

LEASE CONTRACT CONDITIONS

1. TERMS AND DEFINITIONS

1.1 For the purposes of this Contract, the words and definitions written in uppercase shall have the following meaning, unless the context indicates otherwise.

1.2 Where the context so indicates, the singular form of a word can also refer to the plural, and vice versa.

1.3 Headings of chapters have only been added to facilitate reading of the Contract and therefore the content of the Contract shall not be interpreted according to them.

1.4. Terms and definitions used in the Contract are as follows:

Administration indicates that the Leasing Company performs actions in connection with management of the Contract during the term of the Contract, including issuing and posting invoices.

Replacement Vehicle indicates that the Leasing Company shall issue to the Lessee a Replacement Vehicle for the period of time, when the Lessee is unable to use the Vehicle as the result of the insured event or due to performed repairs.

Invoice indicates a document submitted to the Lessee by Leasing Company indicating the amounts payable by the Lessee. According to the respective agreement invoices are issued by post or by email. The Leasing Company has the right to receive fees for sending invoices by post according to the respective pricelist.

Guarantor indicates a company that provides factory warranty for the Vehicle or mediates provision of such warranty.

Warranty maintenance indicates maintenance and repair works as indicated on the Front Page performed during the warranty period paid for by the Guarantor.

GTS (*Geographical Tracking System*) indicates the tracking system service provided by the Leasing Company. The content of the service is described in a separate agreement.

Front page indicates the first page of the Contract signed by the Parties that indicates the applicable conditions agreed upon.

First payment indicates that in order to confirm conclusion and to secure performance of the Contract the Lessee obliges to pay the sum indicated on the Front Page to the Leasing Company. Where the Lessee withdraws from the Contract after making the First payment, the First payment is considered to cover expenses and damage suffered by the Leasing Company in connection with performance of the Contract. Where it is discovered that performance of the Contract by the Leasing Company is impossible the First payment is returned to the Lessee.

Comprehensive insurance indicates that the Leasing Company arranges for conclusion of comprehensive insurance in accordance with the limitations on the deductible set out on the Front page.

Loss adjustment indicates that the Leasing Company represents the Lessee in the proceedings related to the insured event, including in the proceedings related to loss adjustment, except for demonstration of the Vehicle in the presence of the Seller/Guarantor and bringing the Vehicle to the repairs shop and taking the Vehicle from

the repairs shop. The above does not apply to obligations, delegation of which is not allowed by law or other legal acts.

Insurance premium indicates the amount payable by the Lessee for insurance of the Vehicle upon the conditions set out in the insurance contract and/or in the Contract.

Fuel Card indicates that the Leasing Company issues to the Lessee a Card of the respective fuel vendor that provides agreed discounts to the Lessee. The Leasing Company sets the credit limit for the Fuel Card in accordance with the agreed mileage and financial standing of the Lessee. Invoices for goods and services purchased with the Fuel Card are issued by the Leasing Company once a month along with the Invoice.

Contract indicates this lease contract with all its annexes.

Contract conclusion fee indicates the one-time fee paid by the Lessee to the Leasing Company for the procedures related to conclusion of the Contract and compensation of the related expenses, plus VAT.

Date of the Contract indicates the day when the Lessee's rights to possess and use the Vehicle ends.

Currency of the Contract indicates the currency agreed by the Parties to serve as the basis for payment of all contractual sums and calculation of all sums payable.

Motor third party liability insurance indicates that the Leasing Company arranges for conclusion of driver's liability insurance valid in Estonia and its delivery to the Lessee.

Mileage limitation indicates that in case of exceeding the mileage indicated on the Front page the Lessee shall pay the **Extra mileage fee** for each exceeded kilometer.

Vehicle price indicates the market price of the Vehicle at the time of delivery of the Vehicle to the Lessee.

Payment day indicates the day when Lease payment and/or another sum should be transferred to the Leasing Company.

Payment currency indicates the currency in which the Lease payment and other contractual payments are to be made.

Seller/Guarantor indicates the company from which the Leasing Company has purchased the Vehicle and that provides factory warranty for the Vehicle or mediates provision of such warranty.

Pooled indicates the Lessee or the Leasing Company.

Washing indicates washing and cleaning services offered by the Leasing Company with regard to the Vehicle. The Leasing Company adds the price of such services to the next Invoice.

Tires indicates that where the Front page provides that the Tires are included in the Lease payments, the Leasing Company compensates the price of Tires to the extent of the mileage indicated on the Front page.

Tire exchange indicates that the Leasing Company performs exchange of summer and winter tires 2 times per year within the period of time set out in the law.

Tire storage indicates that where the Front page provides that Tire storage is included in the Lease payments, the Leasing Company provides tire storage services.

The Leasing Company indicates the legal person set out on the Front page that leases the Vehicle to the Lessee on the basis of this Contract.

Lease payment indicates the sum payable by the Lessee by the Payment day for use of the Vehicle. This sum covers products/services indicated on the Front page and VAT as applicable.

Lessee indicates the natural or legal person that is the customer of the Leasing Company. The Lessee shall indicate to the Leasing Company all persons (and their authorizations) whom the Lessee considers necessary to be the Lessee's Representatives and/or Authorized users. The Lessee shall in writing inform the Leasing Company about all persons that no longer have rights of the Lessee's Representatives and/or Authorized users. Until receipt of the respective notification the Leasing Company considers such persons to be the Lessee's Representatives and/or Authorized users.

Lessee's Representative indicates the person who according to the law or the letter of authorization has the right to represent the Lessee in concluding, amending and terminating the Contract.

Repair works indicates that where the Front page provides that the Repair works are included in the Lease payments, where necessary the Leasing Company provides for performance of the Repair works in the Repairs shop indicated by the Guarantor. The Lessee shall deliver the Vehicle to such repairs shop.

