

## LEASING TERMS AND CONDITIONS

Effective as of 20 January 2016

### I General Provisions

1. These Leasing Terms and Conditions (hereinafter referred to as the Terms and Conditions) of Telia Eesti AS (hereinafter referred to as Telia or the Lessor) apply to all the customers acting in their economic or professional activities (hereinafter referred to as the Customer or the Lessee), who have entered into a lease contract with Telia. The Terms and Conditions become a part of the lease contract from entry into the lease contract between Telia and the Customer.
2. The Terms and Conditions are available for examining on Telia's Homepage [www.telia.ee](http://www.telia.ee) and at the joint representations of Telia.
3. In the event of any conflicts between the provisions in the Terms and Conditions and in the lease contract, the lease contract shall serve as a basis upon determining the priority.
4. In any issues not regulated by the Terms and Conditions (including, but not limited to, amendment of the Terms and Conditions) the parties shall be guided by the provisions of the Customer Agreement and the General Terms and Conditions.
5. Several Leased Objects may serve as the object of the lease contract and in such case all the provisions of the lease contract (including the Terms and Conditions) concerning the Leased Object apply to each Leased Object separately, unless otherwise provided in the lease contract.

### II Leasing Terms and Conditions

6. Proceeding from the Customer's wish to use and/or acquire the goods or a complete set of goods (hereinafter referred to as the Leased Object or the Goods) Telia will acquire the Goods with the aim of financing for a charge the purchase transaction required for the use or acquisition of the Goods by the Customer and delivering the Goods to the Customer for use on the terms and conditions provided in the lease contract.
7. Telia shall ensure the delivery of the Goods at the location determined by the Customer in the lease contract (hereinafter referred to as the Place of Delivery) within the boundaries of the Republic of Estonia. Telia has the right to authorise a postal or courier company or a third party to deliver the Goods.
8. All the expenses related to the transport of the Goods to the Place of Delivery, their mounting, putting into operation, installation, tuning, changing of settings, return and other similar expenses shall be covered by the Customer, unless otherwise agreed between the parties.
9. The Goods shall be deemed accepted by the Customer and the direct possession of the Goods shall be deemed transferred from Telia to the Customer upon signing by the Customer of the deed of delivery and acceptance of the Goods or some other document evidencing the delivery and acceptance of the Goods (e.g. consignment note). The risk of accidental destruction of and damage to the Goods shall transfer from Telia to the Customer at the moment of acceptance of the Goods.
10. After the acceptance of the Goods the Customer is obliged to inspect the Goods immediately and verify the conformity of the Goods to the terms and conditions of the lease contract, i.e. to examine the condition of the Goods and make sure that the Goods function normally in accordance with their purpose. The Customer has the right to file complaints about any deficiencies in the Goods within 7 (seven) days after the acceptance of the Goods.
11. Should there appear any deficiencies in the Goods, the Customer has the right to make a proposal to the seller or the Lessor to organise independent expert assessment to ascertain the technical condition of the Goods. The results of the expert assessment carried out with regard to the technical condition of the Goods and the notice explaining the impossibility of use of the Goods presented by the Customer to Telia shall serve as a basis for withdrawal from the sales contract by Telia.
12. The Customer may file a claim against the seller of the Goods directly if the seller violates the sales contract of the Goods entered into with Telia. The Customer has all the rights and obligations of the buyer upon filing such claim. The Customer may exercise the right to withdraw from the sales contract only with the prior written consent of Telia. The details of the seller of the Goods are set out in the lease contract.
13. Telia shall not be liable for any deficiencies in the Goods, unless Telia itself has chosen the Goods or the seller.

**III Lessee's Rights and Obligations****The Lessee has the right:**

14. To use the Goods for their intended purpose and according to the instructions for use and to connect to the Goods technically suitable equipment complying with the requirements;
15. To perform such improvements on the Goods which do not damage the condition of the Goods and which make the use of the Goods more efficient. Telia is not obliged to compensate the Customer for the necessary, useful or decorative improvements made by the latter. The Customer has the right to remove any improvements from the Goods before performing the obligation to return the Goods if this does not damage the Goods.

