

TERMS AND CONDITIONS OF BIGBANK AS ADDITIONAL TIER 1 TEMPORARY WRITE-DOWN NOTES

28 January 2026

This document contains the Terms and Conditions of the Additional Tier 1 Temporary Write-Down Notes. The Final Terms of the Additional Tier 1 Temporary Write-Down Notes will specify specific terms and conditions which shall, to the extent so specified, modify the following Terms and Conditions for the purposes of the Additional Tier 1 Temporary Write-Down Notes.

Bigbank AS, a limited liability company established and holding a credit institution authorisation in Estonia, (the “**Issuer**”) intends to issue up to EUR 3,000,000 of aggregate Original Nominal Value of the Additional Tier 1 Temporary Write-Down Notes (the “**Additional Tier 1 Temporary Write-Down Notes**”).

The Additional Tier 1 Temporary Write-Down Notes are intended to be issued in a single series of notes subject to the final terms attached to these Terms and Conditions as Annex 1 (the “**Final Terms**”), a copy of which will be made available to each investor on or before the date of issue of Additional Tier 1 Temporary Write-Down Notes. The aggregate Original Nominal Value of the Additional Tier 1 Temporary Write-Down Notes may be increased and decreased by the Issuer.

These Terms and Conditions (the “**Conditions**”) apply to the Additional Tier 1 Temporary Write-Down Notes.

1. Interpretation

(a) In these Conditions the following expressions have the following meanings:

“**Additional Tier 1 Capital**” means additional tier 1 capital for the purposes of the Applicable Banking Regulations.

“**Additional Tier 1 Temporary Write-Down Notes**” mean the debt instruments issued by the Issuer under these Conditions and the Final Terms with the status set out in Condition 4 (*Status*) below.

“**Applicable Banking Regulations**” means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy then in effect in Estonia including, without limitation of the generality of the foregoing, the national laws implementing the CRD IV, the CRD V, the BRRD and the BRRD II, the CRR, the CRR II and the SRM Regulation and other delegated and implementing acts adopted by the European Commission and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the EFSA, the European Banking Authority and the European Central Bank, from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group).

“**BRRD**” means Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

“**BRRD II**” means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time.

“**Business Day**” means a day on which commercial banks settle payments in Tallinn and

which is a settlement day of the Register and a TARGET Settlement Day.

“Capital Event” means the determination by the Issuer, after consultation with the EFSA, that the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes ceases or would be likely to cease to be included in whole, or in any part, or count in whole or in any part towards the Tier 1 Capital of either the Issuer or the Group due to a change in the Applicable Banking Regulations that was not reasonably foreseeable at the time of the issuance of the Additional Tier 1 Temporary Write- Down Notes (other than by reason of a full or partial exclusion of the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes arising (i) as a result of a Write Down and/or (ii) by reason of any applicable limit on the amount of such capital under the Applicable Banking Regulations from time to time).

“CET1 Capital” means in respect of either the Issuer or the Group (as the case may be), at any time, the sum, expressed in the euro, of all amounts that constitute common equity tier 1 capital of either the Issuer or the Group (as the case may be) as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Issuer in accordance with the Applicable Banking Regulations at such time (which calculation shall be binding on the Holders). For the purposes of this definition, the term “common equity tier 1 capital” shall have the meaning assigned to such term in the Applicable Banking Regulations then applicable to either the Issuer or the Group (as the case may be).

“CET1 Ratio” means, at any time, (i) the ratio of CET1 Capital of the Issuer as at such date to the Risk Weighted Assets of the Issuer as at the same date, on an individual basis and/or (ii) the ratio of the CET1 Capital of the Group as at such date to the Risk Weighted Assets of the Group as at the same date, on a consolidated basis, expressed as a percentage and, for the avoidance of doubt, on the basis that all measures used in such calculation shall be calculated applying the transitional provisions set out in Part Ten of the CRR and applied in accordance with the Applicable Banking Regulations then applicable to the Issuer or the Group (as the case may be).

“Conditions to Redemption” means the conditions to redemption set out in Condition 6(e) (*Redemption and Purchase – Conditions to Redemption*) or as otherwise specified in the relevant Final Terms.

“CRD IV and CRD V” means the legislative package consisting of the CRD IV Directive, the CRD V Directive, the CRR, the CRR II and any CRD IV and CRD V Implementing Measures.

“CRD IV Directive” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council, as amended or replaced from time to time.

“CRD V Directive” means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as the same may be amended or replaced from time to time.

“CRD IV and CRD V Implementing Measures” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer or the Group and which prescribe (alone or in conjunction with any other rules or regulations) the

requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer or the Group (on an individual or consolidated basis, as the case may be) to the extent required by the CRD IV Directive, the CRD V Directive, the CRR or the CRR II, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof) or the European Commission.

CRR means Regulation (EU) 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council, as the same may be amended or replaced from time to time.

CRR II means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, as the same may be amended or replaced from time to time.

Distributable Items has the meaning assigned to such term in the CRR as interpreted and applied in accordance with the Applicable Banking Regulations.

EFSA means the Estonian Financial Supervision and Resolution Authority (*Finansinspektsioon*) and any successor or replacement thereto.

Estonian Commercial Code means the Commercial Code (*äriseadustik*) of the Republic of Estonia.

Estonian Credit Institutions Act means the Credit Institutions Act (*krediidiasutuste seadus*) of the Republic of Estonia.

Estonian Insolvency Act means the Insolvency Act (*pankrotiseadus*) of the Republic of Estonia.

First Interest Payment Date means the date specified in the Final Terms.

