

**TERMS AND CONDITIONS FOR  
BALTIC HORIZON FUND  
EUR 42,000,000  
FLOATING RATE BONDS 2023/2028  
(AS AMENDED AND RESTATED ON 30 September 2024)**

**ISIN: EE3300003235**

*Other than the registration of the Bonds under Estonian law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required.*

*The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. person*

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*Pursuant to these terms and conditions (the “**Terms and Conditions**”) Northern Horizon Capital AS (registry code: 11025345; address: Tornimäe 2, 10145 Tallinn, Estonia) on the account of Baltic Horizon Fund, a public closed-ended contractual real estate investment fund registered in the Republic of Estonia (the “**Issuer**”) will issue bonds governed by the laws of Estonia and representing direct and general debt obligations of the Issuer which shall be, for a limited period of time, secured by a collateral as stipulated in these Terms (“**Bonds**”).*

**1. DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

In these Terms and Conditions:

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially Triniti Collateral Agent IX OÜ with registration code 16624814 and registered address at Türitn 7, 11314, Tallinn, Republic of Estonia. For the avoidance of doubt, (initially) the Agent and the Collateral Agent roles are being fulfilled by the same legal person and they are referred to as separate persons within the meaning of these Terms and Conditions solely for the clarity purposes.

“**Agent Agreement**” means Collateral Agent Agreement to the extent it regulates the rights and obligations of the Agent (and not the Collateral Agent). For the avoidance of doubt, Agent Agreement and the Collateral Agent Agreement constitute one single agreement and are referred to as separate agreements within the meaning of these Terms and Conditions solely for the clarity purposes.

“**Bond**” means a debt obligation, for the Nominal Amount and of the type set forth in Section 2 (1) 2) of the Estonian Securities Market Act (in Estonian: *Väärtpaberituru seadus*), issued by the Issuer under these Terms and Conditions on the Issue Date.

**“Bond Documentation”** means the following documents: (i) these Terms and Conditions; (ii) upon of listing of the Bonds, the prospectus prepared in connection with such listing; (iii) the Collateral Agreement; (iv) the Collateral Agent Agreement; (v) the Agent Agreement; the (vi) the Subscription Order; and (vii) the subordination agreement to be entered into in accordance with Clause 3.2.

**“Business Day”** means a day other than a Saturday, Sunday, a national or a public holiday in Estonia.

**“Business Day Convention”** means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

**“Collateral”** means the security interests listed in Clause 10.2, which shall be established in favour of the Collateral Agent as the pledgee acting in the interests of the Holders in accordance with these Terms and Conditions and the Collateral Agent Agreement.

**“Collateral Agent”** means the collateral agent holding the Collateral for the Holders; initially Triniti Collateral Agent IX OÜ with registration code 16624814 and registered address at Türi tn 7, 11314, Tallinn, Republic of Estonia.

**“Collateral Agent Agreement”** means the agreement entered into on or before the Issue Date 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 Conditions and the Collateral Agreement.

**“Collateral Agreement”** means the agreement entered into on or before the Issue Date between the Collateral Agent, the Issuer and the Collateral Provider for the establishment of the Collateral, as well as any agreements for the amendment of the agreements for the establishment of the Collateral and any and all other documents made or to be made in relation such agreement.

**“Collateral Provider”** means of BH Meraki UAB, a company incorporated under the laws of Lithuania, registered in the Lithuanian commercial register with registry code 304875582.

**“Compliance Certificate”** means a certificate, in form and substance reasonably satisfactory to the Agent, signed by an authorised signatory of the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it..

**“CSD”** means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Nasdaq CSD SE Estonian branch, reg. no. 14306553, address Maakri 19/1, 10145 Tallinn, Estonia.

**“Debt Service Coverage Ratio”** means EBITDA divided by the principal payments of interest-bearing debt obligations and the amount of interest expenses, based on a rolling twelve-month basis, calculated in accordance with the latest consolidated Financial Report.

**“De-listing Event”** means the situation where (i) the Issuer’s fund units are no longer listed and admitted to trading on Nasdaq Tallinn or any other Regulated Market; or (ii) trading of the Issuer’s listed fund units on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days (when Nasdaq Tallinn or the relevant Regulated Market (as applicable) is at the same time open for trading); or (iii) trading in the Bonds of the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when Nasdaq

Tallinn or the relevant Regulated Market (as applicable) is at the same time open for trading).

**“Determination Date”** means a date two Business Days prior to the new Interest Period.

**“EBITDA”** means, in respect of Relevant Period, the operating profit of the Group determined in accordance with the Accounting Principles plus depreciation minus extraordinary incomes and valuations plus extraordinary expenses.

**“Equity”** means the aggregate book value of the Group’s total equity on a consolidated basis according to the latest Financial Report.

**“Equity Ratio”** means the ratio of the Issuer’s Equity divided by Total Assets.

**“EUR”** means the lawful currency of Estonia.

**“EURIBOR”** means:

- (a) the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) (**“Screen Rate”**). If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Holders;
- (b) (if no Screen Rate referred to in item (a) above is available for the relevant period) the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between: (i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant period; and (ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant period, (**“Interpolated Screen Rate”**); or
- (c) (if no Screen Rate referred to in item (a) above is available for the relevant period and it is not possible to calculate an Interpolated Screen Rate), the rate with which the Screen Rate is replaced by majority of Estonian commercial banks as the new market practice, as determined by the Agent, on the Determination Date for euro and for a period equal in length to 3 months and, if that rate is less than zero, the rate shall be deemed to be zero.

**“Event of Default”** means an event or circumstance specified in Clause 14.1.

**“Final Redemption Date”** means 8 May 2028.

**“Financial Indebtedness”** means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account), excluding any derivative transactions that would not bring along any additional liability exposure (including, but not limited to hedge caps) ;
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a) to (f).

For the avoidance of doubt, deferred tax liability shall not be treated as Financial Indebtedness.

**“Financial Report”** means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to item (a) and (b) under Clause 13.12 (*Financial reporting*). **“Group”** means the Issuer and all the Subsidiaries from time to time (each a **“Group Company”**).

**“Holder”** means the Person who is a registered holder of a Securities Account where Bonds are registered or the Person whose Bonds are registered on a nominee account.

**“Holders’ Meeting”** means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.4.

**“Interest Payment Date”** means 8 May, 8 August, 8 November and 8 February each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date being 8 August 2023 and the last Interest Payment Date being the Final Redemption Date).

**“Interest Period”** means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Interest Rate”** means a floating rate of 8% + EURIBOR 3-months *per annum*.

**“Issue Date”** means 8 May 2023.

**“Issuer”** means Baltic Horizon Fund, a public closed-ended contractual real estate investment fund registered in Estonia. Fund rules of the Issuer were registered with the Estonian Financial Supervision and Resolution Authority on 23 May 2016. Northern Horizon Capital AS, registry code 11025345, is acting as the management company of the Issuer and the management board members of the management company are acting as representatives of the Issuer.

**“Issuing Agent”** means Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch, registered at Konstitucijos ave. 21A, 03601 Vilnius, Lithuania, reg no. 304870069 or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**“Listing Failure”** means a situation where the Bonds issued on the Issue Date have not been listed on the Baltic Bond List of Nasdaq Tallinn (or any other Regulated Market) within six (6) calendar months after the Issue Date.

**“Market Loan”** means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Tallinn or any other Regulated Market or unregulated recognised market place.

**“Material Adverse Effect”** means a material adverse effect on (i) the business, property, financial condition, prospects or operations of the Issuer, any Group Company or Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other obligations under these Terms and Conditions (iii) the Collateral Provider’s ability or willingness to perform and comply with its obligations under the Collateral Agreement, (iv) the validity or enforceability of these Terms and Conditions or other Bond Documentation, (v) the value, validity or enforceability of the Collateral, or (vi) rights or remedies of the Holders under the Bond Documentation.

**“Nasdaq Tallinn”** means the Regulated Market of Nasdaq Tallinn Aktsiaselts, reg. no. 10359206, Maakri tn 19/1, 10145 Tallinn, Estonia.

