

# AS PRFOODS

## TERMS AND CONDITIONS OF SECURED NOTE ISSUE

DATED 14 JANUARY 2020 AND AMENDED ON 25 FEBRUARY 2020

Pursuant to these terms and conditions (the “**Terms**”) AS PRFoods, a public limited liability company established and existing under the laws of Estonia with registry code 11560713, (the “**Issuer**”) will issue notes governed by the laws of Estonia and representing direct and general debt obligations of the Issuer which shall be secured by a collateral stipulated in these Terms (“**Notes**”).

Notes issued under these Terms may be issued in several tranches of Notes bearing the same ISIN code, which will together constitute a single issue of Notes (“**Issue**”). Each such tranche of Notes shall be the subject to final terms of such tranche of Notes (each “**Final Terms**”) which shall complete these Terms. In the event of any inconsistency between these Terms and the relevant Final Terms, the relevant Final Terms shall prevail.

The maximum aggregate nominal amount of the Notes to be issued under these Terms (i.e. of all relevant tranches of Notes) is EUR 11,000,000.

Capitalised terms used in these Terms shall have the meanings ascribed to them under Section 17 (*Definitions*) of these Terms.

### 1 THE NOTES

#### 1.1 Form

The Notes are issued in dematerialized book-entry form. The Notes are not numbered.

#### 1.2 Status

The Notes shall constitute direct and general debt obligations of the Issuer which shall be secured by the Collateral, and which shall at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Issuer shall be liable to the Noteholders for due and complete fulfilment of its obligations arising from the Notes with all of its assets in accordance with, and subject to limitations arising from, the applicable laws and the Note Documents.

#### 1.3 Denomination

The Notes shall be denominated in Euros (EUR) and all payments to the Noteholders by the Issuer in connection with the Notes shall be made in Euros.

#### 1.4 Validity and Title

A Note shall be valid from the registration of that Note in the Register pursuant to Section 2.1.3 of these Terms and until deletion of that Note from the Register in accordance with Section 6.4.4 of these Terms.

The legal title to a Note passes vis-à-vis third parties by the registration of the transfer of the title from a transferor to a transferee in the Register, when the Note is transferred from the transferor's securities account to the securities account of a transferee. Ownership of a Note is deemed to have changed vis-à-vis the Issuer as from the moment when a relevant entry is made in the Register.

## **1.5 Transferability**

The Notes shall be freely transferable, unless otherwise provided by applicable laws. However, a Noteholder may be subject to purchase or transfer restrictions with regard to the Notes, as may be applicable under the laws to which that Noteholder is subject. Furthermore, any Noteholder wishing to transfer any Notes must ensure that such transfer and any communications and arrangements relating thereto would not qualify as an offering requiring the publication of a prospectus in the meaning of the applicable laws and regulations. Each Noteholder must ensure and shall be liable for the compliance with any such restrictions, requirements and regulations at its own cost and expense.

All Note transfers are subject to these Terms. These Terms and all other relevant Note Documents shall be automatically applicable in relation to all persons who have acquired any Notes.

The Register may temporarily block the Notes on a Noteholder's (or its nominee's) securities account to ensure performance of corporate actions in relation to the Notes.

## **2 ISSUE, PRIMARY DISTRIBUTION AND REGISTRATION OF THE NOTES**

### **2.1 Issue of the Notes**

2.1.1 The Issuer has the right to issue Notes under these Terms on one or more Issue Date(s). The Issue Date with respect to each tranche of Notes will be determined in the Final Terms of that tranche of Notes and may be any date until the Maturity Date.

2.1.2 The Issuer shall have the right from time to time, without the consent of the Noteholders, to issue further tranches of Notes and to freely determine the size of each tranche of the Notes, provided that the total aggregate Nominal Value of all Notes issued by the Issuer under these Terms shall be up to the Maximum Aggregate Nominal Value of the Notes.

2.1.3 Unless stated otherwise in these Terms, the Final Terms or (if applicable) the Prospectus, any subsequent Notes issued on any Additional Issue Date shall carry same rights as the Notes issued on the First Issue Date. Any such subsequent Notes shall have the same ISIN code, rate of Interest, currency, Nominal Value and the Maturity Date as the Notes issued on the First Issue Date. Nevertheless, for the avoidance of doubt, the Issue Price of any such subsequent Notes may differ from those of the Notes issued on the First Issue Date.

2.1.4 The Notes allocated to each Noteholder whose Subscription Undertaking has been accepted by the Issuer and who has paid for such Notes in the course of the Primary Distribution, and the Notes subscribed for by the Issuer in accordance with Section 2.2.3 below (if any), shall be registered in the Register in the securities or other account of that Noteholder (or its respective nominee) and, if applicable, of the Issuer on the relevant Issue Date.

### **2.2 Primary Distribution**

2.2.1 Persons who have been invited to subscribe for a tranche of the Notes in the course of Primary Distribution ("investors") have the right to subscribe for the relevant Notes during the subscription period determined by the Issuer in the relevant Final Terms applicable to such tranche (i.e. during the First Subscription Period and/or the Additional Subscription Period(s), as applicable).

2.2.2 Primary Distribution of each tranche of the Notes may be carried out by the Issuer (in its discretion) either by way of a Private Placement or a Public Offering. The Issuer shall indicate whether the Primary Distribution of the tranche of Note is carried out by a Private Placement or a Public Offering in the Final Terms. In the case of a Private Placement,

Section 15 of these Terms shall apply to the Primary Distribution of the relevant tranche of Notes. In the case of a Public Offering, Section 15 of these Terms shall not apply, and the terms and conditions for placing of Subscription Undertakings, the procedure for the Primary Distribution and Issue of the Notes of that tranche, payment of the Issue Price for the relevant Notes and other matters as prescribed by law, applicable stock exchange rules or the rules of the Register shall be provided in Prospectus and/or documents incorporated by reference therein and may vary from those set out in these Terms.

2.2.3 The Issuer shall have the right to itself subscribe to the Notes in the course of Primary Distribution. In such situation the Issuer shall not be required to make payment for the Notes subscribed by it in the course of the Primary Distribution.

### **3 INTEREST**

#### **3.1 Interest calculation**

3.1.1 Each Note shall bear interest on its outstanding Nominal Value at the rate per annum specified in the Final Terms applicable to such Note. Such interest will be payable in arrear on each Interest Payment Date as is specified in the relevant Final Terms (including on the date of any redemption). Interest shall be calculated on 30E/360 basis.

3.1.2 Interest shall be calculated on a Note from the First Issue Date (for Notes issued on the First Issue Date) or from the Interest Commencement Date, as indicated in the Final Terms applicable to such Notes (for Notes subsequently issued on an Additional Issue Date(s)), to, but excluding, the Maturity Date, the Early Redemption Date or the Extraordinary Early Redemption Date (whichever is earlier) on which the Note has been finally redeemed.

3.1.3 Interest shall be paid in accordance with Section 7.1.

### **4 COLLATERAL**

#### **4.1 General**

4.1.1 For the purpose of constituting security for the due and punctual payment, discharge and performance of the Secured Obligations in relation to the Notes, the Issuer shall arrange establishing of the Collateral, on the terms and within the timelines set out in Section 4.2, in favour of the Collateral Agent acting in the interests and/or (as may be applicable) on behalf of the Noteholders. The Collateral will serve as security for the Secured Obligations of the Issuer arising from all Notes from time to time to be issued under these Terms. The Collateral Agent shall hold the Collateral in the interests of the Noteholders in accordance with these Terms (including Sections 9 - 11 of these Terms) and the Collateral Agent Agreement.

#### **4.2 Establishment of Collateral**

4.2.1 The Issuer shall organise conclusion by the Collateral Providers of the Collateral Agent Agreements for the establishment of the following Collateral within 30 Banking Days from the First Issue Date:

- a) a mortgage in the amount of EUR 12,350,000 over the immovable owned by Osaühing Vettel (a company incorporated under the laws of Estonia, registered in the Estonian commercial register with registry code 10377013, which is a Subsidiary of the Issuer) and located at Kärssa, Suure-Rootsi village, Saaremaa, Estonia, registered in the Estonian land register with registered immovable number 1586334, ranking immediately after the six mortgages established in favour of the Priority Ranking Lender;

- b) (i) a mortgage in the amount of EUR 2,084,000 over the real estate property owned by Heimon Kala Oy (a company incorporated under the laws of Finland, registered in the Finnish Business Register with business ID 0426956-8, which is a Subsidiary of the Issuer) ("**Heimon Kala Oy**") and located at Kuittila, Finland and registered with a property identification number 109-573-14-1 with the Title and Mortgage Register maintained by National Land Survey of Finland (the "**Finnish Property**"), effected by way of second ranking pledge (i.e. ranking immediately after the mortgages established in favour of the Priority Ranking Lender and of the Finnish Customs) over the existing electronic mortgage notes encumbering the property with the order of priority counting from 1<sup>st</sup> to 21<sup>st</sup> and (ii) a mortgage in the amount of EUR 10,266,000 over the Finnish Property, effected by way of first ranking pledge over a new electronic mortgage note with the 22<sup>nd</sup> priority order;
- c) a commercial pledge in the amount of EUR 12,350,000 over the movable assets of Osaühing Vettel, ranking immediately after the commercial pledges established in favour of the Priority Ranking Lender (i.e. on the third rank);
- d) a pledge over 100% of the shares of Heimon Kala Oy, which are held by Saaremere Kala, ranking immediately after the pledge established in favour of the Priority Ranking Lender (i.e. on the second rank);
- e) unless and until Oy Trio Trading Ab is merged with Heimon Kala Oy, a pledge over 100% of the shares of Oy Trio Trading Ab (a company incorporated under the laws of Finland, registered in the Finnish Business Register with business ID 1559086-7, which is a Subsidiary of the Issuer), which are held by Saaremere Kala, ranking immediately after the pledge established in favour of the Priority Ranking Lender (i.e. on the second rank); and
- f) a pledge over 100% of the shares of Överumans Fisk AB (a company incorporated under the laws of Sweden, registered in the Swedish Companies Registration Office with registration number 556527-2977, which is a Subsidiary of the Issuer), which are held by Heimon Kala Oy, ranking immediately after the pledge established in favour of the Priority Ranking Lender (i.e. on the second rank).