Fixed Interest Amount means the sum payable to the Holders for each period between Interest Payment Dates during all of which the Additional Tier 1 Temporary Write-Down Notes have their Original Nominal Value.

Group means, from time to time, the Issuer and each entity which is part of the banking group with a parent institution and/or banking group with a parent financial holding company to which (i) the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Banking Regulations apply.

Holder has the meaning assigned to it in Condition 3(a).

Interest Commencement Date means the Issue Date of the Additional Tier 1 Temporary Write- Down Notes (as specified in the Final Terms).

Interest Payment Date means the First Interest Payment Date and any date or dates specified as such in the Final Terms.

Issue Date has the meaning specified in the relevant Final Terms.

Junior Securities means the share capital and any obligation of the Issuer ranking or, expressed to rank, junior to the Additional Tier 1 Temporary Write-Down Notes in a

voluntary or involuntary liquidation (*likvideerimine*) or bankruptcy (*pankrot*) of the Issuer.

“Loss Absorbing Instrument” means at any time any instrument (other than the Additional Tier 1 Temporary Write-Down Notes) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of either the Issuer or the Group and (b) which is subject to utilisation and conversion or utilisation and write down (as applicable) of the outstanding nominal value thereof (in accordance with its terms or otherwise) on the occurrence, or as a result, of the relevant CET1 Ratio falling below a specified level.

“Maximum Distributable Amount” means any maximum distributable amount (*maksimaalse väljamakse summa*) required to be calculated in accordance with Article 141 of the CRD IV Directive as transposed or implemented into Estonian law (notably by a Regulation of the President of the Bank of Estonia No 13 of 9 July 2014 “Procedure for Calculation of Maximum Distributable Amount of Equity”, as amended) and in accordance with the Applicable Banking Regulations.

“Maximum Reinstatement Amount” means, in respect of any Reinstatement, the lower of

- (a) the consolidated Net Profit multiplied by the sum of the aggregate Original Nominal Value of the Additional Tier 1 Temporary Write-Down Notes and the aggregate initial principal value of all Written Down Additional Tier 1 Instruments of the Group (before the write-down), and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Reinstatement,
- (b) the Net Profit of the Issuer on an unconsolidated basis multiplied by the sum of the aggregate Original Nominal Value of the Additional Tier 1 Temporary Write-Down Notes and the aggregate initial principal value of all Written Down Additional Tier 1 Instruments of the Issuer (before the write-down), and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Reinstatement,
- (c) or any higher amount permissible pursuant to Applicable Banking Regulations in force on the date of the relevant Reinstatement.

“Net Profit” means the net profit of the Issuer on an unconsolidated basis or the Group on a consolidated basis and shall be the most recent profits calculated on a statutory basis after the relevant body has taken a formal decision confirming such final profits of the Group or the Issuer, as applicable.

“Original Nominal Value” means, in respect of an Additional Tier 1 Temporary Write-Down Note, the nominal value of the Additional Tier 1 Temporary Write-Down Note as issued on the Issue Date.

“Outstanding Nominal Value” means, in respect of an Additional Tier 1 Temporary Write-Down Note, the Original Nominal Value as reduced from time to time by any partial redemption or repurchase from time to time.

“Parity Securities” means any (i) subordinated and undated debt instruments or securities of the Issuer which are recognized as “*täiendavad esimeese taseme omavahenditesse kuuluvad instrumendid*” or “Additional Tier 1 Capital” of the Issuer, from time to time by the EFSA and (ii) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation (*likvideerimine*) or bankruptcy (*pankrot*) of the Issuer, *pari passu* with the Additional Tier 1 Temporary Write-Down Notes.

“Person” includes any individual, company, corporation, firm, partnership, joint venture,

undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

“Rate of Interest” means the rate (expressed as a percentage *per annum*) of interest payable in respect of the Additional Tier 1 Temporary Write-Down Notes specified in the Final Terms.

“Reference Date” means the accounting date as at which the applicable Relevant Profits were determined.

“Reinstatement” means any write up of the Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note following a Write Down as described in more detail in Condition 7(b) (*Reinstatement*).

“Reinstatement Amount” means the amount, subject to the Maximum Reinstatement Amount, by which the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note in effect prior to the relevant Reinstatement, is to be reinstated and written up on the Reinstatement Effective Date on the balance sheet of the Issuer on such date, as specified in the Reinstatement Notice.

“Reinstatement Effective Date” means the date on which the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note is reinstated and written up on the balance sheet of the Issuer (in whole or in part), as specified in the relevant Reinstatement Notice.

“Reinstatement Procedure” means the procedures set out in Condition 7(b)(ii).

“Reinstatement Notice” means the notice to be delivered by the Issuer to the Holders in accordance with Condition 12 specifying the Reinstatement Amount and the Reinstatement Effective Date.

“Register” means Nasdaq CSD SE Estonian branch or any other such securities depository within the European Economic Area appointed by the Issuer from time to time (or any successor thereof) to carry out its duties to keep a register or its shares and the Additional Tier 1 Temporary Write-Down Notes.

“Relevant Distributions” means the sum of:

- (a) any distributions on the Additional Tier 1 Temporary Write-Down Notes made or scheduled to be made by the Issuer in the then current financial year of the Issuer; and
- (b) any distributions made or scheduled to be made by the Issuer on other Common Equity Tier 1 instruments or Additional Tier 1 instruments in the then current financial year of the Issuer.

“Relevant Capital” means Tier 1 Capital. **“Relevant Profits”** means the Net Profits.