**“Net Proceeds”** means the proceeds from the Bonds issued on the Issue Date which, after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent and Sole Bookrunner for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (Use of proceeds).

**“Nominal Amount”** has the meaning set forth in Clause 2.1.

**“Outstanding Bonds”** means the Issuer’s currently outstanding bonds with an ISIN code of EE3300111467.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, unincorporated organisation, contractual fund, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

**“Parallel Debt”** means a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Collateral Agent set forth in Clause 11.

**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred under or in connection with the Bonds issued on the Issue Date (including any derivative transaction entered into in connection with protection against or benefit from fluctuation in Interest Rate of the Bonds)
- (b) incurred in order to refinance all the Bonds simultaneously or any other Financial Indebtedness of the Issuer existing on the Issue Date as disclosed separately to the Holders subscribing the Bonds before the Issue Date, whereby, for the

avoidance of doubt, excluding Financial Indebtedness to finance the partial redemption of Bonds (including, under Clause 12.4);

- (c) taken up from a Group Company;
- (d) incurred additionally by any Subsidiary (other than the Collateral Provider) provided that financial covenants set forth in Clause 13.3.1 are tested and met pro forma including such incurrence;
- (e) incurred in order to refinance any current Financial Indebtedness of any Subsidiary (other than the Collateral Provider);
- (f) for (i) which the Issuer has received a prior consent from the Holders in a format which can be reproduced in writing, and (ii) which is subordinated to the Bonds.

**“Record Date”** means the fifth (5<sup>th</sup>) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 15 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Estonian bond market.

**“Redemption Date”** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Bonds*).

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Relevant Period”** means each period of twelve (12) consecutive calendar months.

**“Sanctioned Person”** shall mean any person who is a designated target of Sanctions or is otherwise a subject of Sanctions (including as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organised under the laws of, or a resident of, any country that is subject to general or country-wide Sanctions).

**“Sanctions”** shall mean any economic or financial sanctions, law, regulations, trade embargoes or similar restrictive measures (including measures in relation to the financing of terrorism) enacted, administered or enforced by any of the following (or by any agency of any of the following):

- (a) the United Nations and any agency or Person which is duly appointed, empowered or authorised by the United Nations to enact, administer, implement and/or enforce such measures;
- (b) the United States of America, its government and any department, division, agency or office thereof, including OFAC, the United States Department of State and/or the United States Department of Commerce;
- (c) the European Union or any present or future member state thereof, and any agency or Person which is duly appointed, empowered or authorised by the European Union to enact, administer, implement and/or enforce such measures; or
- (d) the United Kingdom.

**“Secured Obligations”** means any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or



in any other capacity) owed by the Issuer, any member of the Group or any Collateral Provider to the Secured Parties under these Terms and Conditions, the Collateral Agreement and the Collateral Agent Agreement, including but not limited to the obligations arising from the Bonds and the Parallel Debt.

**“Secured Parties”** means the Holders and the Collateral Agent.

**“Securities Account”** means the account for dematerialised securities maintained by the CSD pursuant to the Securities Register Maintenance Act in which (i) an owner of such security is directly registered as a holder of the securities account or (ii) an owner’s holding of securities is registered in the name of a nominee in a nominee account.

**“Securities Markets Act”** means the Estonian Securities Markets Act (in Estonian: *väärtpaberituru seadus*).

**“Securities Register Maintenance Act”** means the Estonian Securities Register Maintenance Act (in Estonian: *väärtpaberite registri pidamise seadus*).

**“Sole Bookrunner”** means Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch, registered at Konstitucijos ave. 21A, 03601 Vilnius, Lithuania, reg no. 304870069.

**“Subscription Order”** means a document, which is submitted by an investor to the Issuer substantially in the form set out in Annex 1 to these Terms and Conditions, and in which the investor expresses a wish to acquire, through primary distribution, a certain amount of the Bonds and, subject to specified conditions precedent, undertakes to pay the issue price for the number of Bonds indicated in the Subscription Order.

**“Subsidiary”** means, in relation to the Issuer, any legal entity, in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

**“Total Assets”** means the aggregate book value of the Group’s total assets on a consolidated basis according to the latest Financial Report.

**“Transaction Costs”** means all fees, costs and expenses incurred by the Issuer in connection with (i) the issue of the Bonds and (ii) the listing of the Bonds on Nasdaq Tallinn.

**“Website”** means Issuer’s website (<https://www.baltichorizon.com/>)

**“Written Procedure”** means the written or electronic procedure for decision making among the Holders in accordance with Clause 18 (*Written Procedure*).

## 1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “assets” includes present and future properties, revenues and rights of every description;

- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “regulation” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Estonian local time (EET and EEST respectively).

1.2.2 An Event of Default is continuing if it has not been waived.

1.2.3 When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Estonia promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## **2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

2.1 The total aggregate Nominal Amount of the Bonds is EUR 42,000,000 which are represented by Bonds, each initially of a nominal amount of EUR 100,000 or full multiples thereof (the “**Nominal Amount**”). The Nominal Amount will be reduced respectively in case of mandatory early redemption in accordance with Clause 12.4.

2.2 All Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent of the Nominal Amount.

2.3 The ISIN for the Bonds is EE3300003235.

2.4 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.

2.5 The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions.

2.6 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

2.7 By subscribing for the Bonds, each Holder agrees to, subject to agreed conditions precedent, pay for the subscribed Bonds using the payment method as agreed between the Issuer and the Holder. For the avoidance of doubt, the Issuer and the Holder may also agree that the Outstanding Bonds held by the Holder will be replaced with the new Bonds to be issued by the Issuer on or before the maturity date of the Outstanding Bonds and therefore used as a payment method for the new Bonds (i.e., rolling over the Outstanding Bonds). If this is the case then a set-off of the claims between the Holder and the Issuer arising from (i) the payment obligation of the

principal value of the Outstanding Bonds (i.e., without accrued but unpaid interest); and (ii) the payment obligation for the new Bonds shall take place, as in more detail specified in the Subscription Order.

- 2.8 Provided that the Holder and the Issuer have additionally agreed on the replacement specified in Clause 2.7, only the nominal value of the Outstanding Bonds may be used as a payment method for the new Bonds.

**3. STATUS OF THE BONDS**

- 3.1 Without prejudice to the effect of Collateral, the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them, except as provided in Clauses 3.2 and 3.3.

- 3.2 The Issuer undertakes to ensure all claims arising from any credit agreements with Group Companies are subordinated to the claims of the Holders deriving from these Terms and Conditions and may only be paid in case no Event of Default is continuing and the payments under the credit agreements with Group Companies do not cause an Event of Default under these Terms and Conditions. For that purpose a subordination agreement will be entered into between the Issuer, the Collateral Agent and other Group Companies on the terms satisfactory to the Holders within 10 (ten) Business Days as of the Issue Date.

- 3.3 Notwithstanding what has been stipulated in Clause 3.1, the Issuer shall establish a Collateral for the Bonds in accordance with the terms of these Terms and Conditions which may be subject to release in accordance with Clause 10.2.

**4. USE OF PROCEEDS**

- 4.1 The Net Proceeds from the Bonds issued on the Issue Date shall be used towards refinancing existing interest bearing debt obligations (incl. redemption of Outstanding Bonds with ISIN code EE3300111467).

**5. THE BONDS AND TRANSFERABILITY**

- 5.1 Each Holder, the Issuer the Agent and the Collateral Agent is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee (except the right to payments to the Holders that have become due prior to the transfer).

- 5.4 No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Estonia, where action for that purpose is required. Each Holder must ensure compliance with such restrictions at its own cost and expense.

- 5.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be

entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

**6. BONDS IN BOOK-ENTRY FORM**

6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Securities Register Maintenance Act.

6.2 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain the list of the Holders from the Estonian register of securities kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

6.3 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Estonian register of securities kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from Estonian register of securities as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the Estonian register of securities and provide it to the Agent.

6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Estonian register of securities kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

6.5 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the Estonian register of securities kept by the CSD in respect of the Bonds and provide it to the Agent.

6.6 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 6.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

**7. RIGHT TO ACT ON BEHALF OF A HOLDER**

7.1 If any Person other than a Holder wishes to exercise any rights of the Holder under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney) digitally signed with qualified electronic signature by the Holder or duly notarised, a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

7.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder.

