

Terms and conditions of hire purchase agreement

Effective as of 1 November 2018

into competition or training other than that related to traffic safety, fuel economy or similar.

1. Definitions

This hire purchase agreement is governed by the Consumer Protection Act in case the buyer is a natural person who buys a vehicle for his/her private household, and by the Hire-Purchase Act in other hire purchases. The hire purchase agreement is hereinafter referred to as "the agreement".

Whatever is hereinafter said about the buyer and the seller shall apply to all buyers and sellers, whereas whatever is hereinafter said about the consumer buyer shall apply only if the buyer is a natural person who buys a vehicle for his private household.

An asset under the contract of sale is hereinafter referred to as "the vehicle". When the seller transfers this agreement, the transferee is hereinafter referred to as "the lender"

2. Transfer of agreement

With his signature, the seller transfers this agreement with all of the related rights, including title to the vehicle, to the lender who has the right to retransfer it.

The seller represents and warrants that no transaction will be done with the seller's subsidiary or parent company, a company belonging to the same group as the seller, or with a buyer whom the seller shares substantial financial interests.

After the seller has transferred this agreement to the lender, the lender will transfer the financed amount of the sales price, based on the hire purchase agreement, to the account indicated by the seller within 5 banking days of the date when the lender received and approved an original copy of the hire purchase agreement, appendices included, signed by the buyer and the seller and the lender has been registered as the vehicle's owner.

After the seller has transferred the agreement, the buyer must pay the transferee the charges based on the agreement. Once the agreement has been transferred, the seller or another transferor has no longer any right of repossession or any other right to dispose of the agreement.

The buyer may not dispose of the vehicle bought under hire purchase even as a trade-in vehicle without the lender's written permission as long as the buyer is subject to payment obligations based on this agreement. The buyer may transfer the rights and obligations under this agreement to a third party only with the lender's permission and terms. The lender has the right to charge a reasonable fee for the transfer based on its list of charges and fees.

The seller is not entitled to accept the payment based on the hire purchase agreement bought by the lender or indemnity paid for the vehicle. If, however, the payment or indemnity is paid to the seller, the seller must promptly pay said amounts to the lender.

3. Title

The lender shall reserve title to the sold vehicle unless the vehicle sales price and motor vehicle tax, interest on the amount to be financed and all charges and fees related to financing have been paid in full.

The buyer is responsible for paying for a parking ticket and other comparable taxes and charges after the vehicle has been delivered to him. Without the lender's written permission, the buyer may not sell or rent the vehicle or take it outside of Finland.

The buyer may not hand over the vehicle without the lender's written permission except on a temporary basis.

The buyer must immediately inform the lender if the vehicle is under threat of execution, confiscation, sale executed by virtue of the Elinkeinoharjoittajan myyntioikeuslaki Act or some other action violating the lender's right or the buyer is under threat of bankruptcy, financial restructuring or debt adjustment or action substantially affecting his payment capacity. The buyer must prevent the effects of the abovementioned actions and arrangements on the vehicle by presenting this agreement as proof of the lender's retention of title clause.

4. Interest rate and fees

The credit carries a fixed interest rate. The agreement form and the repayment scheme covering instalments show the buyer the interest rate calculation method. Based on the lender's list of charges and fees valid from time to time, the lender has the right to charge other fees and commissions due to a change or service related to the agreement at the buyer's request. The list of charges and fees valid from time to time is available on the lender's website and branches.

5. Service and maintenance of the vehicle

The buyer agrees to maintain the vehicle and service and repair it in accordance with the service and user manual provided by the manufacturer and the seller as well as with the warranty terms and conditions.

The buyer may not alter the vehicle in terms of structure or in a way that affects its tax status. The buyer is liable for the costs arising from any alterations made.

The lender has the right to inspect the vehicle if that can be performed without causing unreasonable harm to the buyer. The vehicle may not enter

6. Insurance

If the buyer fails to fulfil his obligation to insure or terminates insurance contrary to the terms and conditions of the agreement, the lender has the right to seek repossession and settlement in a manner referred to in 10 b. below. The insurer has the right to inform the lender if the buyer has terminated the insurance under the terms and conditions of this agreement before title to the vehicle has transferred to the buyer or if the insurer has during the same time terminated the insurance owing to the buyer's payment default. In the case of a loss event, the buyer must file reports required in the insurance terms and conditions with the insurer. In the case of such an event, the lender is entitled to draw the vehicle insurance or the compensation for damage and thus compensate for all of the buyer's outstanding debts under this agreement.

