



**MERLE SAAR-JOHANSON, NOTARY IN AND FOR TALLINN**

NOTARY'S OFFICIAL PROCEDURES BOOK  
REGISTRY NUMBER

607

**CONTRACT FOR ESTABLISHING A MORTGAGE**

**AND**

**REAL RIGHT CONTRACT**

**This notarial act has been prepared and attested by Riina Toss, substitute notary for Merle Saar-Johanson, notary in and for Tallinn, in capacity of notary, in the notary's office located at Rävåla Ave. 3 / Kuke St. 2, Tallinn on the twenty sixth of February in the year of two thousand and twenty (26.02.2020) and the participants to this notarial act are:**

**Osåhning Vettel**, registry code 10377013, address Kårsa, Suure-Rootsi village, Saaremaa rural municipality, Saare county, e-mail address vettel@vettel.ee, hereinafter the **Owner**, represented under a Power of Attorney by **Maarja Kens**, personal identification code 47306260219, whose identity has been ascertained on the basis of the Police and Border Guard Board electronic database, and who confirms that her powers to enter into this contract on behalf of the principal are sufficient and valid, they have not been withdrawn or cancelled,

**PRF Collateral Agent OÜ**, registry code 14880068, address F. R. Faehlmanni St 5, Tallinn e-mail address cas@tgsbaltic.com, hereinafter **the Mortgagee**, represented under a Power of Attorney by **Indrek Kangur**, personal identification code 39011026015, whose identity has been ascertained on the basis of the Police and Border Guard Board electronic database, and who confirms that his powers to enter into this contract on behalf of the principal are sufficient and valid, they have not been withdrawn or cancelled,

*the attester of the notarial act informed the participants that since the notarial act is not in their native language the participants have the right to request a written translation of the notarial act but the participants waived exercise of this right,*

**who enter into the following contract (hereinafter the "Contract"):**

**1. OBJECT OF THE CONTRACT**

**1.1. The object of this Contract is a registered immovable named KÅRSA located at Kårsa, Suure-Rootsi village, Saaremaa rural municipality, Saare county, along with its essential parts and accessories (hereinafter the "Object of the Contract").**

**1.2. The Object of the Contract has been entered under register part No. 1586334 in the land**

register of the Land Registry Department of Tartu County Court.

- 1.2.1.** According to the data entered into the first division of the land register part, cadastral reference of the land is 59201:005:0023, total area of 3,64 ha, address Kärša, Suure-Rootsi village, Saaremaa rural municipality, Saare county, intended purpose of the land: production land (100%).
- 1.2.2.** In the second division Osäühing Vettel (registry code 10377013, Saare mk, Pihla v) has been entered as the owner.
- 1.2.3.** The following entries have been made in the third division:
  - 1) Personal right of use for a fee and a term for 50 (fifty) years, pursuant to clause 3 of the contract for the benefit of Osäühing HARINGTON (registry code 10929889, Paikuse rural municipality, Pärnumaa). Entered on 18.03.2004 on the basis of a real right contract dated 08.03.2004. Assistant judge, P. Tang.
  - 2) Personal right of use for the management of a power network for the benefit of Osäühingu Jaotusvõrk (registry code 11050857, Tallinn). The personal right of use established for the management of a power network in the extent of the power network protection zone according to clauses 2, 3, 4 and 5 of the contract and Annex 2 of the contract. The personal right of use has been established without a term and a fee until 01.01.2009 and for a fee commencing on 01.01.2009. Entered on 12.10.2004 on the basis of a real right contract dated 28.09.2004. Assistant judge, P. Tang.
- 1.2.4.** The following mortgage entries have been entered in the fourth division:
  - 2) Mortgage in the amount of 12,000,000.00 Estonian kroons with collateral claims in the amount of 1,400,000.00 Estonian kroons and interest rate of 18 per cent for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 24.05.2002. Amended on 24.09.2012 on the basis of a real right contract dated 17.09.2012. Assistant judge, Pille Zäär.
  - 3) Mortgage in the amount of 8,000,000.00 Estonian kroons for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 3.08.2004. Amended on 24.09.2012 on the basis of a real right contract dated 17.09.2012. Assistant judge, Pille Zäär.
  - 4) Mortgage in the amount of 15,000,000.00 Estonian kroons for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 15.02.2006. Amended on 24.09.2012 on the basis of a real right contract dated 17.09.2012. Assistant judge, Pille Zäär.
  - 5) Mortgage in the amount of 15,000,000.00 Estonian kroons for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 5.03.2007. Amended on 24.09.2012 on the basis of a real right contract dated 17.09.2012. Assistant judge, Pille Zäär.
  - 6) Mortgage in the amount of 30,000,000.00 Estonian kroons for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 6.09.2007. Amended on 24.09.2012 on the basis of a real right contract dated 17.09.2012. Assistant judge, Pille Zäär.
  - 7) Mortgage in the amount of 5,000,000.00 Euros for the benefit of AS SEB Pank (registry code 10004252) with the obligation of each actual owner to be subject to immediate compulsory enforcement for satisfaction of claim secured by the mortgage. Entered on 24.09.2012. Amended on 19.11.2014 on the basis of a consent dated

