

**TERMS AND CONDITIONS OF UPP & CO KAUNO 53 OÜ**  
**SUBORDINATED NOTE ISSUE**

**DATED 7<sup>TH</sup> APRIL 2017**

**(As amended on 16<sup>th</sup> August 2017)**

**1. GENERAL PROVISIONS**

1.1. These Terms and Conditions of the Issuer's Note Issue (the **Terms**) regulate:

- 1.1.1. the rights and obligations of the Issuer, the Collateral Agent and the Investors related to the Notes issued in the Republic of Estonia under these Terms;
- 1.1.2. the procedure for, and the terms and conditions of the Primary Distribution and redemption of the Notes under these 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 Notes under these Terms.

1.2. **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 Notes). By submitting the Purchase Offer or acquiring the Notes every Investor agrees with and accepts these terms and conditions set forth in these Terms and its annexes and undertakes to adhere thereto.**

1.3. The Investors acknowledge that the resale of the Notes by the Investor might under specific conditions be considered a public offer under the Estonian securities market regulation. The Investors undertake to ensure that transfer of the Notes by them would not qualify a public offer of the securities. In the light of the legislation in force in Estonia, this means that until admission for trading of the Notes on a stock exchange, on any multilateral trading facility or other trading platform in accordance with Section 1.4 of these Terms, the Investors undertake not to transfer the Notes to any person with settlement price (i.e. the price payable for the Notes by such persons buying the Notes) of less than EUR 100,000.00. As an exception, the Investor may transfer the Notes to qualified investors (in Estonian: *kutseline investor*) within the meaning of § 6(2) of the Securities Market Act and the Issuer also for the settlement price below EUR 100,000.00. The Investors acknowledge that the Estonian securities market regulation may be amended from time to time and undertake to adhere to such regulation as in force.

1.4. The Issuer has the right but not the obligation to apply for admission of the Notes for trading on a stock exchange, on any multilateral trading facility or other trading platform. From the date when the Notes are admitted to trading on a stock exchange, on any multilateral trading facility or other trading platform, the Issuer has a right to designate a credit institution or another financial institution as its payment agent. Thereafter the Investors may be requested and would thereafter be obliged to exercise their financial rights pertaining to the Notes through the payment agent.

## 2. INTERPRETATION

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

2.1.1. **Additional Issue Date** shall mean any Issue Date after the first Issue Date and before or on the Final Issue Date;

2.1.2. **Additional Subscription Period** shall mean a period of time for Subscription after Initial Subscription Period determined by the Issuer, but in any case not starting before the first Issue Date and not ending on or after the Final Issue Date;

2.1.3. **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 Notes to be allocated by the Issuer to each Investor;

2.1.4. **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;

2.1.5. **Collateral** shall mean:

2.1.5.1. prior to completion of the Merger and until establishment of the Collateral referred to in Section 2.1.5.2 of these Terms, guarantee issued in favour of the Collateral Agent as a beneficiary by United Partners Property OÜ (legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; register code 11146281) (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement); and

2.1.5.2. after the completion of the Merger, a second rank mortgage in the maximum amount of 6,110,000 EUR over the Rimi LC Property in favour of the Collateral Agent as the pledgee (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement).

2.1.6. **Collateral Agent** shall mean K53 Collateral Agent OÜ (legal address: Ahtri 6a, 10151 Tallinn, Estonia, Estonia; register code 14236479), or, if

applicable, the person to whom the Collateral Agent has transferred its rights and obligations in accordance with Section 4.6 of these Terms;

- 2.1.7. **Collateral Agreement** shall mean, considering the relevant context, the guarantee issued or to be issued in accordance with Section 2.1.5.1 of these Terms and governed by Estonian law and/or the contractual maximum mortgage agreement concluded or to be concluded between the Collateral Agent, the Issuer and the relevant Collateral Provider for establishing the Collateral defined in Section 2.1.5.2 of these Terms and governed by Lithuanian law;
- 2.1.8. **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, including in relation to establishing, holding and enforcing the Collateral in the interests of the Investors in accordance with the Terms and the Collateral Agreements. Collateral Agent Agreement is an annex to these Terms and constitutes an inseparable part of these Terms;
- 2.1.9. **Collateral Provider** shall mean with respect to the Collateral referred to in Section 2.1.5.1 of these Terms United Partners Property OÜ and with respect to the Collateral referred to in Section 2.1.5.2 of these Terms Promalita UAB (legal address: Vilniaus m. sav. Vilniaus m. J. Savickio g. 4, Lithuania 01108; register code 304406364);
- 2.1.10. **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 Investor of the partial or full satisfaction or the rejection of the Purchase Offer submitted by such Investor;
- 2.1.11. **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;
- 2.1.12. **Extraordinary Early Redemption Application** shall mean an application for extraordinary early redemption of the Notes submitted by an Investor to the Issuer in accordance with these Terms;
- 2.1.13. **Extraordinary Early Redemption Date** shall mean the Banking Day on which the Issuer has an obligation to redeem all outstanding Notes of an Investor following a respective request by such Investor after occurrence of Extraordinary Early Redemption Event;
- 2.1.14. **Extraordinary Early Redemption Event** shall mean an event set forth in Section 14.1 of these Terms;
- 2.1.15. **Final Issue Date** shall mean the Banking Day set out in the Final Terms which is the latest possible Issue Date under such Final Terms;

- 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 Maturity Date, the Maximum Aggregate Nominal Value of the Issue, the Nominal Value of a Note, Early Redemption Date, interest rate and other payable amounts of a Note, Register, Registrar, Collateral Agent) of each respective Issue. Final Terms are an annex to these Terms and constitute an inseparable part of these Terms;
- 2.1.17. **Initial Subscription Period** shall mean the first period of time for Subscription set out in the Final Terms;
- 2.1.18. **Interest Payment Date** shall mean the date(s) as set forth in the Final Terms on which the interest accrued on the Notes is paid to the Investors;
- 2.1.19. **Investor** shall mean a registered holder of a Note in the Register or where relevant a person, who has placed a Purchase Offer;
- 2.1.20. **Issue** shall mean the aggregate of the Notes issued under these Terms with the same ISIN code (for the avoidance of doubt, the previous shall also include the Notes issued on the Additional Issue Date(s));
- 2.1.21. **Issue Date** shall mean a Banking Day set out in the Final Terms on which Notes 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 (for the avoidance of doubt, the prior shall also include the Notes issued on the Additional Issue Date(s)), provided that the relevant Investors have received the Confirmations and that the Issuer has received the Issue Price as payment for the Notes in accordance with these Terms from the relevant Investors;
- 2.1.22. **Issue Price** shall mean the price set out in the Final Terms payable by an Investor latest on the relevant Payment Date for acquisition of a Note on the relevant Issue Date;
- 2.1.23. **Issuer** shall mean UPP & CO KAUNO 53 OÜ (legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; register code 14194597);
- 2.1.24. **Majority Investors** shall mean collectively any Investors (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). For the avoidance of doubt Notes held by the Issuer or Related Parties shall not give them rights provided to the Majority Investors under these Terms;
- 2.1.25. **Maturity Date** shall mean a Banking Day set out in the Final Terms, on which the Issuer must redeem the outstanding Notes;

