

TERMS AND CONDITIONS FOR HIRE-PURCHASE AGREEMENTS

1. Financing and terms and conditions of purchase

In case of consumer transactions, this agreement is governed by the provisions of chapter 7 of the Consumer Protection Act (38/789) and in case of other transactions by the Hire Purchase Act (91/66). The hire purchase agreement is hereinafter referred to as the "Agreement". Hereinafter, all references to buyers will apply to all buyers whereas all references to consumer-buyers will only apply to consumers. As regards the terms and conditions of purchase, the relationship between the Seller and the Buyer will be governed by the "Terms and Conditions of Orders and Purchase Agreements" updated by the Advisory Committee for Motor Trades (Aune) on 1 December 2017.

2. Pledging and assignment of the agreement

The seller is entitled to pledge and assign this agreement and all of its rights, including ownership of the vehicle, to a third party, such as a financing company, which is entitled to reassign it. The buyer must be notified of assignment of the agreement. If the seller has assigned the agreement, the buyer must make all payments under this agreement to the assignee after receiving the notification of assignment. If the agreement has been assigned, the seller or other assignor no longer has the right of withdrawal of the vehicle or other right to control the agreement. As long as the buyer has payment obligations according to this agreement, the buyer must not hand over a hire-purchase vehicle, even as a trade-in vehicle, without the creditor's written consent.

The buyer is entitled to assign the rights and obligations under this agreement to a third party only with the creditor's written consent and on terms specified by the creditor. The creditor is entitled to charge a reasonable fee for the assignment according to its price list.

3. Right of ownership

The creditor reserves the right of ownership to the sold vehicle and all its accessories until all of the following have been paid in full: the sale price of the vehicle and the vehicle tax, the interest for the financed proportion, all fees and charges related to financing, as well as the buyer's other payment obligations for the vehicle, such as insurance and registration fees and payments related to repairs, spare parts, accessories, and supplies. The condition on reservation of ownership also applies to equipment and accessories that are delivered as part of the sale, at no extra charge, to supplement, modify, or repair the sold vehicle. The proportion of the sale price to be paid in cash is not receipted as paid by the signing of this agreement; a separate receipt must be made for the payment. The payer is responsible for the payment of parking tickets, vehicle tax, and other such taxes and fees after having received the vehicle. The payer must not sell or rent the vehicle or take it outside the borders of Finland without the creditor's written consent. Neither is the buyer allowed to otherwise hand over the vehicle to another person without the creditor's written consent, except temporarily. The buyer must immediately notify the creditor if the vehicle is under threat of distraint, seizure, sale in accordance with the act on an entrepreneur's right to sell (688/88), or another procedure that infringes the creditor's rights, or if the buyer personally is under threat of bankruptcy, business reorganization, debt arrangement, or another procedure that significantly affects his or her ability to pay. The buyer must prevent the abovementioned procedures and arrangements from affecting the vehicle by presenting this agreement as evidence of the creditor's condition on reservation of ownership.

4. Interest and fees

The credit has a fixed interest rate. The buyer is to be informed of the interest calculation method in the agreement form and in the instalment payment programme.

For any changes made or services performed in relation to the agreement at the buyer's request, the creditor is entitled to charge other appropriate fees according to the creditor's valid price list. The creditor must inform a consumer buyer of changes in the price list in a permanent manner before the changes take effect.

5. Vehicle servicing and maintenance

The buyer undertakes to keep the vehicle in good condition and take care of the necessary servicing and repairs in accordance with the manufacturer's and seller's operation and maintenance instructions as well as the warranty terms. The buyer must not modify the vehicle structurally or in a manner that would affect its taxation. The buyer is responsible for the costs of any modifications. The creditor is entitled to inspect the vehicle, provided that this can be done without significant inconvenience to the buyer. The vehicle must not be used to take part in competitions or training other than those organised to promote traffic safety, economic efficiency, and similar causes.

6. Insurance policies

If the buyer fails to fulfil the insurance obligation or terminates an insurance policy against the terms and conditions of the agreement, the creditor is entitled to seek withdrawal and clearance as specified below in Section 10 b. The insurance company is entitled to notify the creditor if the buyer has terminated an insurance policy required by the terms and conditions of this agreement before the right of ownership to the vehicle has been transferred to the buyer, or if the insurance company has terminated the insurance during this same period due to the buyer's failure to pay. If a loss event occurs, the buyer must give the insurance company the notices required by the terms of insurance. In the case of such an event, the creditor is entitled to draw the vehicle insurance or the compensation for damages and thus compensate for all of the buyer's outstanding debts under this agreement.

7. Registration

The Financier is entitled to make amendments to the registration information of the vehicle if required and charge the cost of this service to the Buyer according to its then-current price list. Unless otherwise agreed, the Buyer will file the notification of the assignment of title with the vehicle register after title has passed on to the Buyer. If the Buyer fails to file the notification of assignment of title with the vehicle register after the transfer of title, the Financier will have the right to file the notification of assignment of title and charge the cost of this service to the Buyer according to its then-current price list.

