



Effective as of 1.1.2017.

A student loan is a loan guaranteed by the Government, for which no other collateral is required. The bank may grant a student after Government guarantee has been granted.

1 DEFINITIONS

- 1.1 **Loan costs** refer to the total amount of interest charges, expenses and other charges known to the bank as creditor and payable by the borrower due to his/her obligation to the creditor.
- 1.2 **Effective interest rate** refers to an annual interest rate deriving from calculating loan costs in terms of annual interest on the loan amount and taking account of amounts repaid.
- 1.3 **Distance selling** refers to a transaction whereby an agreement on a service is made through telecommunications, with the customer not meeting the bank representative in person. Distance selling excludes any transaction based on an existing online or telephone bank agreement.
- 1.4 **Provision of information in permanent form** refers to providing information on OP eServices or to a written notification.

The bank shall notify its eServices customers of any changes in this loan agreement, its terms and conditions, and the bank's list of service charges and fees as well as other notifications based on this debt relationship by sending the borrower a message on OP eServices.

If the customer has no eServices Agreement with the bank, the bank will send the abovementioned notifications by post to the address reported to the bank or the Population Register Centre.

- 1.5 **Sanctions** refer to a sanction, financial sanction, export or import ban, trade embargo or another restrictive action imposed, administered, approved or executed by the Finnish government, United Nations, European Union, United States of America and United Kingdom or their competent authorities or governing bodies.

2 PRECONDITIONS FOR DRAWDOWN

Drawing down the loan requires that

- the borrower has signed a loan agreement and, if so separately agreed, a specific drawdown agreement;
- the bank have guarantee information based on a decision made by the Social Insurance Institution of Finland (KELA) or the Financial Aid Committee of the student's university; and
- any other preconditions for drawing down the loan or part thereof have been fulfilled.

The bank has the right to reject the drawdown of the loan in full or in part, if an event of default under the loan terms and conditions exists or the borrower is subject to sanctions or acts on behalf of a private or legal person subject to sanctions. The loan can be drawn down, for example, at a Group member bank or over OP eServices, provided that all drawdown criteria and preconditions have been fulfilled.

3 INTEREST RATE

3.1 Interest on a floating rate loan

Interest on a floating rate loan comprises the reference interest rate and a bank's markup.

3.2 Effect of a change in the reference interest rate on the loan interest rate

Euribor rate

The Euribor rate is a euro-area money market reference interest rate whose determination and quotation days are based on the international practice in force from time to time.

The loan interest rate will remain the same throughout the interest determination period. The length of the interest rate determination period is indicated by the name of the reference interest rate.

The first interest rate determination period will begin on the day when the first instalment of the loan is drawn down. The interest rate for the first interest rate determination period appears from the loan drawdown receipt. The next interest rate determination period will begin immediately after the end of the previous interest rate determination period.

The reference interest rate for the loan changes in accordance with the rate on the business day preceding the day when the interest determination period begins. If that day is not a Euribor quotation day, the reference rate used for the loan is the reference rate of the previous quotation day. The loan interest rate will change by as much as the reference rate has changed.

Base rate

The base rate is the rate half-yearly confirmed by the Ministry of Finance.

Interest payable on the loan changes by as much as the base rate changes on the day when the change in the base rate enters into force.

OP-prime rate

The OP-prime rate is a reference interest rate announced by OP Cooperative which is used to regulate OP Financial Group's borrowing and lending rates. OP Cooperative's Executive Board determines the OP-prime rate, taking account of market interest rate movements and interest rate expectations. More information on the bases for OP-prime rate determination is available at op.fi and from OP Financial Group's member bank branches.

The borrowing rate applicable to the loan changes as much as the OP-prime rate changes on the day when the change in the interest rate enters into force.

3.3 Fixed interest rate

Interest on a fixed-rate loan remains the same throughout the loan term or during the period agreed.

3.4 Information provided on interest and repayments

If the borrowing rate changes, the bank will afterwards notify in permanent form the borrower of up-to-date information on interest and, after the completion of studies, the amount of each repayment and the number of repayment instalments at least once a year.

During the contractual relationship, the borrower has the right, upon request, to receive a loan amortisation table in accordance with the Consumer Protection Act after a repayment scheme has been drawn up for the loan.



3.5 Cessation or suspension of quotation of the reference interest rate

If quotation of the reference interest rate ceases or is suspended, the reference interest rate applicable to the loan shall be determined in accordance with a statute which is issued on the new reference interest rate or with a decision or instructions issued by the relevant authorities.

If no statute on a new reference interest rate is enacted or no decision or instructions on the reference interest rate are issued by the relevant authorities, the bank and the borrower will agree on a new reference interest rate applied to the loan. Should the bank and the borrower fail to reach agreement on the new reference interest rate before the end of the interest determination period, the reference interest rate applicable to the loan will remain the reference interest rate applied to this loan before the end of the interest determination period.