“Resolution Authority” means the European Single Resolution Board, the EFSA, or such other regulatory authority or governmental body with the ability to exercise any resolution powers as set out in the BRRD or the SRM Regulation in relation to the Issuer.

“Risk Weighted Assets” means, at any time, the aggregate amount, expressed in the euro, of the risk weighted assets of either the Group or the Issuer (as the case may be), as at such date, as calculated on a consolidated basis in respect of the Group and on an individual basis in respect of the Issuer in accordance with the Applicable Banking Regulations applicable to the Group or the Issuer (as the case may be), on such date

(which calculation shall be binding on the Holders). For the purposes of this definition, the term "risk weighted assets" means the risk weighted assets or total risk exposure amount, as calculated in accordance with the Applicable Banking Regulations applicable to the Group or the Issuer (as the case may be).

"SRM Regulation" means Regulation (EU) 806/2014 of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, as amended or replaced from time to time.

"Subordinated Indebtedness" means any obligation of the Issuer whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of liquidation (*likvideerimine*) or bankruptcy (*pankrot*) of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer.

"Subsidiary" has the meaning provided in the Estonian Commercial Code.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform, and which was launched on 19 November 2007.

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro.

"Tax Event" means:

- (i) any amendment to, or clarification of, or change in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation;
- (ii) any governmental action in the Taxing Jurisdiction affecting taxation; or
- (iii) any amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known,

which amendment or change is effective, or such governmental action, pronouncement or decision is announced, on or after the Issue Date of the Additional Tier 1 Temporary Write-Down Notes, and under or due to which:

- (A) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to the Additional Tier 1 Temporary Write-Down Notes or is not, or will not be, entitled to claim a deduction in respect of payments in respect of the Additional Tier 1 Temporary Write-Down Notes in computing its taxation liabilities (or the value of such deduction would be materially reduced);
- (B) the treatment of any of the Issuer's items of income or expense with respect to the Additional Tier 1 Temporary Write-Down Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to additional taxes, duties or other governmental charges; or
- (C) on the occasion of the next payment due under the Additional Tier 1 Temporary

Write-Down Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*).

“Taxing Jurisdiction” means the Republic of Estonia or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction.

“Tier 1 Capital” means tier 1 capital for the purposes of the Applicable Banking Regulations.

“Tier 2 Capital” means tier 2 capital for the purposes of the Applicable Banking Regulations.

“Trigger Event” shall occur if at any time the Issuer, EFSA or any agent appointed for such purpose by the EFSA has determined that the CET1 Ratio of the Group on a consolidated basis and/or CET1 Ratio of the Issuer on an individual basis is less than the Trigger Level.

“Trigger Level” has the meaning given in the relevant Final Terms.

“Write Down” means the write down of the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note (in whole or in part, as applicable) by writing down such Outstanding Nominal Value (in whole or in part, as applicable) in accordance with the Write Down Procedure.

“Write Down Amount” means the amount by which the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note is to be written down on the Write Down Effective Date, which shall be:

- (i) the amount (together with the write down on a pro rata basis of the other Additional Tier 1 Temporary Write-Down Notes and any utilization and conversion or utilization and write down (to the extent possible) of other Loss Absorbing Instruments to be written down or converted concurrently (or substantially concurrently)) that would be sufficient to restore the CET1 Ratio of either the Group or the Issuer (as the case may be) to at least the Trigger Level; or
- (ii) if that write down (together with the write down on a pro rata basis of the other Additional Tier 1 Temporary Write-Down Notes and any utilization and conversion or utilization and write down (to the extent possible) of any other Loss Absorbing Instruments to be written down or converted concurrently (or substantially concurrently)) would be insufficient to restore the CET1 Ratio to the Trigger Level, or the CET1 Ratio is not capable of being so restored, the amount necessary to reduce the Outstanding Nominal Value of such Additional Tier 1 Temporary Write-Down Note to one euro cent.

provided, however, with respect to each Loss Absorbing Instrument (if any) such pro-rata write down or conversion shall only be taken into account to the extent required to restore the CET1 Ratio of either the Group or the Issuer (as the case may be) to the lower of (a) such Loss Absorbing Instrument’s trigger level, or where there is more than one such trigger level, the highest of such trigger levels as has been triggered thereon and (b) the Trigger Level in respect of which the Trigger Event has occurred and provided further, however, that to the extent the write down, or, as the case may be, conversion of the nominal value of any Loss Absorbing Instrument is not, or by the relevant Write Down Effective Date will not be, effective for any reason, the ineffectiveness of any such write down or, as the case may be, conversion shall not prejudice the requirement to effect a write down of each

Additional Tier 1 Temporary Write-Down Note under this Condition and the amount of any future potential write down or conversion (as the case may be) of such Loss Absorbing Instrument shall not be taken into account in determining, and so shall not reduce, the amount of the write down of the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note.

“Write Down Effective Date” means the date on which the Write Down shall take place, or has taken place, as applicable.

“Write Down Notice” means the notice to be delivered by the Issuer to the Holders in accordance with Condition 12 specifying (i) that a Trigger Event has occurred and (ii) the Write Down Effective Date or expected Write Down Effective Date.

“Write Down Procedure” means the procedures set out in Condition 7(a)(ii).

“Written Down Additional Tier 1 Instrument” means a Loss Absorbing Instrument (other than these Additional Tier 1 Temporary Write-Down Notes) issued directly or indirectly by the Issuer and qualifying as Additional Tier 1 Capital of either the Group or the Issuer (as the case may be) that, immediately prior to any Reinstatement, has a prevailing nominal value which is less than its original nominal value due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Condition 7(b) in the circumstances existing on the relevant Reinstatement Effective Date.

