**Banking day** is a calendar day that is not a Saturday, Sunday, a national holiday or public holiday.

**Bank** is Swedbank AS, registry code 10060701, location Liivalaia 8, Tallinn.

**Parties or a party** are the bank and the borrower jointly or individually.

**Final repayment date** is the day when the borrower shall have fully performed his or her financial liabilities to the bank.

**Financial liabilities** are the loan amount, interest, agreement fee and FINES.

**Daily interest** is the interest applicable in the event of withdrawal from the agreement per day, which is calculated on the basis of the assumption that a year comprises 360 days and the borrower immediately puts the entire loan amount into use.
2. **RIGHT TO WITHDRAW FROM THE AGREEMENT**

2.1. The borrower shall have the right to withdraw from the agreement within 14 (fourteen) calendar days from the day the agreement becomes effective, by submitting a withdrawal application to the address of the bank or via the internet bank of Swedbank AS. If the borrower exercises the right of withdrawal from the agreement, the borrower shall immediately, but not later than within 30 (thirty) calendar days of the submission of the withdrawal application, repay the bank the loan amount and the interest accrued thereon during the period from accepting the loan until the repayment thereof. If the borrower fails to return the loan amount within the above time limit, it shall be considered that the borrower has not withdrawn from the agreement. The anticipated amount of the interest per day is indicated in the principal terms and conditions of the agreement.

3. **DISBURSEMENT OF LOAN AMOUNT**

3.1. The bank shall disburse the loan amount at least within 3 (three) banking days after the entry into force of the agreement. The bank shall transfer the loan amount to the current account set out in the principal terms and conditions of the agreement without any additional order by the borrower.

3.2. If, according to the principal terms and conditions of the agreement, the liabilities of the borrower before the bank or subsidiaries belonging to the consolidation group of the bank are refinanced out of the loan amount, the bank shall have the right to immediately debit the loan amount from the current account and use it for the intended purpose. By signing the agreement the borrower gives the bank an order for the operation.

3.3. The bank shall not re-lend the borrower the loan amount or any part thereof repaid to the bank by the borrower.

4. **REPAYMENT OF LOAN AMOUNT**

4.1. The borrower shall repay the loan amount by monthly annuity payments according to the terms and conditions specified in the agreement. The bank shall debit the current account set out in the principal terms and conditions of the agreement on the repayment dates of the loan amount by the amount fixed in the payment schedule. The borrower shall ensure that the current account holds a respective amount on the due dates. In case the current account does not hold the funds needed for making the payment on the due date, the bank will debit the respective amount immediately after the receipt thereof in the current account. In case the current account marked in the agreement does not hold the payable amount, the bank shall withdraw the payable amount from borrower’s other account(s) (incl. from other currencies).

4.2. The borrower is entitled to return the loan amount or part thereof before the final repayment date by notifying the bank thereof in writing 2 (two) banking days in advance. In case the borrower desires an early repayment he or she is entitled to the immediate premature termination of the agreement in bank’s internet bank in the manner specified by the bank for the termination of the agreement. The agreement shall be considered terminated, if the current account of the borrower who made an application for early repayment holds sufficient means for settling financial liabilities and calculated default interest. In case of early repayment, the borrower shall not pay the bank interest for the time of not using the loan amount.

4.3. If the borrower exercises the right specified in clause 4.2 of the agreement, the bank shall have the right to demand reasonable compensation from the borrower, which is directly related to the early repayment of the loan amount or a part thereof at the rate specified in the price list, but the amount of the compensation may not exceed that specified in the Law of Obligations Act.

4.4. The borrower shall pay the early repayment fee along with the amount to be repaid early to the bank within 10 (ten) banking days as of the receipt of the early repayment application by the bank. The borrower pays the early repayment fee to the bank on the date of early repayment of the loan amount or part thereof.

5. **CALCULATION AND PAYMENT OF INTEREST**

5.1. While calculating interest, the bank shall proceed from the actual number of days in a calendar month and a 360-day year. The bank commences calculation of interest on the day of transfer of the loan amount to the current account. The borrower herewith undertakes to pay interest on the outstanding loan amount at the interest rate provided in the agreement every month.

5.2. The bank shall debit the current account by the interest payable on the interest payment dates. The bank shall debit the last interest from the current account on the final repayment date. In case the current account does not hold the funds needed for making the payment on the respective term, the bank will debit interest payable immediately after the receipt thereof in the current account.

5.3. The borrower shall ensure that there is a sufficient amount for payment of the interest on the current ac-
count on time. If the borrower fails to pay the interest by the due date, the borrower shall, at the request of the bank, be obliged to pay a fee for processing the debt according to the bank’s price list.