Vehicle indicates the automobile described in the Contract that is provided for use of the Lessee by the Leasing Company.

Buyout price of the Vehicle indicates that in case of proper and timely performance of conditions set out in the Contract and in case of payment of all Lease payments and other contractual payments in full, after expiration of the term of the Contract the Lessee shall have the preemptive right to buy out the Vehicle at the Vehicle buyout price set out in the Contract.

Technical maintenance indicates booking the time for regular maintenance of the Vehicle by the Leasing Company at the maintenance station indicated by the Seller/Guarantor. The price of regular maintenance is included in / added to Lease payments until reaching the mileage set out on the Front page. The Lessee shall deliver the Vehicle to the maintenance station.

Authorized user indicates the person authorized by the Lessee's Representative to represent it while accepting, using and returning the Vehicle. The Authorized user is a representative of the Lessee and a contact person for the purposes of day-to-day performance of the Contract.

2. OBJECT OF THE CONTRACT AND OBLIGATIONS OF THE LEASING COMPANY

2.1 The Leasing Company provides the Vehicle selected by the Lessee to the Lessee for use. The Lessee shall pay the fee for use of the Vehicle.

2.2 The Leasing Company shall do its utmost to ensure delivery of the Vehicle to the Lessee.

2.3 The Leasing Company cannot hinder use and possession of the Vehicle by the Lessee, except in cases set out in the Contract and/or legal acts.

2.4 The Leasing Company shall be liable before the Lessee for a failure of the Vehicle to comply with conditions of the Contract.

3. ACCEPTANCE OF THE VEHICLE

3.1 Before concluding the Contract the Lessee shall thoroughly examine condition of the Vehicle. Signature of the Lessee on the Contract indicates that the Lessee has examined condition of the Vehicle, agrees with it and is aware of its deficiencies. Where the Lessee signs the Contract thus accepting the condition of the Vehicle, the Lessee shall bear all expenses in connection with elimination of deficiencies of the Vehicle, where conditions of the warranty for the Vehicle do not provide differently.

3.2 The date of delivery of the Vehicle is indicated on the Front page. Possession of the Vehicle is transferred to the Lessee after the first Lease payment is made and the Security is set in favor of / transferred to the Leasing Company.

3.3 The Lessee and the Leasing Company shall make the delivery and acceptance certificate in 2 copies with regard to transfer of the Vehicle. The delivery and acceptance certificate shall be an integral part of the Contract.

3.4 Risk of accidental destruction of the vehicle and the liability in connection with possession of a source of increased danger shall be transferred to the Lessee along with delivery of the Vehicle. Where the Lessee delays acceptance of the Vehicle or delays performance of the transaction that should facilitate acceptance of the Vehicle, risk of accidental destruction of the vehicle and the liability in connection with possession of a source of increased danger shall be transferred to the Lessee at the moment when the Lessee commenced such delays, especially from date indicated for acceptance of the vehicle or the time when the Leasing Company made acceptance of the Vehicle possible for the Lessee.

3.5 Where during acceptance of the Vehicle it becomes apparent that the Vehicle and/or documents of the Vehicle do not correspond to the conditions set out in the Contract and/or to the conditions generally applicable to that type of property, the Lessee shall refuse acceptance of the Vehicle offered by the Leasing Company, submit its reasoning to the Leasing Company and demand immediate elimination of deficiencies or immediate replacement of the Vehicle with deficiencies with the Vehicle of the same type and the same value. Where the Leasing Company refuses to eliminate deficiencies or replace the Vehicle, an independent expert assessment of the Vehicle shall be performed.

3.6 Where the expert assessment discovers that the Vehicle complies with applicable requirements, the Lessee shall accept the Vehicle and compensate any damage inflicted by its initial refusal of acceptance.

3.7 Where the Lessee refuses to accept the Vehicle and the Leasing Company does not agree with such decision of the Lessee, initiates the court dispute and the court of law finds that the refusal to accept the Vehicle was not founded, the Lessee shall bear all expenses and cover any damage with regard to refusal to accept the Vehicle.

3.8 Where replacement of the Vehicle requires introducing amendments to the Contract, the Parties shall amend the Contract accordingly. Where the Lessee fails to fulfill this obligation, the Leasing Company shall have the right to amend the Contract unilaterally (based on the Vehicle accepted by the Lessee).

3.9 The Lessee shall inform the Leasing Company about any circumstances that hinder acceptance of the Vehicle as soon as such circumstances take place.

4. USE OF THE VEHICLE

4.1 The Lessee shall use the Vehicle carefully, economically and in accordance with its intended purpose. The Lessee has no right to change or redesign the Vehicle without prior written agreement of the Leasing Company, except in the case set out in Section 4.2. It is also prohibited to connect the Vehicle with other objects in such a manner that the Vehicle cannot be disconnected from them without damaging the Vehicle and/or other objects.

4.2 The Lessee has the right to improve the Vehicle in such a manner that the improvements made do not damage the Vehicle's condition and that upon end or termination of the Contract it is possible to remove improvements without damaging the Vehicle. The Leasing Company is not obliged to compensate, return or replace necessary, useful or luxury improvements and additions.

4.2.1 Placing of the Lessee's logo, business name and other advertising on the Vehicle is not considered to be the breach of this Section, where these can be removed from the Vehicle without damaging it and the Lessee coordinates their installation with the Leasing Company in advance.

4.2.2 Where the Lessee installs additional equipment to the Vehicle, the Lessee also shall without delay inform the Leasing Company and the insurer. If the Lessee fails to do so, provisions of voluntary vehicle insurance shall not be applicable to the additional equipment.

4.2.3 Where the Lessee wishes to restore the Vehicle to the initial condition, the Lessee shall bear any related expenses.

4.3 The Leasing Company shall issue a letter of authorization in connection with right of possession and use of the Vehicle.