(b) In these Conditions:

- (i) any reference to principal or nominal shall be deemed to include the redemption amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of an Additional Tier 1 Temporary Write-Down Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

2. Form and Denomination

(a) **Form**

Additional Tier 1 Temporary Write-Down Notes are issued in dematerialised form. The Additional Tier 1 Temporary Write-Down Notes are not numbered.

(b) **Registration**

The Additional Tier 1 Temporary Write-Down Notes are registered in the securities register operated by Nasdaq CSD SE Estonian Branch (the **“Register”**) and assigned an ISIN code. The Additional Tier 1 Temporary Write-Down Notes may be subscribed for only by such persons that have a securities account (whether directly or indirectly via a nominee structure or otherwise) with the Register.

(c) **Denomination**

Additional Tier 1 Temporary Write-Down Notes will be issued in such denomination as specified in the Final Terms.

(d) **Currency of the Additional Tier 1 Temporary Write-Down Notes**

The Additional Tier 1 Temporary Write-Down Notes are issued in euro.

3. Title, Transfer and Delivery

(a) *Title of the Additional Tier 1 Temporary Write-Down Notes*

Title to the Additional Tier 1 Temporary Write-Down Notes belongs to the person in whose name the Additional Tier 1 Temporary Write-Down Notes are registered in the Register (the “Holder”). The title to the Additional Tier 1 Temporary Write-Down Notes passes by registration of change of ownership in the Register.

(b) *Transfer of the Additional Tier 1 Temporary Write-Down Notes and Transfer Limitation*

The Additional Tier 1 Temporary Write-Down Notes can be transferred by initiating respective transfers through the securities accounts with the Register.

No action has been or will be taken in any country or jurisdiction by the Issuer that would permit a public offering of the Additional Tier 1 Temporary Write-Down Notes, or possession or distribution of any placement material in relation thereto, in any country or jurisdiction where action for that purpose is required. The Additional Tier 1 Temporary Write-Down Notes may not be sold or offered to be sold in a way that would qualify as a public offering and require registration and publication of a prospectus or similar disclosure document or sold or offered to be sold to investors in countries where such sale or offer would be unlawful. Persons who have access to these Conditions, the Final Terms or other information made available by the Issuer are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdictions in or from which they purchase, sell or deliver the Additional Tier 1 Temporary Write-Down Notes or have in their possession or distribution such offering material, in all cases at their own expense.

(c) *Delivery*

The Issuer organises the registration of the Additional Tier 1 Temporary Write-Down Notes in the Register and their deletion from the Register upon their redemption. Only persons who have securities accounts (whether directly or via a nominee structure) with the Register can subscribe for or purchase the Additional Tier 1 Temporary Write-Down Notes. The Register may temporarily block the Additional Tier 1 Temporary Write-Down Notes on a Holder’s securities account to ensure performance of corporate actions regarding the Additional Tier 1 Temporary Write-Down Notes.

4. Status

Ranking

The Additional Tier 1 Temporary Write-Down Notes issued pursuant to these Conditions constitute and will constitute direct, unsecured, subordinated obligations of the Issuer.

The Issuer expects the Additional Tier 1 Temporary Write-Down Notes to be instruments of the Issuer qualifying as Additional Tier 1 Capital instruments.

In the event of the voluntary or involuntary liquidation (*liikvideerimine*) or bankruptcy (*pankrot*) of the Issuer, the rights and claims (if any) of the Holders of any Additional Tier 1 Temporary Write-Down Notes to payments of the then Outstanding Nominal Value, as reduced by any relevant Write-Down Amount in respect of a Trigger Event which has occurred but in respect of which the Write Down Effective Date has not yet occurred, (if any) of the Additional Tier 1 Temporary Write-Down Notes and any other amounts in respect of the Additional Tier 1 Temporary Write-Down Notes (including any accrued and uncancelled interest or damages awarded for breach of any obligations under these Conditions, if any are payable), will rank:

- (i) *pari passu* without any preference among the Additional Tier 1 Temporary Write-Down Notes;
- (ii) at least *pari passu* with payments to holders of present or future outstanding Parity Securities of the Issuer;
- (iii) in priority to payments to holders of present or future outstanding Junior Securities (including shares) of the Issuer; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer, and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities) including, for the avoidance of doubt, Tier 2 Capital instruments,

subject, in all cases, to mandatory provisions of Estonian law, including but not limited to the Estonian implementation of Article 48(7) of the BRRD in paragraph 2 of § 131 of the Estonian Credit Institutions Act to the effect that claims resulting from items qualifying (whether in whole or in part) as own funds of the Issuer have a lower priority ranking than any claim that results from an item which does not qualify (whether in whole or in part) as own funds of the Issuer.

General

No Holder of the Additional Tier 1 Temporary Write-Down Notes shall be entitled to exercise any right of set- off or counterclaim against amounts owed by the Issuer in respect of the Additional Tier 1 Temporary Write- Down Notes held by it.

No collateral or guarantee is and shall at any time be provided to secure claims of the Holders under the Additional Tier 1 Temporary Write-Down Notes. Any collateral or guarantee already provided or granted in the future in connection with other liabilities of the Issuer may not be used for claims under the Additional Tier 1 Temporary Write-Down Notes.