6. PAYMENT SCHEDULE
6.1. The borrower shall repay the loan amount and pay interest to the bank on the terms and conditions agreed on in the agreement. The amounts, number and due dates of payments of the principal and interest payments payable by the borrower to the bank have been given in the schedule. The parties have agreed that the parties will not sign the schedule.
6.2. By signing the agreement the borrower warrants and represents that the bank’s representative has submitted the schedule to the borrower, the borrower has examined the schedule, understood it and consents to the size of the payments set out therein.
6.3. During the agreement term the borrower has the right to obtain the schedule free of charge. If the borrower has entered into a teleservices agreement, the borrower can access the schedule through the internet bank.
6.4. The parties have agreed that if the borrower has entered into a teleservices agreement, the bank’s obligation to regularly submit the repayment schedule to the borrower is deemed to have been fulfilled.

7. PAYMENT OF AGREEMENT FEE
7.1. Upon the disbursement of the loan amount to the borrower, the bank shall debit the current account set out in the principal terms and conditions of the agreement by the agreement fee specified in the agreement. Upon amendment of the terms and conditions of the agreement, the borrower shall pay the agreement fee, by which the bank shall debit the current account set out in the principal terms and conditions of the small loan agreement.

8. EXPENSES FROM LATE PAYMENT AND PAYMENT OF SUCH EXPENSES
8.1. If there is not enough money on the current account as of the due date of payment of the loan amount for payment of the amount payable, the bank shall have the right to start calculating default interest on the missing amount as of the day following the due date and at the rate set out in the price list. Calculation of the default interest shall terminate on the day when the amount payable is paid in full. The bank shall establish the default interest rate according to the requirements set out in law. The bank shall debit the current account with the default interest payable.
8.2. If the borrower does not pay the loan amount and/or the interest by the due date, has been overdue for more than 20 (twenty) calendar days and the bank has sent the borrower a repetitive reminder, the borrower shall, at the request of the bank, pay a fee for processing the debt according to the price list.

9. ORDER OF PAYMENT
9.1. If the borrower has the obligation to pay various amounts arising from the agreement one and the same time, the costs related to the collection of debt shall be considered to have been paid in the first order, thereupon the outstanding loan amount, thereupon the outstanding interest, starting with the earlier debt, and thereupon the default interest, fines and other fees.
9.2. The bank is entitled to refuse payments or transfers from the borrower’s current account/accounts with the bank until the settlement of the debt, and give priority to the satisfaction of its claims from the amounts received in the borrower’s current account/accounts. The borrower has granted the bank the permit to perform the above actions by concluding the agreement.
9.3. The borrower shall pay all amounts arising from this agreement to the bank without any deductions and set-offs.
9.4. If there is not a sufficient money 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 withdraw the amount in other currencies by converting the necessary amount at the borrower’s expense.
9.5. Upon the official replacement of the loan amount currency with another currency the bank shall be entitled to change the loan amount currency unilaterally and to recalculate the financial liabilities and the outstanding default interest into the introduced currency on the basis of official exchange rate.

10. OBLIGATIONS OF BORROWER
10.1. The borrower undertakes to submit all documents confirming the borrower’s financial condition requested by the bank to the bank within 5 (five) banking days after the receipt of a respective request from the bank.
10.2. If the borrower has submitted to a court a petition for the reorganisation of his or her debts, the borrower
shall inform the bank thereof within 5 (five) banking days.

10.3. The borrower shall notify the bank within 5 (five) banking days if:

10.3.1. personal data and/or contact data of the borrower changes;

10.3.2. an enforcement or judicial procedure has been initiated against the borrower (incl. a bankruptcy caution has been submitted against the borrower or (a) third person (persons) has (have) or the borrower itself has submitted a bankruptcy petition with the court);

10.3.3. events affecting the due performance of the terms and conditions of the agreement by the borrower occur;

10.3.4. the borrower has assumed an additional loan and/or any other financial liability in regard of a third person. Loan obligations denote such obligations which arise as a result of a loan, leasing or securing transactions (including surety).

10.4. During the term of validity of the agreement all the borrower’s regular income shall be received in the borrower’s current account, which served as the basis for determining the loan amount, unless otherwise agreed upon by the parties.

10.5. Upon non-performance of the obligations specified in clauses 10.1. and 10.3. of the agreement or improper performance thereof, the bank is entitled to request a fine of up to 2% of the balance of the loan amount from the borrower. The borrower undertakes to pay the said fine to the bank within 10 (ten) banking days from the day he or she receives the relevant written request from the bank.