4.4 The Lessee shall possess and use the Vehicle within the boundaries of the Republic of Estonia.

4.4.1 The Lessee can possess and use the Vehicle outside the boundaries of the Republic of Estonia only with written permission of the Leasing Company, except in cases set out in Sections 4.4.2 and 4.4.3.

4.4.2 The Lessee may at its own risk bring the Vehicle in other member states of the European Union, upon the condition that the insurance protection of the Vehicle is valid on the entire territory of the European Union and the Lessee is not present in the country of destination for the purposes of taking residence and/or working (except for business trips).

4.4.3 A legal person Lessee may at its own risk bring the Vehicle in other member states of the European Union, upon the condition that the insurance protection of the Vehicle is valid on the entire territory of the European Union.

4.5 Without prior written approval of the Leasing Company the Lessee shall not sublease the Vehicle to third parties or allow the Vehicle to be used by third parties in any other way. Without prior written approval of the Leasing Company the Lessee shall not use the Vehicle to provide taxi services, car rental services, use it for motorsport or any other special purpose that could increase the risk of damage and/or destruction of the Vehicle.

4.6 While possessing, maintaining, repairing and using the Vehicle in other situations, the Lessee is obliged to fully comply with conditions, instructions and rules of the Leasing Company, the manufacturer, and Seller/Guarantor, the insurer and/or applicable legal acts.

4.7 The Leasing Company has the right to control use of the Vehicle either personally or through third parties and to demand from the Lessee demonstration of the Vehicle and submission of documents related to possession and use of the Vehicle. Where in the process of such control a material violation of the Contract will be discovered, the Leasing Company has the right to demand from the Lessee compensation of expenses in connection with the performed control.

4.8 Any expenses in connection with possession, use, maintenance, repairs and other works performed with the Vehicle are for the Lessee to bear, unless the Contract and/or provisions of warranty for the Vehicle indicate differently.

4.9 The Lessee shall pay all local and state taxes in connection with the Vehicle as well as cover any expenses suffered by the Leasing Company due to actions of the Lessee. Where the Leasing Company bears the abovementioned expenses itself, the Lessee shall compensate such expenses to the Leasing Company.

4.10 The Lessee shall without delay inform the Leasing Company about any circumstances that hinder possession or use of the Vehicle, as well as without delay take all necessary measures to avoid such circumstances.

4.11 The Lessee shall take all measures in order to protect interests of the Leasing Company and shall in writing and at the earliest opportunity (but not later than within 2 days) inform the Leasing Company, where:

- 1) the Vehicle is destroyed or becomes unfit for use; or
- 2) the Lessee is no longer in possession of the Vehicle; or
- 3) the Lessee receives information regarding possible destruction or loss of or damage to the Vehicle (or other similar information); or
- 4) a competent person or authority declare the Lessee insolvent; or
- 5) it is known to the Lessee that another person plans to submit a claim to the Lessee, satisfaction of which can significantly affect the Lessee's power to fulfil the obligations undertaken under this Contract; or
- 6) the Lessee's address or location changes; or
- 7) the Lessee undergoes restructuring (merger, acquisition, separation, division) or changes are introduced in connection with the council, management board and/or the articles of association of the Lessee (not later than in 5 days after the respective decision is made); or
- 8) subordination, ownership form or the owner of the Lessee change; or
- 9) other events take place that affect or can materially affect the Lessee's ability to perform contractual obligations.

4.12 Where a breach of any obligation set out in Section 4.11 results in damage to the Leasing Company, the Lessee shall compensate the damage inflicted.

4.13 Obstacles to possession or use of the Vehicle, including partial or full limitations on possession and use of the Vehicle, regardless of their reasons, shall not release the Lessee from performing its contractual obligations.

4.14 The Leasing Company has the right to take the Vehicle from any unlawful possession, demand elimination of circumstances that hinder use of the Vehicle and compensation of damage inflicted by the Lessee to the Vehicle. The Leasing Company also has the right to set reasonable limitations on use of the Vehicle, where the Lessee fails to insure the Vehicle in the prescribed manner or there is a sufficient reason to believe that there is a danger to partial or full preservation of the Vehicle.

4.15 The Lessee shall pay to the Leasing Company for any mileage in excess of that set out in the Contract by the date indicated in the Contract. The amount of such fee is set out on the Front page.

4.16 In addition to the Lease payment the Lessee shall also bear all extraordinary expenses that occur in the process of possession and use of the Vehicle, as well as regular expenses in connection with possession and use of the Vehicle that the Leasing Company does not bear itself and that are not included in the Lease payments.

4.16.1 The following expenses (including, but not limited to) are considered by the Parties to constitute extraordinary expenses:

- 1) obligations resulting from unlawful actions of the Lessee or the Vehicle's driver;
- 2) expenses in connection with purchase or installation of spare parts, elements and materials for the Vehicle, where the manufacturer's or the Seller's warranty does not apply to these works and where the price of these works is not compensated by the insurance company;
- 3) expenses with regard to additional equipment installed by the Lessee or under the Lessee's request, that is not described in the Contract, and any expenses in connection with maintenance of such equipment;
- 4) any other expenses not listed in the Contract.

4.16.2 The following expenses (including, but not limited to the listed) are considered by the Parties to constitute regular expenses in connection with possession and use of the Vehicle. The Leasing Company does not cover such expenses unless the Contract provides differently:

- 1) expenses in connection with exterior and interior washing and cleaning;
- 2) expenses in connection with fuel for the Vehicle;
- 3) expenses in connection with washing liquids for windows and headlight, brake fluids, incandescent lamps, windscreen wipers, etc.;
- 4) expenses in connection with MOT for the Vehicle;
- 5) other expenses that are not listed in the Contract among obligations of the Leasing Company.