**The Lessee is obliged:**

16. To accept the ordered Goods;
17. To use the Goods prudently, in accordance with the intended purpose of the Goods;
18. To keep the Goods at its own expenses so that preservation of the Goods would be ensured and that the theft, loss and destruction of and damage to the Goods would be precluded;
19. To comply with the conditions for use and/or warranty conditions of the Goods, which are contained in the documentation delivered together with the Goods or in the lease contract entered into between the parties in relation to the Goods and to provide maintenance to the Goods pursuant to the procedure prescribed in the above documentation;
20. To preclude modification or transfer of the Goods or encumbering thereof with the rights of third parties;
21. To ensure the preservation of software operating systems and to preclude the installation of illegal software on the Goods (if the Goods are a computer or another device containing software);
22. To provide an authorised person of Telia with access to the Goods in order to verify the existence and working order of the Goods and that the Goods are used for the intended purpose and if necessary in order to remove the Goods;
23. To notify Telia immediately, but no later than on the 1st (first) working day after learning about a theft, loss or destruction of or damage to the Goods, and to compensate Telia for the damage caused by the above if demanded by Telia;
24. To return the Goods in the cases prescribed in the Terms and Conditions, including at the expiry of the period of use provided in the lease contract (if use of the Goods is granted under operating lease) and in the condition in which the Customer received the Goods considering normal wear and tear;
25. Not to grant use of the Goods to or deposit the Goods with third parties (except to the users for whom the Customer is liable) without a prior written consent of Telia;
26. To pay for the use of the Goods in accordance with the terms and conditions provided in the lease contract;
27. To use the Goods only at the location of the Goods determined in the lease contract. If the location of the Goods is not determined in the lease contract, the Customer has the right to use the Goods only in the territory of the Republic of Estonia. It is prohibited to take the Goods (except for laptops) out of the country without a prior written consent of Telia;
28. To notify Telia immediately about any change in the Customer's financial situation if this may affect the performance of the lease contract and if demanded by Telia to provide financial information which enables Telia to verify the ability to perform the payment obligations under the lease contract.

**IV Payments and Settlements**

29. The Customer is obliged to pay the fees set out in the lease contract (hereinafter referred to as Payments) for the use of the Goods on the basis of invoices presented by Telia within the term for payment specified on the invoice (hereinafter referred to as Term for Payment) to Telia's bank account, indicating the reference number on the payment order.
30. In addition to the Payments the Customer undertakes to pay timely during the term of validity of the lease contract all the expenses that may arise from the Goods, including the premiums of optional insurance of the Goods, the expenses arising from return of the Goods to Telia or acquisition of the Goods, the bank transfer expenses and the expenses related to changes in exchange rates.
31. The calculation of interest is based on a year of 365 days and the actual number of days in the month.

**V Insurance Terms and Conditions**

32. The Customer is obliged to enter into an optional insurance contract in respect of the Goods if the sum of outstanding scheduled instalments for the Goods which use is granted to the Customer by Telia under the lease contract exceeds 3000 (three thousand) euros.
33. The mandatory terms and conditions of the insurance contract are:
  - 33.1. the delivered complete set of the Goods shall be insured;
  - 33.2. the insurable value of the Goods shall be the reinstatement value of the Goods (the complete set);
  - 33.3. Telia Eesti AS shall be set out in the lease contract as the beneficiary.
34. The Customer is obliged to present a copy of the insurance contract to Telia if demanded by Telia.
35. In the case of a loss event the Customer is obliged to proceed from the mandatory instructions provided in the insurance contract and to notify Telia of the loss event within 3 (three) working days in writing or in a format which can be reproduced in writing by providing information on the circumstances of the loss event and the extent of damage.

**VI Validity, Amendment of Lease Contract**

36. The lease contract is entered into for a fixed term. The lease contract expires at the end of the period of use of the Goods set out in the lease contract if the lease contract has been duly performed; upon premature cancellation of the lease contract; or upon purchase of the Goods by the Customer pursuant to the procedure provided in the Terms and Conditions.
37. The lease contract may be amended by a written agreement entered into between Telia and the Customer.

**VII Liability and Sanctions**

38. The Customer shall be liable for any violation of the undertaken obligations under the lease contract regardless of any justification for the violation. In the event of non-performance or undue performance of the lease contract the parties to the lease contract have the right to use the legal remedies prescribed in the lease contract and by law.
39. If the Customer, after entry into the lease contract, delays with making the first Payment (including the contract fee) beyond the Term for Payment or fails to make the Payment in full or refuses to accept the Goods after entry into the lease contract without grounds, Telia has the right to demand from the Customer payment of the contractual penalty of 10% of the cost of the Goods set out in the corresponding lease contract, realise the Goods and demand from the Customer compensation for the difference between the cost of the Goods set out in the lease contract and the sales price received upon realisation of the goods or demand immediate purchase of the Goods. In addition Telia has the right to claim compensation for the expenses made for acquisition and realisation of the Goods and to cancel the lease contract.
40. If the Customer delays with making the monthly Payments beyond the Term for Payment, Telia has the right to demand a penalty for late payment at the rate established in the General Terms and Conditions on the overdue amount per each delayed day.
41. If the Customer is fully or partially in arrears with at least 2 (two) consecutive Payments or has failed to make the owed Payments within the additional Term for Payment granted by Telia, Telia has the right to cancel the lease contract and inter alia to claim payment of interest for 3 (three) months following the cancellation of the lease contract.
42. If Telia detects that the software operating systems have been damaged by the Customer or have been destroyed and/or that pirate software exists, Telia has the right to demand compensation for the damage caused by such violation and/or cancel the lease contract immediately.
43. If the Goods are destroyed, damaged or lost in a manner which is not considered to be an insured event under the insurance contract and therefore not subject to indemnification by the insurer or if the insurance indemnity does not cover all the expenses of Telia or if the Goods have not been insured, the Customer shall be liable to Telia. The Customer undertakes to pay the amounts subject to compensation and damages after receipt of a corresponding notice and invoice from Telia.
44. Any hindrances upon the possession or use of the Goods not depending on Telia (including the time when the Goods are subject to warranty maintenance) shall not release the Customer from performance of the obligations under the lease contract.
45. Telia has the right to extraordinarily cancel the lease contract by making a corresponding declaration to

