

## COLLATERAL AGENCY FRAMEWORK AGREEMENT

This collateral agency framework agreement (hereinafter the **Framework Agreement**) is concluded in Tallinn on 17.10.2017 between

- (a) **Argeld OÜ**, address: Tartu mnt 25, Tallinn 10117, registry code: 14240587 (the **Portal Manager**), represented by member of the management board Jaak Raid, and
- (b) **Argeld Tagatisagent OÜ** (being founded) (the **Collateral Agent**), represented by member of the management board Leho Pihkva

(hereinafter referred to jointly as the **Parties** and individually as **Party**,

### WHEREAS:

- A. The Parties have agreed the main terms and conditions for the provision of collateral agency services, including the rights and obligations of the Parties, division of liability between the Parties as well as the extent and procedure of payment for the services, and have therefore decided to conclude a framework agreement.
- B. Upon conclusion of a collateral agreement for each project, an annex to the Framework Agreement shall be concluded, establishing the obligations of the Collateral Agent and containing the details of all persons involved and, where necessary, additional representations by the persons involved,

### WHO HEREBY CONCLUDE A FRAMEWORK AGREEMENT ON THE FOLLOWING TERMS AND CONDITIONS:

#### 1. DEFINITIONS

<b>Investors</b>	means the natural or legal persons who have issued loans under loan agreements or acquired claims under claim transfer agreements mediated by the Portal Manager;
<b>Immovable (or Collateral)</b>	means registered immovable property or properties belonging to the Owner and mortgaged to the Collateral Agent to the benefit of the Investors under a Collateral Agreement;
<b>Borrower</b>	means a natural or legal person who has received a loan from Investors through the Portal Manager in order to finance a real estate project or has transferred its claims against third parties through the Portal Manager;
<b>Owner</b>	means the owner or the mortgaged Immovable;
<b>Collateral Agreement</b>	means a mortgage agreement by which an Immovable is mortgaged to the Collateral Agent. Collateral Agreements are concluded separately for each project financed through the portal and the respective projects will be specified in the Collateral Agreement, and an annex to this Framework Agreement shall also be concluded for each project;

<b>Notification</b>	means a notification under clause 3.3 of this Framework Agreement which, when received by the Collateral Agent, shall entitle the Collateral Agent to dispose of the Immovable(s) indicated in the Notification and, after deducting relevant expenses, distribute the proceeds from the disposal between the Investors indicated in the Notification according to proportions set out in the Notification;
<b>General Investment Terms and User Terms</b>	means the rules for using the portal as established by the Portal Manager and notified to and accepted by all users (including the Investors, the Borrower and the Owner), including the description of the Collateral Agent and the Portal Manager.

## **2. OBJECT OF AGREEMENT**

- 2.1. This Framework Agreement sets out the Collateral Agent's obligations and rights in relation to holding a Collateral for the Investors. The Collateral Agent shall be entitled to the fee agreed to in Annex 1 of the Framework Agreement for performing its obligations as the Collateral Agent.
- 2.2. The Collateral Agent shall perform its tasks and obligations in accordance with General Investment Terms and User Terms and this Framework Agreement. In case of a conflict between the General Investment Terms and User Terms and this Framework Agreement, the provisions of the Framework Agreement shall prevail.
- 2.3. An Annex to the Framework Agreement shall be concluded upon the conclusion of each Collateral Agreement to secure a financing transaction made through the portal. The Annex shall indicate, inter alia, information on the Collateral object and its Owner and any additional agreements, where appropriate. Any disposal of Collaterals and allocation of the proceeds to Investors shall take place separately for each project for which an annex to the Framework Agreement has been concluded. The Collateral Agent's obligations agreed in the Framework Agreement shall enter into force for a specific Collateral upon conclusion of the annex relating thereto.