5. PRODUCTS/SERVICES

5.1 Technical maintenance

5.1.1 Where the Front page indicates **Technical maintenance INCLUDED** – the Leasing Company shall provide for booking of the time for regular technical maintenance at the maintenance station designated by the Seller and the price of the regular technical maintenance is included in the Lease payments until the mileage set out on the Front

page is reached. The Lessee shall bring the Vehicle to the technical maintenance station. Where the mileage of the Vehicle exceeds the mileage set out on the Front page, the procedure described in Section 5.1.3 applies.

5.1.2. Where the Front page indicates **Technical maintenance ADDED** and upon request of the Lessee the Seller issue the Invoice for regular maintenance to the Leasing Company, the Leasing Company pays the invoice to the Seller and adds the sum of the Seller's Invoice together with administration expenses of the Leasing Company (according to the Leasing Company's pricelist) to the payment schedule, after which the Lessee shall pay the indicated amount along with the next Invoice. Administration expenses are not added to the Invoice, where the Front page indicates that the administration expenses are included in the Lease payment.

5.1.3 Where the Front page indicates **NO technical maintenance** – upon reaching the mileage indicated by the Seller, the Lessee shall turn to the Seller for maintenance works. The Seller organizes for the Vehicle's maintenance, performs control of technical condition and usage qualities as well as necessary maintenance and repair works for which the Lessee pays independently.

5.1.4 In case of early termination of the Contract the price of performed but not yet paid for technical maintenance is added to the Buyout price of the Vehicle.

5.2 Repair works

5.2.1 Where the Front page indicates **Repair works INCLUDED** – the Leasing Company shall provide for booking of the time for repair works at the maintenance station designated by the Seller and the price of the repair works is included in the Lease payments until the mileage set out on the Front page is reached. The Lessee shall bring the Vehicle to the technical maintenance station. Where the mileage of the Vehicle exceeds the mileage set out on the Front page, the procedure described in Section 5.2.3 applies.

5.2.2. Where the Front page indicates **Repair works ADDED** and upon request of the Lessee the Seller issue the Invoice for repair works to the Leasing Company, the Leasing Company pays the invoice to the Seller and adds the sum of the Seller's Invoice together with administration expenses of the Leasing Company (according to the Leasing Company's pricelist) to the payment schedule, after which the Lessee shall pay the indicated amount along with the next Invoice. Administration expenses are not added to the Invoice, where the Front page indicates that the administration expenses are included in the Lease payment.

5.2.3 Where the Front page indicates **NO repair works** – the Lessee shall turn to the Seller for repair works. The Seller organizes for the Vehicle's repair works for which the Lessee pays independently.

5.3 Tire changing and tire storage

5.3.1 Where the Front page indicates **Tire changing and tire storage INCLUDED** – the Leasing Company shall provide for change of winter and summer tires twice per year within the period of time indicated in the law, as well as for tire storage. After the Seller issues tires to the Lessee or after purchasing new tires the Lessee shall without delay itself bring the tires to the designated tire change shop. The Lessee shall also bring the Vehicle to the tire change shop. The Leasing Company informs the Lessee about the location of the tire change shop.

5.3.1.1 Where place of residence or location of the Lessee changes, and the Lessee wishes to use the tire changing and tire storage service at its new place of residence or

location, the Lessee shall at its own expense deliver the tires to the new tire change shop agreed upon.

5.3.2 Where the Front page indicates **Tire changing and tire storage ADDED** and the partner of the Leasing Company that performs tire changing and tire storage makes the respective invoice and issues it to the Leasing Company, the Leasing Company pays such invoice and issues to the Lessee the invoice for a one-time service according to the Leasing Company's pricelist and the Lessee shall pay the indicated amount along with the next Invoice.

5.3.3 Where the Front page indicates **NO tire changing and tire storage** – the Lessee shall itself organize for tire changing and tire storage and bear the respective costs.

5.4 Where the Front page indicates **Replacement vehicle INCLUDED** – the Leasing Company shall issue to the Lessee the replacement vehicle for the period of time, when due to the insured event or repair works that last for over 24 hours the Lessee is unable to use the Vehicle.

5.5 Where the Front page indicates **NO Replacement vehicle** – upon the Lessee's request the Leasing Company issues to the Lessee the replacement vehicle for the period of time, when due to the insured event or repair works that last for over 24 hours the Lessee is unable to use the Vehicle. The replacement vehicle is issued with 20% discount. The offer is applicable where free vehicles are available.

5.6 Where the Front page indicates **Loss adjustment INCLUDED** – the Leasing Company shall represent the Lessee in the proceedings related to the insured event, including in the loss adjustment proceedings, except for demonstration of the Vehicle in the presence of the Seller and bringing the Vehicle to the repairs shop and taking the Vehicle from the repairs shop. The above does not apply to obligations, delegation of which is not allowed by law or other legal acts.

5.7 Where the Front page indicates **Fuel card INCLUDED** – the Leasing Company issues to the Lessee the card of the respective fuel seller that provides discounts as agreed with the Lessee. The Leasing Company sets the credit limit for the Fuel Card in accordance with the agreed mileage and financial standing of the Lessee. The Fuel Card is protected with security number or PIN. The PIN is confidential and is issued to the Lessee along with the Fuel Card. The Lessee shall keep the PIN secret, since all transactions concluded with the Fuel Card are considered to be concluded by the Lessee. Where the Fuel Card is lost or damaged, the Lessee shall without delay inform the Leasing Company (or the fuel seller) accordingly (verbally or in writing). Verbal notifications shall later be confirmed in writing.

Where the Fuel Card is lost or damaged, the Leasing Company shall not be liable for any transactions concluded with the card until the Lessee informs about the intention to close the card. Invoices for goods and services purchased with the Fuel Card are issued by the Leasing Company once a month along with the Invoice. The Lessee shall return the card to the Leasing Company upon the end of the Contract.