7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 7.1 and 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or notified to the Agent.

**8. PAYMENTS IN RESPECT OF THE BONDS**

- 8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date. Any payment from the Issuer or Collateral Provider to the Holder, Agent or Collateral Agent under the Bond Documentation shall be considered as duly made as from the moment when the respective amount has been irrevocably received on the relevant recipient's bank account.
- 8.2 Any payments will be transferred by the CSD to the Holder (directly or through its securities account manager) registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle not related to the CSD, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed. For the avoidance of doubt, any such delay will be considered as late payment by the Issuer for the purposes of Clause 9.5.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, any such delay will be considered as late payment by the Issuer for the purposes of Clause 9.5.
- 8.4 The Issuer shall pay any registration fee and other public fees accruing in connection with the issue of the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable law) and shall deduct at source any applicable withholding tax payable pursuant to law. If, as a result of any change in, or amendment to, the laws or regulations applicable in Estonia, which change or amendment becomes effective on or after the Issue Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date, any additional cost (including, reduction of any receivable) incurred by the Holder in relation to the Bonds, the Issuer shall reimburse such additional cost by increasing payments under the Bonds to the extent necessary to ensure that the Holder receives a sum net of any cost, deduction or withholding equal to the sum which it would have received had no such additional cost been incurred by the Holder.

**9. INTEREST**

- 9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 9.2 The Interest Rate shall be increased by 250 (two hundred fifty) basis points in case of any Event of Default has occurred under these Terms and Conditions. The increased Interest Rate under this Clause shall be applied as of the calendar day when the Event of Default occurred until the end of the Interest Period during which the Event of Default ceased to continue.
- 9.3 Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.4 Interest shall be determined on the basis of actual number of days in a time period, over the 365-days calendar year, i.e. a day count convention of ACT/365 shall be used.

9.5 If the Issuer fails to pay any amount payable (except Interest and default interest) by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at the rate of 0.1% of the delayed amount per each delayed day. Accrued default interest which remains unpaid will be capitalised on the last day of each calendar month.

## **10. ESTABLISHMENT, RELEASE AND REALISATION OF THE COLLATERAL**

10.1 For the purpose of constituting security for the due and punctual payment, discharge and performance of the Secured Obligations, the Issuer shall arrange establishing of the Collateral, on or before the Issue Date in favour of the Collateral Agent acting in the interests and/or (as may be applicable) on behalf of the Holders. The Collateral Agent shall hold the Collateral in the interests of the Holders in accordance with these Terms and the Collateral Agent Agreement. For the avoidance of doubt, the Holders subscribing for the Bonds will not be obliged to pay the subscription price unless the Collateral has been duly established and (where applicable) registered.

10.2 The Issuer shall procure the conclusion by the Collateral Provider of the Collateral Agreement for the establishment of a first ranking mortgage over the immovable property owned by the Collateral Provider and located at Eitminų str. 3, Vilnius, Lithuania registered in the Lithuanian land register with the following registered immovable numbers: 44/2350555, 44/2804952, 44/2804953, 44/2760557, 44/2760558, 44/2760559. Provided that the mandatory partial early redemption of the Bonds as stipulated in Clause 12.4 has been completed in full, the Collateral Agent shall give consent and take immediately all actions that the Collateral Agent as the holder of the Collateral should reasonably take with the purpose to release the Collateral at the cost of the Collateral Provider.

10.3 The Collateral Agent shall enforce the Collateral according to the terms and conditions and procedure provided for in the Collateral Agreement after the Agent has terminated the Bonds and declared the Bonds due for payment pursuant to Clause 14.1.

## **11. PARALLEL DEBT**

11.1 Notwithstanding any other provision of the Terms and Conditions, for the purpose of (i) enforcing the Collateral by the Collateral Agent, (ii) ensuring and preserving the enforceability of the Collateral, and (iii) performing other duties of the Collateral Agent under the Bond Documentation, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Holders, the amounts equal to and in the currency of each amount payable by the Issuer to each of the Holder (whether present or future and whether actual or contingent) under the Terms and Conditions and other provisions of the Bond Documentation, as and when the amount falls due for payment under the Terms and Conditions and other provisions of the Bond Documentation.

11.2 Without limiting and in addition to the above, the Collateral Agent shall be a solidary (joint) creditor (in Estonian: *solidaarvõlausaldaja*) (together with the Holders) of each and every obligation (whether present or future and whether actual or contingent) of the Issuer to the Holders or any of them and, accordingly, the Collateral Agent may demand the performance by the Issuer of any of those obligations. The Collateral

Agent shall apply any amount received by it in the capacity of the joint creditor towards the discharge of the Secured Obligations and distributing among the Holders in accordance with the Terms and Conditions and other provisions of the Bond Documentation.

- 11.3 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 Holders under the Terms and Conditions or in the amount the payments have been made by the Collateral Agent to the Holders in case the Collateral Agent has enforced the Collateral, 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.
- 11.4 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 Holders under the Terms and Conditions 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.
- 11.5 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 Holders in accordance with the Terms and Conditions.
- 11.6 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 to the Holders under the Terms and Conditions become due and payable.
- 11.7 The Parallel Debt is the acknowledgement of obligation (in Estonian: *võlatunnistus*) within the meaning of § 30 of the Law of Obligations Act; For the purpose of clarification, the Parallel Debt is constitutive acknowledgement of obligation (in Estonian: *konstitutiivne võlatunnistus*) and the Issuer and Holders acknowledge that their actual mutual will is to create an obligation of the Issuer towards the Collateral Agent that is separate and independent from the obligations of the Issuer to the Holders and that, to evidence the right to enforce the Parallel Debt, the Collateral Agent shall not be obliged to produce any additional document or evidence other than these Terms and Conditions.

## **12. REDEMPTION AND REPURCHASE OF THE BONDS**

### **12.1 Redemption at maturity**

Subject to provisions of this Clause 12 and Clause 14, the Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds.

**12.2 The Group Companies' purchase of Bonds**

Each Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained, sold, or cancelled. In case the aggregate Nominal Amount of the Bonds to be held by the Group Companies after such purchase would exceed five (5) per cent of the aggregate Nominal Amount of all the Bonds, Issuer will be obliged to inform all the Holders about the purchase and repurchase on pro rata basis Bonds from all Holders who have notified the Issuer about their relevant intent within ten (10) Business Days after the date of the Issuer's notice. Without prejudice to the determination principle of the Adjusted Nominal Value as per its definition, the Group Companies and their Affiliates holding the Bonds shall have no voting and similar rights upon adopting any resolution of the Holders and the Bonds held by such persons shall not be considered upon determining the quorum for such voting and resolutions.

**12.3 Early voluntary redemption by the Issuer (call option)**

**12.3.1** The Issuer may redeem all, but not only some (unless otherwise explicitly stipulated in these Terms and Conditions), of the Bonds in full:

- (a) on any Business Day falling after the date falling 30 (thirty) months before the Final Redemption Date, at a price equal to one hundred and four (104.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds;
- (b) on any Business Day falling after the date falling 27 (twenty seven) months before the Final Redemption Date, at a price equal to one hundred and three point five (103.50) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds;
- (c) on any Business Day falling after the date falling 24 (twenty four) months before the Final Redemption Date, at a price equal to one hundred and three (103.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds;
- (d) on any Business Day falling after the date falling 21 (twenty one) months before the Final Redemption Date, at a price equal to one hundred and two point five (102.50) per cent. of the Nominal Amount together with accrued but unpaid Interest;
- (e) on any Business Day falling after the date falling 18 (eighteen) months before the Final Redemption Date, at a price equal to one hundred and two (102.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds;
- (f) on any Business Day falling after the date falling 15 (fifteen) months before the Final Redemption Date, at a price equal to one hundred and one point five (101.50) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds;
- (g) on any Business Day falling after the date falling 12 (twelve) months before the Final Redemption Date, at a price equal to one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds.

