

**TERMS AND CONDITIONS OF MAINOR ÜLEMISTE AS
UNSECURED BOND ISSUE
DATED 23 OCTOBER 2017**

1. GENERAL PROVISIONS

- 1.1. These Terms and Conditions of the Bonds Issue (**the Terms**) regulate:
 - 1.1.1. the rights and obligations of the Issuer and the Investors related to the Bonds issued in the Republic of Estonia;
 - 1.1.2. the procedure for, and the terms and conditions of the Primary Distribution and redemption of the Bonds under the Terms;
 - 1.1.3. other rights and obligations of the Issuer and the Investors in the performance of transactions and operations related to the Primary Distribution and redemption of the Bonds under the Terms.
- 1.2. The Terms together with the Final terms shall be available to the Investors at the Issuer's office located at the address indicated in the Terms.
- 1.3. By submitting the Purchase Offer every Investor confirms that it is a sophisticated investor having broad experience and knowledge in the matters related to investments into financial instruments (including the financial instruments similar to the Bonds).
- 1.4. The Investors undertake not to transfer the Bonds to any person, except to qualified investors (in Estonian: *kutseline investor*) within the meaning of § 6(2) of the Estonian Securities Market Act (in Estonian: *väärtpaberitururu seadus*) and the Issuer, with settlement price (i.e. the price payable for the Bonds by such persons buying the Bonds) of less than EUR 100,000.00. The Investors may transfer the Bonds to qualified investors and the Issuer within the meaning of § 6(2) of the Securities Market Act also for the settlement price below EUR 100,000.00.
- 1.5. The Bonds may be listed on a stock exchange or another regulated securities market or a multilateral trading facility (in Estonian: *mitmepoolne kauplemissüsteem*) if so decided by the Issuer. The Issuer shall apply for admission of the Bonds for trading on First North after the end of the Subscription Period. After such event limitation set forth in section 1.4 does not apply.
- 1.6. The Issuer may apply for the listing and admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange.
- 1.7. The Issuer may decide to issue Bonds in the form of public offer after the Issue Date. If such decision is made the procedure for placing purchase offers, allocation of the Bonds, making payments for the Bonds and other matters as prescribed by the law shall be regulated in the offering prospectus.

- 1.8. If an Interest Payment Date, an Early Redemption Date, a Redemption Date or a Maturity Date as provided in the Final Terms falls on a day that is not a Banking Day, then the due date of payments and the settlement date of transactions that should occur on the day that is not a Banking Day, shall be the immediately following Banking Day. This shall not affect the sums that shall be paid, which shall be the same as if the payment or settlement had taken place on the Interest Payment Date, Early Redemption Date, Redemption Date or Maturity Date provided in the Final Terms.
- 1.9. By submitting the Purchase Offer or acquiring the Bonds every Investor agrees with and accepts the terms and conditions set forth in the Terms and its Annexes and undertakes to adhere thereto.
- 1.10. All references in the Terms to the time are references to the Estonian local time (EET and EEST respectively).

2. INTERPRETATION

- 2.1. For the purposes of the Terms and other Bonds documents, the following definitions have the following meanings, if explicitly not stipulated otherwise in the respective documents:
 - 2.1.1. **Additional Issue Date(s)** shall mean any Banking Day after the Issue Date and before or on the Final Issue Date on which the investors who have subscribed for the Bonds are required to make the payment for the Bonds provided the Issuer has accepted their subscription;
 - 2.1.2. **Additional Subscription Period(s)** shall mean the period of time determined by the Issuer but in any case not starting before the Issue Date and not ending on or after the Final Issue Date;
 - 2.1.3. **Aggregate Nominal Value of the Additional Issue** shall mean the total nominal value of the issued Bonds during the Additional Subscription Period determined by the Issuer;
 - 2.1.4. **Allocation List** shall mean the document, approved by the Issuer, stipulating the extent of fulfilment of the Purchase Offers submitted in the Primary Distribution and the quantity of the Bonds to be allocated to each Investor;
 - 2.1.5. **Application** shall mean an application for extraordinary early redemption of the Bonds submitted by an Investor to the Issuer;
 - 2.1.6. **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;
 - 2.1.7. **Bond** shall mean a bond of the Issue that is issued by the Issuer in accordance with the Terms of the Bond Issue approved by the Issuer's management board resolution as of 23 October 2017 and the Final Terms and represents the Issuer's unsubordinated debt obligation in the amount of the Nominal Value of the Bond and the interest payable on the Bond, that is issued and is redeemable in accordance with the Terms