7. Registration

The lender will be entered as the vehicle's owner in the vehicle register unless the lender has otherwise stipulated. The buyer will be entered as the vehicle keeper in the vehicle register. If the vehicle is regularly used by other persons living in the buyer's household, in addition to the buyer, the buyer must ensure that such a user will be entered as a keeper in the vehicle register. The buyer agrees to also inform the insurer of such a user. The lender has the right to make changes to the vehicle's registration data, if needed, and charge the buyer for this service based on its list of charges and fees valid from time to time. Unless otherwise agreed, the buyer files a report on the transfer of title with the vehicle register after the title has transferred to him. If the buyer does not make the transfer of ownership notice to the vehicle register after having acquired ownership of the vehicle, the creditor has the right to make the transfer of ownership notice and to charge the buyer for this service according to its list of charges and fees valid from time to time.

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

The consumer buyer has the right to cancel the credit under the agreement by notifying the lender thereof in permanent form within 14 days of conclusion of the agreement or a subsequent date on which the buyer has received a written or electronic copy of the agreement containing information based on Chapter 7, Section 17 of the Consumer Protection Act.

The cancellation notice must be identified and contain at least the consumer buyer's name, personal ID and the vehicle's identification details as well as the consumer buyer's signature.

When cancelling the agreement, the consumer buyer is obliged to compensate the lender for the credit interest for the period when the credit was available to him.

If the lender has paid the authorities charges due to the conclusion of the credit agreement and such charges are not refunded in the case of cancellation, the lender will have the right to receive compensation for such charges from the consumer buyer.

The consumer buyer must, without delay and within 30 days of sending in notice of cancellation, pay to the lender the debt amount of the cash price under this agreement and pay the aforementioned compensation, or otherwise the cancellation will become void.

The cancellation of the credit under the agreement does not relieve the consumer buyer of the obligations based on the contract of purchase of the vehicle.

If the consumer buyer cancels the credit agreement, other ancillary agreement related to the credit agreement provided by the lender or its partner will be cancelled as well. If the consumer buyer wishes to keep the ancillary agreement in force despite cancellation of the credit under the agreement, he must inform the lender in permanent form thereof within 30 days of sending the notice of cancellation.

9. Early repayment, change in repayment scheme and repayment schedule

The buyer has the right to repay the credit or part thereof early to the lender. The buyer must inform the lender in advance and in permanent form of his willingness to make an extra repayment differing from the agreed repayment scheme; otherwise the lender will allocate the repayment amount above the agreed one in permanent form notified by the lender to the buyer in advance.

The lender has the right to charge the consumer buyer compensation for any full or partial repayment of the credit in case the credit is a fixed-rate one and the credit has been repaid early for the last 12 months to the amount of over 10,000 euros. This compensation accounts for no more than one (1) per cent of the repaid amount or, if at the time of repayment the agreement expires within less than 12 months, for half (½) per cent of the repaid amount. Such compensation falls due for payment at the time of credit repayment.

In case a buyer other than the consumer buyer repays the credit or part thereof early, the lender has the right to charge a fee for such early repayment, based on the list of service charges and fees valid from time to time.

The buyer and the lender may agree on altering the repayment scheme or

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another agreement clause during the agreement term. The lender has the right to charge a fee for such alteration according to its list of charges and fees valid from time to time.

By notifying the lender in permanent form, the consumer buyer has the right to choose which of the several receivables of the same lender is to be repaid through his payment. Upon request, the consumer buyer has the right to receive a free-of-charge repayment schedule any time during the contractual relationship.

10. Consequences of payment default and the buyer's other breach of contract

If the buyer fails to fulfil his payment or other obligations based on the agreement, the lender has the right to enter payment default in the credit information register, to repossess the vehicle for performing settlement and to charge penalty interest and collection expenses.

In the case of delayed payment, the lender provides the buyer with information and advice on preventing the occurrence and deepening of payment difficulties and on the management of default situations.

10a. Penalty interest and collection charges

Penalty interest on overdue and unpaid hire-purchase instalments and other outstanding amounts is determined based on the Interest Act. However, penalty interest is at least as large as interest charged by the lender for no more than 180 days from the day when the credit falls due for payment, but no longer than until a court decision about the credit is made. Thereafter, the lender will charge penalty interest under the Interest Act. For sales other than consumer sales, the penalty interest rate can also be agreed on. The buyer is also obliged to pay reasonable collection charges in accordance with the Debt Collection Act (Laki saatavien perinnästä).

10b. Repossession and settlement

The buyer's entire remaining credit, along with interest and other payment obligations related to financing, falls due for payment and the lender is entitled to demand repossession of the vehicle for settlement, if the buyer fails to fulfil his 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 remains unpaid, 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 which, combined with other unpaid instalments that have become overdue earlier, is at least five (5) per cent of the credit price or
- the entire remaining receivable.