**12.3.2** Redemption in accordance with Clause 12.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such



notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

**12.4 Mandatory early redemption by the Issuer (mandatory call)**

12.4.1 Regardless of what has been stipulated in Clause 12.3.1 the Issuer shall redeem the outstanding Bonds with a total aggregate Nominal Amount of EUR 23,000,000 within the following terms:

- (a) Bonds with a total aggregate Nominal Amount of EUR 12,000,000 within the first year as of the Issue Date as in more detail specified in Clauses 12.4.2 and 12.4.4.
- (b) Bonds with a total aggregate Nominal Amount of EUR 8,000,000 at the latest on 8 July 2024 as in more detail specified in Clauses 12.4.2 and 12.4.4.
- (c) Bonds with a total aggregate Nominal Amount of EUR 3,000,000 at the latest on 7 November 2025 as in more detail specified in clauses 12.4.3 and 12.4.4.

12.4.2 The Issuer may redeem the Bonds with a total aggregate Nominal Amount of not exceeding EUR 20,000,000 (in full or in separate parts) on any Business Day falling after the Issue Date until (i) the Business Day immediately preceding the first anniversary of the Issue Date (in relation to redemption that is being carried out under Clause 12.4.1 (a)), or (ii) until (and including) 8 July 2024 (in relation to redemption that is being carried out under Clause 12.4.1 (b)) at a price per Bond equal to one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds plus early redemption premium which shall be zero point five (0.5) per cent for each full month (whereby partial months will considered as full months for the purposes of this Clause) from the date when the Issuer actually exercises the mandatory call until (A) the first anniversary of the Issue Date (in relation to redemption that is being carried out under Clause 12.4.1 (a)), or (B) until (and including) 8 July 2024 (in relation to redemption that is being carried out under Clause 12.4.1 (b)). For the avoidance of doubt, the early redemption premium under this Clause 12.4.2 and the accrued but unpaid Interest shall be calculated from the volume of the Bonds to be redeemed in accordance with this Clause 12.4.

12.4.3 The Issuer may redeem the Bonds with a total aggregate Nominal Amount of not exceeding EUR 3,000,000 (in full or in separate parts) on any Business Day falling after 8 November 2024 until (and including) 7 November 2025 (in relation to redemption that is being carried out under Clause 12.4.1 (c)) at a price per Bond equal to one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to the Bonds.

12.4.4 Unless already redeemed earlier under Clause 12.4, the Issuer shall redeem the Bonds with a total aggregate Nominal Amount of EUR 12,000,000 on the first anniversary of the Bonds, Bonds with a total aggregate Nominal Amount of EUR 8,000,000 at the latest on 8 July 2024 and Bonds with a total aggregate Nominal Amount of EUR 3,000,000 at the latest on 7 November 2025 with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to such Bonds.

- 12.4.5 The Issuer shall redeem the Bonds under this Clause 12.4 by way of decreasing the Nominal Amount of the Bonds, subject always to compliance with the rules of the stock exchange on which the Bonds have then been admitted to trading and Estonian register of securities. The Issuer shall procure that the relevant changes in the Estonian register of securities will be registered promptly after the decrease of the Nominal Amount.
- 12.4.6 In addition to what has been stipulated in Clause 12.4.2, upon completion of the mandatory early redemption in accordance with this Clauses 12.4.1(a)-(b), the Issuer shall pay to the Holders an amendment fee in the total amount of EUR 80,000 (i.e., total amount payable to all Holders jointly).
- 12.4.7 In addition to what has been stipulated in Clause 12.4.3, upon completion of the mandatory early redemption in accordance with this Clause 12.4.1(c), the Issuer shall pay to the Holders an amendment fee in the total amount of EUR 200,000 (i.e., total amount payable to all Holders jointly), payable at the time of the (final partial) payment of the early redemption amount.
- 12.4.8 Redemption in accordance with this Clause 12.4 shall be made in accordance with the procedure as stipulated in Clause 12.3.2.
- 12.5 **Mandatory repurchase due to a De-listing Event or Listing Failure (put option)**
- 12.5.1 Upon a De-listing Event or a Listing Failure occurring during the period from the Issue Date until the first anniversary of the Issue Date, each Holder shall have the right to request:
- (a) in relation to the Bonds that shall otherwise be redeemed in accordance with Clause 12.4, that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and two (102.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to such Bonds, Interest that was scheduled to accrue from the repurchase date until the first anniversary of the Issue Date (in case of Listing Failure or De-listing Event before the full early redemption in accordance with Clause 12.4 has been executed by the Issuer) and applicable call premium in accordance with Clause 12.4.2 (in case of Listing Failure or De-listing Event before the full early redemption in accordance with Clause 12.4 has been executed by the Issuer) during a period of ten (10) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 13.12.1 (g). The ten (10) calendar days' period may not start earlier than upon the occurrence of the De-listing Event or Listing Failure; and
  - (b) in relation to the Bonds that shall not otherwise be redeemed in accordance with Clause 12.4, that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and two (102.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to such Bonds, Interest that was scheduled to accrue from the repurchase date until the occurrence of the early voluntary redemption right pursuant to Clause 12.3.1 (a) and highest call premium specified in Clause 12.3 (or, in case the De-listing Event occurred after the voluntary redemption right pursuant to Clause 12.3.1 occurred, applicable call premium under Clause 12.3) during a period of ten (10) calendar days following receipt of a notice from the Issuer of the

relevant event pursuant to Clause 13.12.1 (g). The ten (10) calendar days' period may not start earlier than upon the occurrence of the De-listing Event.

- 12.5.2 Upon a De-listing Event occurring after the first anniversary of the Issue Date, each Holder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and two (102.00) per cent. of the Nominal Amount together with accrued but unpaid Interest and other amounts payable by the Issuer in relation to such Bonds, Interest that was scheduled to accrue from the repurchase date until the occurrence of the early voluntary redemption right pursuant to Clause 12.3.1 (a) and highest call premium specified in Clause 12.3 (or, in case the De-listing Event occurred after the voluntary redemption right pursuant to Clause 12.3.1 occurred, applicable call premium under Clause 12.3) during a period of ten (10) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 13.12.1 (g). The ten (10) calendar days' period may not start earlier than upon the occurrence of the De-listing Event.
- 12.5.3 The notice from the Issuer pursuant to Clause 13.12.1 (g) shall specify the repurchase date. If a Holder has so requested, the Issuer, or a Person designated by the Issuer (with the Issuer remaining liable for the payment of the repurchase amount in case such Person shall fail to pay that), shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 13.12.1 (g). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.5.1.
- 12.5.4 Any Bonds repurchased by the Issuer pursuant to this Clause 12.5 may at the Issuer's discretion be disposed of in accordance with Clause 12.2 (*The Group Companies' purchase of Bonds*).
- 12.5.5 Subject to the following sentence, the Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12.5, if a third party in connection with the occurrence of a De-listing Event or Listing Failure, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 12.5 (or on terms more favourable to the Holders) and purchases all Bonds validly tendered in accordance with such offer. Any Holder may refuse such offer at its absolute discretion. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 12.5 or the relevant Holder has refused the offer, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 12.5.6 The Issuer may not early redeem the Bonds otherwise than in accordance with this Clause 12 (except repurchase of Bonds by way of secondary market transaction as agreed between the Issuer and respective Holder). In case the Issuer prematurely redeems the Bonds otherwise than in accordance with Clause 12, the Issuer shall pay to the Holders for each Bond an amount payable in case of termination, as specified in Clause 14.8 and shall reimburse all other damages caused by such breach.

### **13. SPECIAL UNDERTAKINGS**

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 13.

#### **13.1 Listing of Bonds**

The Issuer shall ensure:

- (a) that the Bonds issued on the Issue Date are listed on the Baltic Bond List of Nasdaq Tallinn or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within six (6) months after the Issue Date; and
- (b) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

## **13.2 Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date.

## **13.3 Financial covenants**

13.3.1 The Issuer shall, during as long as any Bond is outstanding ensure compliance with the following financial covenants:

- (a) the Equity Ratio of the Group is above thirty five (35) per cent until the Collateral has been released in accordance with Clause 10.2 and thereafter above thirty seven point five (37.5) per cent;
- (b) the Debt Service Coverage Ratio of the Group (i) is above one point ten (1.10) until 31 December 2023 (inclusive), (ii) is above zero point eighty five (0.85) for the period of 1 January 2024 (inclusive) until 29 September 2024 (inclusive), (iii) is above zero point seventy five (0.75) for the period of 30 September 2024 (inclusive) until 30 June 2025 (inclusive), (iv) is above one point zero (1.00) for the period of 1 July 2025 (inclusive) until 30 September 2026 (inclusive), and (v) thereafter as of 1 October 2026 is above one point twenty (1.20);

13.3.2 The financial covenants set forth in Clause 13.3.1 shall be tested as at the end of each quarter and published in the quarterly Financial Reports of the Group.

