

Terms and Conditions of Hire-Purchase Agreement

valid as of 25 May 2018

1. GENERAL PROVISIONS

- 1.1. Based on the hire-purchase agreement and under the terms and conditions therein, the Seller shall undertake to sell the Goods to the Buyer, and the Buyer shall undertake to pay to the Factor for the Goods under the terms and conditions and due dates laid down in the Payment Schedule.
- 1.2. The type of credit to be given to the Buyer by the Seller and the Factor under the Service Agreement shall be hire-purchase (consumer credit for the acquisition of goods or the provision of service).
- 1.3. These Service Conditions shall form an integral part of the Service agreement. In the event of controversies between the Service Conditions and the terms and conditions of the Service Conditions, the terms and conditions of the Service Agreement shall apply. In addition to Service Conditions the Service Agreement shall be governed by General Conditions, Price List and the Principles of Processing Customer Data as of the date of entry into the Service Agreement or as of the date of amendment of the Service Agreement. In the event of controversies between the Service Conditions and the General Conditions, the Service Conditions shall apply.
- 1.4. In addition to the conditions listed in clause 1.1 the conditions of the sales of Goods shall be governed by the supplementary conditions laid down by the Seller valid at the time of the entry into the Service Agreement insofar as these do not contradict the conditions listed in clause 1.3.
- 1.5. The Factor shall have a unilateral right to change the Service Conditions on the bases and according to the General Conditions.
- 1.6. Upon entry into the Service Agreement and amendment of the Service Agreement the Client represents and warrants that the Client has read through and consents to valid Service Conditions, General Conditions and Price List, and has read through the Principles of Processing Client Data. The valid Service Conditions, General Conditions, Price List and the Principles of Processing Client Data are available on the Website of the Factor.
- 1.7. This Service Agreement shall be governed by the laws of the Republic of Estonia.

DEFINITIONS AND FEES

First Instalment	means the Downpayment and the single fee for the entry into the Service Agreement in the amount specified in the Payment Schedule.
Factor	means Inbank AS, registry code 12001988, address Niine tn 11, 10414 Tallinn; a person to whom the Seller has assigned the claim arising from the Service Agreement against the Buyer, and who administers the claim arising from the Service Agreement on behalf of the Seller and exercises all rights arising from the claim (including the right of collection of claim).
Interest:	means the fee subject to payment by the Buyer to the Factor under the Service Agreement and the Payment Schedule for the use of the Credit Amount.
Residual Value	means the credit amount in use by the Buyer that is calculated by subtracting the Downpayment and monthly principal amounts from the

Cost of the Goods (i.e. amount of repayment of Residual Value shown in the Payment Schedule from the monthly Instalments).

Cost of Goods	means the price of the Goods plus the value added tax. The price shall also include courier or transport costs if the Buyer has not been notified otherwise.
Goods	means the goods or service specified in clause 1.1 of the Service Agreement.
Total Cost of Credit	means the gross amount of credit, i.e. the sum of the First Instalment, the following Instalments (including interest and administration fee) and other fees together with value added tax (as of the entry into the Service Agreement) payable under the Service Agreement.
Annual Percentage Rate of Charge and the Procedure for its Calculation	means the total cost of Credit expressed as an annual percentage rate of the used part of the Credit Amount the value of which has been indicated in the Service Agreement.
Credit Amount	means the consumer credit (hire-purchase) which is provided to the Buyer for the acquisition of the Goods and which the Buyer undertakes to return/repay as Credit Amount repayments together with the accessory expenses under the terms and conditions set forth in the Service Agreement to the Factor, instead of the Seller.
Payment Schedule	means the procedure agreed by the Buyer and the Seller for the payment of the First Instalment and the following Instalments, the payment amounts and payment dates that have been added to the Service Agreement the free of charge presentation of which the Buyer shall be entitled to demand from the Factor at any time during the validity of the Service Agreement.
Other Fees and Costs in addition to those Specified in the Service Agreement:	<p>mean the fees of the Factor the rates of which are laid down in the Price List for the Buyer's delays in the payment of Instalment(s) and upon withdrawal from the Service Agreement:</p> <ul style="list-style-type: none"> - a fee for sending a reminder via e-mail or SMS; - a fee for sending a reminder by mail; - a fee for a notice of withdrawal from the Service Agreement sent by the Factor by e-mail or mail; - a fee for debt collection procedure.
Seller	is a person who sells the Goods to the Buyer.
Instalment	means the monthly payment to be made from the Residual Value to be paid pursuant to the Payment Schedule, plus monthly interest and monthly administration fee pursuant to the provisions of the Service Agreement.
Buyer	is a natural person who acquires the Goods from the Seller on the basis of the Service Agreement and undertakes to pay for it to the Factor in accordance with the procedure set out in the Service Agreement.