31.10.2014 and an application dated 31.10.2014. Assistant judge, Mare Tomingas.

- 1.3. The data of the Object the Contract in this clause 1 is verified by the person attesting the notarial act under the aforementioned electronic databases on 26.02.2020 via information system e-notar.

## 2. REPRESENTATIONS AND WARRANTIES OF THE PARTICIPANTS

### 2.1. The Owner represents and warrants as at the date of this Contract that:

- 2.1.1. The Object of the Contract is in the ownership of the Owner, it is not seized, to the knowledge of the Owner, there are no disputes regarding the Object of the Contract, it is not encumbered by any rights of any third parties not mentioned in this Contract, including the rights of third parties that are not subject to entry in the land register such as lease, rent or other contracts for use.
- 2.1.2. No registration applications not mentioned in this Contract have been submitted to the Land Registry Department with regard to the Object of the Contract.
- 2.1.3. The Owner has not been declared bankrupt and no court-supervised reorganisation proceedings (in Estonian: *saneerimismenetlus*) or liquidation proceedings have been initiated in respect of the Owner.

## 3. ESTABLISHMENT OF MORTGAGE AND OBLIGATIONS TOWARDS THE MORTGAGEE

- 3.1. The Owner shall establish a mortgage (hereinafter the “**Mortgage**”) on the Object of the Contract **on the first available ranking** in the amount of **twelve million three hundred and fifty thousand (12,350,000) Euros** for the benefit of the Mortgagee with the obligation of each and every actual owner of the Object of the Contract to be subject to immediate compulsory enforcement for the satisfaction of the obligations secured by the Mortgage. For the avoidance of doubt, any immediate compulsory enforcement for the satisfaction of the obligations secured by the Mortgage can only be initiated by the Mortgagee upon satisfaction of the preconditions for the enforcement of the Mortgage as set out in clause 4.1 of this Contract.
- 3.2. The Owner and the Mortgagee have agreed that the Mortgage shall secure any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) owed by **AS PRFoods** (registry code 11560713, registered address Pärnu Rd. 141, Tallinn 11314, Estonia; hereinafter the “**Issuer**”) to the holders of the notes (name: PRFoods võlakiri 22.01.2025, ISIN code EE3300001577) (hereinafter the “**Notes**”) issued or to be issued in accordance with the AS PRFoods Terms and Conditions of Secured Note Issue dated **14.01.2020** (amended on 25.02.2020) (hereinafter the “**Terms**”) and to the Mortgagee (in its capacity as a collateral agent acting in the interests of the holders of the Notes under the Terms) from time to time under the Terms and any possible amendments and appendices thereto, as well as under the final terms, the collateral agreements and the collateral agent agreement entered into in accordance with the Terms, including but not limited to the obligations arising from the Notes and the parallel debt undertaking set out in Section 4.3 of the Terms.
- 3.3. The Owner shall be entitled to freely possess and use the Object of the Contract, to conduct its business activities on the Object of the Contract and to exercise all rights as the owner of the Object of the Contract without the need for consent of the Mortgagee or any holders of the Notes, except where such consent is expressly required in accordance with the Terms.

- 3.4.** The Owner undertakes to insure the Object of the Contract to the extent required under, and in accordance with the terms and conditions stipulated in, the Terms.
- 3.5.** The obligations of the Owner to provide information to the Mortgagee concerning the Object of the Contract shall be limited to the obligations set forth in the Terms.