In connection with the Collateral listed in this Section 4.2.1, the Issuer has disclosed to Noteholders (and the Noteholders acknowledge) that the assets serving as objects of the relevant Collateral are subject to the Higher Ranking Security Interests in favour of (i) the Priority Ranking Lender that secure obligations of the Issuer's group arising from the Priority Ranking Financing and (ii) with respect to the immovable owned by Heimon Kala Oy referred to in paragraph b) of this Section 4.2.1, also in favour of the Finnish Tax Administration, which are of higher rankings than the Collateral to be established in favour of the Collateral Agent under these Terms. No intercreditor agreement has been entered into between such holders of the Higher Ranking Security Interests and the Collateral Agent (acting in the interests and/or on behalf of the Noteholders) in relation to their relationship and rights regarding the Collateral. As a result, the rights of the Noteholders and of the Collateral Agent in respect of the Collateral shall be subject to restrictions and limitations applicable to lower ranking security holders under the laws applicable to the relevant Collateral. For example, this may mean, among other, that the holders of the relevant Higher Ranking Security Interests may independently enforce their Higher Ranking Security Interests upon a failure by the Issuer's group to comply with the relevant obligations secured by such Higher Ranking Security Interests and may cause the relevant assets of the Issuer's group to be sold. Upon sale of the relevant Collateral assets, the holders of such Higher Ranking Security Interests may have a preferential right to receive the proceeds available from such sale and enforcement in satisfaction of their claims secured by such Higher Ranking Security Interests in priority to the claims of the Noteholders and the Collateral Agent under these Terms and the right of the Collateral Agent and of the Noteholders to receive payment of the value of the security assets in connection with enforcement of the security interest may be subordinated to the

corresponding right of the holders of the Higher Ranking Interests. If the holders of the Higher Ranking Security Interests do not join the enforcement of the Collateral by the Collateral Agent, this may adversely affect the amount of the proceeds that can be obtained from the enforcement due to the Higher Ranking Security Interests remaining in place upon such enforcement. Furthermore, with respect to the pledges over shares of the Finnish and Swedish subsidiaries of the Issuer, the Collateral Agent may have limited possibility to exercise the right to independently enforce the Collateral, i.e. without the cooperation from the holders of the Higher Ranking Security Interests. Moreover, according to these Terms, the subordination to the rights of the holders of the Higher Ranking Security Interests would extend to (i) any transferees of the holders of the Higher Ranking Security Interests and (ii) any credit institutions granting any loans replacing the original Priority Ranking Financing granted by the Priority Ranking Lender through refinancing.

In connection with the Collateral listed in subsection e) of this Section 4.2.1, the Issuer has disclosed to Noteholders (and the Noteholders acknowledge) that Oy Trio Trading Ab is in the process of being merged with Heimon Kala Oy (as a surviving entity). Following the merger, the Collateral listed in subsection e) of this Section 4.2.1 shall no longer be required to be established. Furthermore, if the pledge listed in subsection e) of this Section 4.2.1 is established prior to completion of the above-referred merger, the Collateral Agent shall (and is hereby respectively authorised by each Noteholder to) upon request of the Issuer do all things required to allow the relevant pledge on the shares of Oy Trio Trading Ab to be released and to permit Oy Trio Trading Ab to be merged with Heimon Kala Oy. The shares of Heimon Kala OY will be pledged in accordance with subsection d) of this Section 4.2.1.

4.2.2 The Issuer shall arrange the conclusion by Saaremere Kala of the Collateral Agreement(s) for the establishment of the following Collateral within 30 Banking Days from the date when the security interests established on the object of such Collateral in favour of the Priority Ranking Lender are released by the Priority Ranking Lender:

- a) a first ranking pledge over the shares of JRJ & PRF LIMITED (a company incorporated under the laws of Scotland, registered in the Scottish Register of Companies under company number SC567615, a Subsidiary of the Issuer) which are held by Saaremere Kala, i.e. 850 ordinary and 1 deferred share representing approx.. 85% of all the shares of JRJ & PRF LIMITED.

In connection with the Collateral listed in this Section 4.2.2, the Issuer has disclosed to Noteholders (and the Noteholders acknowledge) that AS SEB Pank (as the Priority Ranking Lender) has issued its consent to release its security interest(s) established over the relevant approx.. 85% of the shares of JRJ & PRF LIMITED (and to allow such shares to be encumbered with a first ranking pledge as a security for the Secured Obligations arising from the Notes) after the full repayment by the Issuer's group of all amounts owed to AS SEB Pank under a loan agreement no 2017015988 between AS SEB Pank and Saaremere Kala AS dated 19 July 2017, its respective annexes and amendments and the documents related thereto (the "**Investment Loan Agreement**") the balance of which as of 31 December 2019 was EUR 8,708,732.13. The Issuer undertakes to apply the proceeds from the Issue of the Notes, as a first priority, towards repayment of the amounts owed by the Issuer's group under the Investment Loan Agreement, but cannot give any assurances or guarantees as to when the relevant security interest(s) will be actually released by AS SEB Pank (as the Priority Ranking Lender).

4.2.3 Following the conclusion of each Collateral Agreement in accordance with Section 4.2.1 and/or 4.2.2 above, the Issuer shall organise taking of all the steps required for the registration or perfection of the relevant Collateral, where relevant, within the time prescribed for completion of the relevant registration or perfection by the appropriate registers under applicable laws or as provided in the relevant Collateral Agreements.

### 4.3 Parallel Debt

- 4.3.1 Notwithstanding any other provision of the Terms, for the purpose of ensuring and preserving the enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Noteholders and as a joint creditor together with the Noteholders for the purposes of Estonian law (in Estonian: *solidaarvõlausaldaja*), sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) under the Terms and the Final Terms as and when that amount falls due for payment under the Terms and the Final Terms. The Collateral Agent shall be a joint creditor (together with the Noteholders) of each and every obligation (whether present or future and whether actual or contingent) of the Issuer to the Noteholders or any of them and, accordingly, the Collateral Agent shall have its own independent right to demand performance by the Issuer of any of those obligations.
- 4.3.2 Any amount (as well as respectively also the aggregate amount) due and payable by the Issuer under the Parallel Debt shall decrease to the extent the Issuer has paid the corresponding amount to the Noteholders under the Terms and the Final Terms, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 4.3.3 Any amount (as well as respectively also the aggregate amount) due and payable by the Issuer to the Noteholders under the Terms and the Final Terms shall decrease to the extent the Issuer has paid the corresponding amount to the Collateral Agent under the Parallel Debt and to the extent any proceeds have been paid to the Collateral Agent in connection with enforcement of the Collateral and/or in connection with the exercise of its rights by the Collateral Agent under the Collateral Agreements, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 4.3.4 To the extent the Collateral Agent receives any amount in payment of the Parallel Debt, the Collateral Agent shall transfer such amount to the Noteholders in accordance with these Terms and the Final Terms and following the order of the application of proceeds set out in Section 11.1.1 of these Terms. The Collateral Agent shall not be entitled (nor obliged) to demand payment of any amount in payment of the Parallel Debt, except as may be necessary upon or in connection with the enforcement of the Collateral in accordance with these Terms and the terms and conditions of the Collateral Agreements. For the avoidance of doubt, this does not affect the right of the Collateral Agent to demand payment of any fees and covering of any costs or expenses payable by the Issuer to the Collateral Agent under the Collateral Agent Agreement.
- 4.3.5 For the avoidance of doubt, an amount under the Parallel Debt will only become due and payable at the same time and to the same extent as that amount becomes due and payable to the Noteholders under the Terms and the Final Terms.
- 4.3.6 The Collateral Agent may only assign its claims under the Parallel Debt to a successor of the Collateral Agent.

## **5 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

### **5.1 Representations and Warranties**

The Issuer warrants to the Noteholders at the date of these Terms and for as long as any Notes are outstanding and have not been redeemed in full in accordance with these Terms that:

- 5.1.1 the Issuer is a duly incorporated and validly existing legal person acting pursuant to the laws of Estonia;
- 5.1.2 all the Issuer's obligations assumed under these Terms are valid and legally binding on the

Issuer and the performance of these obligations is not contrary to law or the Issuer's articles of association;

- 5.1.3 the Issuer has all the rights and sufficient authorizations to issue the Notes and fulfil obligations arising from the Notes and these Terms and the Issuer has performed all the formalities required for issuing the Notes;
- 5.1.4 all information that is provided by the Issuer to the Noteholders in the documents prepared for the purpose of the Primary Distribution of the Notes to the relevant Noteholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
- 5.1.5 the Issuer is not insolvent and there are no liquidation, voluntary or compulsory dissolution, court-supervised reorganization (in Estonian: *saneerimine*) or bankruptcy proceedings pending or initiated against the Issuer, that have not been disclosed by the Issuer;
- 5.1.6 on the date of these Terms and on each Issue Date, there are no court or arbitration proceedings pending or initiated against the Issuer that have not been disclosed by the Issuer, in case of which, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the financial condition of the Issuer.

## 5.2 Financial Covenants

Until the Notes are fully repaid, the Issuer must ensure that the following financial covenants are true, when measured:

- 5.2.1 the Issuer's Net Debt to EBITDA Ratio:
  - a) when measured in respect of the Issuer's 2019/2020 financial year (i.e. the financial year 01.07.2019 – 30.06.2020) is less than 5.0; and
  - b) when measured in respect of any subsequent financial year of the Issuer is less than 4.5; and
- 5.2.2 the Issuer's DSCR is at least 1.2.

The above financial covenants shall be measured once a year on the basis of the Issuer's audited consolidated annual reports to be submitted by the Issuer after the date of these Terms in accordance with subsection c) of Section 5.4.1 of these Terms.