- 2.1.26. **Maximum Aggregate Nominal Value of the Issue** 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;
- 2.1.27. **Merger** shall mean the merger of UAB “Retmeta” (legal address: Terminalo str. 8, Kuprioniskiu vill., Vilnius district, the Republic of Lithuania; register code 300046666) into Promalita UAB;
- 2.1.28. **Nominal Value** shall mean the stated value of a Note, whereas on the Issue Date the Nominal Value is the value in which a Note is denominated as set forth in the Final Terms and following the repayment of principal of the Notes the Nominal Value is equal to the outstanding principal value of the Note;
- 2.1.29. **Note** shall mean a debt security that is issued by the Issuer in accordance with these Terms and approved by the Issuer’s Management Board resolution as of 7<sup>th</sup> April 2017 and the Final Terms and represents the Issuer’s secured debt obligation in the amount of the Nominal Value of the Note and the interest payable on the Note, that is issued and is redeemable in accordance with these Terms;
- 2.1.30. **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 10.1 of these Terms;
- 2.1.31. **Payment Date** shall mean a Banking Day on or before the relevant Issue Date designated in the Final Terms latest on which the payment of the Issue Price must be received by the Issuer;
- 2.1.32. **Primary Distribution** shall mean the Subscription and the sale of the Notes to the Investors in accordance with these (for the avoidance of doubt the previous may also include the Subscription and the sale of the Notes to the Investors during the Additional Subscription Period(s));
- 2.1.33. **Purchase Offer** shall mean a document, which is submitted by the Investor to the Issuer substantially in the form set out in an annex to the Final Terms, or if the Purchase Offer is submitted via the Register, in another form as set forth by the Registrar, and in which the Investor expresses its wish to acquire, through Primary Distribution, a certain amount of the Notes and undertakes to pay the Issue Price (which, if relevant, may also be the Issue Price on the Additional Issue Date) for the number of Notes indicated in the Purchase Offer;
- 2.1.34. **Qualifying Purchase Offers** shall mean the Purchase Offers which have been submitted according to these Terms and which are decided by the Issuer to be satisfied either wholly or partially in accordance with these Terms;

- 2.1.35. **Redemption Price** shall mean the payment payable by the Issuer to the Investors upon the regular redemption of the Notes (i.e. on the Maturity Date) or early redemption of the Notes (i.e. on the Early Redemption Date or the Extraordinary Early Redemption Date), calculated in accordance with these Terms;
- 2.1.36. **Register** shall mean the register in which the Notes shall be registered as set out in the Final Terms;
- 2.1.37. **Registrar** shall mean the person operating the Register as set out in the Final Terms;
- 2.1.38. **Rejection** shall mean the rejection of the occurrence of the Extraordinary Early Redemption Event by the Issuer pursuant to Section 14.3 of these Terms;
- 2.1.39. **Related Parties** shall mean the Issuer's shareholders, members of the Issuer's management board and supervisory board (if relevant) and legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- 2.1.40. **Rimi LC Property** shall mean the following real estate:

<b>Object/1</b>	land plot, unique No 4400-1185-1420, gross area 4.1817 ha, address Kauno Str. 53, Vievis, the Republic of Lithuania;
<b>Object/2</b>	building-logistics centre, unique No 4400-1254-0077, gross area 21,231.62 sq. m, address Kauno Str. 53, Vievis, the Republic of Lithuania;
<b>Object/3</b>	building-security post, unique No 4400-2088-6448, gross area 9.6 sq. m, Kauno Str. 53, Vievis, the Republic of Lithuania;
<b>Object/4</b>	engineering nets – rain water sewage pipes, unique No 4400-1284-6103, length 192.30 m, Kauno Str., Vievis, the Republic of Lithuania;
<b>Object/5</b>	engineering nets-sewage removal pipes, unique No 4400-1284-6036, length 672.44 m, Kauno Str., Vievis, the Republic of Lithuania;
<b>Object/6</b>	engineering nets-water pipes, unique No 4400-1284-5839, length 917.56, Kauno Str., Vievis, the Republic of Lithuania;
<b>Object/7</b>	engineering nets-water pipes, unique No 4400-1284-5840, length 119.44 m, Kauno Str. 53, Vievis, the Republic of Lithuania.

- 2.1.41. **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) of the Issuer towards the Investors or any of them or towards the Collateral Agent from time to time under these Terms and its annexes, including but not limited to the Collateral Agent Agreement, including but not limited to the obligations arising from the Notes and the Parallel Debt;
- 2.1.42. **Subscription** shall mean submitting and receiving of Purchase Offers for the Notes;
- 2.1.43. **Subscription Period** shall mean Initial Subscription Period and Additional Subscription Period.
- 2.2. The headings in these Terms have been entered for convenience purposes only and shall have no impact on the interpretation of any provision of these Terms.
- 2.3. If an Interest Payment Date or an Early Redemption Date 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 initial Interest Payment Date or Early Redemption Date.
- 2.4. All references in these Terms and in any annexes to these Terms to the time are references to the Estonian time, unless provided otherwise.