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the Customer, inter alia if:

- 45.1. the Customer has knowingly presented untrue information or misinformation in the documents presented to Telia (including in the foundation documents or in the balance sheet and income statement which reflect financial indicators);
  - 45.2. the Customer has failed, upon Telia's repeated demands, to present the financial information which enables Telia to verify the ability to perform the payment obligations under the lease contract;
  - 45.3. a circumstance has appeared that the Customer has taken the Goods out of the Republic of Estonia without a prior written consent of Telia and/or delivered the possession of the Goods to an unauthorised person;
  - 45.4. other circumstances appear which cast doubt on due performance of the lease contract, including compliance with the payment discipline, or if the Customer has violated the lease contract intentionally or due to gross negligence.
46. Upon extraordinary cancellation of the lease contract Telia has the right to demand:
- 46.1. compensation for the expenses incurred by Telia in connection with the Leased Object, primarily the purchase price and the expenses of financing the purchase price, to the extent not covered by the Payments that have already been made;
  - 46.2. return of the Goods;
  - 46.3. compensation for the damage and additional expenses caused by violation of the lease contract, including compensation for the expenses related to calling in the debt set out in the General Terms and Conditions and the Price List.
47. The Lessor has the right to apply, for violation by the Lessee of the obligations set out in clauses 18, 20 and 21 of the Terms and Conditions, if it resulted in damage to the Lessor, a contractual penalty of up to 10% of such part of the expenses incurred by the Lessor upon acquisition of the Leased Object which has not been compensated for.
48. The Lessor has the right to demand from the Lessee a contractual penalty of up to 10% of the sales price following the acquisition of the Leased Object if the lease contract is extraordinarily cancelled under clause 45.1, 45.3 or 45.4 of the Terms and Conditions if the Customer has violated the lease contract intentionally or due to gross negligence.
49. The Lessor has the right to apply a contractual penalty of up to 60 (sixty) euros for each violation by the Lessee of the notification obligation specified in clause 28 of the Terms and Conditions.
50. In the event of cancellation of the lease contract by Telia the Payments previously made by the Customer to Telia and other fees under the lease contract are not subject to be returned or otherwise compensated for by Telia to the Customer.

### **VIII Expiry of Finance Lease Contract and Acquisition of Leased Object by Lessee**

51. The lease contract expires on the date of expiry of the period of use set out in the lease contract and the ownership of the Goods transfers automatically from Telia to the Customer after the Payments set out in the lease contract have been made in full by the Customer.
52. The Lessee has the right to cancel the lease contract prematurely provided that the Lessee purchases the Goods before the expiry of the period of use and performs the obligations to the Lessor arising therefrom, notifying the Lessor thereof 1 (one) month in advance. Upon purchasing the Goods the Customer is obliged to pay Telia all the instalments which have not been paid for the Goods and other expenses incurred by Telia in connection with the Leased Object. In addition to the above amounts the Customer is obliged to pay, if demanded by Telia, the fee for premature termination of the lease contract, i.e. the sum of interest for 3 (three) months following the cancellation of the lease contract.
53. For the purpose of payment of the amounts specified in clause 52 Telia shall present an invoice to the Customer and the Customer undertakes to pay the invoice within the Term for Payment specified thereon. Upon payment of the invoice the ownership of the Goods shall automatically transfer from Telia to the Customer.