Parties	are the Buyer and the Seller.
Downpayment	means the first principal payment of the Cost of Goods pursuant to the Payment Schedule.
Service Agreement	means a hire-purchase agreement.
Service Conditions	are the terms and conditions of this hire-purchase agreement.
Fine for Delay:	means the fine for delay payable by the Buyer for delay of the fulfilment of a financial obligation, including the payment of Instalments, in the rate laid down in the Price List. In addition to interest and fine for delay the Factor shall be entitled to demand the payment of damage that exceeds the fine for delay and the compensation of expenses from the Buyer. No fine for delay shall accrue on the Interest.

2. SALES AND DELIVERY OF GOODS

- 2.1 The Seller shall transfer the Goods to the Buyer immediately after the payment of the First Instalment at the Seller's place of business, in case of a Service Agreement entered into as a distance agreement either at the location of the Seller or the Buyer or other place agreed upon by the Parties. Together with the Goods, the Seller shall also deliver to the Buyer all documents and user manuals accompanying the Goods, as well as other accessories and shall, if necessary, inform the Buyer additionally of the purposeful use of the Goods. Where a warranty is provided for the Goods, the Seller shall additionally deliver the warranty documents and conditions to the Buyer.
- 2.2 From the moment of the delivery of the Goods to the Buyer, the Buyer shall take responsibility for the maintenance and preservation and the prudent use of the Goods and shall bear any expenses and risks related to the maintenance, preservation and use of the Goods.
- 2.3 Upon receipt of the Goods, the Buyer shall be obliged to immediately check the Goods in order to determine the compliance and discover obvious deficiencies thereof.
- 2.4 The right of ownership of the Goods shall be transferred to the Buyer after the payment of the last Instalment and all other payments under this Service Agreement (reservation of ownership), except in the cases specified clauses 2.5 and 2.6 of the Service Conditions, whereas payments shall be verified by the respective confirmation from the Seller to the Buyer. The Seller shall confirm the payment of all payments by the Buyer only after obtaining respective data from the Factor. The Buyer is aware that if the Seller withdraws from the Service Agreement on the basis of clause 6.1 of the Service Conditions or terminates the Service Agreement due to another reason arising from the Buyer, the right of ownership of the Goods shall be transferred to the Factor and the Buyer shall be obliged to return the possession of the Goods and the documents to the Factor.
- 2.5 Clause 2 of the Service Conditions shall not be applied to the Goods, the object of which are services to the extent essentially impossible.
- 2.6 If a vehicle constitutes the Goods, the right of ownership thereof shall be transferred to the Buyer upon entry into the Service Agreement.

3. BUYER'S CONFIRMATIONS

- 3.1 **The Buyer confirms being aware that the Seller has assigned all claims arising from the Service Agreement to the Factor, including any claims against the Buyer for the payment of Instalment and other payments arising from the Service Agreement as well as collateral claims (above all, the Fine for Delay, and claims for compensation of damage arising from the breach of the payment obligation).**
- 3.2 The Buyer is aware and agrees that the payments to be made under the Service Agreement shall only be considered as paid upon their performance to the Factor. The Factor shall issue an e-invoice in each case that

is based on the Payment Schedule and each other amount payable pursuant to the Service Agreement not specified in the Payment Schedule. The Buyer shall undertake to communicate to the Seller the information as regards the account opened by the Buyer in a credit institution operating in Estonia (i.e. the account number and the name of the credit institution) and to order an e-invoice through the respective credit institution.