## **3. NOTIFICATIONS TO THE COLLATERAL AGENT**

- 3.1. An Immovable shall be mortgaged to the Collateral Agent under the terms and conditions set out in the Collateral Agreement.
- 3.2. The Collateral Agent shall use the rights in the Collateral and perform its obligations solely on the grounds and to the extent provided for in the Framework Agreement, having regard to restrictions under the law and provisions of the Collateral Agreement. The Collateral Agent shall not dispose of the Collateral under any other circumstances than upon receipt of the Notification set out in Clause 3.3 of the Framework Agreement.
- 3.3. The Collateral Agent shall commence with proceedings for disposal of the Collateral on the basis of instructions provided by the Portal Manager in its own name in writing or in a format that can be reproduced in writing. A notification containing the instructions mentioned in this Clause must:
  - 3.3.1. include a reference to the annex of the Framework Agreement and the specific Immovable(s) to be disposed of;
  - 3.3.2. include a description of the breach of a secured obligation wherefrom the right to dispose of the Immovable arises, together with relevant documentation;

- 3.3.3. include the following details on Investors among whom the proceeds from disposal are to be distributed: name, registry code or personal identification code, account number and bank, contact details, amount of claim secured by the Collateral indicated in the Notification, including break-down by principal claim and interest;
    - 3.3.4. be signed by a member of the management board of the Portal Manager;
    - 3.3.5. be delivered in a digitally signed form to the Collateral Agent's e-mail address as set out in Clause 8.3 or by registered mail to the Collateral Agent's address. Instructions shall be deemed received by the Collateral Agent upon confirmation of receipt of the e-mail notification or delivery of registered mail.
  - 3.4. Upon receipt of a Notification in accordance with Clause 3.3, the Collateral Agent shall immediately commence with proceedings for disposal of the Immovable. The Collateral Agent may rely on the correctness of the information included in the Portal Manager's Notification and shall not be liable for any damage to the Investors or third parties due to incorrect information submitted to it. If, despite this indemnity, an Investor or a third party succeeds in enforcing a claim against the Collateral Agent on the basis of incorrect information provided by the Portal Manager, the Portal Manager shall compensate for any damage thereby incurred by the Collateral Agent.
  - 3.5. The Collateral Agent is under no obligation to verify or evaluate the breach of the secured obligation indicated in the Notification, and the Collateral Agent shall not be liable for the consequences of the disposal of the Immovable(s) in accordance with the instructions. The Collateral Agent may require the Portal Manager to provide additional instructions for disposal of the Collateral in accordance with the provisions of Clause 4.1.3.
  - 3.6. The Collateral Agent shall not be liable to the Portal Manager, the Investors or any third parties for the Portal Manager's failure to submit a Notification or a delay in submitting a Notification. If, despite this indemnity, an Investor or a third party succeeds in enforcing a claim against the Collateral Agent on the basis of the Portal Manager's delay or omission, the Portal Manager shall compensate for any damage thereby incurred by the Collateral Agent.
  - 3.7. In addition to the provisions of Clauses 3.3 and 4.1.3, the Collateral Agent shall be entitled to receive from the Portal Manager, upon the conclusion of each annex to the Framework Agreement, reports on investors and the amount of loans granted by them separately for each project for which an annex to the Framework Agreement has been concluded, including break-down by principal debt and interest and information on any interest payments.

#### **4. COLLATERAL AGENT'S RIGHTS AND OBLIGATIONS**

- 4.1. The Collateral Agent has the right to:
  - 4.1.1. arrange for the disposal of the Immovable serving as collateral pursuant to the law and the Collateral Agreement and in accordance with the General Investment Terms and User Terms and this Framework Agreement;
  - 4.1.2. terminate the proceedings set out in Clause 4.1.1 or not commence with such proceedings if the Collateral Agent deems that the outstanding claims are unlikely to be covered by the proceedings or if the likely proceeds from such proceedings are less than or not significantly above the expenses relating to such proceedings;
  - 4.1.3. address additional questions to the Portal Manager and receive binding instructions for the disposal of the Collateral. If no reply is received, the provisions of Clause 4.6 shall apply;
  - 4.1.4. other rights under the General Investment Terms and User Terms to the extent that the application thereof is not in conflict with the provisions of this Framework Agreement or the annex concluded for the holding of the Collateral for a specific project.