- and the Final Terms. For the purpose of clarification, only debt securities with the same ISIN code issued under the Issue are considered Bonds;
- 2.1.8. **Confirmation** shall mean a document or other data, which is sent via e-mail or by other electronic means that are accessible to the Investor by or on behalf of the Issuer to the Investor, and in which the Issuer informs the Investor of the partial or full satisfaction or the rejection of the Purchase Offer submitted by such Investor;
- 2.1.9. **Current Account** shall mean the current account of the Issuer opened in an Estonian credit institution set forth in the Final Terms;
- 2.1.10. **Early Maturity Date** shall mean a Banking Day before the Maturity Date, when the Issuer must redeem all or part of the Bonds in accordance with the Terms (including extraordinary early redemption);
- 2.1.11. **Early Redemption Date(s)** shall mean date(s) set forth in the Final Terms on which day(s) the Issuer has a right to redeem the Bonds before the Maturity Date in accordance with these Terms;
- 2.1.12. **Equity to Assets** shall mean a ratio as set forth in the Final Terms, expressed as a percentage, of the Issuer's shareholders' equity (in Estonian: *omakapital*) to its total assets;
- 2.1.13. **Existing Investor** shall mean Investor who has Bonds registered in the name of the Investor or its nominee in the Register according to the list of Investors as established as at the end of the business day of the settlement system of the Register 5 Banking Days before the Additional Issue Date;
- 2.1.14. **Extraordinary Early Redemption Event** shall mean an event set forth in Section 10.1 of the Terms;
- 2.1.15. **Final Issue Date** shall mean the Banking Day stipulated in the Final Terms after which no additional Bonds will be issued;
- 2.1.16. **Final Terms** shall mean a document stipulating specific terms and conditions (including but not limited to the Subscription Period, the Issue Date, the Issue Price, the Maturity Date, the Maximum Aggregate Nominal Value of the Issue, the Nominal Value of a Bond, Early Redemption Date, Redemption Date and other payable amounts of a Bond). Final Terms of the Issue constitute an inseparable part of the Terms. The Issuer shall compile and provide the Investors with new Final Terms prior to each Additional Subscription Period;
- 2.1.17. **First North** shall mean a multilateral trading facility (a so called alternative market) operated by Nasdaq Tallinn AS in Tallinn, which is not a regulated market for the purposes of the Securities Markets Act (in Estonian: *väärtpaberituru seadus*) and other legal acts;
- 2.1.18. **Interest Payment Date(s)** shall mean the dates as set forth in the Final Terms on which the interest accrued on the Bonds is paid to the Investors;

- 2.1.19. **Investor** shall mean a registered holder of a Bond in the Register or a person who's Bonds are registered on a nominee account or a person, who has placed a Purchase Offer;
- 2.1.20. **Issue** shall mean the aggregate of the Bonds issued under the Terms with the same ISIN code;
- 2.1.21. **Issue Date** shall mean a Banking Day stipulated in the Final Terms, on which the Investors who submitted Qualifying Purchase Offers before that date are required to make the payment to the Issuer for the Bonds in accordance with the procedure set forth in the Confirmation and on which Bonds are transferred or registered to the securities or other accounts registered in the name of the Investors or their nominees in the Register in accordance with the Allocation List;
- 2.1.22. **Issue Price** shall mean the price payable by an Investor for acquisition of a Bond through Primary Distribution;
- 2.1.23. **Issue Price on the Additional Issue Date** shall mean the price set out in the Final Terms compiled for the respective subscription period;
- 2.1.24. **Issuer** shall mean Mainor Ülemiste AS (legal address: Valukoja 8, Tallinn 11415, Estonia; register code 10348595);
- 2.1.25. **Majority Investors** shall mean collectively any Investors (excluding the Issuer and Related Parties holding any Bonds) who hold in aggregate the Bonds with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all outstanding Bonds (excluding any Bonds held by the Issuer and the Related Parties) of the Issue. For the avoidance of doubt Bonds held by the Issuer or Related Parties shall not give them rights of the Majority Investors under these Terms;
- 2.1.26. **Maturity Date** shall mean a Banking Day stipulated in the Final Terms, on which the Issuer shall redeem the Bonds;
- 2.1.27. **Maximum Aggregate Nominal Value of the Issue** shall mean the maximum aggregate Nominal Value of the Bonds stipulated in the Final Terms that may be issued under these Terms with the same ISIN code;
- 2.1.28. **Nominal Value** shall mean the stated value of a Bond, i.e. the value in which a Bond is denominated. Nominal Value of a Bond is set forth in the Final Terms;
- 2.1.29. **Notification** shall mean the notification sent by Majority Investors to the Issuer pursuant to Section 10.5 of the Terms;
- 2.1.30. **Outstanding Bonds** shall mean the bonds issued by the Issuer with ISIN code EE3300110691, with maturity date 26 November 2018;
- 2.1.31. **Primary Distribution** shall mean submitting and receiving of Purchase Offers for the Bonds and the sale of the Bonds to the Investors in accordance with the Terms and the Final Terms;

- 2.1.32. **Purchase Offer** shall mean a document or data in the other form, which is submitted by the Investor to the Issuer in the form stipulated in Annex 1 to the Final Terms if submitted to the Issuer during the Subscription Period or in Annex 2 to the Final Terms if submitted to the Issuer during the Additional Subscription Period or in other form as set forth by the Registrar in the Register and in which the Investor expresses its wish to acquire, through Primary Distribution, a certain amount of the Bonds, undertaking to pay the Issue Price or the Issue Price on the Additional Issue Date, for the number of Bonds indicated in the Purchase Offer;
- 2.1.33. **Qualifying Purchase Offers** shall mean the Purchase Offers which have been submitted according to the Terms and which are decided to be satisfied either wholly or partially in accordance with the Terms;
- 2.1.34. **Redemption Date** shall mean date(s) set forth in the Final Terms on which day(s) the Issuer will redeem the Bonds or part of them in accordance with Section 9.7 of these Terms;
- 2.1.35. **Redemption Price** shall mean the payment payable to the Investors upon the redemption and early redemption (including extraordinary early redemption) of the Bonds;
- 2.1.36. **Register** shall mean Estonian Register of Securities;
- 2.1.37. **Registrar** shall mean Nasdaq CSD SE Estonian Branch that maintains and operates the Register;
- 2.1.38. **Rejection** shall mean the rejection of the occurrence of the Extraordinary Early Redemption Event by the Issuer pursuant to Section 9.7 of the Terms;
- 2.1.39. **Related Parties** shall mean the Issuer's shareholders, companies belonging to the same consolidation group with AS Mainor and members of the management board and supervisory board (if relevant) of such companies and legal entities majority shares of which are owned by them or which are controlled by them;
- 2.1.40. **Reporting Period** shall mean the periods as set forth in Section 3.7.1 of the Terms, for which the Issuer must prepare the reports;
- 2.1.41. **Subscription** means submitting and receiving of Purchase Offers for the Bonds;
- 2.1.42. **Subscription Period** shall mean a period of time, stipulated in the Final Terms for placing the Purchase Offers.
- 2.2. The headings in the Terms have been entered for convenience purposes only and shall have no impact on the interpretation of any provision of the Terms.