- 5.2.3 For the purposes of this Section 5.2, the following capitalised terms shall have the following meaning:
  - a) **EBITDA** means, in respect of any Relevant Period, the Issuer's consolidated profit (or loss) before interest, tax, depreciation, amortisation, biomass fair value adjustment, extraordinary income and extraordinary expenses;
  - b) **DSCR** means, in respect of any Relevant Period, the ratio of EBITDA to the total amount of scheduled principal payments of interest-bearing debt obligations and the amount of interest expenses, falling due and payable during the same Relevant Period, but excluding any voluntary prepayment of any interest-bearing obligations (other than Subordinated Debt) during such Relevant Period;
  - c) **Net Debt** means, at the relevant moment of time, the Debt less cash and cash equivalents;
  - d) **Debt** means, at the relevant moment of time, the outstanding aggregate amount of interest-bearing liabilities and any indebtedness for or in respect of moneys borrowed (whether interest-bearing or not), but excluding any Subordinated Debt;
  - e) **Net Debt to EBITDA Ratio** means the Net Debt as at the last day of any Relevant Period divided by the EBITDA of the same Relevant Period;

- f) **Relevant Period** means the period of 12 months ending on the last day of each financial year of the Issuer;
- g) **Subordinated Debt** means any liabilities or indebtedness to any direct or indirect legal or beneficial shareholders of any Issuer's group company the payments of which liabilities or debt are subordinated in accordance with their terms to the payments under the Notes.

### 5.3 Undertakings in relation to the Collateral

- 5.3.1 The Issuer shall ensure establishment of the Collateral in accordance with Section 4.2.1 and 4.2.2 of these Terms, and the validity and enforceability of the Collateral in accordance with the Collateral Agreements.
- 5.3.2 The Issuer shall ensure that after establishment of the Collateral described in subsections a)-c) of Section 4.2.1 and until the release of such Collateral, the property encumbered with such Collateral is insured at all times in accordance with past practices of the Issuer's group and undertakes within ten (10) Banking Days of the respective request by the Collateral Agent to provide to the Collateral Agent with documents evidencing the insurance cover.
- 5.3.3 The Issuer shall not encumber any shares held by the Issuer in Saaremere Kala with any pledges or similar security interests and shall ensure that Saaremere Kala shall not encumber any shares held by Saaremere Kala in JRJ & PRF LIMITED with any pledges or similar security interests, other than the Higher Ranking Security Interests established in favour of the Priority Ranking Lender and except for the establishment of the Collateral in favour of the Collateral Agent in accordance with Section 4.2.2 of these Terms.
- 5.3.4 The Issuer shall continue to own 100% of the shares owned by the Issuer in Saaremere Kala and shall not dispose of any shares in Saaremere Kala and shall ensure that Saaremere Kala shall continue to own approx.. 85% of the shares in JRJ & PRF LIMITED and shall not dispose of any shares in JRJ & PRF LIMITED, other than upon the enforcement of the Higher Ranking Security Interests established in favour of the Priority Ranking Lender and except for the enforcement of the Collateral established in favour of the Collateral Agent in accordance with Section 4.2.2 of these Terms.

### 5.4 Information Undertakings

- 5.4.1 For as long as the Issuer's securities are admitted to trading on Nasdaq Tallinn Stock Exchange or any other stock exchange, the rules and regulations of such stock exchange will be applied to the Issuer's reporting obligations and the information undertakings provided below in this Section 5.4 (*Information Undertakings*) shall be applied only to the extent not contrary to mandatory rules of the relevant stock exchange. Where required by the rules of the relevant stock exchange, all relevant information shall be disclosed by means of a market announcement (in Estonian: *börsiteade*) through the information system of Nasdaq Tallinn Stock Exchange. Subject to the reporting requirements arising from the rules of the relevant stock exchange, the Issuer undertakes to provide the Noteholders and the Collateral Agent with the following information:
  - a) unaudited consolidated interim reports of the Issuer for: (i) the 1<sup>st</sup> quarter and 3 months of the financial year; (ii) the 2<sup>nd</sup> quarter and 6 months of the financial year; (iii) the 3<sup>rd</sup> quarter and 9 months of the financial year; and (iv) the 4<sup>th</sup> quarter and 12 months of the financial year within two (2) months from the end of the relevant accounting period, which must include a statement on the Issuer's consolidated financial position as at the end of the relevant accounting period, and statements on the Issuer's consolidated comprehensive income and cash flows for the relevant accounting period;
  - b) audited consolidated annual reports of the Issuer within four (4) months from the end



of the relevant accounting period; and

- c) simultaneously with submission of audited consolidated annual reports of the Issuer, information on whether the financial covenants in Section 5.2 of these Terms are fulfilled as at the date of such reports;
- d) information about any new debt security issued by the Issuer or any of its material Subsidiaries no later than within five (5) Banking Days after the issue; and
- e) information on any court or arbitration proceedings pending or initiated against the Issuer, where, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer, promptly after becoming aware thereof;
- f) information about the occurrence of an Extraordinary Early Redemption Event, promptly after becoming aware thereof.

## **5.5 Waivers and consents**

The Issuer may request from Noteholders a waiver in respect of, or consent to deviate from, the covenants and undertakings set forth in Sections 5.2 - 5.4 of these Terms. Any such waiver in respect of, or consent to deviate from, the covenants and undertakings set forth in Sections 5.2 - 5.4 of these Terms may be granted by a resolution adopted by the Noteholders holding in aggregate Notes with the Nominal Value representing more than 50% of the aggregate Nominal Value of all Notes held by Noteholders present at the relevant meeting of Noteholders, where such matter is decided in accordance with Section 12 below. When granted in accordance with the above, such waiver or consent shall be binding on all Noteholders.

## **6 REDEMPTION AND PURCHASE**

### **6.1 Redemption on Maturity**

Unless previously redeemed, or purchased and cancelled, the Notes shall be redeemed in full on the Maturity Date. In such case, the Redemption Price for each Note to be redeemed shall be equal to the full outstanding principal (i.e. the outstanding Nominal Value) of the Note together with the unpaid Interest accrued on the Notes to, but excluding, the Maturity Date in accordance with Section 3 of these Terms and any other monies due and payable to the relevant Noteholder under these Terms on the Maturity Date.

### **6.2 Early Redemption at the option of the Issuer (Call Option)**

6.2.1 The Issuer may, having given not less than 30 days' advance notice to the Noteholders in accordance with Section 13 redeem the Notes fully or partially (and to respectively reduce all or part of the outstanding Nominal Value of each Note) on any Early Redemption Date indicated in the Final Terms. The notice to be given by the Issuer shall specify: (i) whether the Notes are to be redeemed in whole or in part only and, if in part only, the outstanding Nominal Value of the Notes which is to be redeemed (per each Note and in aggregate); (ii) the relevant Early Redemption Date for such redemption, which shall be not less than 30 days after the date on which such notice is validly given; and (iii) the Redemption Price at which such Notes are to be redeemed. Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

6.2.2 In such event, the Redemption Price payable by the Issuer on the respective Early Redemption Date shall be for each Note to be redeemed, the sum of the Nominal Value of the Note and Call Premium for early redemption on such Early Redemption Date (as set forth in the relevant Final Terms), together with the unpaid Interest accrued on the Note to, but excluding, that Early Redemption Date in accordance with Section 3 of these Terms,

and any other monies due and payable to the Noteholder under these Terms on that Early Redemption Date.

6.2.3 Any partial redemption of the Notes shall be carried out in compliance with all applicable laws, the rules of the stock exchange on which the Notes have then been admitted to trading and the rules of the Register.

### **6.3 Early Redemption at the option of Noteholders (Put Option)**

6.3.1 Each Noteholder may request that the Issuer redeems the Notes held by such Noteholder in full (but not in part):

- a) if the Notes are not admitted to trading on Nasdaq Tallinn Stock Exchange within one (1) year from the First Issue Date, or
- b) if more than 50% of the shares in the Issuer are acquired after the date of these Terms by any person (or persons acting in concert) other than the following existing beneficial shareholders of the Issuer (who may hold their shares either via a nominee (including ING Luxembourg S.A.) or directly): Amber Trust S.C.A, Amber Trust II S.C.A, KJK Fund SICAV-SIF, Firebird Avrora Fund, Ltd or Firebird Republics Fund, Ltd,

each such event a „**Put Option Event**“).

In the above event, each Noteholder may demand the redemption of the Notes held by such Noteholder in full (but not in part) by submitting the relevant request to the Issuer in accordance with Section 13 no later than (i) in the case of the event described in subsection a) of this Section 6.3.1 – within 60 days from the first (1st) anniversary of the First Issue Date or (ii) in the case of the event described in subsection b) of this Section 6.3.1 – within 60 days from the occurrence of the relevant change of control event. Such request to be submitted by the Noteholder shall specify the number and the aggregate outstanding Nominal Value of the Notes to be redeemed.

6.3.2 If a Noteholder duly submits a request for redemption of its Notes in accordance with Section 6.3.1, the Issuer shall redeem the respective Notes held by that Noteholder within 90 days following the receipt of the Noteholder's request. The Redemption Price payable by the Issuer in accordance with this Section 6.3 shall be equal to the full outstanding principal (i.e. the Nominal Value) of the Note to be redeemed, together with the unpaid Interest accrued on the Note to, but excluding, the date of the relevant early redemption in accordance with Section 3 of these Terms and any other monies due and payable to the Noteholder under these Terms on that date.

6.3.3 The Issuer shall immediately after becoming aware thereof notify the Noteholders of the occurrence of a Put Option Event. In the absence of such notice, the Collateral Agent and the Noteholders shall be entitled to proceed on the basis that no such Put Option Event has occurred.

### **6.4 Payment of the Redemption Price, Adjustment of Nominal Value, Cancellation and Deletion**

6.4.1 The Redemption Price payable in accordance with Sections 6.1 - 6.3 shall be paid in accordance with Section 7.1. Following the payment of the Redemption Price in accordance with these Terms, the Notes shall be considered redeemed in the relevant amount.

6.4.2 If a Noteholder submits a request for redemption of its Notes in accordance with Section 6.3.1, the Redemption Price shall be paid only for the Notes that are held by that Noteholder at the close of settlement day of the Register two (2) Banking Days preceding the due date for such payment, but not exceeding the number of the Notes in respect of which the redemption request was submitted. If the Noteholder holds less Notes at the close of

settlement day of the Register two (2) Banking Days preceding the due date for such payment than was indicated in the Noteholder's redemption request, the redemption request shall be deemed valid only in relation to the number of the Notes held by the Noteholder at the relevant time.