- 3.3** The Buyer warrants and represents that he/she:
- 3.3.1 is of age and the entry into the Service Agreement conforms to his/her credit worthiness;
 - 3.3.2 has received the information required by law as regards the Service Agreement prior to the signature of the Service Agreement, including the European standard information on consumer credit as regards the Service Agreement to be entered into, he/she has received pre-agreement counselling or been offered such counselling and he/she has examined the terms and conditions of the Service Agreement, the Service Conditions and the General Conditions;
 - 3.3.3 has not submitted and shall not submit to the Seller and the Factor any false information or documents;
 - 3.3.4 shall submit, upon the Seller's or the Factor's request, a certificate proving his/her income of six months (account statement);
 - 3.3.5 is aware that the Factor shall only issue e-invoices to the Buyer that have to be subscribed to by the Buyer himself/herself. Moreover, the Buyer shall warrant that he/she is aware and agrees that the failure to receive the e-invoice shall not release the Buyer from its obligation from the payment of the Instalments and other payments arising from the Service Agreement pursuant to the terms and conditions laid down in the Service Agreement;
 - 3.3.6 shall inform the Seller and the Factor of the circumstances specified in clause 4.8;
 - 3.3.7 is aware that the Seller has assigned all of its claims arising from the Service Agreement to the Factor and obliges to fulfil the payment obligations arising from the Service Agreement to the Factor pursuant to the procedure and by the terms set forth in the Service Agreement and the Payment Schedule;
 - 3.3.8 is aware that, despite the assignment of the claim to the Factor, the Seller shall remain liable for the compliance of the Goods, and that hence any notices regarding the deficiencies discovered in the Goods shall be submitted to the Seller and that the Factor shall not be held responsible for any deficiencies in the Goods or submission of respective notifications;
 - 3.3.9 exhibits no extraordinary necessity to enter into the Service Agreement, or dependency or inexperience.
- 3.4** The Buyer confirms that the Seller and the Factor have warned the Buyer that any failure to pay the instalments or other fees as appropriate could have serious negative consequences for the Buyer (e.g. forced sales of the Goods) and such behaviour may complicate the Buyer's credit funding in the future.
- 3.5** The Buyer shall be obliged to pay the Factor any supplementary payments pertaining to the implementation, amendment or termination of the Service Agreement arising from the Price List established by the Factor. The Buyer confirms having reviewed the Price List upon entry into the Service Agreement.
- 3.6** The Buyer shall have the right to immediately obtain information about the data used for assessing his/her creditworthiness.

4. RIGHTS AND OBLIGATIONS OF THE PARTIES AND THE FACTOR

- 4.1** The Factor shall have the right to require the payment of and the Buyer shall undertake to perform the payment of Instalments and other payments subject to payment on the basis of the Service Agreement as indicated in the Payment Schedule and based on the e-invoices submitted by the Factor based on the Service Agreement (including in the case where the Factor acts as the Seller's representative). The Buyer shall be obliged to pay the Instalments stipulated by the Service Agreement and other payments to be made on the basis of the Service Agreement even if the Goods have, after the delivery thereof to the Buyer but before the payment of the last Instalment, been destroyed, damaged or lost, irrespective of whether the Buyer is liable for the destruction, damage or loss of the Goods.
- 4.2** The Factor shall have the right to assign the claims arising from the Service Agreement against the Buyer. The Factor shall notify the Buyer of the assignment of a claim pursuant to the regulation in the Law of Obligations Act.

- 4.3** Until the occurrence of the condition specified in clause 2.1 of the Service Agreement (i.e. the transfer of the right of ownership of the Goods to the Buyer) the Seller shall have the right to transfer the right of ownership of the Goods to the Factor provided that the corresponding transfer transaction does not preclude or restrict the transfer of the right ownership of the Goods to the Buyer after the payment of the last Instalment and all other payments subject to payment pursuant to the Service Agreement. The Seller shall notify the Buyer at least in a format which can be reproduced in writing of the transfer of the right of ownership of the Goods to the Factor. The Seller shall transfer the right of ownership of the Goods to the Factor also in the case specified in clause 6.1 of the Service Conditions.
- 4.4** The obligations arising from the sales warranty, Service Agreement and the law, including obligations arising from the non-compliance of the Goods with the terms and conditions of the agreement) shall be performed by the Seller. If the Seller is in breach of the Service Agreement – above all, if the Goods do not comply with the terms and conditions of the Service Agreement – the Buyer may file claims arising from the Service Agreement of the law against the Seller. The Buyer shall be obliged to notify the Seller of any non-compliance of the Goods with the terms and conditions of the agreement within two months after learning of the non-compliance. If the Seller fails to perform the obligation of delivery of the Goods arising from the Service Agreement or if the Goods do not comply with the terms and conditions of the Service Agreement and the Seller has unjustifiably refused to satisfy legal remedies, the Buyer may refuse to fulfil his/her obligation to the Factor after having submitted the Factor proof of the occurrence of the circumstances referred to above. The Buyer shall not have the right to offset the claims subject to payment based on the Service Agreement with his/her claims.
- 4.5** The Buyer shall not have the right to assign the rights and obligations arising from the Service Agreement to third parties.
- 4.6** The Buyer shall undertake to ensure, during the validity of the Service Agreement until the appropriate performance of all obligations arising from the Service Agreement, the preservation of the condition of the Goods at the time of delivery thereof to the Buyer, considering the normal wear and tear conditioned by the purposeful use of the Goods.
- 4.7** The Buyer shall not be entitled, until the performance of all payments arising from the Service Agreement and the transfer of the right of ownership of the Goods to the Buyer, to dispose of the Goods or encumber the Goods in any manner.
- 4.8** During the term of the Service Agreement the Buyer shall be obliged to notify the Factor immediately, but no later than in five (5) calendar days, in a format that can be reproduced in writing of the breach of the Service Agreement by the Seller, the damage, the partial or complete destruction or loss of the Goods, or circumstance and events that may hinder the proper performance of the Buyer's obligations arising from the Service Agreement or make the proper performance thereof impossible.
- 4.9** The Factor shall be, as the representative of the Seller, authorised to communicate all expressions of will related to the Service Agreement to the Buyer.