No insolvency proceedings against the Issuer are required to be opened in relation to the obligations of the Issuer under the Additional Tier 1 Temporary Write-Down Notes. The Additional Tier 1 Temporary Write-Down Notes do not contribute to a determination that the liabilities of the Issuer exceed its assets; therefore, the obligations of the Issuer under the Additional Tier 1 Temporary Write-Down Notes, if any, will not contribute to the determination of insolvency (*maksejõuetus*) of the Issuer in accordance with § 1 (3) of the Estonian Insolvency Act.

Prior to any insolvency or liquidation of the Issuer, under the Applicable Banking Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Additional Tier 1 Temporary Write-Down Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Conditions or a cancellation of the Additional Tier 1 Temporary Write-Down Notes.

5. Interest

The Additional Tier 1 Temporary Write-Down Notes shall be interest bearing. The application of Condition 5(1) (*Interest—Fixed Rate*) shall be subject to Condition 5(2) (*Interest Cancellation*).

(1) *Interest — Fixed Rate*

The Additional Tier 1 Temporary Write-Down Notes shall bear interest on their Outstanding Nominal Value from and including their Issue Date (as specified in the Final Terms) to, but excluding, the date of any final redemption at the Rate of Interest as specified in the Final Terms. Such interest will be payable in arrear on each Interest Payment Date as is specified

in the Final Terms and on the date of any final redemption. For each period between Interest Payment Dates during all of which the Additional Tier 1 Temporary Write-Down Notes have their Original Nominal Value, interest is paid at the Fixed Interest Amount as provided in the Final Terms. The amount of interest payable in respect of each Additional Tier 1 Temporary Write-Down Note for any period for which a Fixed Interest Amount is not specified, or after partial Write-Down has occurred shall be calculated by applying the Rate of Interest to the Outstanding Nominal Value, whereas interest for each full calendar month during the term of an Additional Tier 1 Temporary Write-Down Note will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and interest for the partial calendar month will be calculated on the basis of a 360-day year and the actual number of days elapsed (the 30/360 interest calculation convention).

The determination by the Issuer of the Rate of Interest and amounts of interest for the purposes of this Condition 5 shall, in the absence of manifest error, be final and binding on all parties.

(2) ***Interest Cancellation***

The application of Condition 5(1) (*Interest—Fixed Rate*) shall be subject to this Condition 5(2).

(a) ***Interest Payments Discretionary***

Interest on the Additional Tier 1 Temporary Write-Down Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable. Interest payments may be cancelled for an unlimited period.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

(b) ***Restriction on Interest Payments***

(i) Subject to the extent permitted in paragraph 5(2)(b)(ii) below, the Issuer shall not make an interest payment on the Additional Tier 1 Temporary Write-Down Notes on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date):

(a) if the amount of such interest payment otherwise due, when aggregated together with any further Relevant Distributions and other distributions of the kind referred to in § 86⁵⁰ of the Estonian Credit Institutions Act (implementing article 141(2) of the CRD IV

Directive, as amended), plus any write-ups, where applicable, exceed (in aggregate) the amount of the Maximum Distributable Amount; or

- (b) such interest payment would cause, when aggregated together with other Relevant Distributions and any potential write-ups, the Distributable Items of the Issuer (as at such Interest Payment Date) to be exceeded; or
- (c) the EFSA orders the Issuer to cancel the interest payment on the Additional Tier 1 Temporary Write-Down Notes (in whole or in part) scheduled to be paid; or
- (d) if and to the extent that such payment would cause a breach of any other regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments pursuant to Applicable Banking Regulations.

(ii) The Issuer may, in its sole discretion, elect to make a partial interest payment on the Additional Tier 1 Temporary Write-Down Notes on any Interest Payment Date, only to the extent that such partial interest payment may be made without breaching the restriction set out in paragraph 5(2)(b)(i) above.

(c) *Effect of Interest Cancellation*

Interest will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with Condition 5(2)(a) and Condition 5(2)(b). Any interest cancelled (in each case, in whole or in part) in such circumstances shall be cancelled indefinitely and shall not accumulate or be payable at any time thereafter. For avoidance of doubt, any accrued but unpaid interest from the Trigger Event up to the Write-Down Effective Date shall also be automatically cancelled even if no notice has been given to that effect. Any interest payment (or part thereof) so cancelled shall not constitute an event of default and Holders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation, including in the case of liquidation (*liikvideerimine*) or bankruptcy (*pankrot*) of the Issuer.

The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

(d) *Notice of Interest Cancellation*

If practicable, the Issuer shall provide notice of any cancellation of interest (in whole or in part) to the Holders on or prior to the relevant Interest Payment Date. If practicable, the Issuer shall endeavor to provide such notice at least five (5) Business Days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Holders any rights as a result of such failure.

6. Redemption and Purchase

(a) *No fixed redemption date*

The Additional Tier 1 Temporary Write-Down Notes shall be perpetual and shall have no

final maturity.

The Additional Tier 1 Temporary Write-Down Notes are securities that are not redeemable at the option of the Holders and have no fixed redemption date, and the Issuer shall have the right to call, redeem, repay or repurchase them only in accordance with (and subject to) the conditions set out in Articles 77 and 78 of the CRR being met and not before five years from issuance, except where the conditions set out in Article 78(4) of the CRR are met (see conditions for Early Redemption as a result of a Tax Event, Early Redemption as a result of a Capital Event and Optional Early Redemption (Call)). The instrument shall become immediately due and payable only in the event of liquidation or bankruptcy of the Issuer, subject to the conditions in the Status of the Additional Tier 1 Temporary Write-Down Notes.