13.3.3 Upon amendment of Clause 13.3.1(b), as decided upon by the Holders in September 2024, the Issuer shall pay to the Holders an amendment fee in the total amount of EUR 95,000 (i.e., total amount payable to all Holders jointly). The payment shall be made by the Issuer within 10 Business Days as of the respective decision of the Holders.

## **13.4 Property valuations**

13.4.1 The Issuer shall, at least once a year, procure that an external valuation report regarding the fair value of all of the properties (land and buildings) held by the Group is prepared by a reputable independent property advisor, such as Newsec Valuations, Colliers International Advisors, Oberhaus or any other reputable and licenced independent property advisor.

13.4.2 The Issuer shall further procure that the results of such valuation report as described in Clause 13.4.1, or (if available) any subsequent comparable valuation report(s) replacing such valuation report(s), are reflected in good faith and in accordance with the Group's valuation policy in the following Financial Report(s).

**13.5 Maintenance of Properties**

The Issuer shall, and shall procure that each Group Company will, keep the properties held by the Group in a good state of repair and maintenance subject to normal wear and tear and in accordance with normal market practice, and in such repair and condition as will enable the Issuer and each Group Company owning properties to comply in all material respects with the obligations under relevant rental agreements and in accordance with all applicable laws and regulations.

**13.6 Insurance Obligation**

The Issuer shall, and shall procure that each other Group Company will, keep the properties held by respective Group Company insured to the extent customary for similar properties and businesses on the relevant geographical market with one or more reputable insurers.

**13.7 Arm's length basis**

The Issuer shall, and shall procure that each other Group Company will, conduct all dealings with the direct and indirect shareholders of the Group Companies and/or any Affiliates of such direct and indirect shareholder's at arm's length terms or better for the Group.

**13.8 Disposals of assets**

The Issuer shall not, and shall procure that none of the Subsidiaries, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at a price, which is negotiated as a result of the tender and cannot be more than 10% lower than the latest available fair market value based on the valuation reports prepared by independent property advisors indicated in Clause 13.4.1 and on terms and conditions customary for such transaction and provided that the Issuer complies with the financial covenants as set in Clause 13.3 also after the intended disposal. In case the transaction is carried out at least at a price corresponding to the latest available fair market value based on the valuation reports prepared by independent property advisors indicated in Clause 13.4.1 and on terms and conditions customary for such transaction and provided that the Issuer complies with the financial covenants as set in Clause 13.3 also after the intended disposal, the tender requirement indicated in the previous sentence does not apply. The Issuer shall notify the Agent of any such transaction and provide the Agent with a confirmation regarding compliance with the financial covenants and copies of the relevant valuation reports. In case a Group Company wishes to dispose any of the substantial assets at a price more than 10% below fair market value a consent in the form of a decision by the Holders is required.

**13.9 No dividend payments and other distributions**

The Issuer shall not, as long as the Bonds are not redeemed in full, declare or pay any dividends upon its units or make any other distributions to its unitholders, unless:

- (a) there is no Event of Default under these Terms and Conditions; and
- (b) declaring or paying any dividends or making any other distributions to its unitholders does not bring along an Event of Default under these Terms and Conditions; and

- (c) declaring or paying any dividends or making any other distributions to its unitholders does not result in breaching any of the financial covenants as stipulated in clause 13.3.1 of these Terms and Conditions.

**13.10 No merger or demergers**

13.10.1 The Issuer shall not merge or demerge into any other Person without the prior written consent of the Agent.

13.10.2 The Issuer shall procure that any Group Company (other than the Issuer) shall not merge or demerge into a company which is not a Group Company and no decision concerning such merger or demerger is made, unless prior written consent (which shall not be unreasonably withheld or delayed) has been obtained from the Agent.

**13.11 Compliance with laws**

The Issuer shall, and shall procure that the other Group Companies:

- (a) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Tallinn or any other Regulated Market on which the Issuer's securities from time to time are listed; and
- (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

**13.12 Financial reporting**

13.12.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and, including a profit and loss account, a balance sheet, a cash flow statement and management review, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management review, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) until the Collateral has been released in accordance with Clause 10.2, prepare and make available the annual audited financial statements of the Collateral Provider and, including a profit and loss account, a balance sheet, a cash flow statement and management review, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (d) until the Collateral has been released in accordance with Clause 10.2, quarterly interim unaudited consolidated reports of the Collateral Provider, including a profit and loss account, a balance sheet, a cash flow statement and management review, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (e) issue a Compliance Certificate to the Agent at the Agent's reasonable request, within ten (10) calendar days from such request;
- (f) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;

- (g) promptly notify the Agent (and, as regards a De-listing Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a De-listing Event, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice (including, for the avoidance of doubt, calculations, figures and supporting documents in respect of the financial covenants as set forth in Clause 13.3.1);
- (h) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Tallinn (or any other Regulated Market, as applicable) (as amended from time to time) and the Estonian Investment Funds Act (in Estonian: *investeerimisfondide seadus*) (as amended from time to time); and
- (i) provide any other information to the Agent required by the rules and regulations of Nasdaq Tallinn.

13.12.2 The Issuer shall notify the Agent of any transaction referred to in Clause 13.8 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

13.13 **Negative Pledge**

The Issuer shall not, as long as the Bonds are not redeemed in full, create or permit to subsist any security over all or part the present or future assets of the Group as security for any debt, unless the security is or was created in the course of Permitted Debt (except for the loans between the Group Companies) while the financial covenants set forth in Clause 13.3.1 are met.

Notwithstanding what has been stipulated above, provided that the financial covenants set forth in Clause 13.3.1 are met, the Issuer shall be permitted to grant guarantees to secure the financial obligations of any Group Company with a total aggregate amount not exceeding EUR 30,000,000 at any relevant moment.

13.14 **Financial Indebtedness**

The Issuer shall not, as long as the Bonds are not redeemed in full, incur any additional Financial Indebtedness, unless (i) it is considered Permitted Debt under these Terms and Conditions, and (ii) incurring additional Financial Indebtedness does not result in breaching any of the financial covenants as stipulated in Clause 13.3.1.

13.15 **Loans out**

The Issuer shall not, as long as the Bonds are not redeemed in full, make available any loans to any other Person, unless (i) such loan is granted to another Group Company, and (ii) making such loan available does not bring along an Event of Default under these Terms and Conditions.