3. OBLIGATIONS, WARRANTIES AND CONTACT DATA OF THE ISSUER

- 3.1. The Issuer shall, in accordance with the Terms and the Final Terms, issue the Bonds and perform the obligations arising from the Bonds to the Investors.

- 3.2. The Issuer shall be liable to the Investors for due and complete fulfilment of its obligations arising from the Bonds with all of its assets in accordance with the applicable laws.
- 3.3. The Issuer warrants to the Investors at the date of these Terms and for as long as any Bonds are outstanding and have not been redeemed in full in accordance with the Terms and the Final Terms that:
 - 3.3.1. the Issuer is a duly incorporated and validly existing legal person acting pursuant to the laws of Republic of Estonia;
 - 3.3.2. all the Issuer's obligations assumed under the Terms and the Final Terms are valid and legally binding to the Issuer and performance of these obligations is not contrary to law, the Issuer's articles of association;
 - 3.3.3. the Issuer has all the rights and sufficient authorisations to issue the Bonds and fulfil obligations arising from the Bonds, the Terms and the Final Terms and the Issuer has performed all the formalities required for issuing the Bonds;
 - 3.3.4. all information that is provided by the Issuer to the Investors is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
 - 3.3.5. the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation, compulsory execution, reorganisation (in Estonian: *saneerimine*) or bankruptcy proceedings pending or initiated against the Issuer;
 - 3.3.6. there is no court (including criminal or misdemeanour proceedings) or arbitration proceedings pending or initiated against the Issuer, where an unfavourable decision would, according to reasonable assessment of the Issuer, have material adverse impact on the economic condition of the Issuer;
- 3.4. The Issuer shall be obliged to comply with the following covenants until all the Bonds issued under these Terms are fully redeemed:
 - 3.4.1. to ensure that, as of the last day of each Reporting Period, the Issuer's Equity to Assets ratio is at least 40%;
 - 3.4.2. the total equity of the Issuer shall not fall under EUR 50,000,000 at the end of each Reporting Period;
 - 3.4.3. no distribution of dividends, payments for share repurchase or granting loans to shareholders or other Related Parties shall occur during the period when any of the Bonds are outstanding, with the exception of:
 - 3.4.3.1. dividend payments that do not exceed 2% of the total shareholders' equity per financial year according to the balance sheet on the 31 December on the preceding year according to the last audited annual financial report;

- 3.4.3.2. loans granted to the subsidiaries controlled by the Issuer. For the avoidance of doubt, if the Issuer provides loans to the subsidiaries controlled by the Issuer, the Issuer must hold control in such companies until the monies owed have been repaid in full;
- 3.4.3.3. loans granted to AS Technopolis Ülemiste. For the avoidance of doubt, if the Issuer provides loans to AS Technopolis Ülemiste, then the obligation set forth in Section 3.4.5 must be fulfilled until the monies owed have been repaid in full;
- 3.4.3.4. loans granted to any Related Party, with the exception of persons referred to in Sections 3.4.3.2 and 3.4.3.3, if the total principal value of such loans does not exceed EUR 1,000,000 per financial year. For the avoidance of doubt, if the Issuer provides loans to the persons referred to in this Section, then such persons must remain as Related Persons until the monies owed have been repaid in full;
- 3.4.3.5. any repurchases of shares of the Issuer, if the aggregate amount of shares repurchased during the terms of the Bonds does not exceed 20% of the outstanding shares of the Issuer at the date of the Terms;
- 3.4.3.6. any reasonable management fees to AS Mainor, if the total amount of such management fees does not exceed EUR 360,000 per financial year;
- 3.4.3.7. any reasonable management fees to the members of the management or supervisory board of the Issuer or any legal persons under the control of such persons, on the condition that such fees do not deviate from common market practice and are paid for the services rendered during the course of the everyday business activities of the Issuer.
- 3.4.4. the Issuer may operate mainly in real-estate development, renting out real-estate and offering associated services;
- 3.4.5. the Issuer may not sell or transfer to any person more than 50% of the shares the Issuer holds in AS Technopolis Ülemiste at the date of the Terms. For the avoidance of doubt, any sale of shares of AS Technopolis Ülemiste must take place for fair value;
- 3.4.6. the Issuer shall not encumber any of the land plots or other real estate belonging to the Issuer or an SPV under the Issuer's control and not encumbered at the date of the Terms, with the exception of encumbering such properties to finance the real estate development activities undertaken by the Issuer or by an SPV under the Issuer's control;
- 3.4.7. the Issuer may not dispose any of its assets or the assets belonging to the SPV's under the Issuer's control, with the exception when the aggregate value of the assets disposed per financial year does not

exceed 10% of the value of its total assets in the latest audited consolidated annual financial statements;

3.4.8. the Issuer may deviate from the covenants set forth in this Section 3.4 upon the prior written consent of the Majority Investors.