(b) ***Early Redemption as a result of a Tax Event***

Upon the occurrence of a Tax Event, but subject to the Conditions to Redemption and Condition 6(f) (*Trigger Event Post Redemption Notice*), the Issuer may, other than when the prevailing Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note is less than the Original Nominal Value, having given not less than 30 days' nor more than 60 days' notice to the Holders of Additional Tier 1 Temporary Write-Down Notes in accordance with Condition 12 (*Notices*) redeem all (but not some only) of the outstanding Additional Tier 1 Temporary Write-Down Notes at any time at a redemption amount equal to their Outstanding Nominal Value together with interest accrued to but excluding the date of redemption (excluding any interest cancelled in accordance with Condition 5(2) (*Interest Cancellation*)).

(c) ***Early Redemption as a result of a Capital Event***

Upon the occurrence of a Capital Event but subject to the Conditions to Redemption and Condition 6(f) (*Trigger Event Post Redemption Notice*), the Issuer may, other than when the prevailing Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note is less than the Original Nominal Value, at its option, having given not less than 30 days' nor more than 60 days' notice to the Holders in accordance with Condition 12 (*Notices*), at any time redeem all (but not some only) of the Additional Tier 1 Temporary Write-Down Notes at the Outstanding Nominal Value, together with interest (if any) accrued to but excluding the date of redemption (excluding any interest cancelled in accordance with Condition 5(2) (*Interest Cancellation*))).

(d) ***Optional Early Redemption (Call)***

The Issuer may (subject to the Conditions to Redemption and Condition 6(f) (*Trigger Event Post Redemption Notice*)), other than when the prevailing Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note is less than the Original Nominal Value, redeem all (but not some only) the Additional Tier 1 Temporary Write-Down Notes at their Outstanding Nominal Amount, together with accrued interest (if any) thereon (excluding any interest cancelled in accordance with Condition 5(2) (*Interest Cancellation*))).

The appropriate notice referred to in this Condition 6(d) is a notice given by the Issuer to the Holders of the Additional Tier 1 Temporary Write-Down Notes, which notice shall be signed by an authorised representative of the Issuer and shall specify:

- (i) the due date for such redemption, which shall be not less than 30 days after the date on which such notice is validly given; and
- (ii) the amount at which such Additional Tier 1 Temporary Write-Down Notes are to be

redeemed,

which shall be their Outstanding Nominal Value together with accrued interest thereon (excluding any interest cancelled in accordance with Condition 5(2) (*Interest Cancellation*)).

(e) *Conditions to Redemption*

The Issuer may redeem the Additional Tier 1 Temporary Write-Down Notes in accordance with Condition 6(b) (*Early Redemption as a result of a Tax Event*), 6(c) (*Early Redemption as a result of a Capital Event*) or 6(d) (*Optional Early Redemption (Call)*) (and give notice thereof to the Holders) only if it has been granted the permission of the EFSA (if such permission is then required under the Applicable Banking Regulations) and:

- (i) on or before such redemption of the Additional Tier 1 Temporary Write-Down Notes, the Issuer replaces the Additional Tier 1 Temporary Write-Down Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the EFSA that its Tier 1 Capital and Tier 2 Capital would, following such redemption, exceed the capital ratios laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in § 86⁴⁴ of the Estonian Credit Institutions Act transposing point 6 of Article 128 of the CRD IV Directive by a margin that the EFSA considers necessary;
- (iii) in case of redemption in accordance with Condition 6(d), such redemption may only occur after five years after the issue date of the Additional Tier 1 Temporary Write-Down Notes; and
- (iv) in the case of redemption before five years after the issue date of the Additional Tier 1 Temporary Write-Down Notes if:
 - (a) the conditions listed in paragraphs (i) or (ii) above are met; and
 - (b) in the case of redemption due to the occurrence of a Capital Event, (i) the EFSA considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the EFSA that the Capital Event was not reasonably foreseeable at the time of the issuance of the Additional Tier 1 Temporary Write-Down Notes; or
 - (c) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the EFSA that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Additional Tier 1 Temporary Write-Down Notes,

(the “**Conditions to Redemption**”).

The Issuer shall not give a notice of redemption if a Trigger Event has occurred.

(f) *Trigger Event Post Redemption Notice*

If the Issuer has elected to redeem the Additional Tier 1 Temporary Write-Down Notes but prior to the payment of the redemption amount with respect to such redemption, a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and Write-Down shall occur in accordance with Condition 7 (*Loss Absorption Mechanism*).

(g) ***Cancellation of Redeemed and Purchased Additional Tier 1 Temporary Write-Down Notes***

All Additional Tier 1 Temporary Write-Down Notes redeemed or purchased in accordance with this Condition 6 will be cancelled (i.e., deleted from the Register based on the Issuer's application) and may not be reissued or resold. References in this Condition 6(g) to the purchase of the Additional Tier 1 Temporary Write-Down Notes by the Issuer shall not include the purchase of Additional Tier 1 Temporary Write-Down otherwise than as a beneficial owner.

7. Loss Absorption Mechanism

(a) ***Write Down***

(i) ***Write Down Upon Trigger Event***

If a Trigger Event has occurred at any time, the Issuer shall write down the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note (in whole or in part, as applicable) by writing down such Outstanding Nominal Value (in whole or in part, as applicable) on the Write Down Effective Date in accordance with the Write Down Procedure. The Write Down shall occur without delay (and within one month or such shorter period as the EFSA may require at the latest) upon the occurrence of a Trigger Event.

Upon the occurrence of a Trigger Event, the Issuer shall immediately inform the EFSA and shall deliver to the Holders notice in accordance with Condition 12 specifying (i) that a Trigger Event has occurred and (ii) the Write Down Effective Date or expected Write Down Effective Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Write Down, or give Holders any rights as a result of such failure.