8. Consumer buyer's right to cancel the credit under the agreement and expiration of an ancillary agreement

A consumer buyer is entitled to cancel the credit under the agreement by notifying the creditor of this in a permanent manner within 14 days of signing the agreement or a later date on which the buyer has received a printed or electronic copy of the agreement, containing the information specified in Chapter 7, Section 17 of the Consumer Protection Act. The notice of cancellation should be individualised, containing at least the buyer's name and personal identity code, the vehicle identification information, and the buyer's signature. Upon cancellation of the agreement, the consumer buyer is obliged to compensate the creditor by paying the credit interest for the period during which the credit has been at the buyer's disposal. If the creditor has made payments to authorities due to the credit agreement and such payments are not returned in the event of cancellation, the creditor is entitled to receive compensation from the consumer buyer for such payments.

The consumer buyer must, without delay and within 30 days of sending the notice of cancellation, pay to the creditor the debt portion of the cash price under this agreement; the above-mentioned payments must be made otherwise the cancellation will become void.

Cancellation of the credit under the agreement does not free the consumer buyer from the obligations according to the sale agreement for the vehicle.

When the consumer buyer cancels the credit agreement, other ancillary agreements related to the credit agreement that are provided by the creditor or its partners are also cancelled. If the consumer buyer wants to keep an ancillary agreement in force despite cancellation of the credit under the agreement, he or she must notify the creditor in a permanent manner within 30 days of sending the notice of cancellation.

9. Preliminary payment, changing the payment programme, and instalment table

The buyer is entitled to repay the entire credit to the creditor in advance if desired. The consumer buyer is also entitled to repay part of the credit to the creditor in advance. In this case, however, the consumer buyer must notify the creditor in advance of its wish to pay an extra instalment that differs from the payment programme; otherwise, the sum that exceeds the instalment under the agreement will be allocated by the creditor in the manner that the creditor has declared to the consumer buyer in a permanent manner in advance.

The creditor's receivables are calculated in the manner specified in Chapter 7, Section 27 of the Consumer Protection Act for consumer sales and in the manner specified in Section 5 of the Hire-Purchase Act for other hire-purchase sales. The creditor is entitled to demand compensation from the client for early payment of the credit or part of it, if the credit has a fixed interest rate under the agreement and more than €10,000 has been paid early within the past 12 months.

The maximum amount of such compensation is one (1) per cent of the repaid credit or, if the agreement period ends in less than a year from the date of preliminary payment, a half (½) per

cent of the repaid credit. This compensation falls due at the time of payment of the credit.

The buyer and creditor may agree upon changing the payment programme or another contractual term during the agreement period. The creditor is entitled to charge a reasonable fee for changes made according to its valid price list.

The consumer buyer has the right to decide on which of several receivables of the same creditor his or her payment is to be credited. The creditor should be notified of this in a permanent manner.

The consumer buyer is entitled to receive the instalment table upon request, free of charge, at any time during the contractual relationship.

10. Consequences of failure to pay or other breach of contract by the buyer

If the buyer fails to fulfil a payment or other obligation under the agreement, the creditor may have the right to make a bad credit entry for the buyer in the credit information register, the right to withdraw the vehicle for clearance, and the right to charge penalty interest and collection charges.

In the event of delayed payment, the creditor provides the buyer with information and advice to prevent the emergence and deepening of financial difficulties and to deal with inability to pay.

10a. Penalty interest and collection charges

Penalty interest for overdue instalments and other receivables is determined in accordance with the Interest Act (633/82). In any event, the penalty interest is at least equal to the interest collected by the creditor for the credit for a maximum of 180 days from the date on which the whole credit falls due, but not longer than until a court decision about the credit is made. After this, penalty interest will be collected in accordance with the Interest Act. For sales other than consumer sales, the penalty interest rate can also be negotiated. The buyer is also obliged to pay reasonable collection charges in accordance with the Act on Collection of Receivables (513/99).

10b. Withdrawal and clearance

The buyer's entire remaining credit, along with interests and other payment obligations related to financing, falls due for payment and the creditor is entitled to demand withdrawal of the vehicle for clearance, if the buyer fails to fulfil the payment obligation and the unpaid instalment is overdue by at least a month in consumer sales and fourteen (14) days in other sales and still has not been paid, and the unpaid sum equals one of the following:

- an instalment that is at least one tenth (1/10) of the credit price
- an instalment that, combined with other unpaid instalments that have fallen overdue earlier, is at least five (5) per cent of the credit price
- the entire remaining credit

The creditor is entitled to enforce the above procedure regardless of the amount of the overdue payment if the payment is overdue by at least six (6) months and is still substantially unpaid. However, the creditor is not entitled to enforce the above sanction if the delay in payment is due to the consumer buyer's illness, unemployment, or other similar reason that is not attributable to the buyer, except where this would, taking into account the length of the delay and the other circumstances, be evidently unreasonable to the creditor. The creditor is also entitled to withdraw the vehicle and perform clearance if the buyer has not taken out insurance as agreed or has terminated an insurance policy, or if the insurance company has terminated the insurance during this same period due to the buyer's failure to pay. The creditor has the same right if the buyer is otherwise in substantial breach of the terms and conditions of this agreement or initiates procedures that would lead to disposal, deterioration or disappearance of the vehicle, or to a decrease in its value due to wear, spoilage or other similar reason.