5. LIABILITY AND CONTRACTUAL PENALTY

- 5.1** The Buyer shall be fully and unconditionally liable for the preservation and maintenance of the Goods from the moment of acceptance of the Goods until the expiry or termination of the Service Agreement. The loss of possession of, destruction of, loss of or damage to the Goods or any similar event shall not exempt the Buyer from his/her liability and the performance of the obligations arising from the Service Agreement.
- 5.2** If any of the confirmations specified in clause 3.3 of the Service Conditions (except 3.3.7 or 3.3.8) given by the Buyer are not true or if the Buyer violates the obligations laid down in clause 4.7 or 4.8 of the Service Conditions, the Buyer shall undertake to pay a contractual penalty to the Factor in the rate stipulated in the Price List.
- 5.3** The payment of contractual penalty shall not exempt the Buyer from the performance of the violated obligation or any other obligation arising from the Service Agreement, and shall not deprive the Factor of the right to prematurely cancel the Service Agreement on the basis provided in the Service Agreement or by law.

6. AMENDMENT, PREMATURE CANCELLATION AND EXPIRY OF CONTRACT AND WITHDRAWAL THEREFROM

- 6.1** The Service Agreement may be amended upon agreement in the format that can be reproduced in writing, whereas the Factor shall be authorised on the basis of the Seller's irrevocable authorisation to amend the