Other than as provided below in Condition 7(b) (*Reinstatement*), following a Write Down, no Holder will have any rights against the Issuer with respect to the repayment of any principal amount to the extent so written down or the payment of interest on any principal amount that has been so written down or any other amount on or in respect of any principal amount that has been so written down. Furthermore, any interest on any principal amount that is to be written down on the relevant Write Down Effective Date, in respect of an interest period ending on any Interest Payment Date falling between the date of a Trigger Event and the Write Down Effective Date shall also be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not be due and payable.

A Trigger Event may occur on more than one occasion and the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note may be written down on more than one occasion provided that the Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note may never be reduced to below one euro cent.

Any Write Down of an Additional Tier 1 Temporary Write-Down Note shall not constitute an event of default or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not, of itself, entitle Holders to petition for the insolvency of the Issuer or otherwise.

(ii) *Write Down Procedure*

Write Down Notice

If a Trigger Event has occurred at any time, the Issuer shall deliver a Write Down Notice to the Holders, as soon as reasonably practicable, and in any event not more than five (5) Business Days after such determination.

The Write Down Notice shall be sufficient evidence of the occurrence of such Trigger Event and will be conclusive and binding on the Holders.

Write Down

- (A) On the Write Down Effective Date, the Issuer shall write down the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note in a sum equivalent to the relevant Write Down Amount of each Additional Tier 1 Temporary Write-Down Note. The Issuer shall organise and procure the registration of such reduction of the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes in the Register.
- (B) Notwithstanding that certain Loss Absorbing Instruments may be utilized and converted or utilized and written down in full (on a temporary or permanent basis in accordance with their terms), the Issuer will first, to the extent possible, procure that the outstanding nominal value of each security forming part of any series of Loss Absorbing Instruments to be converted or written down (as the case may be) concurrently (or substantially concurrently) is, or has been, utilized and converted or utilized and written down (in accordance with its terms) on a pro rata basis with the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note.

Simultaneously with the delivery of the Write Down Notice to the Holders, or as soon as possible thereafter, the Issuer shall procure that a similar notice is, or has been, given in respect of any such Loss Absorbing Instruments (in accordance with their terms).

(b) *Reinstatement*

(i) *Reinstatement after Write Down*

If a positive Net Profit of the Group is recorded at any time while the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes is less than the Original Nominal Value of the Additional Tier 1 Temporary Write-Down Notes, the Issuer may, at its sole and absolute discretion, reinstate and write up the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes in whole or in part in accordance with the Reinstatement Procedure.

A Reinstatement may occur on more than one occasion provided that the Outstanding Nominal Value of an Additional Tier 1 Temporary Write-Down Note may never exceed its Original Nominal Value.

No Reinstatement may take place if (i) a Trigger Event has occurred in respect of which the Write Down has not occurred, (ii) a Trigger Event has occurred in respect of which Write Down has occurred but the CET1 Ratios of either the Group or the Issuer (as the case may be) have not been restored to, or above, the Trigger Level or (iii) the Reinstatement (either alone or together with all simultaneous

reinstatements of other Written Down Additional Tier 1 Capital Instruments) would cause a Trigger Event to occur.

(ii) *Reinstatement Procedure*

Reinstatement Notice

If the Issuer exercises such discretion to effect a Reinstatement it shall give notice thereof to Holders specifying the Reinstatement Amount and the Reinstatement Effective Date (the "**Reinstatement Notice**").

Reinstatement Amount

Reinstatements must be made on a *pro rata* basis with any other Written Down Additional Tier 1 Instruments (based on the then prevailing outstanding nominal value thereof).

The Reinstatement Amount shall be set by the Issuer at its discretion, save that it shall, when aggregated together with the reinstatement of the outstanding nominal value of temporarily written down Written Down Additional Tier 1 Instruments and distributions of the kind referred to in Article 141(2) of the CRD IV Directive, as amended, be limited to the extent necessary to ensure the Maximum Distributable Amount is not exceeded thereby and provided that the sum of:

- (i) the aggregate amount of the relevant reinstatement on all the Additional Tier 1 Temporary Write-Down Note (out of the same Net Profit of the Group);
- (ii) the aggregate amount of any payments of interest in respect of the Additional Tier 1 Temporary Write-Down Notes that were paid on the basis of an Outstanding Nominal Value lower than the Original Nominal Value at any time after the Reference Date;
- (iii) the aggregate amount of the relevant reinstatement on Written Down Additional Tier 1 Instruments at the time of the relevant Reinstatement (out of the same Relevant Profits); and
- (iv) the aggregate amount of any payments of interest or distributions in respect of each Written Down Additional Tier 1 Instruments that were paid on the basis of a prevailing principal amount that is lower than the principal amount it was issued with at any time after the Reference Date,

does not exceed the Maximum Reinstatement Amount.

Effecting the Reinstatement

On the Reinstatement Effective Date and subject to the prior consent of the EFSA (to the extent such consent is required by the Applicable Banking Regulations), the Issuer shall cause the Outstanding Nominal Value of each Additional Tier 1 Temporary Write-Down Note to be reinstated and written up by an amount equal to the relevant Reinstatement Amount on a *pro rata* basis with each Additional Tier 1 Temporary Write-Down Note. The Issuer shall organise and procure the registration of such increase of the Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes in the Register.