### 3. OBLIGATIONS, WARRANTIES AND CONTACT DATA OF THE ISSUER

- 3.1. The Issuer shall, in accordance with these Terms and the Final Terms, issue the Notes and perform the obligations arising from the Notes to the Investors, as well as perform to the Investors and the Collateral Agent all other Issuer's obligations arising from these Terms.
- 3.2. The Issuer shall be liable to the Investors for due and complete fulfilment of its obligations arising from the Notes 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 Notes are outstanding and have not been redeemed in full in accordance with these Terms that:
- 3.3.1. the Issuer is a duly incorporated and validly existing legal person acting pursuant to the laws of Estonia;
- 3.3.2. Promalita UAB is a duly incorporated and validly existing legal person acting pursuant to the laws of Lithuania;

- 3.3.3. all the Issuer's obligations assumed under these Terms are valid and legally binding to the Issuer and performance of these obligations is not contrary to law or the Issuer's articles of association;
  - 3.3.4. the Issuer has all the rights and sufficient authorisations 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;
  - 3.3.5. 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;
  - 3.3.6. the Issuer and Promalita UAB are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganisation (in Estonian: *saneerimine*; in Lithuanian: *reorganizavimas*) or bankruptcy proceedings pending or initiated against the Issuer or Promalita UAB;
  - 3.3.7. on the date of these Terms and on each Issue Date there are no court or arbitration proceedings pending or initiated against the Issuer or Promalita UAB, in case of which, according to reasonable assessment of the Issuer, an unfavourable decision could 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 the Notes are fully repaid:
- 3.4.1. the Issuer shall ensure that the sole business of Promalita UAB is to own, rent out and manage the Rimi LC Property and to offer associated services;
  - 3.4.2. the Issuer shall ensure that no distribution of dividends or payments for share repurchase by it and by Promalita UAB shall occur;
  - 3.4.3. no loans shall be granted by the Issuer to third persons (including to Related Parties) and the Issuer should not secure or guarantee any obligations of third persons (including of Related Parties), except for the following:
    - 3.4.3.1. loans granted by the Issuer to legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
  - 3.4.4. the Issuer undertakes to ensure that loans incurred by Promalita UAB or debt securities issued by Promalita UAB shall be subordinated to the Notes, unsecured and annual interest under such contracts shall be not higher than the interest rate of the Notes, except for the following:
    - 3.4.4.1. loan issued or to be issued on or about the date of these Terms by OP Corporate Bank to Promalita UAB in the principal amount 9,200,000 EUR to which the claims against the Issuer



under these Terms (including the Notes) have been fully subordinated (i.e. payments under the Terms take place only provided that payment obligations under the senior loan agreement have been duly fulfilled) and that is secured or is to be secured with a first rank mortgage in the amount of 11,960,000 EUR in favour of the lender over the Rimi LC Property and/or other security required by the lender;

- 3.4.4.2. unsecured subordinated loan issued or to be issued on or about the date of these Terms by the Issuer to Promalita UAB in the principal amount up to 5,500,000 EUR;
- 3.4.5. the Issuer undertakes to ensure that all property management services outsourced by it or Promalita UAB shall be outsourced at an arm's length and on market conditions;
- 3.4.6. the amount of management fees payable by the Issuer to United Partners Property OÜ shall not exceed EUR 13,000 per financial year of the Issuer;
- 3.4.7. Issuer shall ensure that its debt service coverage ratio shall not fall below 1.2;
- 3.4.8. the Issuer shall own 100% of share capital of Promalita UAB;
- 3.4.9. the Issuer shall ensure that Promalita UAB shall not transfer the ownership of Rimi LC Property to any third person nor conclude any agreements for such transfer of ownership;
- 3.4.10. the Issuer shall ensure that Promalita UAB shall not encumber the Rimi LC Property owned by the latter with mortgages, except for the first rank mortgage described in Section 3.4.4.1 of these Terms and except for establishment of the Collateral in accordance with Section 11.1 of these Terms;
- 3.4.11. the Issuer shall ensure establishment of the Collateral in accordance with Section 11.1 of these Terms and validity and enforceability of the Collateral in accordance with the Collateral Agreement and the Collateral Agent Agreement;
- 3.4.12. the Issuer shall ensure that after its establishment the Collateral described in Section 2.1.5.2 and until the release of such Collateral the Rimi LC Property (except for the Object of the Mortgage/1) is properly insured at all times and undertakes within 10 Banking Days of the respective request by an Investor or the Collateral Agent to provide such Investor or the Collateral Agent with documents evidencing the insurance cover;
- 3.4.13. payments related to the principal outstanding on the Notes held by the Issuer shall be subordinated to the payments of principal due on Notes held by other Investors and shall be paid out only after all due and

- payable principal payments have been made in full to the other Investors;
- 3.4.14. when making payments related to the principal outstanding on the Notes held by the Issuer's Related Parties the Related Parties shall be treated equal to other Investors and shall in no way be preferred to other Investors;
- 3.4.15. the Issuer may not merge or demerge and shall ensure that Promalita UAB shall not merge or demerge, except for the Merger;
- 3.4.16. The Issuer may deviate from the covenants set forth in this Section 3.4 of these Terms upon the consent of the Majority Investors.
- 3.5. The Issuer undertakes to provide the Investors and the Collateral Agent with the following information:
- 3.5.1. quarterly reports of the Issuer and Promalita UAB by the end of the first month following the quarter for which the report is prepared, 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 or the chief executive officer and the chief financial officer / accountant Promalita UAB respectively;
- 3.5.2. together with the quarterly reports confirmation that the covenants in Sections 3.4.7 and 3.4.12 of these Terms are fulfilled, signed by the Issuer;
- 3.5.3. together with the quarterly reports statement regarding occurrence or non-occurrence of an Extraordinary Early Redemption Event, signed by the Issuer;
- 3.5.4. information on any new debt security issued within 5 Banking Days after the issue;
- 3.5.5. information on new share issues within 5 Banking Days after the issue;
- 3.5.6. information on changes in the shareholder structure and the management of the Issuer or Promalita UAB stating name, surname and professional experience of a new member within 5 Banking Days after the change;
- 3.5.7. information on any court or arbitration proceedings pending or initiated against the Issuer or Promalita UAB, where, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer;
- 3.5.8. information on Notes repurchases of respective Issue in case the repurchase offer is made to all Investors of respective Issue by the Issuer including Nominal Value and price for each transaction within 5 Banking Days after the relevant transaction;
- 3.5.9. statement on default on the Notes of respective Issue within 1 Banking Day after such an event has occurred.