6.4.3 Upon partial redemption, following the payment of the Redemption Price to the Noteholders the Nominal Value of the Notes shall be reduced by the amount of the repaid principal. The Issuer shall arrange the relevant amendment of the Nominal Value of the Notes in the Register.

6.4.4 Upon full redemption, following the payment of the Redemption Price to the Noteholders the Issuer shall arrange cancellation and/or deletion of the redeemed Notes from the Register, except if the Issuer decides otherwise in the case of early redemption of the Notes in accordance with above Section 6.2 or 6.3 of these Terms.

6.4.5 The Noteholders are obliged to co-operate with the Issuer and do all actions reasonably required to effect the reduction of the Nominal Value of the Notes in the Register or deleting the Notes from the Register, as applicable. The Issuer shall be entitled to take any and all actions required to comply with this Section 6.4 without the need for any further consent or authorisation from any of the Noteholders.

## **6.5 Purchase**

The Issuer, or any of its Subsidiaries, may purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, cancelled.

## **7 PAYMENT MECHANICS, DEFAULT INTEREST AND TAX**

### **7.1 Payments**

Payments of any amounts (including any amount of Interest, principal amount, Redemption Price or any other amount) due on a Notes under these Terms and other Note documents will be made to the Noteholders thereof, who appear as the holders of the relevant Notes in the Register at the close of settlement day of the Register two (2) Banking Days preceding the due date for such payment. Payment of amounts due on the final redemption of the Notes will be made simultaneously with deletion of the Notes, or, if so required by the Issuer, against delivery of the Notes to the Issuer. If the due date for the payment of any amount of the Notes is not a Banking Day, the relevant payment shall be effected on the next Banking Day and no further payment shall be due in respect of such postponement of the due date.

### **7.2 Payments in respect of the Notes held by the Issuer and its Related Parties**

Payments related to the principal outstanding on the Notes held by the Issuer shall be made only after the payments of principal due on Notes held by other Noteholders. When making payments related to the principal outstanding on the Notes held by the Issuer's Related Parties, the Related Parties shall be treated equally with other Noteholders and shall in no way be preferred to other Noteholders.

### **7.3 Default Interest**

In case the Issuer does not timely pay any amount due under these Terms on the due dates determined in accordance with these Terms, the Issuer shall be obliged to pay the Noteholders or, as the case may be, the Collateral Agent, default interest in the rate of 0.03% of the delayed amount per each delayed day.

### **7.4 Tax**

Should any amounts payable in respect of the Notes (whether in respect of principal, redemption amount, interest or otherwise) be subject to withholding or deduction of any present or future

taxes or duties of whatever nature imposed or levied in Estonia, the Issuer shall be entitled to withhold or deduct the respective taxes or duties on the account of the Noteholder and with no obligation to compensate the withheld or deducted tax amounts.

Should the Noteholder wish to rely on an applicable treaty for the avoidance of double taxation setting forth lower withholding rates than those otherwise applicable under Estonian domestic law, the respective Noteholder shall provide the documents necessary for application of the respective treaty to the Issuer at least 15 (fifteen) days prior to the payment, failing which the Issuer shall be entitled to withhold tax at the rates set forth by the Estonian domestic legislation.

Individuals may postpone the taxation of their (interest) income from the Notes by using an investment account (in Estonian: *investeerimiskonto*) for making transactions with the Notes and notifying the Issuer in a form reproducible in writing at least 15 (fifteen) days prior to the payment that they are entitled to benefit from the investment account special tax regime. In the case of failure by a Noteholder to submit such notice, the Noteholder shall be entitled to withhold tax in accordance with the general withholding rules.

## **8 EXTRAORDINARY EARLY REDEMPTION**

### **8.1 Extraordinary Early Redemption Events**

A Noteholder shall have the right, but not the obligation, to demand extraordinary early redemption of the Notes held by the respective Noteholder in any of the following events (each an “**Extraordinary Early Redemption Event**”) has occurred and is continuing:

- 8.1.1 the Issuer has not paid any amount of Interest due and payable in respect of the Notes for more than five (5) Banking Days from the relevant Interest Payment Date or the Issuer has not paid the full amount of the Redemption Price due and payable in respect of the Notes for more than five (5) Banking Days from the due date for payment thereof, provided that in each of the above events such breach remains unremedied for five (5) Banking Days after a notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer in accordance with Section 13.1;
- 8.1.2 the Issuer breaches any of the covenants set forth in Section 5.2 of these Terms;
- 8.1.3 a Collateral Provider fails to enter into a Collateral Agreement within the term specified in Sections 4.2.1 or 4.2.2 of these Terms or breaches other undertakings set out in Section 5.3 of these Terms;
- 8.1.4 the Issuer has not provided the documents and/or information described in Section 5.4 of these Terms and such breach remains unremedied for seven (7) Banking Days after a notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer in accordance with Section 13.1;
- 8.1.5 a bankruptcy petition (in Estonian: *pankrotiavaldus*) has been submitted in respect of the Issuer and the competent Estonian court has accepted the relevant bankruptcy petition (in Estonian: *menetlusse võtnud*);
- 8.1.6 the Issuer has filed for voluntary dissolution or liquidation with the competent state authorities of Estonia or an order for compulsory dissolution has been taken by the competent court or state authorities of Estonia; or
- 8.1.7 enforcement of the Higher Ranking Security Interest has been initiated over the assets subject to the Collateral.

Upon the occurrence of an Extraordinary Early Redemption Event, each Noteholder shall have the right to request the Issuer that all, or only some, of its Notes are redeemed by the Issuer.

### **8.2 Notification of an Extraordinary Early Redemption Event**

8.2.1 The Issuer shall immediately notify the Collateral Agent and the Noteholders of the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Collateral Agent and the Noteholders shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur. The Issuer shall also notify the Collateral Agent and the Noteholders of the termination or remedy of the circumstances that served as an Extraordinary Early Redemption Event promptly after such termination or remedy.

### **8.3 Submission of Extraordinary Early Redemption Applications**

8.3.1 A Noteholder requesting an extraordinary early redemption of the Notes upon the occurrence of an Extraordinary Early Redemption Event shall submit to the Issuer a respective application (the “**Extraordinary Early Redemption Application**”), indicating the grounds for requesting extraordinary early redemption and the number of Notes held by it that it requests to redeem.

8.3.2 The Noteholder shall lose the right to submit an Extraordinary Early Redemption Application in case the Noteholder has not submitted the Extraordinary Early Redemption Application within two (2) months from the date when the Issuer has notified the Collateral Agent and the Noteholders of the occurrence of an Extraordinary Early Redemption Event.

8.3.3 If after the occurrence of an Extraordinary Early Redemption Event the Issuer receives an Extraordinary Early Redemption Application from a Noteholder, the Issuer shall promptly inform other Noteholders and the Collateral Agent thereof, except if within 30 (thirty) Banking Days prior to submission of such Extraordinary Early Redemption Application the Noteholders have been informed of submission of another Extraordinary Early Redemption Application or if the Issuer has submitted in accordance with Section 8.2.1 a notice to the Collateral Agent and the Noteholders expressly informing them about the occurrence of an Extraordinary Early Redemption Event.

### **8.4 Redemption Price upon an Extraordinary Early Redemption Event**

8.4.1 Upon the occurrence of an Extraordinary Early Redemption Event, the Redemption Price payable for each Note to be redeemed in accordance with this Section 8 shall be equal to the sum of the full outstanding principal (i.e. the Nominal Value) of the Note, together with the unpaid Interest accrued on the Note held by the Noteholder in accordance with Section 3 of these Terms, and any other monies due and payable to the Noteholder (if any) on the Extraordinary Early Redemption Date under these Terms.

8.4.2 The Redemption Price shall be paid pursuant to an Extraordinary Early Redemption Application submitted in accordance with this Section 8 only for the Notes that are held by that Noteholder at the close of settlement day of the Register two (2) Banking Days preceding the due date for such payment, but not exceeding the number of the Notes in respect of which the Extraordinary Early Redemption Application was submitted by the relevant Noteholder. If the Noteholder holds less Notes at the close of settlement day of the Register two (2) Banking Days preceding the due date for such payment than was indicated in the Noteholder’s Extraordinary Early Redemption Application, the Extraordinary Early Redemption Application shall be deemed valid only in relation to the number of the Notes held by the Noteholder at the relevant time.

### **8.5 Extraordinary Early Redemption Date**

8.5.1 Upon the occurrence of an Extraordinary Early Redemption Event, the Issuer shall pay the Redemption Price for the Notes subject to extraordinary early redemption no later than on the sixtieth (60<sup>th</sup>) day after the receipt of the Extraordinary Early Redemption Application filed in accordance with these Terms (such sixtieth (60<sup>th</sup>) day shall be the Extraordinary Early Redemption Date with regard to the Notes subject to extraordinary early redemption).

- 8.5.2 Notwithstanding Section 8.5.1, if after the occurrence of an Extraordinary Early Redemption Event set forth in Section 8.1.5 a court declares bankruptcy in relation to the Issuer, all Notes (including those held by Noteholders who have not submitted an Extraordinary Early Redemption Application) shall be considered as immediately being subject to the extraordinary early redemption and the date of such declaration of bankruptcy shall be considered the Extraordinary Early Redemption Date with regard to all such Notes that have not yet matured, in each case without any additional declaration, notice or demand by or to any persons.
- 8.5.3 If the Collateral is enforced in accordance with these Terms upon the occurrence of an Extraordinary Early Redemption Event, all Notes (including those held by Noteholders who have not submitted an Extraordinary Early Redemption Application) shall be subject to extraordinary early redemption and the date of such enforcement shall be considered the Extraordinary Early Redemption Date with regard to all such Notes that have not yet matured.