3.5. In case the Issuer intends to buy the Bonds on the secondary market from all the Investors, the Issuer shall offer to buy back the Bonds from all the Investors by sending information to the Investors not later than 10 Banking Days before the intended transaction indicating maximum aggregate amount, price and settlement date. Following the receipt of such information the Investors shall be entitled, by sending within 7 Banking Days thereafter the respective offer to sell the Bonds on the terms proposed by the Issuer to the Issuer. If more than one Investor sends an offer to the Issuer and/or the amount of the Bonds that the Investors are willing to sell exceeds the aggregate amount of Bonds the Issuer is willing to buy, the Issuer shall satisfy the offers to sell the Bonds on pro rata basis. The Issuer may choose not to delete the Bonds from the Register in case of early redemption of Bonds pursuant to this Section.

3.6. The Issuer may deviate from the covenants set forth in Section 3.4 and its obligation under Section 3.5 upon the consent of the Majority Investors.

3.7. The Issuer undertakes to provide the Investors with the following information:

3.7.1 Its quarterly reports by the end of the first month following the calendar quarter for which the report is prepared (including the balance sheet, the income statement, the cash flow report and the concise activities report), and audited annual reports by the end of the second quarter following the financial year for which the report is prepared, all signed by the management board of the Issuer;

3.7.2 Information on any new debt security issues within 5 Banking Days after the issue, whereas information must also be provided if additional Bonds are issued after the Issue Date;

3.7.3 Information on new share issues within 5 Banking Days after the issue;

3.7.4 Information on significant changes (i.e. when the holding or proportion of voting rights reaches, exceeds or falls below 10, 20, 30, 50 or 90 percent of the voting rights or number of shares of the company) in the shareholder structure, the supervisory board and the management board of the Issuer stating name, surname and professional experience of a new member within 10 Banking Days after the change;

3.7.5 Information on the results of the offer to buy back the Bonds from the Investors as described in section 3.5.;

3.7.6 Statement on default on the Bonds of the Issue within 5 Banking Days after such an event has occurred;

3.7.7 Statement regarding occurrence or non-occurrence of an Extraordinary Early Redemption Event of the Issue within 5 Banking Days from each

reporting date (i.e. a date when a report must be published by the Issuer to the Investors) in accordance with section 10.2.

- 3.8. The Issuer shall guarantee that the information presented to the Investors is true, accurate, correct and complete.
- 3.9. After the Bonds are listed or admitted for trading in any secondary market as set forth in section 1.5 of the Terms the reporting requirements to such listed Bonds or Bonds admitted for trading shall be the requirements of respective stock exchange, multilateral or other trading facility and not the requirements set forth under these Terms. Disclosure of reports shall be made in such manner and form as required by the respective stock exchange, multilateral or other trading facility. In case the requirement regarding reporting frequency set by the respective stock exchange, multilateral or other trading facility is lower than set in the Terms, the Issuer shall apply the frequency set in the Terms. However, for form and content of the reports the Issuer shall apply the requirements set forth by the respective stock exchange, multilateral or other trading facility. In case no requirements are set forth to the content of the reports by the respective stock exchange, multilateral or other trading facility the Issuer shall follow the requirements set forth to the reports in these Terms.
- 3.10. The Issuer shall to apply for admission of the Bonds for trading on the First North. Once the Bonds are admitted for trading on the First North:
- 3.10.1. the Issuer undertakes to submit all information subject to disclosure under the rules of the First North via First North and within times specified in the rules of the First North and other applicable laws;
- 3.10.2. the Issuer undertakes to submit all notices to the Investors via First North before any disclosure by other communication methods specified in these Terms is used;
- 3.10.3. any terms and conditions of the documents of the bonds as listed in Section 5.1 of these Terms contrary to the rules of the First North or applicable laws shall lose their effect from the time the Bonds are admitted to trading on the First North.
- 3.11. If the Issuer does not pay timely any amount due under the Terms or the Final Terms, the Issuer shall be obliged to pay the Investors default interest in the rate of 0.05% of the delayed amount per each delayed day.
- 3.12. Notices and documents to the Issuer shall be forwarded by using the following contact details:

Mainor Ülemiste AS

Ülemiste City, Öpiku maja

Valukoja 8, Tallinn 11415

Estonia

Tel: +372 50 19 708

Email: aare.paloots@mainor.ee

Attn: Aare Paloots

4. BONDS

- 4.1. The Bonds shall be nominated in Euros (EUR).
- 4.2. A Bond shall be valid from the registration of the Bonds in the Register until deletion of the Bonds from the Register in accordance with Section 9.4 of the Terms.
- 4.3. Subject to limitations set forth in Section 1.4 and the Final Terms, as well as the Estonian Securities Market Act, the Bonds are freely transferable and can be freely encumbered.
- 4.4. All payments to the Investors by the Issuer in connection with the Bonds shall be made in the currency in which the Bonds are nominated.

5. DOCUMENTS OF THE BONDS

- 5.1. The documents of the Bond Issue are the following:
 - 5.1.1. these Terms;
 - 5.1.2. the Final Terms;
 - 5.1.3. the Purchase Offers;
 - 5.1.4. the Confirmations.
- 5.2. The Issuer shall gather and keep the documents submitted by the Investors. The Investors may acquaint themselves with the submitted documents at the location of the Issuer and make copies and excerpts from these at their own expense.
- 5.3. Each Investor can review the Purchase Offer submitted by it and/or the Confirmation received by it at the Issuer's office located at the address indicated in the Terms.