5.8 Where the Lessee fails to pay the Leasing Company for the services provided in due time, the Leasing Company has the right to consider this to be a breach of the Contract and besides the fine of 0.15% of the due sum per day of delay has the right to demand early termination of the Contract.

6. FIRST PAYMENT

6.1. The Lessee shall pay to the Leasing Company the First payment in the amount set out on the Front page of the Contract. The First payment is paid as a security to confirm

conclusion and performance of the Contract. Where the Lessee withdraws from the Contract after making the First payment, the First payment is considered to cover expenses and damage suffered by the Leasing Company in connection with performance of the Contract. Where it is discovered that performance of the Contract by the Leasing Company is impossible the First payment is returned to the Lessee.

6.2. Where the Lessee fails to make the First payment by the indicated date, the Leasing Company has the right to recede from the Contract.

7. LEASE PAYMENTS

7.1 The Lessee shall pay to the Leasing Company Lease payments and other fees according to the Contract and the Leasing Company's pricelist.

7.1.1 The payment schedule is attached to the Contract for demonstration purposes only and the actual sum are payable on the basis of respective Invoices. The payment schedule is only signed upon conclusion of the Contract; where the Contract is amended later, no new edition of the payment schedule is to be signed. The payment schedule can always be obtained in the Leasing Company offices or by sending the respective request to arved@abcrent.ee.

7.1.2 Invoices are considered to be received where they are sent to the address indicated by the Lessee.

7.2 Where the Lessee has to pay to the Leasing Company payments in performance of several obligations and the amount paid is not sufficient to cover all the obligations, the Lessee may indicate, in performance of which obligations the payment is made. Where obligations of the Lessee are not evenly covered, the Lessee has no right to indicate that the Lessee performs the obligation that is better covered. The Lessee has no right to indicate that the Lessee performs the obligation performance of which cannot yet be demanded by the Leasing Company and where the Leasing Company has reasonable interest in refusing acceptance of performance. Where the Lessee does not indicate which obligation is performed, the Leasing Company may do it itself, informing the Lessee accordingly within reasonable time after performance of the obligation.

7.3 The Lessee shall pay the first Lease payment to the Leasing Company by the date set out in the Invoice, but in any case, before acceptance of the Vehicle.

7.4 In case breach of the obligation set out in Section 7.3 the Leasing Company has the right to demand from the Lessee payment of the contractual fine of 64 euros per day. Where the Leasing Company suffers any damage as the result of breach of the Contract, in addition to payment of the contractual fine the Lessee shall compensate to the Leasing Company any damages suffered.

7.5 Where the Lessee fails to perform the obligation set out in Section 7.3 within 7 days after the date of prescribed performance of the obligation, the Leasing Company has the right to consider the Contract terminated. Where the Leasing Company considers the Contract terminated, the Lessee shall compensate to the Leasing Company and damage suffered, including loss of profit. Sums paid to the Leasing Company by the Lessee shall not be refunded.

7.6 Lease payments shall be paid by the Lessee according to the Contract on the basis of Invoices.

7.7 Where the Lessee does not receive the Invoice at least in 5 days before the Payment date, the Lessee shall demand from the Leasing Company issue of the replacement Invoice. The respective request can be sent to arved@abcrent.ee; the Lessee can also

turn to offices of the Leasing Company. Where for any reason the Lessee does not receive the Invoice, the Lessee is not considered to be released from performance of contractual obligations.

7.8 The Lessee shall make all Lease payments so that they are transferred to the current account of the Leasing Company by the due date and correspond to the amount set out in the Contract and Invoices. The transferred amounts first of all cover any expenses of the Leasing Company in connection with collection of the debt, then state and local taxes and other obligations, then contractual fines, penalties, VAT, fee for conclusion of the Contract, then any services unpaid for and finally the outstanding Lease payments.

7.9 Where the Lessee delays payment of any Lease payment or any other sum due under the Contract, the Lessee shall pay to the Leasing Company the fine of 0.15% of the sum due for each day of delay. Accrual of the fine begins of the day following the due date and continues until the date of full payment of the due sum (inclusive). Where the delays cause any damage to the Leasing Company, in addition to payment of the fine the Lessee shall compensate to the Leasing Company any damages suffered.

7.10 The Lessee shall compensate to the Leasing Company any expenses suffered in connection with collecting debts under the Contract.

7.11 Any payment-related obligation of the Lessee under the Contract is considered to be performed, where the amount calculated on the basis of the Contract and set out in the Invoice is transferred to the current account of the Leasing Company that was made known to the Lessee. When making payments the Lessee shall indicate the reference number provided on the Invoice in the respective payment order.

7.12 Where the due date of payment of any sum under the Contract is not a business day, the following business day is considered to be the payment date.

8. THE LESSEE'S OPTION

8.1 In case of proper and timely performance of contractual obligations as well as full payment of Lease payments and other contractual payments after expiration of the term of the Contract the Lessee shall have the preemptive right to buy out the Vehicle at the Vehicle buyout price set out on the Front page of the Contract. The Lessee shall in writing inform the Leasing Company about its wish to buy out the Vehicle not later than in 3 months before expiration of the term of the Contract.

8.2 Where in 3 months before expiration of the term of the Contract the Lessee does not inform the Leasing Company about its wish to use the preemptive right for buyout of the Vehicle, the Leasing Company has the right to consider the preemptive right of the Lessee cancelled and upon expiration of the term of the Contract the Lessee shall return the Vehicle to the Leasing Company.

8.3 Where the Lessee wishes to terminate the Contract early and use the preemptive right for buyout of the Vehicle, the Lessee shall in writing inform the Leasing Company about early termination of the Contract in 1 month in advance. In such case the Buyout price of the Vehicle equals to its current market price, but cannot be lower than applicable contractual claims to the Lessee.