**13.16 Agent Agreement**

13.16.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

13.16.2 The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

**13.17 CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

**13.18 General warranties and undertakings**

The Issuer warrants to the Holders, the Collateral Agent and the Agent at the date of these Terms and Conditions and for as long as any of the Bonds are outstanding that:

- (a) The Issuer is a duly registered public closed-ended contractual real estate investment fund operating in compliance with the laws of Estonia;
- (b) Each Group Company and any Collateral Provider is a duly incorporated and validly existing legal person acting pursuant to the laws of its country of incorporation;
- (c) All the Issuer's obligations assumed under the Terms and Conditions are valid and legally binding to the Issuer and performance of these obligations is not contrary to law or the fund rules of the Issuer;
- (d) The Issuer has all the rights and sufficient authorizations to and the Issuer has performed all the formalities required for issuing the Bonds;
- (e) All information that is provided by the Issuer to the Agent or the Holders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
- (f) The Issuer and each Collateral Provider is solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer;
- (g) There are no legal or arbitration proceedings pending or initiated against the Issuer, any Group Company or Collateral Provider which may have, or have had significant effects on the Issuer's or Group's financial position or profitability;
- (h) There are no criminal or misdemeanour proceedings pending or initiated against the Issuer, any Group Company or Collateral Provider;
- (i) The Bonds are freely transferable and may be encumbered by the respective Holder;



- (j) The issuing of the Bonds and establishing and granting the Collateral and entry into, delivery and performance of any other obligations under the Bond Documentation (and allowing the same by the other Collateral Providers) does not harm the financial standing of the Issuer or any Collateral Provider nor the interests of their creditors;
- (k) The payment obligations of the Issuer under the Bonds and Bond Documentation will rank senior to the obligations of the Issuer (and, where applicable, other members of the Group) and (without prejudice to the effect of the Collateral) at least *pari passu* with the unsecured claims of all of their other creditors, except for claims mandatorily preferred by laws applicable to companies generally;
- (l) No Event of Default (without considering any qualifying conditions) exists or would reasonably be expected to occur as a result of issuing the Bonds; and
- (m) Neither the Issuer or any member of the Group nor any of its directors, officers, employees or agents, is a Sanctioned Person or has engaged in, nor intends to engage in the future in, any dealings, with, involving or for the benefit of a Sanctioned Person or has directly or indirectly entered into a business relationship with, or made any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person. The Issuer and each member of the Group, and to its knowledge, its directors, officers, employees and agents are in compliance with Sanctions.

#### 14. TERMINATION OF THE BONDS

14.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least twenty five (25.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 14.6 or 14.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration) (whereby such termination process may at any time suspended or cancelled by the Holders representing more than 2/3 of the Adjusted Nominal Amount, if:

- (a) **Non-payment:** The Issuer or Collateral Provider fails to pay an amount on the date it is due in accordance with these Terms and Conditions or other Bond Documentation unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under item (a) above, excluding with financial covenants as set out under item (c) below, unless the non-compliance is not committed intentionally or due to gross negligence, (ii) capable of being remedied and (iii) remedied within fourteen (14) calendar days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Financial covenants:** The Issuer does not comply with the financial covenants as set forth in Clause 13.3.1 unless the non-compliance is (i)

capable of being remedied and (ii) remedied within twenty (20) calendar days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;

(d) **Cross- Default:**

(i) Any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Group Company; or

(ii) any security interest (incl. any guarantee or suretyship) securing Financial Indebtedness over any asset of any Group Company is enforced,

provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to EUR 500,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(e) **Insolvency:**

Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness.

(f) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, voluntary liquidations) in relation to:

(i) bankruptcy, winding-up, dissolution, administration or reorganisation (in Estonian: *saneerimine*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company;

(ii) the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of any Group Company or any of its assets; or

(iii) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company;

(g) **Mergers and demergers:**

(i) A decision is made that any Group Company (other than the Issuer) shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or

(ii) the Issuer merges with any other Person (except when prior written consent of the Agent on the merger has been received by the Issuer) or is subject to a demerger;

- (h) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding EUR 200,000 and is not discharged within thirty (30) calendar days;
  - (i) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
  - (j) **Continuation of the business:** The Issuer or any other Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in paragraph (g) (*Mergers and demergers*) above, or (ii) a permitted disposal as stipulated in Clause 13.8 (*Disposals of assets*).
  - (k) **Misrepresentation:** any representation or statement made or deemed to be made by the Issuer is or proves to have been materially incorrect or misleading when made or deemed to be made.
- 14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently).
- 14.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 14.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to independently commence investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.
- 14.5 The Issuer is only obliged to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Tallinn (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the registration contract with Nasdaq Tallinn (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Tallinn (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 14.4.
- 14.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within ten (10) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from

the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated.

- 14.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated.
- 14.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9 If the Bonds are declared due and payable in accordance with this Clause 14, the Issuer shall redeem all Bonds at a price corresponding to (i) the Nominal Amount together with (ii) the accrued but unpaid interest and (iii) 1.5 times higher premium as would apply at the moment of redemption as per Clause 12.3.1 for the early redemption and (iv) if redemption takes place before the date falling 30 (thirty) months before the Final Redemption Date, the remaining scheduled payments of interest until the date falling 30 (thirty) months before the Final Redemption Date. For the avoidance of doubt, in case the Bonds are redeemed under this Clause before the date falling 30 (thirty) months before the Final Redemption Date the early redemption premium as per subsection (iii) above shall be calculated from the premium under Clause 12.3.1 (a).

**15. DISTRIBUTION OF PROCEEDS**

- 15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds and any proceeds received from an enforcement of the Collateral shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Collateral Agent, (iii) other costs, expenses and indemnities relating to the termination of the Bonds, the enforcement of the Collateral or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest and applied early redemption premiums under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

Any excess funds after the application of proceeds in accordance with items (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with items (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 15.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.3 Funds that (i) the Agent receives (directly or indirectly) in connection with the termination of the Bonds and (ii) the Collateral Agent receives (directly or indirectly) in connection with the enforcement of the Collateral constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

**16. DECISIONS BY HOLDERS**

- 16.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 16.5 The following matters shall require consent of Holders representing more than 2/3 of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:

- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
  - (b) a mandatory exchange of Bonds for other securities;
  - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
  - (e) amendments to the Clauses related to establishing and/or releasing the Collateral (including, for the avoidance of doubt, that in case the Holders' consent is required for releasing the Collateral in accordance with the Terms and Conditions, such consent may be given by the Holders representing more than 2/3 of the Adjusted Nominal Amount);
  - (f) amendments to the Collateral Agreements, Collateral Agent Agreement and Agent Agreement;
  - (g) amendments to Clause 12; or
  - (h) amend the provisions in this Clause 16.5.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than fifty five (55.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 19.1 (a), (b) or (c)) or a termination of the Bonds.
- 16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent., or, if the matter to be resolved on includes any of the matters mentioned in Clause 16.5, fifty five (55.00) per cent., of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

**17. HOLDERS' MEETING**

- 17.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 17.4 The Holders' Meeting shall be held no earlier than three (3) Business Days and no later than twenty (20) Business Days from the notice.

- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the representative of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include e.g. a possibility for Holders to vote without attending the meeting in person, holding the Holders' Meeting in the form of a video conference etc.
- 18. WRITTEN PROCEDURE**
- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least three (3) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case



may be, even if the time period for replies in the Written Procedure has not yet expired.

**19. AMENDMENTS AND WAIVERS**

19.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the Baltic bond list of Nasdaq Tallinn (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).

19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

19.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

**20. APPOINTMENT AND REPLACEMENT OF THE AGENT**

**20.1 Appointment of Agent**

20.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation or insolvency (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.

20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

20.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 20.2 **Duties of the Agent**

20.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.

20.2.2 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

20.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions and Agent Agreement in a reasonable, proficient and professional manner, with due care and skill and always in the best interests of the Holders. The Agent's duty of care under these Terms and Conditions shall mean that the Agent shall act in good faith and with that degree of care that an ordinarily prudent person in a like position would use under similar circumstances.

20.2.4 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.

20.2.5 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions and the Agent Agreement.

20.2.6 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

20.2.7 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the

Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

- 20.2.8 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 20.2.9 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.11 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 20.2.10.