6. PURCHASE OFFERS AND CONFIRMATIONS

- 6.1. To submit a Purchase Offer, the Investor must have a securities account with the Register in its own name or in the name of its nominee.
- 6.2. The Purchase Offers shall be submitted in the format and under the procedure as set forth in Annexes 1 to the Final Terms. The Purchase Offers shall be prepared in writing or submitted in an electronic form or in a form reproducible in writing.
- 6.3. The Purchase Offer must contain the following information:
 - 6.3.1. the Investor's name or the nominee's name, personal identification code or register code and contact data (name of a contact person, address, telephone numbers and email addresses);

- 6.3.2. the securities account and current account numbers of the Investor or its nominee;
 - 6.3.3. the date of submission of the Purchase Offer;
 - 6.3.4. the number of subscribed Bonds;
 - 6.3.5. the aggregate Nominal Value of the Bonds to be subscribed by the Investor;
 - 6.3.6. the Investor's or the nominee's signature.
- 6.4. A Purchase Offer shall be considered valid, if submitted during the Subscription Period or the Additional Subscription Period(s) respectively, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers submitted after the Subscription Period and the Additional Subscription Period(s), but before the Issue Date and Additional Issue Date.
- 6.5. If Purchase Offer is submitted by the Investor during Additional Subscription Period(s), who owns particular number of Outstanding Bonds and requests setting-off the claims for payment of the Issue Price of the Bonds subscribed for by the Investor with the claims for payment of the outstanding principal amount of the Outstanding Bonds owned by this Investor the set-off shall be deemed to have been executed upon the receipt of relevant number of Bonds subscribed for by the Investor. For the avoidance of doubt, the Investors owning Outstanding Bonds shall not be granted pre-emptive right to purchase Bonds.
- 6.6. The list of the Investors owning Outstanding Bonds will be established as at the end of the business day of the settlement system of the Register on the Banking Day preceding the first day of the Additional Subscription Period. The investors owning Outstanding Bonds agree that from that moment to Additional Issue Date they waive their right to sell Outstanding Bonds, except to Issuer.
- 6.7. The Issuer shall submit an e-mail Confirmation to each Investor two Banking Days before the Issue Date or the Additional Issue Date the Additional Issue Date.
- 6.8. As an exception to Sections 6.5 and 6.6 above and in accordance with section 7.5, the Issuer may, at its sole discretion, provide the Investors with an additional Purchase Offer form also after the Additional Issue Date and treat as valid also Purchase Offers submitted on or after the Additional Issue Date on such additional form. In such case, the Issuer may, at its own discretion, decide to issue additional Bonds up to and until the Nominal Value of which reaches the Maximum Aggregate Nominal Value of the Issue provided in the Final Terms. The Issuer can issue Bonds after the Issue Date and Additional Issue Date for a different Issue Price than the Nominal Value of the Bond plus

accrued interest. Such Issue Price or Additional Issue Price payable for additional Bonds issued after the Issue Date or Additional Issue Date shall be marked on the Purchase Offer submitted by the Investors based on the Purchase Offer form provided by the Issuer as an Annex to the respective Final Terms. If the Purchase Offer has been filed, otherwise submitted, registered or forwarded on or after the Issue Date or Additional Issue Date, the Issuer shall, at the latest by 16:30 on the previous Banking Day before the date of issuing the Bonds to be sold to the Investor (as provided in the Purchase Offer), submit an e-mail Confirmation to the Investor.

- 6.9. The Issuer may reject any of the Purchase Offers for whichever reason. In case of rejection of the Purchase Offer, the reason for rejection shall not be indicated in the Confirmation.
- 6.10. Upon partial or complete satisfaction of the Purchase Offer, the Issuer shall indicate the following information in the Confirmation:
- 6.10.1. the number of the Bonds to be sold to or set-off by the Investor;
 - 6.10.2. the Issue Date or the Additional Issue Date of the Bonds to be sold to the Investor (which shall be the Issue Date or the Additional Issue Date, or any later date determined by the Issuer and provided in the Purchase Offer in case the Investor did not submit the Purchase Offer before the Issue Date or the Additional Issue Date);
 - 6.10.3. the Issue Price or the Issue Price on the Additional Issue Date of the Bonds sold to the Investor (the sum of accrued interest (if applicable) included in the price shall be provided separately);
 - 6.10.4. the current account number of the Issuer;
 - 6.10.5. sum of the Issue Prices or the Issue Prices on the Additional Issue Date of the Bonds to be sold to the Investor, i.e. the amount to be paid by the Investor.
- 6.11. The terms of the Purchase Offer shall be binding on each and every acquirer of the Bonds.

7. PRIMARY DISTRIBUTION

- 7.1. The Primary Distribution on the Issue Date shall be carried out by way of private placement in accordance with § 12(2) of the Securities Market Act. The Issuer may decide to issue Bonds in the form of public offer after the Issue Date as set out in Section 1.7.
- 7.2. The Maximum Aggregate Nominal Value of the Issue shall be determined in the Final Terms. The Issuer shall have the right, at its own discretion, to issue Bonds up to the Final Issue Date and up to the Maximum Aggregate Nominal Value of the Issue. The Issuer shall have the right, at its own discretion, until the Final Issue Date (including), to increase or reduce the Maximum Aggregate Nominal Value of the Issue or cancel the Issue.