## **9 COLLATERAL AGENT**

### **9.1 Appointment of the Collateral Agent**

- 9.1.1 By submitting the Subscription Undertaking or acquiring the Notes on the secondary market, each Noteholder:
- a) appoints the Collateral Agent to act as an agent for the Noteholder in relation to establishing, holding and enforcing the Collateral and entering into the Collateral Agreements and authorizes the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent in connection with the Collateral or the Collateral Agreements under these Terms, including the Collateral Agent Agreement, together with any other incidental rights, powers, authorities and discretions;
  - b) acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent and confirms that the Noteholder has read and is aware of the contents of the Collateral Agent Agreement;
  - c) confirms that the fact that that the Collateral Agent acts under the Collateral Agent Agreement with the Issuer or that the Collateral secures, inter alia, the Issuer's obligations towards the Collateral Agent (e.g. that the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with subsection a) of Section 11.1.1 of these Terms) does not constitute any conflict with the interests of the Noteholder;
  - d) acknowledges that in certain cases described in these Terms and its annexes, the Collateral Agent shall act on the instructions of the Majority Noteholders or on the resolutions of the Noteholders adopted in accordance with Section 12 and not on instructions of each individual Noteholder and each Noteholder agrees that upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent shall be entitled to act pursuant to the these Terms and Collateral Agreements, considering the interests of the Noteholders collectively and generally (and not of any particular Noteholder), unless specifically instructed otherwise by the Majority Noteholders in accordance with subsection b) of Section 10.1.1 and Sections 10.2.2 and 10.2.3 of these Terms;
  - e) consents that, except as otherwise is required by the laws applicable to the Collateral, only the Collateral Agent shall be indicated as the pledgor and holder of

the Collateral under the Collateral Agreements in the registers where such Collateral shall be registered (where relevant) and only the Collateral Agent shall be entitled to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreements;

- f) authorises the Collateral Agent to enter into the Collateral Agreements with the Collateral Providers in accordance with these Terms, to make amendments to the Collateral Agreements in accordance with these Terms and to represent the Noteholders in communication with any debtor(s) of the Issuer or any public authority (including but not limited to submitting notifications or inquiries in relation to the Collateral, submitting applications, complaints, or claims in relation with the Collateral or the activities of the Issuer) to fulfil its obligations under the Note Documents;
- g) agrees that the Collateral Agent shall have the right to advise the Issuer and to provide any services to the Issuer in any matters and in any fields of activity which do not directly relate to the performance of obligations of the Collateral Agent set forth in these Terms, and that the Noteholder does not consider this to be in conflict with any of its interests.

## **9.2 Obligations of the Collateral Agent**

9.2.1 The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Providers have entered into the Collateral Agreements relating to Collateral listed in Section 4.2.1, in accordance with these Terms. The functions and obligations of the Collateral Agent are limited to those expressly specified in these Terms and, notwithstanding any other provisions of these Terms, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral. The Collateral Agent does not have any obligation to:

- a) take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under these Terms on the account of any assets of the Issuer, except for enforcing the Collateral in accordance with these Terms and relevant instructions from the Majority Noteholders;
- b) ensure the existence or validity of the objects of the Collateral or the value of the Collateral;
- c) preserve the Collateral or to assess any rights arising from or relating to the Collateral;
- d) inform the Noteholders or the Issuer about any circumstances except to the extent such obligation to provide information is explicitly set forth in these Terms; or
- e) provide any advice to any of the Noteholders in legal, accounting, tax or other matters;
- f) verify the correctness of the representations and warranties or the adherence of the covenants set out in the Note Documents or monitor the fulfilment of the obligations of the Issuer provided for in the Note Documents; and
- g) notify the Noteholders of any breach of these Terms or other Note Documents by the Issuer.

9.2.2 The Noteholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreements. Noteholders can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant

to these Terms.

- 9.2.3 Upon the performance of its obligations and exercising its rights the Collateral Agent shall act pursuant to these Terms and Collateral Agreements in the interests and on the account of the Noteholders collectively and generally (and not of any particular Noteholder) without having any independent interests of its own (for the avoidance of doubt, except for the right of the Collateral Agent to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent as specified in subsection a) of Section 11.1.1 of these Terms) and without any obligation to consider any instructions of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. The Collateral Agent is not a party to the legal relationship between the Issuer and the Noteholders and is under no circumstances liable for the performance of the obligations of the Issuer.
- 9.2.4 Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right to use the services of third parties and to appoint third party representatives (including in the course of performance of its tasks and acts as stipulated in these Terms and the Collateral Agreements), at its own cost.
- 9.2.5 Upon the payment of the full Redemption Price for all outstanding Notes to all Noteholders, the Collateral Agent shall immediately, without the need for any consents or instructions from any Noteholders, take all necessary steps to release and deregister the Collateral, or if so instructed by the Issuer, transfer the Collateral to any person(s) determined by the Issuer.

### **9.3 Replacement of the Collateral Agent**

- 9.3.1 Subject to Section 9.3.3 below, if the Collateral Agent is insolvent or becomes subject to bankruptcy proceedings, the Collateral Agent shall be deemed to resign as Collateral Agent and the Issuer shall appoint a successor Collateral Agent.
- 9.3.2 Noteholders holding in aggregate Notes with the Nominal Value representing at least 10% of the aggregate Nominal Value of all Notes may, by notice to the Issuer, require that a meeting of Noteholders is held for the purpose of dismissing the Collateral Agent, terminating of the Collateral Agent Agreement with such Collateral Agent and appointing a successor Collateral Agent. A resolution on dismissing the Collateral Agent, terminating of the Collateral Agent Agreement with such Collateral Agent and appointing a successor Collateral Agent is adopted if approved by the Majority Noteholders.
- 9.3.3 The retiring Collateral Agent shall, at its own cost, make available to the successor Collateral Agent such documents and records and provide such assistance as the successor Collateral Agent may reasonably request for the purposes of performing its functions as Collateral Agent under these Terms, the Collateral Agent Agreement and the Collateral Agreements. The retiring Collateral Agent further undertakes to ensure that upon the replacement of the Collateral Agreement, all relevant registrations are performed and all relevant persons are duly notified.
- 9.3.4 Upon the appointment of a successor, the retiring Collateral Agent shall be discharged from any further obligation in respect of these Terms, the Collateral Agent Agreement and the Collateral Agreements but shall remain entitled to any accrued but unpaid fees payable to it under these Terms and the Collateral Agent Agreement, and shall remain liable under these Terms, the Collateral Agent Agreement and the Collateral Agreements in respect of any action which it took or failed to take whilst acting as Agent (subject to the terms and conditions of Section 9.4 below). The successor Collateral Agent, the Issuer and the Noteholders shall have the same rights and obligations amongst themselves under these Terms, the Collateral Agent Agreement and the Collateral Agreements as they would have had if such successor had been the original Collateral Agent.



9.3.5 The Collateral Agent's resignation or dismissal shall only take effect upon the appointment of a successor Collateral Agent and the execution of all necessary documentation to effectively substitute the retiring Collateral Agent.

9.3.6 In the event that there is a change of the Collateral Agent in accordance with Section 9.3, the Issuer shall execute such documents and take such actions as the new Collateral Agent may reasonably require for the purpose of vesting in such new Collateral Agent the rights, powers and obligation of the Collateral Agent and releasing the retiring Collateral Agent from its further obligations under these Terms, the Collateral Agent Agreement and the Collateral Agreements. Unless the Issuer and the new Collateral Agent agree otherwise, the new Collateral Agent shall be entitled to the same fees and the same indemnities as the retiring Collateral Agent.

#### **9.4 Liability of the Collateral Agent**

9.4.1 The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control of the Collateral Agent.

9.4.2 The Collateral Agent is only liable for the breach of any of its obligations under the Terms (including the Collateral Agent Agreement) or the Collateral Agreements in the event of gross negligence or intentional breach of the Collateral Agent.

9.4.3 The Collateral Agent shall not be liable in front of Noteholders for the outcome of the enforcement of the Collateral.

#### **9.5 Remuneration of the Collateral Agent**

9.5.1 The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under the Terms and the Collateral Agreements in accordance with the Collateral Agent Agreement. As regards the costs, the Issuer shall compensate to the Collateral Agent all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with the Terms and the Collateral Agreements (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent) as well as all damages incurred by the Collateral Agent in relation to the same. As an exception, the Issuer does not have an obligation to compensate any costs or expenses that occur in the course of: (i) use of services of third parties and appointment of third party representatives by the Collateral Agent in accordance with Section 9.2.4 of the Terms; and (ii) the transfer of the rights and obligations of the Collateral Agent in accordance with Section 9.3 of the Terms (except when released under Section 9.3.2 of these Terms for reasons not attributable to breach of the obligations by the Collateral Agent).

9.5.2 The Collateral Agent shall have the right to withhold the performance of its duties and obligations in case of delay in payment of the relevant fees and costs as specified in Section 9.5.1. The Collateral Agent shall promptly notify the Issuer and the Noteholders thereof. The Collateral Agent does not have a right to withhold the performance of its duties and obligations in case in case the Noteholders have compensated such fees and costs to the Collateral Agent or the Collateral is required to be enforced in accordance with these Terms and the relevant fees can be compensated from the proceeds of enforcement. If Noteholders compensate the relevant fees and costs to the Collateral Agent, the Issuer undertakes to compensate such amounts to the relevant Noteholders.

#### **9.6 Information on Noteholders to the Collateral Agent**

9.6.1 Upon relevant request from the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Noteholders available to the Issuer stating the outstanding

Nominal Value of the Notes each of them is holding and the latest known e-mail addresses of the Noteholders.

- 9.6.2 At the request of the Collateral Agent, the Noteholder shall provide the Collateral Agent with any information required by the latter for the purposes of identification of the Noteholder and/or for the performance of other obligations arising from applicable laws and regulations.

## **10 ENFORCEMENT OF THE COLLATERAL**

### **10.1 Enforcement of the Collateral**

10.1.1 The Collateral Agent shall enforce the Collateral according to the terms and conditions and procedure provided for in the Collateral Agreements and shall commence the enforcement in case all of the following conditions are met:

- a) the Issuer has failed to perform the Secured Obligations and to redeem any Notes on their due date (including at maturity or on any early redemption date or extraordinary early redemption date), of which the Collateral Agent has been informed in accordance with Section 10.2 of these Terms; and
- b) a resolution approved by the Majority Noteholders has been passed and submitted to the Collateral Agent instructing it in writing to enforce the Collateral and specifying which Secured Obligations the Issuer failed to perform.

10.1.2 The Collateral Agent may assume that no violation of the Secured Obligations has occurred, unless the Collateral Agent has received notice to the contrary from the Issuer or has been notified accordingly by the Majority Noteholders.