**20.3 Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*).
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

**20.4 Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agent Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

**21. APPOINTMENT AND REPLACEMENT OF THE COLLATERAL AGENT**

**21.1 Appointment of the Collateral Agent**

21.1.1 By submitting the subscription undertaking or acquiring the Bonds on a secondary market, each Holder:

- (a) appoints the Collateral Agent to act as its agent in connection with the Collateral and the Collateral Agreement and the Collateral Agent Agreement and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under or in connection with the Terms and Conditions, the Collateral Agreement and the Collateral Agent Agreement;
- (b) confirms that the fact that the Collateral Agent enters into the Collateral Agent Agreement with the Issuer and performs its rights and obligations as the Collateral Agent does not constitute any conflict of interests vis-à-vis the Holder;
- (c) confirms that the fact that the Collateral secures, inter alia, the full sum of the Issuer's obligations towards the Collateral Agent under the Collateral Agent Agreement does not constitute any conflict of interests vis-à-vis the Holder;
- (d) agrees that the Collateral Agent shall have only such obligations and liability as expressly set forth in the Terms and Conditions, the Collateral Agreement and the Collateral Agent Agreement, and 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 sole discretion, considering the interests of the Holders holding Bonds collectively and generally (and not of any particular Holder), and, unless expressly set forth otherwise, the Holders shall not have any right to give any instructions to the Collateral Agent in respect thereof and the Collateral Agent is under no obligation to request or follow such instructions; and
- (e) consents that, except as otherwise is required by the laws applicable to the Collateral, only the Collateral Agent shall be indicated as the pledgor and holder of the Collateral under the Collateral Agreement in the registers where such Collateral shall be registered (where relevant) and only the Collateral Agent shall be entitled to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement;
- (f) authorises the Collateral Agent to enter into the Collateral Agreement with the Collateral Provider in accordance with these Terms and Conditions, to make amendments to the Collateral Agreement in accordance with these Terms and Conditions and to represent the Holders in communication with any debtor(s) of the Issuer or any public authority (including but not limited to submitting notifications or inquiries in relation to the Collateral, submitting applications, complaints, or claims in relation with the Collateral or the activities of the Issuer) to fulfil its obligations under the Bond Documentation.

**21.2 Obligations of the Collateral Agent**

21.2.1 The Collateral Agent shall hold the Collateral in the interests of the Holders and fulfil other obligations stipulated in the Bond Documentation. The Collateral Agent will provide its services in the interests of the Holders, for the benefit of the Holders and

the Holders shall be entitled to claim the performance thereof in accordance with and to the extent specified in the Bond Documentation.

- 21.2.2 The duties of the Collateral Agent shall be deemed ministerial and administrative in nature, and the Collateral Agent shall not have, by reason of the Bond Documentation, a fiduciary relationship with any Holder or the Issuer. For the avoidance of doubt, nothing in this Clause may be referred to in the context of the scope of the Collateral Agent's duties and assignment under the Bond Documentation otherwise than for purposes of interpreting the nature of Collateral Agent's obligations.
- 21.2.3 Subject to Clause 21.2.2, and notwithstanding Clause 21.2.10, the Collateral Agent shall perform its assignment as if a prudent creditor and pledgee would reasonably be expected to take as the holder of or beneficiary under the Collateral in similar circumstances and with the purpose to enforce the Collateral in accordance with the terms and conditions of the Bond Documentation.
- 21.2.4 The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Provider has entered into the Collateral Agreements relating to Collateral listed in Clause 10.2, in accordance with these Terms and Conditions. The functions and obligations of the Collateral Agent are limited to those expressly specified in these Terms and Conditions, Collateral Agreement, Collateral Agent Agreement and, notwithstanding any other provisions of these Terms and Conditions, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral. The Collateral Agent does not have any obligation to:
- (a) take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under these Terms and Conditions on the account of any assets of the Issuer, except for enforcing the Collateral in accordance with these Terms and Conditions, Collateral Agreement and Collateral Agent Agreement, whereby the enforcement of the Collateral includes, if relevant or necessary, commencing and participating in the compulsory enforcement, bankruptcy, judicial reorganisation and other similar relevant proceeding in relation to the Issuer and any Collateral Provider in relation to the enforcement of the Collateral and related pursuit of Holders' claims under or in relation to the Bonds and Bond Documentation;
  - (b) ensure the existence or validity of the objects of the Collateral or the value of the Collateral;
  - (c) preserve the Collateral or to assess any rights arising from or relating to the Collateral, provided however, that the Collateral Agent shall take all reasonably necessary action in order to ensure the preservation, validity and enforceability of the Collateral and, if related to the foregoing, Holders' claims under or in relation to the Bonds and Bond Documentation;
  - (d) inform the Holders or the Issuer about any circumstances except to the extent such obligation to provide information is explicitly set forth in these Terms and Conditions, Collateral Agreement and Collateral Agent Agreement;
  - (e) provide any advice to any of the Holders in legal, accounting, tax or other matters

- (f) verify the correctness of the representations and warranties or the adherence of the covenants set out in the Bond Documentation or monitor the fulfilment of the obligations of the Issuer provided for in the Bond Documentation; and
  - (g) notify the Holders of any breach of these Terms and Conditions or other Bond Documentation by the Issuer or Collateral Provider unless such breach is (i) reported to the Collateral Agent in writing by the Issuer, any Collateral Provider or any Holder, or (ii) delivered in writing by any third party or authority to the Collateral Agent as a party to the Collateral Agreement or holder of the Collateral.
- 21.2.5 The Holders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreements. Noteholders can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms and Conditions.
- 21.2.6 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 Holders holding Bonds collectively and generally (and not of any particular Holder) without having any independent interests of its own, other than deriving from the Collateral Agent Agreement, and without any obligation to consider any interests or rights 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 Holders and is under no circumstances liable for the performance of the obligations of the Issuer.
- 21.2.7 Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right to use the services of third parties and to appoint third party representatives (including in the course of performance of its tasks and acts as stipulated in these Terms and Conditions and Collateral Agreement), at its own cost.
- 21.2.8 Upon the full and final redemption of all outstanding Bonds to all Holders (which includes the payment of accrued Interest and other amounts due and payable under the Bond Documentation), the Collateral Agent shall immediately, after having received from the Issuer an application for the release of the Collateral confirming and evidencing in reasonable detail the redemption of Bonds inform the Holders of receipt of such application and, provided that any of the Holders has not, within five (5) Business Days after being informed by the Agent of the receipt of the Issuer's application, objected to the release of the Collateral on the basis that the redemption (as specified above) has actually not been duly carried out, take all necessary steps to release and deregister the Collateral, or if so instructed by the Issuer, transfer the Collateral to any person(s) determined by the Issuer.
- 21.2.9 The Collateral Agent shall not be obliged to inform the Holders about any default or other information that could reasonably be considered material in relation to the interest of the Holders under the Bond Documentation unless such default or material information is reported to the Collateral Agent in writing by the Issuer or delivered to the Collateral as party to the Collateral Agreement or registered pledgee of the Collateral in the relevant registry. The Collateral Agent shall be entitled and fully authorized to rely and act, and when acting based on such reliance, be considered as to have acted in full compliance to the Bond Documentation, upon any information or document which the Collateral Agent believes to be genuine and correct and to

have been signed or sent by or on behalf of the proper person or persons. The Collateral Agent shall not have any duty to verify or confirm the content of any such information or document. The relevant information or document shall be considered as received by the Collateral Agent only if such information or document is addressed to and received by the management board member(s) of the Collateral Agent and as sent to the contact address indicated in the Bond Documentation.

- 21.2.10 Upon the enforcement of the Collateral, the Holders shall transfer their Bonds to the Collateral Agent (by transfer as a FOP transfer to the Collateral Agent's securities account opened with the Estonian register of securities, which has been notified to the Holders) for the purposes of the enforcement if the Collateral Agent so requests and if such transfer is necessary to enforce the Collateral and distribute the proceeds pursuant to the Collateral Agreement. In such case the Collateral Agent shall be obliged to accept the Bonds and enforce the Collateral as a direct creditor under the Bonds. The Collateral Agent shall not be liable for the (successful) outcome of the enforcement of the Collateral in case and to the extent that an Holder who has not transferred its Bonds to the Collateral Agent for the purposes of enforcing the Collateral pursuant to this Clause, has independently submitted any claim under or in relation to the Bonds held by it in the bankruptcy proceedings of the Collateral Provider or debtor and the competent authority has refused to recognise the Collateral Agent's claims in relation to such Bonds on the basis of the Parallel Debt.
- 21.2.11 The Collateral Agent may suspend the enforcement of the Collateral and performance of its other obligations under the Agreement without the consent of the Holders by a notice to the Issuer and the Holders (whereas the notice shall set out the grounds for the suspension) in case:
- (a) In the reasonable opinion of the Collateral Agent, (i) 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 (ii) the actions of the Collateral Agent hereunder may result in any other claim against the Collateral Agent and, in each case, the Collateral Agent has failed to receive such indemnification or security as it may require for all costs, claims, losses, expenses (including legal fees) and liabilities which it will or may expend or incur in connection with the above within the term specified by the Collateral Agent; or
  - (b) In the reasonable opinion of the Collateral Agent, (i) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of the bankruptcy or reorganisation proceedings of the Subsidiary or for any other reason or (ii) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the fees, costs and expenses and damages incurred by the Collateral Agent in the course of performing its duties hereunder;
  - (c) In the professional opinion of the Collateral Agent, the Collateral ceases to exist for any reason or such conclusion has been presented by a third-party service provider using its best professional expertise;
  - (d) It is clearly evident that such enforcement of the Collateral or taking other action hereunder would be contrary to the interests of the Holders (e.g. the Collateral Provider has no assets that could be further pursued);