9. ENDING AND EARLY TERMINATION OF THE CONTACT

9.1 The Contract ends upon expiration of the term of the Contract after the Lessee performs all its contractual obligations before the Leasing Company.

9.2 Upon expiration of the term of the Contract the Lessee shall return the Vehicle to the Leasing Company.

9.3 The Lessee shall return the Vehicle to the same condition and the same set it was at the time of delivery, taking into account normal wear and tear. The Vehicle should not be damaged, should not have any deficiencies and should be fully operational. An acceptance and delivery certificate is made in connection with delivery of the Vehicle. In estimating normal wear and tear of the Vehicle the Parties are based on the instructions on assessment of normal wear and tear of passenger vehicles and small busses as approved by the Leasing Association and AMTEL.

9.3.1 Together with the Vehicle the Lessee shall return to the Leasing Company all the documentation and accessories (keys, etc.) for the Vehicle that were initially delivered to the Lessee together with the Vehicle.

9.3.2 Where the Vehicle fails to comply with the above requirements, the Lessee shall upon the Leasing Company's request at its own expense restore the full set of the Vehicle as it was at the time of initial delivery to the Lessee or eliminate deficiencies and perform repair and restoration works or pay to the Leasing Company for necessary repair and restoration works.

9.4 In case of delay in return of the Vehicle the Lessee shall pay to the Leasing Company 64 euros for each calendar day of delay in delivery. Where the Lessee delays return of the Vehicle for longer than 5 days, the Leasing Company has the right to demand from the Lessee the contractual fine equal to the Buyout price. Payment of such contractual fine does not release the Lessee from the obligation to return the Vehicle.

9.5 The Contract can be terminated early only upon written agreement of the Parties, where the Contract itself does not provide differently.

10. INSURANCE

10.1 The Vehicle shall be insured until expiration of the term of the Contract under compulsory insurance prescribed by legal acts and voluntary insurance. Voluntary vehicle insurance means the insurance the obligation to obtain which is not indicated in the law. Where according to the Contract conclusion of insurance contracts is the obligation of the Lessee, the Lessee shall submit to the Leasing Company insurance contracts and policies that confirm valid insurance coverage.

10.1.1 The Vehicle shall be insured with voluntary vehicle insurance at least for the amount equal to the market price of the Vehicle at the time of validity of the insurance contract. The insurance contract shall be concluded in such a manner that payment of compensation would fully cover damage that may result from theft, robbery, fire, flood, natural disaster, traffic accident and other situations. The insurance contract shall be concluded with the minimal deductible allowed by the insured, where it is not agreed with the Leasing Company differently. Where the Leasing Company finds that it is necessary to insure the Vehicle under other additional conditions, the Vehicle shall be insured under these conditions.

10.2 If not agreed differently, the Vehicle shall be insured in such a manner that the insurance contracts come into force no later than by the moment of delivery of the Vehicle. Before the insurance contracts (policies) required by the Contract and the law come into force, the Lessee is prohibited from using the Vehicle and keeping it in a public place.

10.3 Hereby the Lessee authorizes the Leasing Company to insure the Vehicle in the Lessee's name and at the Lessee's expense upon the conditions selected by the Leasing

Company, where the Lessee fails to inform the Leasing Company about existence of insurance before delivery of the Vehicle and/or does not sign the insurance contract and/or does not submit the new insurance policy to the Leasing Company by the set date.

10.4 The insurance contract shall indicate the person recorded as the owner of the Vehicle in the Vehicle's registration certificate as the beneficiary (receiver of compensation).

10.5 The Lessee shall without delay perform all obligations of the insured and/or the owner of the Vehicle according to the insurance contract. In case of the insured event the Lessee shall timely and accurately perform all respective obligations of the insured under the insurance contract and within 24 hours inform the Leasing Company about the insured event, the scope and nature of damage inflicted to the Vehicle as well as about any measures taken by the Lessee.

10.6 Where the Front page indicates **Motor third party liability insurance INCLUDED** – the Leasing Company shall arrange for conclusion of the driver's insurance valid in Estonia (hereinafter: **Motor third party liability insurance**) and delivery of the respective policy to the Lessee. The price of insuring the vehicle is included in the Lease payment.

10.7 Where the Front page indicates **Motor third party liability insurance ADDED** – the Leasing Company shall arrange for conclusion of Motor third party liability insurance via an insurance broker and delivery of the respective policy to the Lessee. In such a case the price of the service of insuring the Vehicle until expiration of the term of the Contract is reflected in the sum of the Invoice and on the Front page of the Contract on the "Product/service" line. The price of such service divided into periods from the date of conclusion of the Contract until the date of expiration of the term of the Contract and the Lessee shall make the payments in the amount and by the time set out in Invoices.

10.8 Where the Front page indicates **NO Motor third party liability insurance**– the Lessee shall at its own expense arrange for conclusion of Motor third party liability insurance.

10.9 Where necessary the Lessee shall make changes in the compulsory Motor third party liability insurance in the offices of the Leasing Company. Otherwise, the Leasing Company may not be able to guarantee offer of the insurance upon the agreed conditions and the Lessee shall be liable for any possible damage.

10.10 Where the Front page indicates **Comprehensive insurance INCLUDED** – the Leasing Company shall arrange for conclusion of the Comprehensive insurance contract in accordance with the deductible limitations set out on the Front page of the Contract. The price of insuring the vehicle is included in the Lease payment.

10.11 Where the Front page indicates **Comprehensive insurance ADDED** – the Leasing Company shall arrange for conclusion of the Comprehensive insurance contract in accordance with the deductible limitations set out on the Front page of the Contract. In such a case the price of the service of insuring the Vehicle until expiration of the term of the Contract is reflect in the sum of the Invoice and on the Front page of the Contract on the "Product/service" line. The price of such service divided into periods from the date of conclusion of the Contract until the date of expiration of the term of the Contract and the Lessee shall make the payments in the amount and by the time set out in Invoices.