The lender is entitled to enforce the above procedure regardless of the amount of the overdue payment if the payment is at least six (6) months overdue and is still substantially unpaid.

However, the lender is not entitled to enforce the above procedure if the delay in payment is due to the consumer buyer's illness, unemployment, or other comparable reason not attributable to the buyer, except where this would, taking into account the length of the delay and other circumstances, be evidently unreasonable to the lender.

The lender is also entitled to repossess the vehicle and perform settlement if the buyer has not taken out insurance as agreed or has terminated an insurance policy, or if the insurer has terminated the insurance during this same period due to the buyer's failure to pay. The lender has the same right if the buyer is otherwise in material breach of the terms and conditions of this agreement or initiates measures 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. For consumer sales, however, maturing becomes effective no earlier than four (4) weeks or, if the consumer buyer has earlier been notified of a delay or other breach of contract, no earlier than 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.

If the lender and buyer cannot reach agreement on settlement, the lender must, without delay, contact the execution officer of the buyer's domicile or the vehicle's location for executive assistance in repossessing the vehicle and performing the settlement. The execution officer will then calculate the lender's receivables and determine the repossession value of the vehicle. The execution officer's decision can be appealed as specified in the Enforcement Code.

10c. Bad credit record

In case the buyer defaults on payment, the lender has the right to report such default to the credit information register related to the credit agreement, if at least 60 days have passed from the original due date mentioned in a reminder and the lender and the buyer 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. Buyer's contact and credit information

The lender is entitled to check the buyer's personal or community information in the manner specified in the Credit Data Act and to identify the buyer in the

manner specified in the Act on Credit Institutions and in the Act on Preventing and Clearing Money Laundering and Terrorist Financing. The buyer's Know Your Customer information and other personal data may be used in the prevention, uncovering and investigation of money laundering and the financing of terrorism, and in bringing under investigation the assets or proceeds obtained following said crime.

Politically exposed persons (PEP) are those who perform or have performed important public functions within the last 12 months for a state, or members of the family or close business associates of such persons.

The buyer and the seller shall immediately notify the lender of any changes in their contact information. The lenders' notification to the buyer and/or the seller can be validly sent to the address indicated upon the signing of this agreement, unless the buyer or the seller has verifiably provided his new address in full.

12. Processing of personal data

The creditor is entitled to register also the seller's data to its customer data file. The creditor handles the seller's and buyers' personal data in accordance with regulations in force and in a manner described in greater detail in the Privacy Statement and the Privacy Notice.

It is recommended that the seller and buyer read such privacy protection information. The Privacy Statement and the Privacy Notice are available at op.fi/dataprotection and the creditor's branch.

13. Seller's responsibility in the event of a fault

The seller is responsible for any faults or defects in accordance with the Consumer Protection Act if the consumer is the buyer and the trader is the seller. In other cases, liability for fault is determined by the Sale of Good Act.

The buyer shall without delay report a fault to the seller after detecting a fault or defect in the vehicle. However, the buyer may not in general invoke such a circumstance as a fault that has been reported in the vehicle condition inspection or has otherwise been brought to the attention of the buyer or the buyer should have otherwise detected when inspecting the vehicle. The fault report regarding the condition inspection must be addressed to the inspection station which performed the condition inspection.

The buyer and the seller have the right to agree on compensation for damage and a price reduction. If the sale is cancelled due to a fault, such cancellation shall be notified to the lender in permanent form.

A fault or defect in the vehicle does not entitle the buyer to refrain from paying to the lender instalments specified in the hire purchase agreement unless Chapter 7, Section 39 of the Consumer Protection Act applies to the purchase.

If the buyer is entitled to a price reduction, damages or cancellation of the transaction or is not for another reason obliged to pay the selling price either in full or in part, the seller is obliged to refund to the lender the selling price of the sale paid by the lender to the seller to the same extent as the buyer is not liable to pay to the lender the debt based on the hire purchase agreement, and to pay interest calculated on the refundable amount based on the terms and conditions of the buyer's hire purchase agreement.

14. 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).

15. Non-judicial procedures

The consumer buyer may submit any disputes arising from the credit agreement 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).

16. Jurisdiction and applicable law

A buyer may bring an action against the lender concerning disputes that may arise from this credit relationship in the district court of the jurisdiction of which the lender is domiciled or its management is mainly based or in the district court of the Finnish municipality in the jurisdiction of which buyer resides or has a permanent residence. If the buyer has no residence in Finland, disputes will be settled in the district court of the jurisdiction where the lender is domiciled or its management is mainly based.

This hire purchase agreement shall be governed by Finnish law.