- (e) The Collateral Agent terminates the Collateral Agreement on grounds specified in the Collateral Agreement and such ground have not been remedied as provided therein;
- (f) The Issuer has not paid the Collateral Agent its fees due and/or reimbursed costs reimbursement of which the Collateral Agent has the right under the Collateral Documents (where such fees and costs are to be paid and reimbursed by the Issuer and not to be withhold from the proceeds of the enforcement of the Collateral) and such breach has not been remedied within 30 Business Days from respective notice of the Collateral Agent to the Issuer and to the Holders; or
- (g) Notwithstanding anything else set forth in the Collateral Documents, the Collateral Agent shall not release any Collateral at the time when it has suspended the performance of its obligations.

### **21.3 Replacement of the Collateral Agent**

- 21.3.1 Collateral Agent may be replaced according to the same procedure as described in Clause 20.4 for replacement of the Agent.

### **21.4 Liability of the Collateral Agent**

- 21.4.1 The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control of the Collateral Agent unless caused by negligence or acts of wilful intent of the Collateral Agent.
- 21.4.2 The Collateral Agent is only liable for the breach of any of its obligations under the Terms and Conditions (including the Collateral Agent Agreement) or the Collateral Agreement in the event of gross negligence or intentional breach by the Collateral Agent.
- 21.4.3 The Collateral Agent shall not be liable towards the Holders for the outcome of the enforcement of the Collateral unless the negative or insufficient outcome was caused by gross negligence or acts of wilful breach of the Collateral Agent of its duties under the Bond Documentation.

### **21.5 Remuneration of the Collateral Agent**

- 21.5.1 The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under the Terms and Conditions and the Collateral Agreement in accordance with the Collateral Agent Agreement.
- 21.5.2 The Collateral Agent shall have the right to withhold the performance of its duties and obligations in case of delay in payment of the relevant fees and costs as specified in Section 21.5.1. The Collateral Agent shall promptly notify the Issuer and the Holders thereof. The Collateral Agent does not have a right to withhold the performance of its duties and obligations in case in case the Holders have compensated such fees and costs to the Collateral Agent or the Collateral is required to be enforced in accordance with these Terms and the relevant fees can be compensated from the proceeds of enforcement. If the Holders compensate the relevant fees and costs to the Collateral Agent, the Issuer undertakes to compensate such amounts to the relevant Holders.

**21.6 Information on Holders to the Collateral Agent**

- 21.6.1 Upon relevant request from the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Holders available to the Issuer stating the outstanding Nominal Amount of the Bonds each of them is holding.
- 21.6.2 At the request of the Collateral Agent, the Holders shall provide the Collateral Agent with any information required by the latter for the purposes of identification of the Holder and/or for the performance of other obligations arising from applicable laws and regulations.

**22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 22.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 22.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a credit institution or investment firm approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent or becomes subject to bankruptcy proceedings, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

**23. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Tallinn (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Register Maintenance Act.

**24. NO DIRECT ACTIONS BY HOLDERS**

- 24.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, declaring of insolvency or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent

Agreement or by any reason described in Clause 20.2.10, such failure must continue for at least ten (10) Business Days after notice pursuant to Clause 20.2.11 before a Holder may take any action referred to in Clause 24.1.

- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 12.5 (*Mandatory repurchase due to a De-listing Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **25. NOTICES AND PRESS RELEASES**

### **25.1 Notices**

- 25.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the registered address or, to such address as notified by the Agent to the Issuer from time to time, and if sent by email, to the email address as specified by the Agent from time to time;
- (b) if to the Issuer, shall be given at the registered address or, to such address as notified by the Issuer to the Agent from time to time, and if sent by email, to the email address as specified by the Issuer from time to time; and
- (c) if to the Holders, shall be published by the Issuer by way of a stock exchange announcement. A notice to the Holders shall also be published on the websites of the Issuer and the Agent. In addition, any notice may be, at the discretion of the Issuer or the Agent, given to the Holders at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. The Agent and the Issuer are also entitled to send any notice or other communication to the Holders by email if so requested by any Holder and provided the Holder has specified email recipient and address authorized to receive notices and communication related to the Bonds.

- 25.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery, letter or by email and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

- 25.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

### **25.2 Press releases**

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 12.3, 12.5, 13.12.1 (g), 14.6, 15.4, 16.15, 17.1, 18.1, 19.3, 20.2.11 and 20.4.1 shall also be published by way of a stock exchange release or a press release by the Issuer or the Agent, as applicable. For the avoidance of doubt, in case of the notices by the Issuer, the stock exchange release shall suffice. The obligations in this Clause 25.2 shall be applicable as of submitting the application for listing the Bonds on Nasdaq Tallinn.

- 25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Holders under these Terms and Conditions has not already been made public by way of a press or stock exchange release, the Agent shall before it sends such information to the Holders give the Issuer the opportunity to issue a press or stock exchange release containing such information. If the Issuer does not promptly issue a press or stock exchange release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Holders, the Agent shall be entitled to issue such press release.

**26. LISTING**

The Issuer intends to list the Bonds issued on the Issue Date within ninety (90) calendar days, and has undertaken to list the Bonds issued on the Issue Date within six (6) months, after the Issue Date on the corporate bond list of Nasdaq Tallinn (or any other Regulated Market) in accordance with Clause 13.1 (*Listing of the Bonds*). Further, if the Bonds issued on the Issue Date have not been listed on the corporate bond list of Nasdaq Tallinn within six (6) calendar months after the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 12.5 (*Mandatory repurchase due to a De-listing Event or Listing Failure (put option)*).

**27. GOVERNING LAW AND JURISDICTION**

- 27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Estonia.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall be determined by Estonian courts and the Harju Country Court shall be the court of first instance.

**28. FINAL PROVISIONS**

- 28.1 All payments under these Terms and Conditions shall be made in euro, in immediately available funds and, unless required otherwise under mandatory laws, without any set-off or withholdings.
- 28.2 Unless specifically provided otherwise in the Terms and Conditions, in case a Holder receives any payment under or in relation to the Bonds otherwise than in accordance with these Terms and Conditions resulting in the Bonds being treated unequally in relation to such payment, such Holder, unless agreed otherwise by the other Holders, shall be obliged promptly and in coordination with the Issuer and the Agent, make such payments and redistributions to the other Holders to cause the effect of such disproportional payment received fully mitigated and all Holders being treated proportionally and equally in the terms of such payment.
- 28.3 Should any provision of these Terms and Conditions be or become invalid in whole or in part, the other provisions of these Terms and Conditions shall remain in force. Invalid provisions shall, according to the intent and purpose of the Terms and Conditions, be replaced by such valid provisions which in their economic effect come as close as legally possible to that of the invalid provisions.
- 28.4 If the Holder does not use the right or remedy arising from the Bonds, 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 Bonds are accruing and do not exclude any other rights or remedies established by law.
- 28.5 All costs and expenses related to the performance of and amendments or waivers to, the Bond Documentation and establishing, registering or releasing any Collateral pursuant thereto shall be borne by the Issuer.
- 28.6 The Issuer shall reimburse to the Holders all costs and expenses (including legal fees) incurred by the Holder in connection with the enforcement of, or the preservation of any rights under, any Bond Documentation or the Collateral established pursuant thereto.
- 28.7 The Issuer shall be liable for its obligations under the Bond Documentation as provided by the relevant document and applicable law. The Issuer shall reimburse to the Holders all damages caused by the Issuer breaching its obligations under the Bond Documentation or by the effect of the occurrence of the Event of Default.