- 3.6. In case the Notes are admitted to trading on a stock exchange, multilateral trading facility or other trading platform, the rules of the relevant stock exchange, multilateral trading facility or other trading platform shall be applied and Section 3.5 of these Terms shall be applied only to the extent it is not contrary to mandatory rules of such stock exchange, multilateral trading facility or other trading platform or applicable laws. If the reporting frequency of the relevant stock exchange, multilateral trading facility or other trading platform is lower than the frequency in Section 3.5 of these Terms, the frequency as set forth in Section 3.5 of these Terms shall be applied (while the contents of the reports would be determined as provided in the first sentence of this Section).
- 3.7. The Issuer shall guarantee that the information presented by it to the Investors and the Collateral Agent is true, accurate, correct and complete.
- 3.8. Notices and documents to the Issuer shall be valid only if made and forwarded in writing either by post or e-mail by using the following contact details and provided that those include reference to the Notes, unless otherwise provided for in these Terms:

**UPP & CO KAUNO 53 OÜ**

Pärnu mnt 141, Tallinn, 11314, Estonia

Tel.: +372 6616 450

E-mail: info@unitedpartners.ee

Attn: Hallar Loogma/Kevin Soon

**4. OBLIGATIONS AND CONTACT DATA OF THE COLLATERAL AGENT**

- 4.1. By submitting the Purchase Offer or acquiring the Notes on the secondary market, each Investor:
- 4.1.1. appoints the Collateral Agent to act as its agent in connection with the Collateral and the Collateral Agreement and authorises 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 Agreement under these Terms, including the Collateral Agent Agreement;
  - 4.1.2. acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;
  - 4.1.3. confirms that the fact that the Collateral Agent acts under the Collateral Agent Agreement with the Issuer does not constitute any conflict with the interests of the Investor;
  - 4.1.4. confirms that the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent does not constitute any conflict

- with the interests of the Investor (for the avoidance of doubt, 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 Section 12.1.1 of these Terms);
- 4.1.5. 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 at its discretion, considering the interests of the Investors collectively and generally (and not of any particular Investor), unless specifically instructed otherwise by the Majority Investors in accordance with Sections 11.3.2, 11.7 or 11.8 of these Terms and without prejudice to Section 11.11 of these Terms;
  - 4.1.6. consents to indicating solely the Collateral Agent as the creditor under the Collateral Agreement in the Lithuanian Mortgage Register;
  - 4.1.7. 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 Investor does not consider this to be in conflict with any of its interests.
- 4.2. The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Provider establishes the Collateral for the benefit of the Collateral Agent in accordance with these Terms to secure the Secured Obligations. 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:
- 4.2.1. to 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 Investors;
  - 4.2.2. to ensure the existence or validity of the Collateral (except for the existence and validity of the Collateral to the extent within the scope of its obligations under these Terms),
  - 4.2.3. or to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral;
  - 4.2.4. to inform the Investors or the Issuer about any circumstances except to the extent such obligation to provide information is explicitly set forth in these Terms;

- 4.2.5. to provide any advice to the Investors in legal, accounting, tax or other matters.
- 4.3. The Investors shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms.
- 4.4. Upon the performance of its obligations and exercising its rights the Collateral Agent shall act at its own discretion in the interests and on the account of the Investors collectively and generally (and not of any particular Investor) 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 Section 12.1.1 of these Terms) and without any obligation to consider any interests 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 Investors and is under no circumstances liable for the performance of the obligations of the Issuer.
- 4.5. Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right at its own cost 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 Agreement). In case the use of services of third parties or appointment of third party representatives is required for the fulfilment of obligations arising from these Terms or the Collateral Agreement, Section 4.11 of the Terms is applicable.
- 4.6. The Collateral Agent shall have the right to transfer at its own cost any of its rights and obligations under these Terms, the Collateral Agent Agreement and/or the Collateral Agreement to a legal entity which shareholders are the same persons as the shareholders of the Collateral Agent without any consent or approval of the Issuer or any of the Investors required. In case of such transfer the Collateral Agent undertakes to ensure that the Issuer and the Investors are duly informed of the transfer and that the position of the Collateral Agent as a pledgee and/or beneficiary under the Collateral Agreement is duly transferred to the relevant transferee, including that all relevant registrations are performed and all relevant persons are duly notified.
- 4.7. Upon relevant request from the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Investors stating the outstanding Nominal Value of the Notes each of them is holding and their latest known e-mail addresses.
- 4.8. At the request of the Collateral Agent, the Investor shall provide the Collateral Agent with any information required by the latter for the purposes of

identification of the Investor and/or for the performance of other obligations arising from applicable laws and regulations.

- 4.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control or sphere of influence of the Collateral Agent.
- 4.10. 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 Agreement in the event of gross negligence or wilful intent of the Collateral Agent. The liability of the Collateral Agent is limited to EUR 300,000 save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.
- 4.11. 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 Agreement (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 transfer of the rights and obligations of the Collateral Agent in accordance with Section 4.6 of the Terms.
- 4.12. 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 4.11 of these Terms. The Collateral Agent does not have a right to withhold the performance of its duties and obligations in case the Investors have compensated such fees and costs to the Collateral Agent. In the latter case the Issuer undertakes to compensate the relevant fees and costs to the relevant Investors.
- 4.13. Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in the Final Terms and provided that those include reference to the Notes.

## 5. NOTES

- 5.1. The Notes shall be denominated in Euros (**EUR**).

- 5.2. A Note shall be valid from the registration of the Notes in the Register until deletion of the Notes from the Register in accordance with Section 13.8 of these Terms.
- 5.3. The Notes are freely transferable and can be freely encumbered unless otherwise stated in the Final Terms or applicable laws.
- 5.4. All payments to the Investors by the Issuer in connection with the Notes shall be made in the currency in which the Notes are denominated.

## **6. DOCUMENTS OF THE NOTES**

- 6.1. The documents of the Notes are the following:
  - 6.1.1. these Terms;
  - 6.1.2. the Final Terms;
  - 6.1.3. the Purchase Offers;
  - 6.1.4. the Confirmations;
  - 6.1.5. the Collateral Agreements;
  - 6.1.6. the Collateral Agent Agreement.
- 6.2. The Issuer shall gather and keep the documents submitted by the Investors.
- 6.3. Each Investor may review the documents of the Notes referred in the above Section 6.1 of these Terms, except for the agreement on fees in the Collateral Agent Agreement and the Purchase Offers and the Confirmations submitted by other Investors, at the Issuer's office located at the address indicated in these Terms and make copies and excerpts therefrom at their own expense.
- 6.4. In addition, if the Register enables that, each Investor can review the details of the Purchase Offer(s) and/or the Confirmation(s) submitted by that Investor through the Register.