- 7.3. The Issuer may issue the Bonds on several dates. The first Bonds will be issued on the Issue Date. If the Issuer wishes to issue Bonds additionally to Bonds issued on the Issue Date, the Issuer must inform all Investors holding the Bonds of the Issue of such wish at least 5 Business Days before the planned date of issuing additional Bonds. The Issuer must send to the Investors holding the Bonds of the Issue the Purchase Offer form that Investors wishing to acquire additional Bonds in the course of Primary Distribution can submit when such Purchase Orders can be submitted as provided in the Purchase Offer form.
- 7.4. If the Issuer issues the Bonds on the Additional Issue Date(s), then the Existing Investors shall have the pre-emptive right to purchase Bonds issued on the Additional Issue Date(s) in proportion to the share of the Bonds owned by the Existing Investor in relation to all Bonds issued on that Additional Issue Date. The Issuer must inform the Existing Investors of issuing Bonds on the Additional Issue Date(s) and specify a term for the Existing Investors to exercise their pre-emptive right to purchase Bonds.
- 7.5. After expiry of the Subscription Period or Additional Subscription Period, the Issuer shall determine the Qualifying Purchase Offers. On the basis of Qualifying Purchase Offers, the Issuer shall determine the extent of satisfying the Purchase Offers. If an Investor makes a Purchase Offer after the expiry of the Subscription Period or Additional Subscription Period, the Issuer may determine additional Qualifying Purchase Offers.
- 7.6. Investors, whose Purchase Offers were partially or completely satisfied, are obliged to make the payment for the Bonds in the amount and using the payment method indicated in the Confirmation at the latest by 13:00 on the Issue Date or Additional Issue Date or by a time and date provided in the Confirmation if the Purchase Offer was sent by the Investor after the Issue Date or Additional Issue Date. If the Issuer and the Investor agree that the Bonds to be issued replace Investor's Bonds maturing on the Issue Date (i.e. rolling over of the Bonds as set forth in Section 9.5), set-off of the claims of the Investor and the Issuer arising from the Bonds shall take place.
- 7.7. The Bonds shall be registered in the Register in the securities accounts of the Investors (or their nominees) who subscribed to and paid for them in the course of the Primary Distribution:
- 7.7.1 on the Issue Date or Additional Issue Date if the Investor submitted the Purchase Offer before the Issue Date; or
 - 7.7.2 on the Additional Issue Date if the Investor submitted the Purchase Offer before the Additional Issue Date; or
 - 7.7.3 on a later date determined by the Issuer provided in the Confirmation if the Investor submitted the Purchase Offer on or after the Issue Date.

- 7.8 The Issuer may subscribe the Bonds in the course of the Primary Distribution. If the Issuer has subscribed to the Bonds in the course of the Primary Distribution, the Issuer as an Investor shall not be required to make payment for the Bonds in the course of the Primary Distribution. The Bonds shall be registered in the Register in the securities or other account of the Issuer as an Investor on the date of issuing the Bonds in the amount provided in the Confirmation sent to the Issuer as an Investor. The Bonds subscribed by and registered to the Issuer shall not grant any rights to Interest Payments or Redemption Price.
- 7.9 The Issue shall be registered with the Register according to applicable legal acts and regulations.

8. INTEREST PAYMENTS

- 8.1. The Issuer shall pay interest on the Nominal Value of the Bonds. Interest shall be paid on each respective Interest Payment Date and shall be calculated on 30E/360 basis.
- 8.2. Interest shall be calculated on the Bonds from the Issue Date or Additional Issue Date up to and including the Maturity Date or, in case the Bonds are redeemed before the Maturity Date, up to and including the Early Maturity Date.
- 8.3. The Issuer shall transfer the interest payments to the current accounts of those Investors who, according to the Register information, hold Bonds as at the end of the business day of the settlement system of the Register, 4 Banking Days before the Interest Payment Dates.
- 8.4. The interest payment is determined according to the following formula:
- 8.4.1. $CPN = F \times C \times n/360$ where;
 - 8.4.2. CPN = value of interest in EUR;
 - 8.4.3. F = Nominal Value of the Bond;
 - 8.4.4. C = annual interest rate payable on Bonds;
 - 8.4.5. n = number of days since the Issue Date or the last Interest Payment Date calculated on 30-day month basis.

9. PRINCIPAL REPAYMENT, REDEMPTION AND EARLY REDEMPTION

- 9.1. The Bonds shall be redeemed, i.e. the Redemption Price stipulated in the Final Terms shall be paid to the Investors on the Maturity Date.
- 9.2. The Issuer shall pay the total Redemption Price of the Bonds owned by the Investor. The Redemption Price is the sum of the Nominal Value of the Bond and the last accrued interest.
- 9.3. The Redemption Price shall be paid to the Investors, who according to the Register's information are the owners of the Bonds as at the end of the

business day of the settlement system of the Register, 4 Banking Days before the Maturity Date or Early Maturity Date.

- 9.4. Following the receipt of the complete redemption payments in the Investors' current accounts, the Bonds shall be considered redeemed. The Issuer shall arrange deletion of the redeemed Bonds from the Register. The Issuer may choose not to delete the Bonds from the Register in case of early redemption of Bonds pursuant to Section 9.8 of the Terms. The Investors are obligated to co-operate with the Issuer and do all actions reasonably required for deleting the Bonds from the Register.
- 9.5. If the Issuer and the Investor agree that the Bonds held by the Investor will be replaced with new bonds to be issued on the Maturity Date or on the Early Maturity Date (i.e. rolling over of the Bonds), set-off of the claims of the Investor for payment of the Nominal Value of the Bonds and of the Issuer arising from another Issue of Bonds shall take place and the Issuer is obliged to pay only the accrued interest on respective Bonds for redeeming such maturing Bonds, but not the Nominal Value of respective Bonds as stipulated above (provided that the nominal value of the relevant Bonds is equal). Following the receipt of the complete redemption by way of set-off as set forth above and receipt of payments in the Investors' current accounts, the Bonds shall be considered redeemed. The Issuer shall arrange deletion of the redeemed Bonds from the Register. The investors are obligated to co-operate with the Issuer and do all actions reasonably required for deleting the Bonds from the Register.
- 9.6. The Issuer shall withhold income tax, if pursuant to the legal acts effective in the Republic of Estonia, income tax is to be withheld from the payments related to the Bonds.
- 9.7. The Issuer shall redeem Bonds held by each Investor in amounts and on the Redemption Date(s) provided for in the Final Terms by paying the Investors the Nominal Value as set forth in the Final Terms.
- 9.8. If applicable in accordance with the Final Terms, the Issuer has the right to redeem all or partially the Bonds on the Early Redemption Date(s) by paying the Investors the amount provided in the Final Terms. The Issuer shall notify the Investors by post or e-mail of such wish before the Early Redemption Date by stating also the amount or extent of the redemption according to the Final Terms.
- 9.9. Upon partial or full redemption of the Bonds the Issuer shall be entitled to take any and all actions necessary (including but not limited to submitting application with the Registrar) to cause of either registration of reducing the Nominal Value of the Bonds with the Register or deletion of the Bonds from Register. Investors acknowledge and confirm that the Issuer will not need any further consent or authorization from the Investors (including Majority Investors) to carry out any action related to the same. Should, regardless of