11. CANCELLATION OF AGREEMENT

11.1. The bank shall be entitled to cancel the agreement and demand immediate fulfilment of financial liabilities and other claims arising from the agreement, notifying the borrower thereof in writing in the following cases:

11.1.1. the borrower is in partial or full delay regarding 3 (three) consecutive payments of the loan amount and fails to settle the debt also within 2 (two) weeks from the receipt of the respective request from the bank;

11.1.2. the borrower fails to fulfil other obligations arising from agreement in a proper manner;

11.1.3. execution proceeding has been initiated against the borrower;

11.1.4. the borrower fails to fulfil financial liabilities arising from other agreements concluded with the bank and/or a subsidiary/subsidiaries of the consolidation group of the bank;

11.2. In cases specified in clause 11.1. of the agreement, the borrower undertakes to make all payments within 10 (ten) banking days after receipt of the relevant notice from the bank.

11.3. If the bank cancels the agreement, expenses relating to a judicial and/or enforcement procedure, that have to be paid by the borrower, may be added.

12. OTHER TERMS AND CONDITIONS

12.1. Any disputes between the parties shall be subject to resolution by way of negotiations. In the said event the borrower also has the right to address competent pre-trial bodies (e.g. the Consumer Complaints Committee). Failing agreement, the dispute shall be resolved in court. The agreement shall be governed by the legislation of the Republic of Estonia. The borrower warrants and represents that at the time of entry into the agreement their permanent or primary place of residence is Estonia and that they agree that the legislation of the Republic of Estonia be shall applied to the relationships arising from the loan agreement and that the disputes arising from the agreement shall be resolved in Estonian courts. The parties have agreed that if the borrower takes up residence abroad following the entry into force of the loan agreement or if the borrower’s place of residence at the time of filing an action is unknown, any and all disputes arising from the agreement shall be resolved in Estonian courts.

12.2. The parties have agreed that claims arising from the agreement and the standard conditions shall expire in 5 (five) years.

12.3. The fee for processing the debt, default interest and payment of the penalty or any other fees set out in the agreement does not release the borrower from the performance of the obligation(s) arising from the agreement.

12.4. The bank shall have the right to amend the terms and conditions of the agreement unilaterally if legal standards regulating consumer credit or other relations arising from the agreement change and amendment of the agreement arises from harmonisation thereof with new legal standards. The bank shall notify the borrower in advance of the corresponding changes. If the borrower does not agree to the changes, he or she is entitled to terminate the agreement immediately.
12.5. Notices relating to the agreement shall be sent by letter to the address of the other party (in the events specified in clause 11.1 of the agreement, in a format that can be reproduced in writing). Any notice sent by one party to the other party by letter to the address specified in the agreement or in any further notice shall be considered received upon the expiry of 5 (five) banking days from the day the notice was mailed. The parties are entitled to forward written notices and applications under the agreement to each other through bank’s internet bank or any other electronic means accepted by the bank. In such case, the notices shall be considered as received by the borrower not later than on the banking day following the sending. The parties have agreed that in order to change the current account set out in the principal terms and conditions of the agreement a written notice of the borrower is sufficient enough and no annex to the agreement is concluded.

12.6. The parties maintain the confidentiality of the information concerning the agreement and do not disclose it to third persons without the prior written consent of the other party, except to a third person whose right to receive information arises from the laws of the Republic of Estonia. By signing the agreement the borrower has given the bank the right to disclose information about the agreement and the borrower also to the companies belonging to the consolidation group of the bank and the parent company of the bank. If the borrower fails to duly perform the obligations arising from the agreement, the bank shall have the right to disclose the information concerning the agreement and the borrower to third persons (incl. the payment disturbances register administered by Krediidiinfo AS) at its own discretion. The processing of the information concerning this agreement and the borrower (incl. forwarding to third persons) shall take place in accordance with the Principles of Processing Client Data in the Estonian Companies of Swedbank and the provisions of this clause do not preclude or limit the application of the aforementioned principles.

12.7. The Estonian Financial Supervision Authority (address: Sakala 4, 15030 Tallinn, e-mail info@fi.ee, website www.fi.ee) exercises supervision over the bank.

12.8. The agreement shall enter into force from concluding the agreement and remain in force until the borrower has paid the bank in full his or her financial liabilities arising from the agreement, calculated default interest and unpaid sums. Any amendments and modifications to the agreement shall enter into force as from the moment of signing thereof in the bank’s internet bank or by both parties, unless otherwise agreed on by the parties. It is possible to amend in the bank’s internet bank only the terms and conditions of the agreement determined by the bank.

12.9. By signing the agreement the borrower warrants and represents that they have read the agreement and the standard conditions of the small loan agreement and received detailed information about the agreement, the standard conditions of the small loan agreement and the rights and obligations arising from the agreement and the conditions and fully understand and agree with the agreement and the conditions. The borrower also warrants and represents that they have received the Standard European Consumer Credit Information and additional pre-contractual information of small financing products, which is also available on the bank’s website at www.swedbank.ee, and have fully understood the contents of the said documents. The borrower warrants and represents that the bank has notified them sufficiently and the borrower has understood the threats arising from the entry into the agreement.