If the borrower and the bank cannot reach agreement on a new reference rate within six (6) months of the end of the interest rate determination period, the bank shall determine a new reference rate after hearing banking regulators.

3.6 Interest days

For loans linked to the Euribor rate, interest is calculated on the basis of actual days, using 360 as the divisor, whereas interest on other loans is calculated on the basis of interest days (30), using 360 as the divisor.

3.7 Default interest

If the borrower defaults on loan repayment or payment of interest charges or other charges and fees, he/she must pay annual default interest on the overdue amount from the due date until the date on which the overdue amount arrives at the bank.

The default interest rate is seven (7) percentage points higher than the reference interest rate referred to in the Interest Act. However, default interest is never lower than the interest charged on the loan by the bank. If the interest charged by the bank prior to the loan maturity is higher than the default interest referred to in the Interest Act, the bank will have the right to charge this interest as default interest for a maximum of 180 days from the date on which the entire loan has matured, but only up to the day on which the relevant court has issued a ruling regarding the loan. Thereafter, the bank will charge default interest under the Interest Act.

4 CHANGE IN CHARGES AND FEES

The bank may raise charges and fees for the loan under the loan agreement due to a decision or regulation issued by the relevant authority or to the grounds based on legislative amendment corresponding to the cost change, if the basis for the change applies directly to the loan agreement concerned. Such a raise may not be higher than the actual increase in costs incurred by the lender, owing to which the charge or fee is collected under the loan agreement. It is, however, sufficient that the raise approximately corresponds to increases in actual costs.

The bank's right to the abovementioned raise will expire as soon as its grounds have ceased to exist.

The bank will notify the borrower in permanent form of any changes to charges and fees specified in the loan agreement and their effect on the number of repayments and repayment amounts. Such a change will take effect from the date notified by the bank, but no earlier than one month of the date of sending such notification to the borrower.

If the borrower and the bank agree on any changes to the loan agreement or on other services, the bank has the right to charge a fee for these according to its list of service charges and fees. The list of service charges and fees valid from time to time is available from the bank's branches.

5 POSTPONEMENT OF THE REPAYMENT DATE

If the due date is not a business day, the date of repayment of the loan and interest payable on the loan and other loan costs will be postponed until the next business day. In such a case, the bank will charge loan interest, according to the interest determination period

preceding the postponement of the repayment date up to the postponement date, on the entire remaining principal of the loan.

Business day refers to any weekday from Monday to Friday excluding Finnish religious holidays, Finland's independence day (6 December), 1 May, Christmas Eve, Midsummer Eve, New Year's Day and any day that is not otherwise regarded as a business day.

6 RIGHT OF CANCELLATION

The borrower has the right to cancel the loan agreement by informing the bank thereof in permanent form within 14 days of the date when he/she received in permanent form a copy of the loan agreement and its terms and conditions, and also advance information in the case of distance selling.

If the borrower cancels the loan agreement, the bank will charge interest on the loan for the period during which the loan was available to the borrower. If the loan agreement concluded is based on distance selling, the bank will have the right, in cases referred to in law, to charge an annual interest on the loan, based on the effective interest rate, for the period during which the loan was available to the borrower.

The borrower must return funds, interest included, obtained on the basis of the agreement without delay or within 30 days of sending the notice of cancellation, or otherwise the cancellation will become void.

7 VOLUNTARY PREPAYMENT

The borrower has the right to repay the loan or part thereof earlier without incurring charges.

If the borrower repays the loan or part thereof earlier, loan costs allocated to the unused loan term must be deducted from the remaining amount owed to the bank. However, the bank may charge all of the actual costs arising from the actions related to the establishment of the loan and specified in the loan agreement.

8 ALLOCATION OF REPAYMENTS

If the borrower has raised several loans from the bank, he/she will have the right to choose the loan to which he/she allocates his/her repayment. The bank determines what instalments of an individual loan will be covered by this repayment.

9 SPECIAL EVENTS OF DEFAULT

9.1 Delayed payment

The loan will fall due for payment upon the bank's written demand if the borrower fails to pay the principal, interest, default interest or another charge and such payments are at least three months overdue. The bank will notify KELA of such default at least one month before its demand for payment.

The bank will have no right to call in the loan if any late payment is due to the borrower's illness, unemployment or another comparable reason beyond the borrower's control. However, the bank will have the right to call in the loan, if it were manifestly unfair for the bank to continue the debt relationship with the borrower, in view of the time of such delay and other circumstances.