## **7. PURCHASE OFFERS AND CONFIRMATIONS**

- 7.1. To submit a Purchase Offer, the Investor must have a securities or other account, opened with the Register in its own name or in the name of its nominee.
- 7.2. The Purchase Offers shall be submitted in accordance with the procedure set forth in these Terms and the Final Terms and in the format set forth in relevant annex to the Final Terms. The Purchase Offers shall be prepared in writing or, if the Register so requires, in another format reproducible in writing and suitable to the Register.
- 7.3. Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price (where relevant, the aggregate Issue Price on the Additional Issue

Date) less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

7.4. The Purchase Offer must contain the following information, unless otherwise stated in the Final Terms:

7.4.1. the Investor'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);

7.4.2. the securities account and current account numbers of the Investor or its nominee;

7.4.3. the date of submission of the Purchase Offer;

7.4.4. the number of the Notes to be subscribed by the Investor;

7.4.5. the aggregate Nominal Value of the Notes to be subscribed by the Investor; and

7.4.6. the Investor's or the nominee's signature.

7.5.A Purchase Offer shall be considered valid, if submitted during the relevant Subscription Period, 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 relevant Subscription Period, but before the relevant Issue Date.

7.6. At the latest by 16:30 on the last Banking Day before the relevant Payment Date the Issuer shall submit the Confirmation to each Investor. If the latter is not possible, because the Issuer in accordance with Section 7.5 of these Terms has treated as valid also Purchase Offers submitted after the relevant Subscription Period, the Issuer shall submit the Confirmation to the relevant Investors latest by 16:30 on the last Banking Day before the relevant Issue Date.

7.7. 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.

7.8. Upon partial or complete satisfaction of the Purchase Offer, the Issuer shall indicate the following information in the Confirmation, unless otherwise stated in the Final Terms:

7.8.1. the number of the Notes to be sold to the Investor;

7.8.2. the Issue Date;

7.8.3. the Issue Price;

7.8.4. the Payment Date;

7.8.5. the current account number to which the Issue Price shall be paid;



- 7.8.6. sum of the Issue Prices of the Notes to be sold to the Investor, i.e. the amount to be paid by the Investor.
- 7.9. The terms of the Purchase Offer shall be binding on each and every acquirer of the Notes.

## **8. PRIMARY DISTRIBUTION**

- 8.1. The Primary Distribution shall be carried out by way of private placement in accordance with § 12(2) of the Securities Market Act.
- 8.2. The Issuer shall have the right to issue the notes until the Final Issue Date.
- 8.3. The Issuer shall have the right to issue the notes up to the Maximum Aggregate Nominal Value. The Issuer shall have the right, until the Issue Date (including) of each Issue, to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date of each Issue, to decrease the Maximum Aggregate Nominal Value of the Issue.
- 8.4. After expiry of the relevant 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, the Issuer may determine additional Qualifying Purchase Offers.
- 8.5. Investors whose Purchase Offers were partially or completely satisfied are obliged to transfer the Issue Price which has been indicated in the Confirmation and which is 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 (i.e. 11 am) on the relevant Payment Date or other date specified in the Confirmation (the latter is possible in case the Issuer in accordance with Section 7.5 of these Terms has treated as valid also Purchase Offers submitted after the relevant Subscription Period and this has caused the need to designate a later payment date).
- 8.6. The Notes shall be registered on the relevant Issue Date in the Register in the securities or other accounts of the Investors (or their nominees) who subscribed to and paid for them in the course of the Primary Distribution.
- 8.7. The Issue shall be registered in accordance with the applicable legal acts and regulations.
- 8.8. The Issuer shall have the right to subscribe to the Notes in the course of Primary Distribution. If the Issuer has subscribed to the Notes in the course of the Primary Distribution, the Issuer as an Investor shall not be required to make payment for the Notes in the course of the Primary Distribution. The Notes shall be registered in the Register in the securities or other account of the Issuer

as an Investor on the date of issuing the respective Notes in the amount provided in the Confirmation sent to the Issuer as an Investor.

8.9. The Issuer may open Additional Subscription Period(s) at its discretion. If the Issuer opens Additional Subscription Period(s):

8.9.1. any Additional Subscription Period must be at least 10 Business Days;

8.9.2. the Issuer shall inform all Investors of opening the Additional Subscription Period;

8.9.3. Investors can submit Purchase Offers until the end of the Additional Subscription Period;

8.10. Unless clearly identified otherwise in these Terms, the Notes issued on Additional Issue Date shall be issued in following the same procedure and carry same rights as Notes issued on first Issue Date.

## **9. INTEREST PAYMENTS, DEFAULT INTEREST**

9.1. The Issuer shall pay interest on the Nominal Value of the Notes. Interest shall be paid on each respective Interest Payment Date and shall be calculated on 30E/360 basis. Applicable interest rate shall be determined in the Final Terms.

9.2. Interest shall be calculated on the Notes from the Issue Date up to and including the Maturity Date or, if the Notes are redeemed on the Early Redemption Date, up to and including the Early Redemption Date or, if the Notes are redeemed on the Extraordinary Early Redemption Date, up to and including the Extraordinary Early Redemption Date.

9.3. The Issuer shall transfer the interest payments to the current accounts of those Investors who, according to the Register information, hold the Notes at 8:00 (i.e. 8 am) 3 Banking Days before the relevant Interest Payment Date.

9.4. The interest payment on all Interest Payment Dates is determined according to the following formula:

9.4.1.  $CPN = F \times C \times n/360$  where;

9.4.2. CPN – value of interest in EUR;

9.4.3. F – Nominal Value as at the Interest Payment Date;

9.4.4. C – annual interest rate payable on the Notes;

9.4.5. n – number of days since the Issue Date or the last Interest Payment Date calculated on 30-day month basis.

9.5. In case the Issuer does not pay timely any amount due under these Terms on the dates determined in accordance with these Terms, the Issuer shall be obliged to pay the Investors or, as the case may be, the Collateral Agent, default interest in the rate of 0,05% of the delayed amount per each delayed day.