### **10.2 Instructions to the Collateral Agent**

10.2.1 In case the conditions set out in Section 10.1.1 have been fulfilled, the Majority Noteholders have the right to instruct the Collateral Agent to take specific actions to enforce the Collateral according to the procedure provided for in the Collateral Agreements.

10.2.2 The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions from the Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral and may refrain from acting unless and until it has received an instruction approved by at least the Majority Noteholders.

10.2.3 If the Majority Noteholders in accordance with Section 10.2 of the Terms (either at the request of the Collateral Agent or at their own initiative) have instructed the Collateral Agent to enforce the Collateral or have provided instructions to the Collateral Agent in accordance with Sections 10.2.1 or 10.2.2 of these Terms, the Collateral Agent shall inform all Noteholders of such instructions. Such instructions shall be binding on the Collateral Agent and all other Noteholders.

10.2.4 The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions of the Majority Noteholders as set forth in these Terms. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Noteholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including but not limited to legal fees) and liabilities which it will or may expend or incur in complying with such instructions. Furthermore, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to these Terms, the Final Terms, the Collateral Agreements, the

Collateral Agent Agreement or applicable legislation or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with such legislation, the Terms, the Final Terms, the Collateral Agreements or the Collateral Agent Agreement.

### **10.3 Suspension and Termination of the Enforcement of Collateral**

10.3.1 To the extent permitted under applicable laws, the Collateral Agent has the right, without Majority Noteholders' consent, to suspend enforcement of the Collateral if in the Collateral Agent's reasonable opinion, the enforcement of the Collateral is not in the best interests of Noteholders (e.g. due to the fact that no market for the Collateral exists) or the Issuer has not paid to the Collateral Agent its fees and/or reimbursed costs to which the Collateral Agent is entitled under the Note Documents and such breach has not been remedied by the Issuer within 30 Banking Days from the respective notice from the Collateral Agent or by the Noteholders within a reasonable time after a relevant request is submitted by the Collateral Agent to the Noteholders following the passing of the 30 Banking Days' notice to the Issuer. The Collateral Agent shall inform the Noteholders of the suspension and shall bear no liability related to such suspension of the enforcement of the Collateral in accordance with this Section 10.3.1 above.

10.3.2 The Collateral Agent shall have the right to unilaterally terminate the performance of its duties hereunder (including, without limitation, terminate the enforcement of the Collateral) in case:

- a) (i) in the reasonable opinion of the Collateral Agent, there are grounds for claiming the amounts received by the Collateral Agent hereunder back either in the recovery proceedings, compulsory enforcement proceedings or any other way and/or (ii) the actions of the Collateral Agent hereunder may result in any other claim against the Collateral Agent and, in each case, the Collateral Agent has failed to receive such indemnification or security as it may require for all costs, claims, losses, expenses (including legal fees) and liabilities which it will or may expend or incur in connection with the above within the term specified by the Collateral Agent;
- b) in the reasonable opinion of the Collateral Agent, (i) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of the bankruptcy or reorganization proceedings of the Issuer or the Collateral Provider or for any other reason or (ii) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under subsection a) of Section 11.1.1 of these Terms; and/or
- c) in the professional opinion of the Collateral Agent, the Collateral fully ceases to exist for any reason.

10.3.3 In order to exercise its right of termination under Section 10.3.2 of these Terms, the Collateral Agent shall submit a respective written notice to the Issuer and the duties and obligations of the Collateral Agent shall be deemed to have terminated from the moment of receipt of such notice by the Issuer.

10.3.4 Notwithstanding Section 10.3.3 above:

- a) if under the laws governing the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent has an obligation to perform certain actions to release (discharge) the Collateral as a result of the termination under Section 10.3.2, the duties and obligations Collateral Agent shall not terminate until such actions have been taken by the Collateral Agent; and
- b) the duties and obligations of the Collateral Agent shall, however, not be deemed to

have terminated before the Collateral Agent has transferred the Collateral, the Collateral Agreements and the Parallel Debt to a successor collateral agent determined in accordance with these Terms and the Collateral Agent Agreement.

## **11 APPLICATION OF THE PROCEEDS FROM ENFORCEMENT OF THE COLLATERAL**

### **11.1 Application of Proceeds**

- 11.1.1 The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- a) first, towards the satisfaction and payment of all fees, costs and expenses and damages related to performance of its duties by and payable to the Collateral Agent under the Note Documents, subject to a cap equal to EUR 100,000 (plus applicable VAT);
  - b) second, (after the full satisfaction, payment and deduction of all claims and amounts set forth in subsection a) above) in payment of the claims of the Noteholders arising under these Terms and the Final Terms, including but not limited to the claims arising from the Notes; and
  - c) finally, any remaining proceeds shall be returned to the Issuer or the relevant Collateral Provider or paid to the persons entitled to receive such proceeds in accordance with mandatory provisions of law.
- 11.1.2 The Collateral Agent may withhold the proceeds necessary for satisfying the fees, costs, expenses and damages of the Collateral Agent as specified in subsection a) of Section 11.1 of these Terms before applying the enforcement proceeds in satisfaction of the Noteholders' claims under subsection b) of Section 11.1 of these Terms. In case the proceeds remaining after withholding the sums under subsection a) of Section 11.1 do not cover the claims arising from outstanding Notes in full, the claims arising from the Notes shall be satisfied proportionally to the outstanding amounts due under the Notes to each Noteholder.
- 11.1.3 In case the Issuer has informed the Collateral Agent in writing that all claims arising from all outstanding Notes have not fallen due by the time of transferring the proceeds from the enforcement of the Collateral by the Collateral Agent to the Noteholders, the Collateral Agent shall (a) transfer part of the proceeds corresponding to the claims fallen due under the Notes to the Noteholders holding such Notes; and (b) deposit the part of the proceeds corresponding to the claims under the Notes not fallen due in favour of the Noteholders holding such Notes.
- 11.1.4 The Collateral Agent is not obliged to pay to the Noteholders or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 11.1.5 In case the Collateral Agent is required under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.
- 11.1.6 In distributing the proceeds, the Collateral Agent shall rely on the information provided by the Issuer about the claims of the Noteholders arising under the Terms and the Final Terms (including about the size and due date of such claims).

## **12 MEETINGS OF NOTEHOLDERS**

### **12.1 Calling of Noteholder's Meetings**

- 12.1.1 In case (i) the Collateral Agent or (ii) Noteholders holding in aggregate Notes with the Nominal Value representing at least 10% of the aggregate Nominal Value of all Notes, seek to obtain a decision or a consent of Majority Noteholders, each such party may require the Issuer to convene a meeting of Noteholders. A meeting of Noteholders may also be convened by the Issuer on its own initiative at any time.
- 12.1.2 The Issuer shall convene a meeting of Noteholders by a notice of an Noteholder's meeting sent to all Noteholders who appear as the holders of the Note in the Register at the close of settlement day of the Register one (1) Banking Days preceding the notice, by e-mail (to the email addresses notified by the Noteholders to it) or, in the absence of such email address, by post (to the address registered together with the securities or other accounts of the Noteholders, opened in the Register) or, in case the Notes are admitted to trading on Nasdaq Tallinn Stock Exchange, by publishing a market announcement on Nasdaq Tallinn Stock Exchange, at least two (2) weeks in advance.
- 12.1.3 In the Issuer fails to convene a meeting of Noteholders when requested to do so in accordance with Section 12.1.1, the Collateral Agent may (and shall at the request of the relevant Noteholders) itself convene the relevant meeting.

### **12.2 Quorum and Majority Requirements**

- 12.2.1 The meeting of Noteholders shall have quorum in case Noteholders holding in aggregate Notes with the Nominal Value representing more than 50% of the aggregate Nominal Value of all Notes are present at the meeting (excluding the Issuer and Related Parties holding any Notes). If the meeting of Noteholder's does not have quorum, a new meeting of Noteholder's shall be convened by notifying the Noteholders in accordance with Section 12.1.2 of these Terms, at least two (2) weeks in advance. Such repeated meeting of Noteholder's shall have quorum if at least one (1) Noteholder other than the Issuer and Related Parties holding any Notes is present at the relevant meeting of Noteholders.
- 12.2.2 A consent, instruction or decision that must be given or approved by the Majority Noteholders in accordance with these Terms is adopted in case Noteholders holding in aggregate Notes with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all Notes vote in favour of such consent, instruction or decision. Any other decision, consent or waiver of Noteholders under these Terms is adopted in case Noteholders holding in aggregate Notes with the Nominal Value representing more than 50% of the aggregate Nominal Value of all Notes held by Noteholders present at the relevant meeting of Noteholders, where such matter is decided, vote in favour of such decision, consent or waiver.
- 12.2.3 The Issuer and its Related Parties may not vote at the meeting of Noteholders and the Issuer and the Related Parties nor the Notes held by any of them shall be counted in determining the quorum or the majority requirements provided in this Section 12 above.
- 12.2.4 Noteholders who appear as the holders of the Note in the Register at the close of settlement day of the Register seven (7) Banking Days preceding the date of a meeting of Noteholders shall be entitled to vote at the relevant meeting of Noteholders.

## **13 NOTICES**

### **13.1 Notices to the Issuer**

- 13.1.1 Notices and documents to the Issuer shall be valid only if made and forwarded in writing

by post or in digitally signed format by e-mail by using the following contact details and provided that those include reference to the Notes, unless otherwise provided for in these Terms:

**AS PRFOODS**

Pärnu mnt 141  
Tallinn, 11314,  
Estonia

E-mail: [investor@prfoods.ee](mailto:investor@prfoods.ee)

Attn: Chief Financial Officer

**13.2 Notices to the Collateral Agent**

Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or in digitally signed format by e-mail by using the contact details of the Collateral Agent set forth in the Final Terms, and provided that those include reference to the Notes.

**13.3 Notices to the Noteholders**

All notices and documents to the Noteholders under these Terms shall be sent by post or e-mail, unless these are made publicly available via market announcement or as otherwise provided for in these Terms. Notices to the Noteholders that are sent by post shall be forwarded to their addresses registered together with the securities or other accounts of the Noteholders, opened in the Register, or if by e-mail, to the email address notified by the Noteholder to the Issuer and the Collateral Agent (as applicable). Each Noteholder shall promptly upon subscribing for or subsequently acquiring any Note notify the Issuer and the Collateral Agent about its email address and keep them informed about any changes therein.