### **IX Expiry of Operating Lease Contract and Return of Leased Object to Lessor**

54. The lease contract expires on the date of expiry of the period of use set out in the lease contract and the Customer is obliged to return the Goods no later than by the last date of the month of expiry of the period of use provided in the lease contract.
55. The Customer can cancel the lease contract prematurely with the consent of Telia provided that the

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Customer purchases the Goods before the expiry of the period of use and performs the obligations to the Lessor arising therefrom, notifying the Lessor thereof 1 (one) month in advance. Upon purchasing the Goods the Customer is obliged to pay Telia the sum of instalments which have not been paid for the goods and the residual value of the Goods and other expenses incurred by Telia in connection with the Leased Object. In addition to the above amounts the Customer is obliged to pay, if demanded by Telia, the fee for premature termination of the lease contract, i.e. the sum of interest for 3 (three) months following the cancellation of the lease contract.

56. For the purpose of payment of the amounts specified in clause 55 Telia shall present an invoice to the Customer and the Customer undertakes to pay the invoice within the Term for Payment specified thereon. Upon payment of the invoice the ownership of the Goods shall automatically transfer from Telia to the Customer.

### **X Return of Goods and Evaluation of Condition**

57. The Goods can be returned before the expiry of the period of use upon agreement of the Parties.
58. The Customer is obliged to return the Goods at the location determined in the lease contract. If the terms and conditions of the return of the Goods have not been determined in the lease contract or if the terms and conditions of the return of the Goods have been amended at the initiative of Telia, the Goods must be returned at the location and time determined by Telia. The Goods are subject to be returned if:
  - 58.1. the ownership of the Goods has not transferred from Telia to the Customer automatically under the lease contract or by a deed;
  - 58.2. at the expiry of the period of use; or
  - 58.3. if Telia has cancelled the lease contract and/or demanded from the Customer the return of the Goods.
59. If the Customer fails to duly perform the obligation to deliver the Goods, Telia has the right to contact a third person chosen by Telia, who shall carry out the acts required for regaining the possession of the Leased Object.
60. Upon return of the Goods the Customer shall deliver the direct possession of the Goods to Telia on the basis of a deed of delivery and acceptance. Telia has the right to examine the condition of the Goods and to file the claims arising from the condition of the Goods and clause 61 of the Terms and Conditions to the Customer in writing no later than within two (2) months after the date of delivery of the Goods by a deed.
61. Telia shall carry out the examination of the condition of the Goods after the return of the Goods. If it appears as a result of examination of the condition of the Goods that the Goods subject to be returned have been damaged or modified by the Customer or in other such cases and the deficiencies have not arisen as a result of ordinary use, the Customer must, if demanded by Telia, compensate for the deterioration in the value of the Goods, the evaluation of the condition of the Goods, the putting of the Goods into working order, the restoring of initial settings of the Goods and other such associated expenses.
62. If the Customer fails to perform the obligation to return the Goods within the time limit or within the additional term granted by Telia, it shall be deemed that Telia has lost interest in getting back the Goods due to the delay and Telia has the right, instead of return of the Goods, to demand from the Customer compensation for the residual value of the Goods set out in the lease contract. For the purpose of payment of such fee Telia shall present an invoice to the Customer, which is subject to be paid by the Customer within the Term for Payment specified on the invoice. Upon payment of the invoice the ownership of the Goods shall automatically transfer from Telia to the Customer.

### **XI Other Provisions**

63. Upon returning the Leased Object the Customer is obliged to delete any data which are important for the Customer and contained therein. Telia shall not be responsible for preservation of the Customer's data contained in the returned Goods, but shall treat such data as confidential and shall take necessary measures to ensure that the above data do not reach any third (unauthorised) persons. Telia has the right to delete from the Leased Object all the data contained therein.
64. Telia has the right to assign any debt-claims against the Customer under the lease contract to third persons, including collection companies, and in the event of violation of the lease contract to disclose

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- the data of the Customer and the lease contract to third persons through the credit register.
65. Upon transfer of ownership of the Goods from Telia to another person the rights and obligations under the lease contract are binding on the new owner of the Goods. However, Telia undertakes to make every effort to ensure that the transfer of ownership of the Goods would not damage the exercise of the rights of the Customer.
  66. Any notices related to the lease contract shall be communicated by one party to the other party in an unattested written form or in a format which can be reproduced in writing and the notice shall be deemed delivered to the party when two (2) calendar days have passed from posting. Notices of informative nature which do not bring about any legal consequences to the Parties may also be communicated by phone. The Parties shall communicate the notices using the parties' contact details set out in the lease contract. The Parties undertake to notify the other party of changes in their data immediately, but no later than within 15 (fifteen) days after the changes take place.
  67. The parties shall settle any disputes arising upon performance of the lease contract by negotiations. Upon failure to settle a dispute by negotiations, the dispute shall be referred to the court.
  68. This wording of the Leasing Terms and Conditions is effective as of 20 January 2016.