10.12 Where the Front page indicates **NO Comprehensive insurance** (hereinafter – **Direct insurance**) – the Lessee shall have the right to conclude only such

Comprehensive insurance contract the annual payment for which is paid in a single installment.

10.12.1 The Lessee shall conclude all Comprehensive insurance contracts, bear expenses and make payments in connection with insurance, where the Contract does not provide differently.

10.12.2 The Comprehensive insurance contract shall be concluded with the insurer accepted by the Leasing Company before acceptance of the Vehicle.

10.12.3 In case of Direct insurance the Lessee submits to the Leasing Company a copy of insurance policy (not later than at the time of acceptance of the Vehicle). After that the Lessee shall submit to the Leasing Company a copy of new insurance policy (at least in 5 days before the end of period of current insurance policy) that should come into force not later than after the end of validity of current policy.

10.12.4 Original copies of the insurance policy remain in possession of the Lessee until expiration of the term of the Contract.

10.13. Where due to breach of any obligation set out in Section 10.1-10.12 damage is inflicted to the Leasing Company, the Lessee shall compensate such damage.

10.14 Where the Vehicle become insured several times, the Leasing Company is to select which insurance contract is to be cancelled. The Lessee shall bear all expenses in connection with cancellation of insurance policies. Where existence of several insurances provides the insurer with the grounds for denying payment of compensation and thus damage is inflicted to the Leasing Company, the Lessee shall compensate such damage.

10.15 No sum paid for insurance of the Vehicle shall be refunded or otherwise compensated by the Leasing Company to the Lessee.

10.16 In case of the insured event the Lessee shall represent interests of the Leasing Company (in dealings with the insurer, the police, the State Vehicle Register, etc.), where the Parties do not agree differently.

10.17 In case of the insured event the received compensation is first used to cover claims of the Leasing Company based on the Contract or any debt agreements concluded on the basis of the Contract, as well as expenses in connection with repairs, restoration or replacement of the Vehicle.

10.18 Where the Vehicle is stolen, plundered, destroyed, becomes unfit for use, etc., the Lessee shall (within 20 days after the respective event takes place) conclude with the Leasing Company a debt agreement for repayment of respective amount or pay to the Leasing Company within that period of time the market price of the Vehicle, but in any case, not less than the Buyout price and other contractual payments (including for termination of services). Where the Insurer pays the insurance compensation to the Leasing Company, the Parties shall apply Section 10.17.

10.19 The insurance contract shall end or shall be terminated along with end or termination of the Contract, except in case of Direct insurance.

11. LIABILITY

11.1 The Lessee shall preserve, protect and care for the Vehicle to ensure that the Vehicle does not leave possession of the Lessee without approval of the Leasing Company. The Lessee shall be fully and unconditionally liable for preservation and good order of the Vehicle since the moment of acceptance of the Vehicle until the end or

termination of the Contract. Where the Vehicle leaves possession of the Lessee, becomes destroyed, lost or damaged (or in a similar situation), the Lessee shall not be released from liability before the Leasing Company and performance of its contractual obligations. The Lessee cannot demand replacement Vehicle or decrease of the Lease payment for the period of elimination of deficiencies of the Vehicle.

11.2 The Lessee has no right to transfer the Vehicle or dispose of it in any other manner, including encumbrance of the Vehicle with limited property rights. The Lessee shall not leave impression upon third parties that the Vehicle belongs to the Lessee and where necessary the Lessee shall inform third parties about legal grounds of the Lessee's use of the Vehicle.

12. BREACH OF THE CONTRACT

12.1 The Leasing Company has the right to demand the Vehicle to be returned from possession and use of the Lessee and to terminate the Contract, where at least one of the following situations take place:

- 1) the Lessee fully or partially fails to pay any Lease payments within 7 days after the date of due performance of respective obligation, or the Lessee does not pay any other sum set out in the Contract within 14 after the date such sum becomes due; or
- 2) due to actions or omissions of the Lessee or another person with the right to possess and use the Vehicle value of the Vehicle diminishes to a greater extent than as the result of normal wear and tear; or
- 3) it is discovered that the Lessee has knowingly submitted incorrect information in the application for conclusion of the Contract or in other documents; or
- 4) it is discovered that during the time of use of the Vehicle the Lessee submits to the Leasing Company inaccurate information, notifications or documents; or
- 5) the Lessee breaches any obligation set out in Sections 4.4, 4.5, 4.10 and/or 4.11 (except for subsections 6, 7 and 8); or
- 6) according to the Leasing Company the security placed in performance of the Contract is not sufficient to ensure performance of the Lessee's obligations and the Lessee does not submit to the Leasing Company additional acceptable security; or
- 7) the Lessee concludes contracts or performs other transactions in connection with transfer or the Vehicle or its encumbrance with limited property rights or in other way violates rights of the Leasing Company or the owner of the Vehicle; or
- 8) the Lessee breaches any of the conditions set out in Section 17.1; or
- 9) it is discovered that the Vehicle is not insured under the conditions set out in the Contract; or
- 10) the Lessee breaches any other obligation undertaken under the Contract and important for the Leasing Company, and fails to comply with the Leasing Company's orders to stop the breach; or
- 11) in performing its obligations the Lessee prefers other creditors to the Leasing Company, where such actions are not prescribed by legal acts; or
- 12) the Lessee breaches other agreements concluded between the Leasing Company and the Lessee and fails to comply with the Leasing Company's orders to stop the breach.

12.2 In case of termination of the Contract on any of the grounds listed in Section 12.1, the Lessee shall pay to the Leasing Company all the sums due until the day of end of the Contract. Where in connection with termination of the Contract on any of the grounds listed in Section 12.1 the Leasing Company suffers any damage, the Lessee shall compensate such damage to the Leasing Company.