- Service Agreement as the representative of the Seller. The Factor and the Buyer shall have the right to agree, without the Seller's approval, on any amendment of the Service Agreement with regard to the exercise of the right of claim arising from the Service Agreement assigned to the Factor.
- 6.2** The Service Agreement shall expire upon the complete performance of the obligations arising from the Service Agreement, withdrawal from the Service Agreement or cancellation of the Service Agreement.
- 6.3** The Buyer shall have the right to withdraw from the Service Agreement without providing a reason within 14 days after the receipt of the Goods. With the withdrawal from the Service Agreement the Buyer shall also be considered as withdrawn from the credit provided in the form of payment by Instalments. To exercise the right of withdrawal the Buyer shall submit a Request to the Seller or the Factor by e-mail or mail to the address specified in the Service Agreement within the aforementioned term. Upon withdrawal from the Service Agreement the Buyer shall return the Goods or compensate its value to the Seller. To exercise the right of withdrawal the Buyer shall have opened the package of the Goods carefully and in a manner that shall not damage the package of the Goods. The Buyer shall return the Goods within 30 calendar days as of the submission of a Request to withdraw from the Service Agreement, otherwise the Buyer shall not be considered as withdrawn from the Service Agreement. Upon withdrawal from the Service Agreement the Buyer shall repay the Factor the unused part of the Credit Amount and the Interest accrued by the date of payment the latest within 30 calendar days after submission of a Request for withdrawal from the Service Agreement, otherwise the Buyer shall not be considered as withdrawn from the Service Agreement. The Buyer shall bear the costs related to the withdrawal from the Service Agreement, and is obliged to compensate to the seller the standard costs related to the return of the Goods, considering the mandatory restrictions established by law.
- 6.4** In case of a breach of the Service Agreement by the Seller, the Buyer shall be entitled to apply the legal remedies stipulated in the Law of Obligations Act. Where the Seller is in breach of the agreement, the Buyer shall not have the right to refuse to fulfil his/her obligation to the Factor, except in the event of circumstances imperatively laid down in the law. Where the Buyer has the right provided by law to cancel the service provision agreement concluded for the performance of ongoing operations (e.g. care plan based health service agreement), the Buyer is obliged to continue payment for the services rendered, but is not obliged after the cancellation to pay for the services not yet rendered by the Seller and shall have the right to request from the Factor as the representative of the Seller to declare the invalidity of the last payments subject to payment under the Service Agreement in the amount that corresponds to the value of services not rendered, net of the costs already incurred by the Seller for the provision of the service. If the Seller fails to fulfil the obligation of delivery of the Goods or if the Goods do not meet the terms and conditions of the agreement and the Seller has unjustifiably refused to satisfy the Buyer's legal remedies, the Buyer shall have the right to withdraw from the Service Agreement.
- 6.5** The Factor, as the Seller's representative, shall have the right to prematurely cancel the Service Agreement without any advance notice in a format which can be reproduced in writing, if the Buyer has partially or completely delayed payment of the Instalment or parts thereof for three (3) consecutive times and the Factor, as the Seller's representative, has unsuccessfully given the Buyer an additional term of two (2) weeks for the payment of the missing amount together with the warning that the Seller shall cancel the Service Agreement if the payments are not made during that term and shall claim payment of the entire debt.
- 6.6** The Seller may cancel the Service Agreement prematurely also in the case where any of the confirmations given by the Buyer in clause 3.3 (except 3.3.7 or 3.3.8) are incorrect or inaccurate.
- 6.7** The Factor may cancel the Service Agreement prematurely if the Buyer breaches any other agreement entered into with the Factor or a group in the Factor's Group and has not eliminated the breach within the additional term of 14 (fourteen) days given by the Factor.
- 6.8** In case of cancellation or premature termination of the Service Agreement the Instalments paid by the Buyer during the validity of the Service Agreement or other amounts paid under the Service Agreement shall not be returned or otherwise compensated to the Buyer.
- 6.9** Upon the premature cancellation of the Service Agreement by the Seller the ownership of the Goods shall be transferred to the Factor, unless the Factor notifies the Buyer otherwise. If the Seller transfers the right of ownership of the Goods to the Factor pursuant to the provisions in clause 2.1 of the Service Agreement, the Buyer transfers the right of ownership directly to the Factor.

7. RIGHT OF PREMATURE REPAYMENT OF CREDIT

- 7.1** The Buyer shall have the right to partially or completely fulfil the obligations arising from the Service Agreement prematurely, by submitting a corresponding Request to the Factor in a format that can be reproduced in writing and paying the Factor the Residual Value or part of it prematurely. In such case the Factor shall be entitled to claim reasonable compensation from the Buyer that equals 1% of the prematurely repaid Credit Amount where the period between the premature repayment of credit and the expiry of the Agreement is longer than one year, or that equals 0.5% of the prematurely repaid Credit Amount where the respective period is shorter than one year.

8. PROCEDURE FOR COMMUNICATION OF REQUESTS AND NOTICES

- 8.1** Any Requests and notices addressed to the Parties and/or the Factor that have to be made in writing or in the format that can be reproduced in writing, shall be communicated to the Party or the Factor to the postal or e-mail address specified in the Service Agreement.
- 8.2** The Factor shall notify the Parties of the new contact details on its Website.
- 8.3** The Buyer shall during the term of validity of the Service Agreement notify the Factor immediately in writing or by e-mail of a change in its postal or e-mail address. The data shall be deemed amended as of the moment of receipt of the notice.

9. MISCELLANEOUS

- 9.1** Any earlier declarations of intention or agreements of the Parties or the Factor that have not been included in the Service Agreement shall not be considered parts of this Service Agreement.
- 9.2** No delay in the enforcement of any right and/or performance of any obligation under this Service Agreement shall constitute a waiver of that right and/or obligation; a separate or partial enforcement or performance of any right shall not preclude a further enforcement or performance of that right in any other respect or the performance of any other right and/or obligation.
- 9.3** The invalidity of a single provision of the Service Agreement shall not release the Parties or the Factor from the obligation to perform the other provisions of the Service Agreement, nor shall it bring about the invalidity of the whole Service Agreement or the other provisions of the Service Agreement.
- 9.4** The Buyer may submit all complaints to the Seller's postal address or e-mail address specified in clause 1.4 of the Service Agreement or in accordance with the General Conditions.
- 9.5** The Service Agreement shall enter into force upon signature thereof, in case of a Service Agreement entered into via telecommunications after the receipt of the Goods and the verification of the identity of the Buyer.