**13.4 Receipt of Notices**

All notices are deemed received: (i) if sent by email, when sent to the e-mail address of that person set out in this Section 13; (ii) if sent by post, when delivered to the address of that person set out in this Section 13 or five (5) Business Days after being deposited in the post in Estonia postage prepaid in an envelope addressed to the relevant person at that address; or (iii) if published by means of a market announcement through, the information system of the relevant stock exchange, when such market announcement is published.

**14 NOTE DOCUMENTS**

**14.1 Note Documents**

14.1.1 The documents of the Notes ("**Note Documents**") are the following:

- a) these Terms;
- b) the Final Terms;
- c) in the case of a Public Offering, the Prospectus prepared in connection with such Public Offering and the documents incorporated into the relevant Prospectus by reference;
- d) the Subscription Undertaking;
- e) the Confirmations;
- f) the Collateral Agreements;
- g) the Collateral Agent Agreement.

## **14.2 Availability of the Note Documents**

Each Noteholder may review the Note Documents set forth in subsections a), b), c), f) and g) at the Issuer's office located at the address indicated in these Terms and make copies and excerpts therefrom at their own expense. If allowed under the rules of the Register, each Noteholder may review the details of the Subscription Undertaking(s) and/or the Confirmation(s) submitted by or to that Noteholder through the Register.

## **15 SPECIFIC PROVISIONS FOR PRIMARY DISTRIBUTION BY WAY OF PRIVATE PLACEMENT**

This Section 15 shall apply only to Primary Distribution carried out by way of a Private Placement. Upon a Public Offering of the Notes, this Section 15 shall not apply and the relevant matters shall be regulated by the Prospectus.

### **15.1 Submission of Subscription Undertakings upon a Private Placement**

15.1.1 To submit a Subscription Undertaking, an investor must have a securities account opened with the Register in the investor's name. Alternatively, the investor may submit a Subscription Undertaking through (and/or request the Notes issued to that investor to be transferred to) a nominee account opened in the name of a nominee account holder (hereinafter a "nominee", who shall hold such Notes in its own name but for and on behalf of the investor), provided, however, that such investor authorizes the holder of the nominee account to disclose the investor's identity and other details enabling to identify the investor to the Issuer and/or the Registrar in writing. The Issuer shall be entitled not to accept Subscription Undertaking(s) submitted through nominee accounts if the holder of the nominee account has not actually disclosed the identity of the investor to the Issuer and/or the Registrar in writing. A Subscription Undertaking may be either submitted by an investor personally or by a representative whom the investor has authorized (in the form required by law) to submit the Subscription Undertaking.

15.1.2 The Subscription Undertakings shall be prepared in writing or, if the Register so requires, in another format reproducible in writing and suitable to the Register and must contain the following information, unless otherwise stated in the Final Terms:

- a) the Noteholder's or the nominee's name, personal identification code or register code and contact data (name of a contact person, address, telephone and e-mail addresses);
- b) the securities account and current account numbers of the Noteholder or its nominee;
- c) the date of submission of the Subscription Undertaking;
- d) the number of the Notes to be subscribed by the Noteholder;
- e) the aggregate Nominal Value of the Notes to be subscribed by the Noteholder; and
- f) the Noteholder's or the nominee's signature.

15.1.3 The terms of the Subscription Undertaking shall be binding on each and every acquirer of the Notes (including subsequent acquirers who purchase the Notes from other Noteholders).

### **15.2 Acceptance and Rejection of Subscription Undertakings upon a Private Placement**

15.2.1 A Subscription Undertaking shall be considered valid, if submitted during the relevant Subscription Period, if drawn up substantially in the required form and substance, and if the Noteholder pays the amount indicated in the Confirmation by the term set forth in the Confirmation. The Issuer may, at its sole discretion, treat as valid also Subscription

Undertakings submitted after the relevant Subscription Period, but before the relevant Issue Date.

- 15.2.2 After expiry of the relevant Subscription Period, the Issuer shall determine the Qualifying Subscription Undertakings and the amount in which the Subscription Undertakings will be accepted. If an investor submits a Subscription Undertaking after the expiry of the Subscription Period, the Issuer may determine additional Qualifying Subscription Undertakings.
- 15.2.3 The Issuer shall submit the Confirmation to each investor who has duly submitted a Subscription Undertaking indicating whether or such Subscription Undertaking was fully or partially accepted or rejected by the Issue, at the latest by 16:30 on the last Banking Day before the relevant Payment Date. If the Issuer has treated as valid also Subscription Undertakings submitted by investors after the relevant Subscription Period, the Issuer shall submit the Confirmation of acceptance or rejection of such Subscription Undertakings to the relevant investors no later than by 16:30 on the last Banking Day before the relevant Issue Date.
- 15.2.4 The Issuer may reject any of the Subscription Undertakings for whichever reason with no obligation to notify the investor of such reason.
- 15.2.5 Upon full or partial acceptance of the Subscription Undertaking, the Issuer shall indicate the following information in the Confirmation, unless otherwise stated in the Final Terms:
- a) the number of the Notes to be sold to the Noteholder;
  - b) the Issue Date;
  - c) the Issue Price;
  - d) the Payment Date;
  - e) the current account number to which the Issue Price shall be paid;
  - f) sum of the Issue Prices of the Notes to be sold to the Noteholder, i.e. the aggregate amount to be paid by the Noteholder for the Notes allocated to it.

### **15.3 Payment of the Issue Price upon a Private Placement**

- 15.3.1 Investors whose Subscription Undertakings were fully or partially accepted are obliged to transfer the Issue Price indicated in the Confirmation as payable for the Notes, to the current account which has been designated for payment of the Issue Price in the Confirmation at the latest by 11:00 on the relevant Payment Date or other date specified in the Confirmation.
- 15.3.2 The Notes shall be registered on the relevant Issue Date in the Register in accordance with Section 2.1.4 of these Terms.

## **16 AMENDMENT OF THE TERMS**

- 16.1.1 The Issuer may apply for the consent of the Noteholders to amend these Terms (waiver).
- 16.1.2 The grant of a waiver for the amendment of these Terms shall be decided by the Noteholders in accordance with Section 12 above.
- 16.1.3 A decision on changing the Maturity Date, amending the rate of Interest, altering the quorum or majority required to pass any decision or to grant any consent or amending the provisions for Extraordinary Early Redemption of the Notes (i.e. the provisions of Section 8 of these Terms) or modifying this Section 16.1.3, is adopted if so decided by Majority Noteholders. Any other amendment to these Terms is adopted in case



Noteholders holding in aggregate Notes with the Nominal Value representing more than 50% of the aggregate Nominal Value of all Notes held by Noteholders present at the relevant meeting of Noteholders, where such amendment is decided, vote in favour of such decision.

- 16.1.4 All amendments and supplements to these Terms shall enter into force as of the moment of signing the amendments by the Issuer and the Collateral Agent, which shall be entered into after issuing the waivers by the Noteholders concerning such amendments and supplements. For the avoidance of doubt, all amendments and supplements to these Terms which affect the Collateral and/or rights and/or obligations of the Collateral Agent shall be subject to the prior written approval of the Collateral Agent, however, such approval shall not be unreasonably withheld by the Collateral Agent.
- 16.1.5 Sections 16.1.1-16.1.4 of the Terms above shall not apply to any change in the contact details or in the business name of the Issuer, the Collateral Provider and the Collateral Agent. This information may be amended by making a respective notification to the Issuer.
- 16.1.6 Sections 16.1.1-16.1.4 of the Terms above shall not apply to any changes to the Collateral Agent Agreement, which may be amended with written agreement of the Issuer and the Collateral Agent. The Issuer and the Collateral Agent undertake not to amend the Collateral Agent Agreement without the consent of the Majority Noteholders, if such amendment would change the scope of rights and obligations of the Collateral Agent arising to it from the Terms.
- 16.1.7 The Issuer is entitled to amend these Terms accordingly and shall inform the Noteholders of any changes immediately after any such change has become effective or, in case of Section 16.1.5, immediately after the Collateral Agent or the Collateral Provider has notified the Issuer thereof.

## 17 DEFINITIONS

For the purposes of these Terms, Final Terms and Note Documents, the following definitions have the following meanings, if explicitly not set out otherwise in the respective documents:

- 17.1.1 **Additional Issue Date** shall mean any Issue Date after the First Issue Date and before or on the Maturity Date;
- 17.1.2 **Additional Subscription Period** shall mean a period of time for Subscription after the First Subscription Period, determined by the Issuer, but in any case not starting before the First Issue Date and not ending after the Maturity Date;
- 17.1.3 **Banking Day** shall mean a business day, i.e. any day, except Saturday, Sunday, a national or a public holiday of the Republic of Estonia;
- 17.1.4 **Call Premium** shall mean the premium payable for the redemption of the Notes on an Early Redemption Date, determined in accordance with the formula set forth in the Final Terms;
- 17.1.5 **Collateral** shall mean the security interests listed in Sections 4.2.1 and 4.2.2, which are to be established in accordance with these Terms in favour of the Collateral Agent as the pledgee acting in the interests of the Noteholders in accordance with these Terms and the Collateral Agent Agreement.
- 17.1.6 **Collateral Agent** shall mean PRF Collateral Agent OÜ (a company incorporated under the laws of Estonia, registered in the Estonian commercial register with registry code 14880068), or, if applicable, the person to whom the Collateral Agent has transferred its rights and obligations in accordance with these Terms;