9.2 Other reasons

The loan will fall due for payment upon the bank's written demand if the borrower has provided the bank with misleading information which may have affected the decision to grant the loan or its terms and conditions.

9.3 Entry into force of demand for repayment

Calling in the loan will enter into force within four weeks or, if the borrower has previously been sent a reminder of late payment or some other breach of agreement, within two weeks of sending the borrower notice of calling in the loan. If the borrower pays the overdue amount within the time mentioned above, the calling in of the loan will be cancelled.

The loan will fall due for immediate repayment if the borrower is declared bankrupt.

If the bank calls in the loan and demands its repayment, loan costs allocated to the unused loan term must be deducted from the re-



maintaining amount owed to the bank. However, the bank may charge all of the costs arising from the actions related to the establishment of the loan and specified in the loan agreement.

10 USE OF CREDIT HISTORY AND REPORTING PAYMENT DEFAULT TO THE CREDIT INFORMATION REGISTER

When granting and monitoring loan and accepting a guarantee or pledge, the bank uses the personal credit information of the person making a commitment. Such credit history is available from the credit information register maintained by a credit reference agency (such as Suomi Asiakastieto Oy).

In case the borrower defaults on payment, the bank has the right to report such default to the credit information register related to the loan agreement, if at least 60 days have passed from the original due date mentioned in a reminder and the bank and the borrower have not made any new payment agreement after the original due date, or if the registration of entry of such payment default is otherwise permitted under applicable legislation or a ruling by the data protection authorities.

11 BANK'S RIGHT TO DISCLOSE INFORMATION ON BORROWER'S CREDIT STANDING TO GUARANTOR

The bank has the right to disclose information to a guarantor and pledgor concerning all of the borrower's commitments, payment defaults and other circumstances affecting the borrower's credit standing.

12 NOTICES

The borrower must notify the bank without delay of any change in his/her name and address. The borrower must provide the bank upon request with information regarding his/her financial standing and other information affecting this debt relationship that is necessary to the bank as the lender.

The borrower must promptly notify the bank of suspension or termination of his/her studies. The borrower agrees that the bank has the right to verify the validity of the information he/she has given to the bank.

When the bank sends the borrower a message on OP eServices or to his/her address, the borrower is considered to have received such a message no later than the seventh day of the date of sending the message.

13 RIGHT OF ALTERATION

The bank has the right to alter the loan agreement by sending the borrower a prior notice of such alterations in permanent form, provided that such an alteration does not add to the borrower's obligations and diminish his/her rights, or is due to a legislative amendment or an official decision. The bank will notify the borrower of an alteration at least two months before the alteration takes effect.

The alteration will take effect without the borrower's approval if the alteration is due to a legislative amendment or an official decision. Otherwise, the borrower is deemed to have agreed to the alterations of the terms and conditions of the agreement proposed by the bank unless he/she objects them by the proposed date when the alterations take effect.

14 LIABILITY FOR INDIRECT LOSS

The bank is not liable for any indirect losses caused to the borrower unless such a loss has been caused wilfully or through gross negligence.

15 FORCE MAJEURE

Neither of the parties is liable for any loss if it/he/she can prove that it/he/she has been prevented from fulfilling an obligation by an unusual and unforeseen reason beyond its/his/her control which has resulted in consequences that could not have been avoided by exercise of all due care. Neither is the bank liable for any loss arising from the fulfilment of any obligation under this agreement if such fulfilment were against any obligations laid down for the bank elsewhere in law.

Either party shall notify the other party as soon as possible of a force majeure circumstance it/he/she has encountered. If a force majeure event affects the bank, the bank may notify thereof in national daily newspapers.

16 REGULATORS

Consumer loans are supervised by the Financial Supervisory Authority (www.finanssivalvonta.fi), the Consumer Ombudsman, the Finnish Competition and Consumer Authority (www.kkv.fi) and, as district administrative authorities under its control, Regional State Administrative Agencies (www.avi.fi).

17 NON-JUDICIAL PROCEDURES

The borrower may submit any disputes arising from the loan terms and conditions or the loan to the Finnish Financial Ombudsman Bureau (www.fine.fi) or the Banking Complaints Board within the Bureau or to the Consumer Disputes Board (www.kuluttajariita.fi).

18 JURISDICTION AND APPLICABLE LAW

The borrower may bring an action against the bank concerning disputes that may arise from this debt relationship in the district court of the jurisdiction of which the bank is domiciled or its management is mainly based or in the district court of the Finnish municipality in the jurisdiction of which he/she resides or has a permanent residence. If the borrower has no residence in Finland, disputes will be settled in the district court of the jurisdiction where the bank is domiciled or its management is mainly based, or in the District Court of Keski-Suomi (Central Finland District Court).

The laws of Finland shall apply to this loan agreement