#### **4. ENFORCEMENT OF THE MORTGAGE AND APPLICATION OF PROCEEDS**

- 4.1.** The Mortgagee shall be entitled to enforce the Mortgage upon satisfaction of all conditions set out in Section 10.1. (*Enforcement of the Collateral*) of the Terms. The enforcement of the Mortgage shall be carried out by the Mortgagee by way of compulsory auction in accordance with the procedures provided in the Code of Enforcement Procedure and in compliance with the requirements of other applicable laws.
- 4.2.** The proceeds from the enforcement of the Mortgage shall be applied in accordance with Section 11.1 (*Application of Proceeds*) of the Terms.
- The attester of the notarial act has advised the parties to include in the Contract the conditions and obligations referred to in clauses 3.3, 3.4, 3.5 and 4.2 of the Contract and stipulated in the Terms. The attester of the notarial act has not been able to consult the parties regarding the aforesaid obligations, nevertheless the parties wish to enter into the Contract on the terms and conditions as stipulated herein.*

#### **5. REAL RIGHT CONTRACT AND REGISTRATION APPLICATION**

- 5.1.** **The Owner and the Mortgagee have agreed to establish a mortgage on the Object of the Contract. The Owner allows and the Mortgagee requests to enter into the fourth division of register part No. 1586334 of the Land Register of the Land Registry Department of the Tartu County Court on the first available ranking the mortgage with the mortgage amount of twelve million three hundred and fifty thousand (12,350,000) Euros, with the obligation of each and every actual owner to be subject to immediate compulsory enforcement for satisfaction of claims secured by the mortgage, in favour of PRF Collateral Agent OÜ, registry code 14880068.**

#### **6. ISSUANCE OF TRANSCRIPTS**

- 6.1.** This notarial act is drawn up and signed in one original that is preserved in the notary's office.
- 6.2.** The copies of the notarial act shall be issued to the participants either on paper or digitally as chosen by the participant.
- 6.3.** The participants request the notary to submit a notarised and translated extract of this Contract to the land registry department within three (3) banking days. The notary will submit a digital translated extract of the notarial act to the land registry department via information system e-notar within three (3) banking days.

#### **7. COSTS RELATED TO THE CONCLUSION OF THE CONTRACT**

##### **7.1. Notary fees:**

The Owner will pay the notary fee for attestation of the contract for establishing a mortgage and real right contract 10,735.92 Euros (value of the transaction 6,390,000.00 Euros: Notary Fees Act § 3, 9 (1), 22, 23 p 2).

Value added tax 20% will be added to the aforementioned amount. VAT 2,147.18 Euros, notary fee included VAT 12,883.10 Euros.

## 7.2. State fees:

The Owner will pay the state fee for establishing a mortgage 2,560.00 Euros (value of the transaction 8,233,333.33 Euros: State Fees Act § 77 (1)).

7.3. The Owner shall pay the notary fee for the transcripts of the Contract. Notary fee for transcripts to the Land Registry Department shall be paid by the Owner. Fees for transcripts of the notarial act (VAT included) are as follows:

a transcript on paper to the party	0.23 EUR / page
a digital transcript to the party by e-mail	0.23 EUR / page
a digital transcript to the Land Registry Department	15.30 EUR + 0.23 EUR / page
a digital transcript via eesti.ee portal	<b>free of charge</b>

This document has 7 pages that are bound with a string and embossed with a seal impression.

7.4. In accordance with the division provided above the participant shall pay the notary fee at the notary's office in cash or by bank card or within three (3) banking days by bank transfer to the notary's bank account. The notary has the right to withhold the notarised transcripts of the notarial act until the fee is paid. Pursuant to the Notary Fees Act § 38 (2), the participants are solidarily liable to the notary for the payment of the notary fee for the notarial act.

7.5. In accordance with the division provided above the participant shall pay the state fee within three (3) banking days to the Ministry of Finance's bank account. In the event of a failure to pay the state fee, the beneficiary of the state fee is entitled to deny the registration application.

The notarial act and the documents appended thereto have been interpreted to the participants not proficient in English from English into Estonian by the attester of the notarial act, the notarial act and the documents were handed to the participants for review before their approval, then approved by the participants and signed in own hand in the presence of the attester of the notarial act. The notarial act is prepared in English at the request of the participants. The notarial act is prepared in English at the request of the participants.