- 4.2. The Collateral Agent shall be obliged to perform the following reasonable activities for the disposal of the Collateral in the interest of the Investors and subject to the provisions of this Framework Agreement and the General Investment Terms and User Terms:
- 4.2.1. activities relating to the commencement of execution proceedings, including the sending of necessary letters, submitting an application to a bailiff and communicating with the bailiff;
  - 4.2.2. participating in the execution proceedings up to the distribution of proceeds;
  - 4.2.3. participating in legal disputes relating to execution proceedings;
  - 4.2.4. submitting and defending claims in bankruptcy proceedings of the Borrower or the Owner and receiving the proceeds.
- 4.3. The Collateral Agent shall not be responsible for the preservation of the property serving as Collateral, including any obligation to check whether the Owner or Borrower has taken out proper insurance on the collateral or fulfilled other obligations under the law or under any contracts concluded by the Owner or Borrower.
- 4.4. The Collateral Agent has no obligation to notify the Investors of any circumstances, unless such an obligation is expressly provided for in this Framework Agreement.
- 4.5. The Collateral Agent shall not provide services to the Investor, the Borrower or the Owner in situations where there is a conflict of interest. The Collateral Agent may refuse to accept Collateral to its name or conclude a relevant annex to the Framework Agreement if the Borrower or the Owner is a client of the Collateral Agent or its affiliate and the Collateral Agent deems that holding the Collateral would lead to a conflict of interest.
- 4.6. The Collateral Agent shall not be liable for the performance of the Portal Manager's obligations or performing additional checks on the Portal Manager's behaviour or the lawfulness of instructions provided by it to the Collateral Agent in the name of the Investor(s).
- 4.7. The Collateral Agent shall not be liable for the outcome of execution proceedings or bankruptcy proceedings carried out under the law or any other consequences of such execution proceedings or bankruptcy proceedings.
- 4.8. The Collateral Agent shall be liable for damage caused by a breach of this Framework Agreement only in the event of intent or gross negligence. The Collateral Agent shall not be liable for any lost revenue or proprietary damage to the Portal Manager, the Investors, the Borrower or the Owner, and the Collateral Agent's liability for services provided under this Framework Agreement shall in any case be limited to the amount of Collateral Agent's fee for the project in question.
- 4.9. If the Collateral Agent participates in a Borrower's bankruptcy proceedings as a creditor, the Collateral Agent shall be responsible for submitting a claim and all information and documents required for defending the claim. The Collateral Agent shall have no other obligations in bankruptcy proceedings (including obligations to analyse or contest claims by other creditors or contest the trustee's activities).
- 4.10. The Collateral Agent shall not be obliged to initiate legal disputes relating to execution proceedings for disposal of the Collateral or in a Borrower's bankruptcy proceedings. If involved in legal disputes in such proceedings, the Collateral Agent shall be obliged to make reasonable efforts to defend and enforce the claims arising from any Parallel Obligation (as defined in the General Investment Terms and User Terms).

## **5. ALLOCATION OF PROCEEDS**

- 5.1. The Collateral Agent shall transfer the Investors' proceeds from the disposal of Collateral to the Portal Manager (after deduction and payment of all expenses and fees relating to and/or payable for its activities, including the expenses and fees agreed to in Annex 1 of the Framework Agreement), who shall allocate the respective receipts to the Investors' accounts in the appropriate amounts. The Collateral Agent's obligations shall be deemed duly fulfilled upon transfer of the proceeds from the disposal of the Collateral to the Portal Manager's account.
- 5.2. In order to enable the Collateral Agent to dispose of Collateral and enforce the Investors' claims against the Borrower in its own name, the Portal Manager shall arrange and ensure that the Investors, the Borrower and the Owner have irrevocably agreed in the General Investment Terms and User Terms and/or the Collateral Agreement that the Collateral Agent shall obtain a claim against the Borrower under the Parallel Obligation upon receiving a Notification. After the receipt of a Notification, the Collateral Agent shall be the sole person entitled to enforcement of the claim arising from the Parallel Obligation against the Borrower.