12.3 In case of termination of the Contract on any of the grounds listed in Section 12.1, Lease payments and other sum already transferred to the Leasing Company shall not be returned or otherwise compensated to the Lessee.

12.4 In case of termination of the Contract on any of the grounds listed in Section 12.1, the Lessee shall at its own expense bring the Vehicle to the place indicated by the Leasing Company at the time indicated by the Leasing Company. Where the Lessee fails to return the Vehicle upon the conditions set out in the Contract, the Leasing Company has the right to take necessary measures to restore its possession of the Vehicle.

12.5 The Lessee shall bear expenses in connection with termination of the Contract on the grounds listed in Section 12.1. Where the Leasing Company bears any expenses in connection with termination of the Contract, the Lessee shall without delay compensate such expenses to the Leasing Company.

12.6 Where due to actions or omissions of the Lessee or another person with the right to possess and use the Vehicle value of the Vehicle diminishes to a greater extent than as the result of normal wear and tear, the Lessee shall upon the Leasing Company's demand to restore the Vehicle to the initial condition or compensate to the Leasing Company any expenses in connection with restoring the Vehicle to the initial condition.

12.7 The Leasing Company may terminate the Contract before transferring the Vehicle to the Lessee, where financial standing of the Lessee has worsened to the extent that payment of Lease payments is endangered or where the Lessee has knowingly submitted inaccurate information with the aim to conclude the Contract. The Leasing Company also has this right where the Lessee becomes insolvent before conclusion of the Contract, while the Leasing Company becomes aware of this only after coming of the Contract into force.

13. INFORMATION

13.1 The Parties shall not disclose to third parties any information about conclusion of the Contract, its conditions and performance and shall take all measures in order to avoid such information becoming available to third parties. Such limitations do not apply to situations, where the Parties are obliged to disclose information under the laws of the Republic of Estonia, as well as to disclosure of information to the Seller, any surety (sureties) for the Contract or provider(s) of other securities, insurers, providers of print and post services as well as legal advisors of the Parties. This limitation shall not be binding for the Parties, where another Party fails to perform its contractual obligations.

13.2 Any notifications between the Parties in connection with the Contract shall be submitted in writing or in a form that allows for reproduction in writing to the postal address or email address indicated in the Contract. A notification is considered to be successfully delivered after 3 days or sending the notification with registered mail or in a letter in a form that allows for reproduction in writing or delivery of the notification to the Party against its signature.

13.3 The Leasing Company may demand that the Lessee sends any notifications and applications that bear legal consequences from the email address indicated in the Contract.

13.4 The Lessee shall without delay notify the Leasing Company about any circumstances that may result in decrease of solvency of the Lessee or decrease of value of the provided security.

14. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

14.1 In concluding, performing, ending and termination the Contract as well as in all other cases in relation to the Contract the parties shall be guided by current legal acts of the Republic of Estonia.

14.2 Any disputes in connection with the Contract that the Parties are unable to settle by negotiations shall be settled by Harju County Court. In settling disputes, the Parties shall be guided by the goals and the content of the Contract.

15. AMENDMENTS TO THE CONTRACT AND ITS PARTIAL INVALIDITY

15.1 The Contract can only be changed upon written agreement of the Parties signed by representatives of both Parties. Such agreement comes into force on the day it is signed.

15.2 Where any provision or section of the Contract contradicts legal acts in force in the Republic of Estonia, this shall not affect validity of other provisions or sections of the Contract.

16. CHANGES IN THE EXCHANGE RATES

16.1 The Currency of the Contract shall be the basis of calculation of any Lease payments and other sums payable under the Contract. By agreement of the Parties the Lessee shall pay Lease payments and other sums payable under the Contract in the Payment currency. Where the Payment currency is different from the Currency of the Contract, the Lessee shall bear any expenses with regard to currency exchange according to the current exchange rate.

16.2 Where on the day of making a contractual payment euro does not exist as a valid currency, recalculation is performed by replacing the currency that lost its validity with the currency that is to substitute it. In such a case in calculating the amount of further payments the method set out in Section 16.2 on the Contract in used, where the currency that lost its validity is replaced with the currency that is to substitute it.

17. CONFIRMATIONS OF THE PARTIES

17.1 By signing the Contract the Party and the person signing the Contract in the name of the Party confirm that:

1) the Party and the person signing the Contract in the name of the Party possess full active and passive legal capacity, it is authorized to sign the Contract and there are no limitations that hinder or can hinder conclusion of the Contract or can become grounds for early termination of the Contract or its recognition as null and void;

2) no bankruptcy application, court claim or other demands are submitted with regard to the Party (and according to the knowledge of the Party no plans to submit such applications, claims or demands exist), satisfaction of which could affect the Party's ability to perform its contractual obligations;

3) no court decision or decision of other authorities are applicable to the Party that can significantly affect its ability to perform obligations undertaken under the Contract;

4) no limitations with regard to conclusion of the Contract are imposed on the Party by laws, regulations, orders or other legal acts;

5) the Party is not in any way prohibited to possess, use and dispose of objects of the type same to the Vehicle; and

6) conclusion of the Contract does not contradict any documents regulating activities of the Party.

17.2 The Parties confirm that the Contract is the expression of their free will and that the Contract contains all conditions of the Contract. Any agreements and statements of the Parties concluded and made before concluding the Contract shall not be considered a part of the Contract, unless the Parties indicate differently in the Contract.

18. VALIDITY OF THE CONTRACT AND COPIES OF THE CONTRACT

18.1 The Contract is concluded with the fixed term. The Contract comes into force at the moment the Contract and the Payment schedule are signed by the Parties or representatives of the Parties. The Contract ends when the Lessee fully pays its contractual debt to the Leasing Company (i.e. makes all Lease payments and other contractual payments and performs all other contractual obligations).

18.2 This Contract with all its annexes is signed in two copies.