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*Given name and surname*      *in cursive*      *signature*

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*Given name and surname*      *in cursive*      *signature*

*Signature and seal of the notary*

## Appendix number 1 to the notarial act

### **8. Explanation provided to the participants by the attester of the notarial act**

- 8.1. Creation and termination of mortgage.** Mortgage is created by making the entry in the land register, not by entry into the present contract and the mortgage will extinguish upon deletion of the mortgage from the land register and not by termination of the claim secured by mortgage. If a claim secured by a mortgage is satisfied the actual owner of the encumbered immovable may demand entry of the mortgage in the name of the owner or its deletion, unless otherwise agreed. If a claim secured by a mortgage is partially satisfied, the actual owner of the encumbered immovable may demand entry of a partial mortgage in the land register for the owner's benefit to the extent the claim was satisfied, or deletion of the mortgage. (Law of Property Act § 349).
- 8.2. Transactions with property encumbered with mortgage.** The owner of an immovable encumbered with a mortgage has the right to possess, use and dispose of the encumbered immovable if thereby the owner does not decrease the value of the encumbered immovable or damage the rights of the mortgagee in any other manner (Law of Property Act § 333).
- 8.3. The extent of the agreement determining which claim is secured by a mortgage.** The security agreement can be concluded in the manner that the mortgage secures also the claims arising from future agreements.
- 8.4. Property insurance.** The insurer who insured a structure shall be immediately notified of any encumbrance of the registered immovable under the structure with a mortgage (Law of Obligations Act § 499).
- 8.5. The meaning of the agreement concerning subjection to immediate compulsory execution.** If the claims secured by a mortgage are not complied with (the loan is not repaid as required) the mortgagee is not obliged to recourse to the court for enforcement of a loan and for execution of sale of the property encumbered with a mortgage. The mortgagee can submit the agreement directly to the bailiff for performance of compulsory auction pursuant to the mortgage entry containing the agreement concerning subjection to immediate compulsory enforcement (Code of Enforcement Procedure § 2 (1) p 19). A bailiff shall distribute the revenue received from the sale of things between claimants and other persons entitled to participate in the revenue in the order of creation of the rights of security or according to an agreement between claimants. The rights of security which were created at one and the same time have the same ranking upon distribution of the revenue (Code of Enforcement Procedure § 105 (1)).
- 8.6. Prohibited loans.** According to § 159 of the Commercial Code, (1) A private limited company shall not grant a loan: 1) to one of its shareholders whose share represents more than 5 per cent of the share capital; 2) to a shareholder or member of its parent undertaking, whose share represents more than 5 per cent of the share capital of the parent undertaking; 3) to a person to acquire a share of the private limited company; 4) to a member of its management board or supervisory board or its procurator. (2) A subsidiary may grant a loan to its parent undertaking or a parent undertaking to a shareholder or a member who forms the same group as the subsidiary if this does not harm the financial status of the private limited company or the interests of creditors. A subsidiary shall not grant a loan for acquiring a share of the private limited company to the persons specified in the first sentence of this subsection. (3) A private limited company shall also not guarantee a loan taken by the persons specified in subsection (1) of this section. The prohibition does not apply to guaranteeing a loan taken by the parent undertaking or guaranteeing a loan taken by a shareholder or member of the parent

undertaking that forms the same group as the subsidiary if this does not harm the financial status of the private limited company or the interests of creditors. A private limited company shall not guarantee a loan taken for acquisition of a share of the private limited company. (4) Transactions in violation of the provisions of subsections (1) and (2) of this section are void. Violation of the provisions of subsection (3) of this section does not result in the nullity of the transaction but the person whose loan was secured must compensate for the damage caused to the private limited company by the provision of the security. (5) The provisions of subsections (1)–(4) of this section correspondingly apply to credit agreements and other economically equivalent transactions.

**8.7. Since the collateral provider itself is not the recipient of loan,** the attester of the notarial act has explained to the collateral provider that if the claims secured with the mortgage are not fulfilled (the recipient of the loan does not return the loan duly), the property belonging to the collateral provider and encumbered with the mortgage could be sold at compulsory auction. The costs of execution proceeding shall be borne on account of money received from the sale and the loan, interests, fines for delay and other collateral claims shall be redeemed to the mortgagee. In that case the claim belonging to the mortgagee against the recipient of loan descends to the collateral provider (§ 173 of the Law of Obligations Act, § 349 (3) of the Law of Property Act).