## 6. FEES

- 6.1. The Collateral Agent's fees for performance of the collateral agent's obligations are set out in Annex 1. In case of a delay in payment of the fees, a penalty for delay of 18% per annum shall be applied on delays of up to 30 days and 36% per annum on delays exceeding 30 days.
- 6.2. The Owner shall agree, in the collateral agreement, that the Collateral shall cover both the Borrower's obligations and the Collateral Agent's fees. If the Owner refuses this condition, the Collateral Agent may refuse to conclude the collateral agreement in question.
- 6.3. The Portal Manager shall ensure that all Investors agree, by accepting the General Investment Terms and User Terms, to subject their claim to the Collateral Agent's claim for fees.

## 7. PARTIES' REPRESENTATIONS AND WARRANTIES

- 7.1. The Portal Manager confirms that all instructions given by it in the future, in particular the instructions provided to the Collateral Agent in relation to disposal of the Collateral, are lawful and that the Collateral Agent may rely on the lawfulness of such instructions in the performance of its obligations. The Portal Manager shall be liable for any damage caused by unlawful or insufficient instructions.

## 8. NOTIFICATIONS

- 8.1. All notifications between the Parties in the course of performance of the Framework Agreement shall be in writing or in a format that can be reproduced in writing, unless otherwise provided for in the Framework Agreement.
- 8.2. A written notification shall be deemed received five (5) calendar days after the notification is sent by registered mail to the Party's address as indicated in the Framework Agreement or otherwise communicated by a Party.
- 8.3. The Parties' contact details are the following:

### **Argeld Tagatisagent OÜ**

Address: Hobujaama 4, Tallinn  
Phone: 52 64 036  
E-mail: [leho.pihkva@glimstedt.ee](mailto:leho.pihkva@glimstedt.ee)  
Contact person: Leho Pihkva

### **Argeld OÜ**

Address: Tartu mnt 25, Tallinn10117  
Phone: 515 7623

E-mail: [jaak.raid@novira.ee](mailto:jaak.raid@novira.ee)  
Contact Person: Jaak Raid

## 9. FINAL PROVISIONS

- 9.1. The Framework Agreement shall enter into force upon signature.
- 9.2. If the Portal Manager delays the payment of the fees set out in the Framework Agreement for more than 30 days, the Collateral Agent shall have the unilateral right to terminate this Framework Agreement by notice to the Portal Manager in writing or in a format that can be reproduced in writing. Upon termination of the Framework Agreement under this Clause, the Portal Manager shall be obliged to appoint a new collateral agent within six months of receipt of the notice of termination of the Framework Agreement, and arrange for any necessary approvals and cover all expenses relating to transfer of the collateral to the new collateral agent. The Collateral Agent shall have the right to refuse to transfer Collateral until the receipt of fees payable under the Framework Agreement. If the Portal Manager fails to appoint a new collateral agent within the term provided in this Clause, the Portal Manager shall pay the Collateral Agent a contractual penalty of €50,000 and compensate for any damages exceeding the amount of the contractual penalty.
- 9.3. The Framework Agreement may only be amended by a written agreement between the Parties.
- 9.4. The Framework Agreement shall be governed by Estonian law.
- 9.5. The Parties shall resolve any disputes arising from the Framework Agreement by negotiations in good faith. Failing agreement, the dispute shall be resolved in the Harju County Court.
- 9.6. This Framework Agreement has been drawn up and signed in Estonian in two copies of equal legal force, one for each Party.

### Annex 1: Collateral Agent's fees

**IN WITNESS THEREOF, the Parties have signed this Framework Agreement on the date set out above**

*/Digital signatures/*  
Leho Pihkva

Jaak Raid