- 17.1.7 **Collateral Agreement** shall mean the agreements to be concluded between the Collateral Agent, the Issuer and the relevant Collateral Provider for the establishment of the Collateral (substantially on the terms and conditions of the draft Collateral Agreements as attached to these Terms but with any technical amendments as may be necessary), as well as any agreements for the amendment of the agreements for the establishment of the Collateral and any and all other documents made or to be made in relation such agreements;
- 17.1.8 **Collateral Agent Agreement** shall mean the agreement between the Issuer and the Collateral Agent that stipulates the fees and remuneration payable to the Collateral Agent for the performance of its duties under the Terms and the Collateral Agreements. The Collateral Agent Agreement has been annexed to these Terms and constitutes an inseparable part of these Terms;
- 17.1.9 **Collateral Provider** shall mean:
- a) with respect to the Collateral described in subsections d) and e) of Section 4.2.1 and subsection a) of Section 4.2.2, Saaremere Kala;
  - b) with respect to the Collateral described in subsections b) and f) of Section 4.2.1, Heimon Kala Oy; and
  - c) respect to the Collateral described in subsections a) and c) of Section 4.2.1 Osäuhing Vettel;
- 17.1.10 **Confirmation** shall mean a document, which is sent by the Issuer to an investor via e-mail, or if sent via the Register, electronic data sent in another form as set forth by the Registrar, and in which the Issuer informs the Noteholder of the partial or full acceptance or the rejection of the Subscription Undertaking submitted by such Noteholder;
- 17.1.11 **Early Redemption Date** shall mean date(s) set forth in the Final Terms on which the Issuer has the right to redeem all or part of the Notes before the Maturity Date in accordance with these Terms;
- 17.1.12 **Extraordinary Early Redemption Application** shall mean an application for extraordinary early redemption of the Notes submitted by a Noteholder to the Issuer in accordance with these Terms;
- 17.1.13 **Extraordinary Early Redemption Date** shall mean the Banking Day on which the Issuer has an obligation to redeem all outstanding Notes of a Noteholder pursuant to the Terms after the occurrence of an Extraordinary Early Redemption Event;
- 17.1.14 **Extraordinary Early Redemption Event** shall mean an event set forth in Section 8.1 of these Terms;
- 17.1.15 **Final Terms** shall mean a document stipulating specific terms and conditions (including but not limited to the Subscription Period, the Issue Date, the Maturity Date, the Maximum Aggregate Nominal Value of the Notes, the Nominal Value of a Note, the Issue Price of a Note, the Early Redemption Date, applicable Interest rate and other amounts payable on a Note, Register, Registrar, Collateral Agent) of each tranche of Notes and each respective Subscription Period. The Final Terms entered into in relation to Notes issued during a Subscription Period shall constitute an inseparable part of these Terms with respect to such tranche of Notes;
- 17.1.16 **First Issue Date** shall mean the Banking Day determined as the first Issue Date in the Final Terms;
- 17.1.17 **First Subscription Period** shall mean the first period of time after the date of these Terms for subscription for the Notes as set out in the Final Terms;

- 17.1.18 **Higher Ranking Security Interests** shall mean pledges, mortgages and other securities interests (i) granted in favour of the Priority Ranking Lender to secure obligations of the Issuer's group arising from the Priority Ranking Financing and (ii) granted in favour of the Finnish Tax Administration over the immovable owned by Heimon Kala Oy referred to in subsection b) of Section 4.2.1, which are of higher rankings than the Collateral to be established in favour of the Collateral Agent under these Terms;
- 17.1.19 **Interest** shall mean the interest on the Notes, which shall be calculated and which shall accrue on the Nominal Value of the Notes in accordance with Section 3 of these Terms.
- 17.1.20 **Interest Commencement Date** shall mean the date from which interest shall be calculated on each tranche of Notes which shall be: (i) with respect to the Notes issued on the First Issue Date, such First Issue Date and (ii) with respect to the Notes issued on any Additional Issue Date, issued on Additional Issue Date(s), the date determined by the Issuer and set out in the Final Terms;
- 17.1.21 **Interest Payment Date** shall mean, with respect to a Note, the date(s) for scheduled payments of Interest specified in the Final Terms applicable to such Note. Where applicable, this term also refers to the dates on which the Interest must be paid on the Note in connection with redemption or early redemption of that Note;
- 17.1.22 **Issue** shall mean the aggregate of the Notes issued under these Terms with the same ISIN code (including any Notes issued on Additional Issue Date(s), if any);
- 17.1.23 **Issue Date** shall mean a Banking Day specified as such in the Final Terms;
- 17.1.24 **Issue Price** shall mean the price set out in the Final Terms payable by an investor no later than on the relevant Payment Date for acquisition of a Note on the relevant Issue Date;
- 17.1.25 **Issuer** shall mean AS PRFoods, a company established under the laws of the Republic of Estonia, registry code in the Estonian Commercial Register 11560713, registered address at Pärnu mnt 141, Tallinn, 11314, Harju county, the Republic of Estonia;
- 17.1.26 **Majority Noteholders** shall mean collectively any Noteholders (excluding the Issuer and Related Parties holding any Notes) who hold in aggregate the Notes with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all outstanding Notes (excluding any Notes held by the Issuer and the Related Parties);
- 17.1.27 **Maturity Date** shall mean a Banking Day specified as such in the Final Terms, on which the Issuer must redeem the outstanding Notes;
- 17.1.28 **Maximum Aggregate Nominal Value of the Notes** shall mean the maximum aggregate Nominal Value of the Notes that may be issued under these Terms with the same ISIN code as set out in the Final Terms;
- 17.1.29 **Nominal Value** shall mean the original stated value of a Note as specified in the Final Terms and, following any partial repayment of principal of the Notes, the principal value of the Note outstanding after such partial repayment;
- 17.1.30 **Note** shall mean a debt security that is issued by the Issuer in accordance with these Terms and the Final Terms and representing the debt obligations of the Issuer which shall be secured by the Collateral;
- 17.1.31 **Noteholder** shall mean the owner of a Note registered as such in the Register (where applicable, at the specific date set out in the Terms);
- 17.1.32 **Parallel Debt** shall mean a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Collateral Agent set forth in Section 4.3 of these Terms;

- 17.1.33 **Payment Date** shall mean a Banking Day on or before the relevant Issue Date designated in the Final Terms as the latest date on which the payment of the Issue Price must be received by the Issuer;
- 17.1.34 **Primary Distribution** shall mean the subscription to the Notes by investors and the issue or sale of the Notes by the Issuer to investors in accordance with these Terms during the First Subscription Period and the Additional Subscription Period(s), if any;
- 17.1.35 **Priority Ranking Financing** shall mean loan facilities made available to the Issuer's group companies under (i) an investment loan made available to the Saaremere Kala by AS SEB Pank in accordance with loan agreement no 2017015988 between AS SEB Pank and Saaremere Kala AS dated 19 July 2017, its respective annexes and amendments and the documents related thereto and (ii) an overdraft loan made available to the Saaremere Kala by AS SEB Pank in accordance with loan agreement no. 2016016341 between AS SEB Pank and Saaremere Kala AS dated 6 September 2016, its respective annexes and amendments and the documents related thereto and/or (iii) any other loan or credit agreement entered into with a Priority Ranking Lender to refinance any part of the loan facilities referred to above (other than as refinanced for the account of the proceeds from the Notes).
- 17.1.36 **Priority Ranking Lender** shall mean AS SEB Pank or any other credit institution that makes available the Priority Ranking Financing to the Issuer's group companies;
- 17.1.37 **Private Placement** shall mean an offer of Notes for which prospectus is not required to be published in accordance with the Prospectus Regulation;
- 17.1.38 **Prospectus** shall mean the Prospectus to be drawn up, registered and published in relation to the listing and admitting the Notes to trading on Nasdaq Tallinn Stock Exchange and/or for a Public Offering;
- 17.1.39 **Prospectus Regulation** shall mean Regulation No 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC;
- 17.1.40 **Public Offering** shall mean an offer of Notes for which prospectus is required to be published in accordance with the Prospectus Regulation;
- 17.1.41 **Redemption Price** shall mean the amount payable by the Issuer to the Noteholders upon the ordinary redemption of the Notes (i.e. redemption on the Maturity Date) or early redemption of the Notes (i.e. redemption on the Early Redemption Date or on the Extraordinary Early Redemption Date), calculated in accordance with these Terms;
- 17.1.42 **Register** shall mean the register in which the Notes shall be registered as set out in the Final Terms;
- 17.1.43 **Registrar** shall mean the person operating the Register, as set out in the Final Terms;
- 17.1.44 **Related Parties** shall mean the legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- 17.1.45 **Saaremere Kala** shall mean Saaremere Kala AS, a company incorporated under the laws of Estonia, registered in the Estonian commercial register with registry code 11310040, which is a Subsidiary of the Issuer;
- 17.1.46 **Secured Obligations** shall mean any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) owed by the Issuer to the Noteholders or any of them or to the Collateral Agent from time to time under these Terms, the Final Terms, the Collateral Agreements and the Collateral Agent Agreement, including but not limited to the obligations arising

from the Notes and the Parallel Debt;

17.1.47 **Subscription Period** shall mean the First Subscription Period and any Additional Subscription Period(s);

17.1.48 **Subsidiary** shall mean, with respect to any entity, any other entity at least 50% of whose capital is owned, directly or indirectly, by such entity or which is otherwise effectively controlled by such entity;

17.1.49 **Subscription Undertaking** shall mean a document, which is submitted by an investor to the Issuer substantially in the form set out in annex 1 to the Final Terms, or if the Subscription Undertaking is submitted via the Register, in another form as set forth by the Registrar, and in which the investor expresses a wish to acquire, through Primary Distribution, a certain amount of the Notes and undertakes to pay the Issue Price for the number of Notes indicated in the Subscription Undertaking;

17.1.50 **Qualifying Subscription Undertakings** shall mean the Subscription Undertakings which have been submitted according to these Terms and which are decided by the Issuer to be accepted either wholly or partially in accordance with these Terms.

## 18 FINAL PROVISIONS

18.1 These Terms, the Final Terms, rights and obligations arising from the Notes shall be governed by Estonian law.

18.2 The disputes related to these Terms, the Final Terms or the Notes shall be resolved through negotiations. If the parties fail to reach an agreement, the claim for resolving the dispute shall be submitted to Harju County Court (in Estonian: *Harju maakohus*).

18.3 In the event of inconsistency between the provisions of the Final Terms and the provisions of these Terms, the Final Terms shall prevail.

18.4 If a provision of these Terms or Final Terms is invalidated or deemed inapplicable by the court, it does not influence or change the validity, legitimacy or applicability of other provisions.

### LIST OF ANNEXES:

1. Collateral Agent Agreement
2. Drafts of Collateral Agreements