the above, any action be required by the Investors to effect the registry entries as set forth above in this section then the Investors are obligated to co-operate with the Issuer and do all actions reasonably required for either registration of reducing the Nominal Value of the Bonds with the Register or deletion of the Bonds from the Register.

10. EXTRAORDINARY EARLY REDEMPTION

- 10.1. The Investor shall have the right but not the obligation to demand immediate redemption of the Bonds held by the Investor upon occurrence of any of the following circumstances:
 - 10.1.1. the Issuer has not paid the interest payments on the Bonds in full amount for more than 5 Banking Days excluding the case when changes in tax legislation may limit the Issuer's ability to make the full interest payment (except if delay in receipt of payment is attributable to correspondent banks);
 - 10.1.2. the Issuer has submitted an insolvency claim (in Estonian: *pankrotiavaldus*) or a third party has submitted an insolvency claim regarding the Issuer to the appropriate state authorities of Estonia and an interim trustee (in Estonian: *ajutine haldur*) has been appointed by Estonian courts and such claim is not withdrawn or proceedings not terminated within 45 Banking Days;
 - 10.1.3. the Issuer breaches any of the covenants set forth in the Final Terms unless the breach is not cured within 14 Banking Days and the Issuer provides clear proof to the Investors that the breach has been cured in due time;
 - 10.1.4. the Issuer has filed for liquidation with the appropriate state authorities of Estonia;
 - 10.1.5. if the Extraordinary Early Redemption Event in any other Issue has occurred and the Majority Investors of such Issue have demanded Extraordinary Early Redemption or the Issuer fails to fulfil any of its obligations under any loan, credit, guarantee or capital/finance lease agreement or under any bond, letter of credit or any other instrument issued by a credit institution when due nor within any originally applicable grace period (cross default clause).
- 10.2. The Issuer shall immediately notify the Investors upon the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Investors shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur.
- 10.3. If the Investor receives information about occurrence of a possible Extraordinary Early Redemption Event from other sources than the Issuer, then the Investor will ask the Issuer to confirm or reject this information by submitting a letter. The Issuer will reply to the Investor by submitting a letter.

If the Issuer does not respond to the question asked by the Investor under this Section within 5 Banking Days from the receipt of the Investor's question to the Issuer, then the Extraordinary Early Redemption Event on the ground as set forth in the question is deemed to have occurred.

- 10.4. In case the Issuer in a reasoned manner (i.e. providing for the reasons why the Extraordinary Early Redemption Event has not occurred) and acting in good faith within 5 Banking Days from the date of either (a) the inquiry sent by the Investor to the Issuer pursuant to Section 10.3 of the Terms or (b) the notification sent by the Issuer to the Investors pursuant to Section 10.7 of the Terms (except in case the Issuer's notification under Section 10.7 is based on either of the grounds provided for in Section 10.8.1 in which case the Issuer does not have the right to submit a Rejection pursuant to this Section) submits Rejection by providing grounded documentary evidence to the contrary to the occurrence of the Extraordinary Early Redemption Event referred to in Section 10.1, the Extraordinary Early Redemption Event is considered not to have occurred.
- 10.5. If the Majority Investors acting in good faith, within 10 Banking Days from the date the Issuer forwarded the Rejection to the Investors under Section 10.6 of the Terms, send a Notification to the Issuer notifying the Issuer in a reasoned manner of the contrary (i.e. providing for the reasons why the Extraordinary Early Redemption Event has occurred), the Extraordinary Early Redemption Event is deemed to have occurred.
- 10.6. The Issuer shall send the Rejection to the Investors within 3 Banking Days from receipt of the Rejection by the Investors. The Issuer shall inform the Investors whether or not the Extraordinary Early Redemption Event has occurred on the basis of procedure set forth in Section 10.4 and 10.5 of the Terms within 3 Banking Days from:
 - 10.6.1. expiry of the 5 Banking Days term for filing the Rejection to the notification set forth in Section 10.4 (b) of the Terms unless the Issuer has received the Rejection by the Investors during this term (the Issuer is not obligated to inform the Investors about expiry of the term for filing the Rejection in case of Issuer's failure to file Rejection to the inquiry set forth in Section 10.4 (a) of the Terms in which case the Issuer shall notify the Investors about occurrence of an Extraordinary Early Redemption Event pursuant to Section 10.7 of the Terms);
 - 10.6.2. receipt of the Notification by the Investors;
 - 10.6.3. expiry of the 10 Banking Days term for submitting the Notification unless the Issuer has received the Notification by the Investors during this term.
- 10.7. The Issuer shall forward the information about an Extraordinary Early Redemption Event to the Investors within 10 Banking Days from learning of the Extraordinary Early Redemption Event, except in case the occurrence of

an Extraordinary Early Redemption Event is established under the procedure specified in Section 10.4 and 10.5 of the Terms in which case the Issuer shall forward the information about the Extraordinary Early Redemption Event to the Investors pursuant to Section 10.6 of the Terms.