## 10. PARALLEL DEBT

- 10.1. Notwithstanding any other provision of these Terms, for the purpose of ensuring and preserving the perfection and 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 Investors and as a solidary creditor together with the Investors for the purposes of Estonian law (in Estonian: *solidaarvõlausaldaja*), sums equal to and in the currency of the total of each amount payable by the Issuer to each of the Investors (whether present or future and whether actual or contingent) under these Terms as and when the amount falls due for payment under these Terms.
- 10.2. The Collateral Agent shall be a solidary creditor (in Estonian: *solidaarvõlausaldaja*) (together with the Investors) of each and every obligation (whether present or future and whether actual or contingent) of the Issuer to the Investors 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.
- 10.3. For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be decreased to the extent the Issuer has paid any amounts to the Investors under these 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.
- 10.4. For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Collateral Agent under the Parallel Debt the aggregate amount due by the Issuer to the Investors under these Terms will be decreased accordingly, 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.
- 10.5. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Collateral Agent shall transfer such amount to the Investors in accordance with these Terms.
- 10.6. For the purpose of clarification, the Parallel Debt will become due and payable at the same time and to the same extent as the obligations of the Issuer to the Investors under these Terms become due and payable.
- 10.7. The Parallel Debt may be transferred only to a successor of the Collateral Agent.

## **11. ESTABLISHMENT, RELEASE AND ENFORCEMENT OF THE COLLATERAL**

- 11.1. For the purpose of constituting security for the due and punctual payment, discharge and performance of the Secured Obligations, the Collateral shall be established in favour of the Collateral Agent under the Collateral Agreement which, in legal terms, serves as a security for the Secured Obligations of the Issuer towards the Collateral Agent. The Issuer shall ensure that United Partners Property OÜ issues the guarantee referred to in Section 2.1.5.1 of these Terms latest on the last Banking Day prior to the first Payment Date. The Issuer shall ensure that Promalita UAB concludes the relevant Collateral Agreement for establishment of the mortgage referred to in Section 2.1.5.2 immediately after the completion of the Merger and ensure that the referred mortgage is registered within one month from the completion of the Merger.
- 11.2. Within 10 Banking Days from establishment of the mortgage referred to in Section 2.1.5.2 of the Terms in accordance with Section 11.1 of the Terms the Issuer (or its legal advisors) shall provide a legal opinion to the Collateral Agent stating that the mortgage has been validly registered in the Lithuanian Mortgage Register and that the respective Collateral Agreement is enforceable.
- 11.3. The Collateral Agent shall take all actions that the Collateral Agent as the holder of the Collateral may reasonably take with the purpose to enforce the Collateral according to the procedure provided for in the Collateral Agreement in case:
  - 11.3.1. the Secured Obligations are not performed in accordance with their respective terms of which the Collateral Agent has been informed in accordance with Section 11.5 of these Terms; and
  - 11.3.2. Majority Investors of a respective Issue have instructed the Collateral Agent in writing to enforce the Collateral (for the avoidance of doubt, in their instructions to enforce the Collateral the Majority Investors have to specify which Secured Obligations have been breached).
- 11.4. The Issuer shall immediately inform the Collateral Agent and the Investors of breach of any of the Secured Obligations.
- 11.5. 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 Investors.
- 11.6. In case the conditions set out in Section 11.3 have been fulfilled, the Majority Investors 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 Agreement.
- 11.7. The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the

Investors 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. Upon such request, the Investors shall give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications. The Collateral Agent may refrain from acting unless and until Majority Investors have together provided the Collateral Agent with requested instructions or clarifications.

- 11.8. If the Majority Investors in accordance with Section 11.3.2 of the Terms have instructed the Collateral Agent to enforce the Collateral, the Collateral Agent shall immediately inform all Investors of such instructions. For the avoidance of doubt, in such case Section 14.12 of these Terms shall apply. If the Majority Investors in accordance with Sections 11.6 or 11.7 of these Terms have provided instructions to the Collateral Agent, the Collateral Agent shall inform all Investors of such instructions.
- 11.9. If, under Sections or 11.3.2 11.6 of these Terms or following the request of the Collateral Agent submitted under Section 11.7 of these Terms, the Majority Investors have duly instructed the Collateral Agent, the Collateral Agent is obligated to comply with these instructions. Any such instructions from the Majority Investors will be binding on all Investors. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions and the Investors who have given such instructions shall fully indemnify the Collateral Agent if the Collateral Agent is held liable for this. However, 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 Agreement, 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 Collateral Agent may refrain from acting in accordance with the instructions of the Majority Investors 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.
- 11.10. Without prejudice to Section 11.9 of these Terms, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its discretion reasonably believes is in the best interest of the Investors. The Collateral Agent shall not be liable in front of Investors for acting (or refraining from acting) as described in this Section.
- 11.11. The Collateral Agent shall not be liable in front of Investors for the outcome of the enforcement of the Collateral. For the avoidance of doubt, Sections 4.9 and 4.10 of these Terms remain applicable.

- 11.12. To the extent this is possible under the applicable laws, the Collateral Agent has the right, without Investors' consent, to suspend enforcement of the Collateral if, in the Collateral Agent's opinion, the enforcement of the Collateral is not in the best interests of Investors (e.g. due to the fact that no market for the Collateral exists). The Investors and the Issuer release the Collateral Agent from any and all claims and liability related to suspension of the enforcement of the Collateral.
- 11.13. 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:
- 11.13.1. (a) in the reasonable opinion of the Collateral Agent, there are grounds for claiming any amounts received by the Collateral Agent hereunder back either in the recovery proceedings, compulsory enforcement proceedings or any other way and/or (b) 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;
- 11.13.2. in the reasonable opinion of the Collateral Agent, (a) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of the bankruptcy or reorganisation proceedings of the Issuer or the Collateral Provider or for any other reason or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Section 12.1.1 of these Terms; and/or
- 11.13.3. in the professional opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason (except if the Collateral is released pursuant to Section 11.1 of these Terms).
- 11.14. In order to exercise its right of termination under Section 11.13 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. For the avoidance of doubt, under the laws governing the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may have an obligation to perform certain actions to release (discharge) the Collateral as a result of the termination under Section 11.13.