The payment matures on the date specified in the notice of maturity. In consumer sales, however, maturing becomes effective a minimum of four (4) weeks or, if the consumer buyer has earlier been notified of a delay or other breach of contract, a minimum of two (2) weeks after the date on which the notice of maturity was issued or sent to the consumer buyer. If the buyer pays the overdue amount or otherwise rectifies the breach of contract before the maturity date, the maturity becomes void. In letters of notification and notices of maturity related to an overdue payment or other breach of contract, the creditor must remind the buyer of the restrictions on handing over the vehicle (sections 2 and 3 of this agreement).

Clearance is carried out in the manner specified in Chapter 7, Section 36 of the Consumer Protection Act for consumer sales and in the manner specified in the Hire-Purchase Act for other sales. If the creditor and buyer cannot agree on clearance, the creditor must, without delay, contact the bailiff of the buyer's domicile or the vehicle's location for executive assistance in withdrawing the vehicle and carrying out the clearance. The bailiff will then calculate the creditor's receivables and determine the withdrawal value of the vehicle. The bailiff's decision can be appealed as specified in the Enforcement Code (705/07).

10c. Bad credit record

Failure to pay can be recorded in Suomen Asiakastieto Oy's credit information register or other similar register in the manner specified in the Credit Data Act (527/07) after the payment has been delayed by at least 60 days from the original due date, unless the creditor and buyer have made a new payment agreement after the original due date. The creditor must, at least 21 days before recording the information, send to the buyer a written request for payment, reminding the buyer of the recording of a bad credit record in the credit information register. A bad credit record may make it more difficult for the buyer to obtain credit in the future.

11. Buyer's contact details and credit standing

The Financier will have the right to check the Buyer's personal or corporate details and obtain the necessary credit information in a manner laid down in the Finnish Credit Information Act (610/2014) as well as to verify the Buyer's identity as provided in the Act on Credit Institutions (610/2014) and the Act on the Prevention of Money Laundering and Terrorist Financing (444/2017). The identifying information and other personal data may be used for the prevention of money laundering and terrorist financing, the detection and investigation of terrorism as well as the investigation of such crimes that were committed to gain the property or proceeds of crime subject to money laundering or terrorist financing.

A Politically Exposed Person (PEP) within the meaning of chapter 1, section 1, of the said Act is a person who is holding or has held a significant public position during the past 12 months or is a family member or business associate of such a person.

12. Seller's and creditor's responsibility in the event of a fault

For any faults in the vehicle, the terms and conditions for car order and sale agreements are applied. The buyer must make a fault notification to the seller or another responsible party as specified in the terms and conditions for order and sale agreements. According to Chapter 7, Section 39 of the Consumer Protection Act, the consumer buyer is also entitled to demand compensation for the seller's breach of contract from the creditor to which the agreement has been assigned. However, the creditor is not obliged to pay the consumer buyer more than it has received from the buyer in payments. After notifying the creditor of the matter, the consumer buyer is entitled to refrain from paying the agreed instalments to the amount corresponding to the fault. The consumer buyer is responsible for any penalty and other consequences of refraining from payment without justification.

13. Settlement of disputes

If disputes cannot be settled through negotiations between the parties, the consumer-buyer may bring the case before the Consumer Disputes Board (www.kuluttajarita.fi) for review. The Consumer Disputes Board issues recommendations for settlement and may dismiss a case if the consumer has not first contacted the Consumer Advisory Services (www.kuluttajaneuvonta.fi). If the creditor is supervised by the Financial Supervisory Authority, a consumer buyer or small enterprise may turn to the Finnish Financial Ombudsman Bureau (Fine) or the associated Banking Complaints Board (www.fine.fi).

If the disputes are to be settled in court, legal action must be taken in the district court of the buyer's domicile, unless the buyer wants to take legal action in the district court of the creditor's domicile. For sales other than consumer sales, legal action can also be taken in the Helsinki District Court. If the buyer is not domiciled in Finland, legal action must be taken in the Helsinki District Court.

14. Supervising authority

Compliance with the provisions of chapter 7 of the Consumer Protection Act is monitored by the Consumer Ombudsman, the Finnish Consumer Agency (www.kkv.fi), regional state administrative authorities and the Financial Supervisory Authority (www.finanssivalvonta.fi) when the Financier is subject to supervision by said Authority.