- 10.8. If the Investor applies for extraordinary early redemption of the Bonds under Section 10.1 of the Terms, he shall submit an Application to the Issuer, indicating the grounds for requesting extraordinary early redemption. The Application can be submitted:
 - 10.8.1. after the date of the notification sent by the Issuer pursuant to Section 10.7 of the Terms in case the Issuer's notification under Section 10.7 is based on (a) Issuer's notification about occurrence of the Extraordinary Early Redemption Event or (b) inquiry sent by the Investor to the Issuer under Section 10.3 of the Terms to which the Issuer has not filed Rejection during the term set forth in Section 10.4 of the Terms; or
 - 10.8.2. after the date of notification sent by the Investors pursuant to Section 10.6.1 or 10.6.2 of the Terms in case the Investor's notification about occurrence of the Extraordinary Early Redemption Event is not based on either of the grounds set forth in Section 10.8.1 of the Terms.
- 10.9. The Investor shall lose the right to submit an Application with regard to an Extraordinary Early Redemption Event in case the Investor has not submitted the Application within 2 months from the date the Investor became entitled to submit an Application under Section 10.7 of the Terms.
- 10.10. The Investors shall forward the Application to the Issuer and the Issuer informs other Investors of the Application filed by the Investor. The Issuer is not obligated to inform the Investors of the submission of the Application, if the Investors have been informed of submission of another Application within 30 Banking Days before submission of the new Application.
- 10.11. Upon extraordinary early redemption of the Bonds on grounds stipulated in Section 10.1 of the Terms, the Issuer shall pay the Redemption Price for the Bonds subject to extraordinary early redemption to the Investor within 10 Banking Days after the Investors has forwarded the Application to the Issuer. The 10th Banking Day calculated from the day following the day of submission of the Application(s) by the Investors to the Issuer shall be the Early Maturity Date with regard to the Bonds subject to extraordinary early redemption. The Redemption Price shall be determined by the Issuer that shall execute the payment of the Redemption Price in accordance with Section 9 of the Terms to the Investor(s) requesting extraordinary early redemption.
- 10.12. If the Investor, who has submitted the Application, transfers, fully or partially, the Bonds subject to extraordinary early redemption before the

Early Maturity Date, the Application shall be considered waived in respect of transferred Bonds.

- 10.13. Subject to Section 10.9 of the Terms, if the Investor does not use the right or sanction arising from the Bonds, this shall not be deemed waiver of such right or sanction, and the separate or partial use of any of the rights or sanctions shall not prevent further or repeated use of the respective right or sanction or the use of any other right or sanction. The rights and sanctions applicable to the Bonds are accruing and do not exclude any other rights or sanctions established by law.

12. AMENDING THE TERMS

- 12.1. The Terms can be amended pursuant to the procedure set forth in this Section.
- 12.2. The Issuer may apply for the consent of the Investors to alter the Terms and Final Terms (waiver). The following procedure shall apply accordingly, depending on whether the Issuer has applied for a consent to amend the Terms or the Final Terms. To apply for the waiver, the Issuer shall submit an application for the waiver to the Investors, setting out at least the following information:
- 12.2.1. a description of the changes applied for;
 - 12.2.2. a reason for the changes applied for;
 - 12.2.3. the term within which the Investor can grant the waiver to the Issuer or refuse to grant the waiver;
 - 12.2.4. instructions concerning notification about the granting of the waiver to the Issuer or refusal to grant the waiver;
 - 12.2.5. a statement that the Investor who is willing to grant the waiver to the Issuer should notify the Issuer about it within the term specified in the application, and if the Investor does not notify about the approval to grant the waiver to the Issuer within the term specified in the application, the Investor shall be deemed as not having granted the waiver;
 - 12.2.6. contact details of the Issuer to be used for notification.
- 12.3. The term allowed for the Investor to decide upon refusal or to grant the waiver to the Issuer may not be shorter than 14 Banking Days. Investor shall submit signed applications with their decision to the Issuer by a deadline set in an application.
- 12.4. A waiver is deemed to be approved if Majority Investors have voted for granting the waiver unless the Issuer decides to require higher threshold for approving the waiver. The Issuer undertakes within 30 Banking Days to offer Investors (other than Related Parties and the Issuer) who did not agree to grant the waiver to redeem the Bonds at the Redemption Price.

- 12.5. All amendments and supplements to the Terms shall enter into force as of the moment of signing the amendments by the Issuer and from issuing the waivers by the Majority Investors concerning such amendments and supplements.

13. FINAL PROVISIONS

- 13.1. The Terms, the Final Terms, rights and obligations arising from the Bonds shall be governed by the law of the Republic of Estonia.
- 13.2. The disputes related to the Terms, the Final Terms or the Bonds 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.
- 13.3. In the event of inconsistency between the provisions of the Final Terms and the provisions of the Terms, the Final Terms shall prevail.
- 13.4. If a provision of the 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.
- 13.5. All notices under the Terms shall be sent by post or e-mail.
- 13.6. All notices of the Issuer to the Investors shall be sent by post or e-mail. Notices to the Investors shall be forwarded to their addresses registered together with the securities or other accounts of the Investors, opened in the Register, or by e-mail. Notices are deemed to be received by the Investors after reasonable time has passed from sending these.
- 13.7. All notices of the Investors to the Issuer shall be sent straight to the Issuer by post or e-mail. The notice must contain a reference to the Bond.
- 13.8. All notices are deemed to be received after reasonable time has passed from sending these.