## **12. APPLICATION OF THE PROCEEDS FROM ENFORCEMENT OF THE COLLATERAL**

- 12.1. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- 12.1.1. as a first priority - to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees and valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent) related to performance of its duties by, or otherwise payable to, the Collateral Agent under these Terms, the Collateral Agent Agreement and the Collateral Agreement, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, subject to a cap equal to EUR 80,000 (plus applicable VAT);
  - 12.1.2. as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in Section 12.1.1 of these Terms) - in payment of the claims of the Investors arising under these Terms and the Final Terms of that particular Issue of which the Issuer has informed the Collateral Agent in writing, including but not limited to the claims arising from the Notes.
- 12.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Section 12.1.1 of these Terms and thereafter transfer the remaining proceeds to the Investors for satisfying the claims under Section 12.1.2 of these Terms. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Section 12.1 of these Terms to the relevant Collateral Provider.
- 12.3. In case the Issuer has informed the Collateral Agent in writing that all claims arising from all outstanding Notes of a respective Issue have not fallen due by the time of transferring the proceeds from the enforcement of the Collateral by the Collateral Agent to the Investors, the Collateral Agent shall (a) transfer part of the proceeds corresponding to the claims fallen due under the Notes to the Investors 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 Investors holding such Notes.
- 12.4. In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under Section 12.1.1 of these Terms do not cover the claims arising from outstanding Notes in full, the claims arising from the Notes shall be satisfied proportionally pursuant to Section 12.3 of these Terms.
- 12.5. The Collateral Agent is not obliged to pay to the Investors or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).

12.6. 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.

### **13. REDEMPTION AND EARLY REDEMPTION (CALL-OPTION)**

- 13.1. On the Maturity Date or, if applicable, on the Early Redemption Date the Notes shall be redeemed, i.e. the Redemption Price shall be paid to the Investors.
- 13.2. The Redemption Price to be paid to the Investor on the Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Maturity Date in accordance with Section 9 of these Terms and any other monies still owed to the Investor at the Maturity Date under these Terms.
- 13.3. The Issuer has the right to redeem all or partially the Notes (i.e. to redeem all or part of the outstanding Nominal Value of the Notes) on the Early Redemption Date. The Issuer shall notify the Investors in accordance with the Final Terms by post or e-mail of such wish before the Early Redemption Date by stating also the amount or extent of the redemption.
- 13.4. The Redemption Price to be paid to the Investor on the Early Redemption Date equals the portion of Nominal Value as indicated in the notification sent to the Investors in accordance with the previous Section 13.3 of these Terms together with the unpaid interest accrued up to the relevant Early Redemption Date in accordance with Section 9 of these Terms.
- 13.5. The Redemption Price shall be paid to the Investors, who are the owners of the Notes according to the Register's information as at 8:00 (i.e. 8 am) 3 Banking Days before the Maturity Date or Early Redemption Date, as applicable.
- 13.6. Following the receipt of the complete Redemption Price payments in the Investors' current accounts the Notes shall be considered redeemed to the relevant extent.
- 13.7. Following the receipt of Redemption Price payments that do not involve repayment of full outstanding principal, the Nominal Value of the Notes shall be reduced in the amount of the repaid principal. The Issuer shall arrange amendment of the Nominal Value of the Notes in the Register. The Investors are obligated to co-operate with the Issuer and do all actions reasonably required for reducing the Nominal Value of the Notes in the Register.
- 13.8. Following the receipt of Redemption Price payments that involves the repayment of full outstanding principal, the Issuer shall arrange deletion of the redeemed Notes from the Register. The Issuer may choose not to delete



the Notes from the Register in case of early redemption of the notes in accordance with above Section 13.3 of these Terms. The Investors are obligated to co-operate with the Issuer and do all actions reasonably required for deleting the Notes from the Register.

- 13.9. In relation to previous Sections 13.7 and 13.8 of these Terms the Issuer shall be entitled to take any and all actions necessary (including but not limited to submitting relevant applications to the Register) to cause of either registration of reduction of the Nominal Value of the Notes with the Register or deletion of the Notes from Register. Investors acknowledge and confirm that the Issuer will not need any further consent or authorisation from the Investors (including Majority Investors) to carry out any action related to the same.
- 13.10. The Issuer shall withhold income tax, if pursuant to the legal acts effective in the Estonia, income tax is to be withheld from the payments related to the Notes.

#### **14. EXTRAORDINARY EARLY REDEMPTION**

- 14.1. An Investor shall have the right, but not the obligation, to demand immediate redemption of the Notes held by the Investor upon occurrence of any of the following circumstances (i.e. Extraordinary Early Redemption Event):
- 14.1.1. the Issuer has not paid the interest payments in full amount for more than 5 Banking Days from the relevant Interest Payment Date;
- 14.1.2. the Issuer has not paid the payments to be made on the Early Redemption Date in full amount for more than 5 Banking Days from the relevant Early Redemption Date;
- 14.1.3. an insolvency claim (in Estonian: *pankrotiavaldus*; in Lithuanian: *pareiškimas dėl bankroto bylos iškėlimo*) has been submitted in respect of the Issuer or Promalita UAB and the competent Estonian court has accepted the insolvency claim (in Estonian: *menetlusse võtma*) or the competent Lithuanian court has decided to initiate the bankruptcy proceedings (in Lithuanian: *nutartis iškelti bankroto bylą*);
- 14.1.4. the Issuer breaches any of the covenants set forth in Section 3.4 of these Terms;
- 14.1.5. the Issuer or Promalita UAB has filed for liquidation with the appropriate state authorities of Estonia or Lithuania, as applicable;
- 14.1.6. the Collateral Provider fails to enter into Collateral Agreement within the term specified in Section 11.1 of these Terms;
- 14.1.7. the Issuer has not provided its quarterly report to the Investors and the Collateral Agent in accordance with Section 3.5.1 of these Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice;

- 14.1.8. the Issuer has not provided documents described in Section 3.5.2 of these Terms in accordance with these Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice.
- 14.2. The Issuer shall immediately notify the Collateral Agent and the Investors of the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Collateral Agent and the Investors shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur. In case the Issuer has informed only the Collateral Agent, the Collateral Agent shall inform the Investors of occurrence of an Extraordinary Early Redemption Event.
- 14.3. If an Investor receives information about occurrence of a possible Extraordinary Early Redemption Event from other sources than the Issuer, then the Investor is entitled to ask the Issuer by submitting a letter to the Issuer to confirm or reject this information (the Investor shall provide a copy of such letter also to the Collateral Agent). The Issuer shall reply to the Investor in writing (i.e. Rejection). If the Issuer does not respond to the question asked by the Investor under this Section with the Rejection within 5 Banking Days from the receipt of the Investor's question, then the Extraordinary Early Redemption Event on the ground as set forth in the question of the Investor is deemed to have occurred on the day the period of 5 Banking Days referred above expires.
- 14.4. 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 the inquiry sent by the Investor to the Issuer pursuant to Section 14.3 of these Terms submits a Rejection and therein provides a reasoned explanation and grounded documentary evidence proving the non-occurrence of the Extraordinary Early Redemption Event referred to in Section 14.1, the Extraordinary Early Redemption Event is considered not to have occurred. A copy of the Rejection shall be sent to all Investors and to the Collateral Agent.
- 14.5. If the Majority Investors acting in good faith, within 10 Banking Days from the date the Issuer sent the Rejection to the Investors under Section 14.3 of these 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. A copy of the respective notification shall be sent to all Investors and to the Collateral Agent.
- 14.6. The Issuer shall inform the Investors and the Collateral Agent whether or not the Extraordinary Early Redemption Event has occurred on the basis of procedure set forth in Sections 14.3 to 14.5 of these Terms within 3 Banking Days from:

- 14.6.1. expiry of the 5 Banking Days term for submitting the Rejection as response to the question asked by the Investor described in Section 14.3 of these Terms, unless the relevant Investor has received the Rejection during this term, (in which case the Extraordinary Early Redemption Event is deemed to have occurred);
  - 14.6.2. receipt by the Issuer of the notification described in the above Section 14.5 of these Terms (in which case the Extraordinary Early Redemption Event is deemed to have occurred);
  - 14.6.3. expiry of the 10 Banking Days term for submitting the notification described in the above Section 14.5 of these Terms, unless the Issuer has received the relevant notification during this term (in which case the Extraordinary Early Redemption Event is deemed not to have occurred).
- 14.7. If an Investor applies for extraordinary early redemption of the Notes under Section 14.1 of these Terms, such Investor shall submit a respective application to the Issuer (i.e. Extraordinary Early Redemption Application), indicating the grounds for requesting extraordinary early redemption. The Extraordinary Early Redemption Application can be submitted following (a) Issuer's notification about occurrence of the Extraordinary Early Redemption Event or (b) inquiry sent by the Investor to the Issuer under Section 14.3 of these Terms to which the Issuer has not filed Rejection during the term set forth in Section 14.4 of these Terms or (c) notification sent by the Majority Investors under Section 14.5 of these Terms.
- 14.8. The Investor shall lose the right to submit an Extraordinary Early Redemption Application in case the Investor has not submitted the Extraordinary Early Redemption Application within 2 months from the date the Investor became entitled to submit such Extraordinary Early Redemption Application under Section 14.7 of these Terms.
- 14.9. The Issuer shall immediately inform other Investors and the Collateral Agent of the Extraordinary Early Redemption Application filed by the Investor. The Issuer is not obligated to inform the Investors of the submission of the Extraordinary Early Redemption Application, if within 30 Banking Days prior to submission of such Extraordinary Early Redemption Application the Investors have been informed of submission of another Extraordinary Early Redemption Application.
- 14.10. Upon submission of the Extraordinary Early Redemption Application, the Issuer shall pay the Redemption Price for the Notes subject to extraordinary early redemption to the relevant Investor within 10 Banking Days after the receipt of the Application. The 10<sup>th</sup> Banking Day calculated from the day following the day of receipt of the Extraordinary Early Redemption Application shall be the Extraordinary Early Redemption Date with regard to the Notes subject to extraordinary early redemption. The Redemption Price

payable to the Investor on the Extraordinary Early Redemption Date shall be determined following the rules set forth in Section 13.2 of these Terms and the payment of the Redemption Price shall be executed in accordance with the relevant rules set forth in Section 13 of these Terms to the Investor(s) requesting extraordinary early redemption.

- 14.11. If the Investor, who has submitted the Extraordinary Early Redemption Application, transfers, fully or partially, the Notes subject to extraordinary early redemption to another person before the time designated in Section 13.5 of these Terms, the Extraordinary Early Redemption Application shall be considered waived in respect of transferred Notes.
- 14.12. Notwithstanding the above, if the Majority Investors in accordance with Section 11.3.2 of the Terms have instructed the Collateral Agent to enforce the Collateral, all Notes shall be subject to extraordinary early redemption and the date of adoption of such decision by the Majority Investors shall be considered the Early Maturity Date with regard to all such Notes that have not yet matured.
- 14.13. Subject to Section 14.8 of these Terms, if the Investor does not use the right or remedy arising from the Notes, this shall not be deemed waiver of such right or remedy, and the separate or partial use of any of the rights or remedies shall not prevent further or repeated use of the respective right or remedy or the use of any other right or remedy. The rights and remedies applicable to the Notes are accruing and do not exclude any other rights or remedies established by law.

## **15. AMENDING THESE TERMS**

- 15.1. These Terms can be amended pursuant to the procedure set forth in this Section.
- 15.2. The Issuer may apply for the consent of the Investors to alter the Terms via amending the Final Terms (waiver). To apply for the waiver, the Issuer shall submit an application for the waiver to the Investors, setting out at least the following information:
  - 15.2.1. a description of the changes applied for;
  - 15.2.2. a reason for the changes applied for;
  - 15.2.3. the term within which the Investor can grant the waiver to the Issuer or refuse to grant the waiver;
  - 15.2.4. instructions concerning notification about the granting of the waiver to the Issuer or refusal to grant the waiver;
  - 15.2.5. 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;

15.2.6. contact details of the Issuer to be used for notification.

- 15.3. The term allowed for Investor to decide upon refusal 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. 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 10 Banking Days to offer Investors (other than Related Parties and the Issuer) who did not agree to grant the waiver to redeem the Notes at the Redemption Price.
- 15.4. All amendments and supplements to these Terms shall enter into force as of the moment of signing the amendments by the Issuer, the Collateral Agent and from issuing the waivers by the Majority Investors 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.
- 15.5. Sections 15.1- 15.4 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.
- 15.6. Sections 15.1- 15.4 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 Investors, if such amendment would change the scope of rights and obligations of the Collateral Agent arising to it from the Terms.
- 15.7. The Issuer is entitled to amend these Terms accordingly and shall inform the Investors of any changes immediately after any such change has become effective or, in case of Section 15.5, immediately after the Collateral Agent or the Collateral Provider has notified the Issuer thereof.

## **16. FINAL PROVISIONS**

- 16.1. These Terms, the Final Terms, rights and obligations arising from the Notes shall be governed by Estonian law.
- 16.2. 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*).

- 16.3. In the event of inconsistency between the provisions of the Final Terms and the provisions of these Terms, the Final Terms shall prevail.
- 16.4. 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.
- 16.5. All notices and documents to the Investors under these Terms shall be sent by post or e-mail unless otherwise provided for in these Terms. 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.
- 16.6. All notices are deemed received after reasonable time has passed from sending these.