8. **Taxation**

- (a) Should any amounts payable in cash or in kind (whether in respect of principal, redemption

amount, interest or otherwise) in respect of the Additional Tier 1 Temporary Write-Down Notes be subject to withholding or deduction of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority or agency therein or thereof having power to tax, the Issuer shall be entitled to withhold or deduct the respective taxes or duties. For the avoidance of doubt, any such withholdings or deductions shall be made by the Issuer on the account of the Holder with the Issuer having no obligation to compensate the withheld or deducted tax amounts to the Holder.

- (b) As the Estonian tax laws stand on the date of these Conditions, Estonian resident individuals are subject to paying applicable income tax on the interest received from loans, securities (including the Additional Tier 1 Temporary Write-Down Notes) and other debt obligations, therefore, interest received by Estonian resident individuals from the Additional Tier 1 Temporary Write-Down Notes is subject to income tax in Estonia, which shall be withheld by the Issuer from the interest payments made to the resident individual Holders. Since all earnings of Estonian resident legal persons are taxed only upon distribution of profit, interest received by Estonian resident legal persons is not subject to immediate taxation. As a rule, interest payments received by non-resident persons (both legal persons and individuals) are exempt in Estonia (i.e., no withholdings are made, provided that the Issuer can determine the status and residence of such person), however, may be taxable in the Holders' respective countries of residence.
- (c) Should an applicable treaty for the avoidance of double taxation set forth lower withholding rates than those otherwise applicable to the interest payment under Estonian domestic law, the respective Holder shall be requested to provide the documents necessary for application of the respective treaty (including, but not limited to, residence certificate issued or attested by the tax authority of the residence state of the Holder) at least 15 (fifteen) days prior to the payment. If such documents are not presented to the Issuer, the Issuer shall be entitled to withhold tax at the rates set forth by the Estonian domestic legislation.
- (d) Estonian tax resident individuals may postpone the taxation of their (interest) income from the Additional Tier 1 Temporary Write-Down Notes by using an investment account for making transactions with the Additional Tier 1 Temporary Write-Down Notes, and notifying the Issuer in writing at least 15 (fifteen) days prior to the payment that the Additional Tier 1 Temporary Write-Down Notes have been acquired by the Holder on the account of monetary means held at the Holder's investment account. If the relevant notice is not duly presented to the Issuer, the Issuer shall be entitled to withhold tax in accordance with the general withholding rules.
- (e) Any reference in these Conditions to interest in respect of the Additional Tier 1 Temporary Write-Down Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9, or any undertaking given in addition thereto or in substitution therefore. For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under the Additional Tier 1 Temporary Write-Down Notes. The mandatory restrictions on interest payments under Condition 5(2)(b) shall apply to any additional amounts *mutatis mutandis*.
- (f) If, due to any such interpretation by the tax authorities in the Taxing Jurisdiction or any amendment to, or clarification of, or change in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation; any governmental action in the Taxing Jurisdiction affecting taxation; or any amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or

governmental action or any decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known, the payment of interest under the Additional Tier 1 Temporary Write-Down Notes is qualified as a payment of dividends and the obligation of the Issuer to pay corporate income tax in its own name and on its own account (i.e., not as withholding taxes attributable to the Holders) on the payment of interest (qualified as distribution of dividends) under the Additional Tier 1 Temporary Write-Down Notes, the Issuer will bear the tax burden of such payments and shall not make any deductions from the sums payable to the Holders. Should payment of interest (qualified as distribution of dividends) be also subject to withholding or deduction of any tax or duty in Estonia, in addition to the corporate income tax payable by the Issuer, the Issuer shall be entitled to withhold or deduct the respective taxes or duties on the account of the Holder as described under Condition 8(a) above. For avoidance of doubt, this does not preclude the Issuer's right to exercise Early Redemption of the Additional Tier 1 Temporary Write- Down Notes as a result of a Tax Event under Condition 6(b).

9. Payments

- (a) Payments of amounts (including accrued interest) due on the final redemption of Additional Tier 1 Temporary Write-Down Notes will be made to the Holders thereof, as appearing in the Register at the close of business of the Register on the Business Day preceding the due date for such payment. Payment of amounts due on the final redemption of Additional Tier 1 Temporary Write-Down Notes will be made simultaneously with deletion of the Additional Tier 1 Temporary Write-Down Notes, or, if so required by the Issuer, against delivery of the Additional Tier 1 Temporary Write-Down Notes to the Issuer. If the due date for payment of the final redemption amount of Additional Tier 1 Temporary Write-Down Notes is not a Business Day, the Holder thereof will not be entitled to payment thereof until the next following such Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.
- (b) Payment of amounts (whether principal, interest or otherwise) due (other than in respect of the final redemption of Additional Tier 1 Temporary Write-Down Notes) in respect of the Additional Tier 1 Temporary Write-Down Notes will be paid to the Holders thereof as appearing in the Register as of close of business of the Register on the third Business Day before the due date for such payment (the "**Record Date**").
- (c) Payments may be made by the Issuer directly or by the registrar of the Register acting as the Issuer's payment agent or by any other agent so appointed by the Issuer.

10. Limitation period

The limitation period of claims against the Issuer in respect of the Additional Tier 1 Temporary Write-Down Notes is 3 years from the due date for payment.

11. Meetings of Holders

Circumstances may arise that call for convening meetings of the Holders of Additional Tier 1 Temporary Write- Down Notes by the Issuer to consider matters affecting their interests, including the modification or waiver of the Conditions, whereas any modification of these Conditions may only be made as proposed by the Issuer. Any modification or waiver of the Conditions which affects

Additional Tier 1 Temporary Write-Down Notes will be effected in accordance with Applicable Banking Regulations.

The quorum at any meeting for passing a resolution will be (i) one or more persons present (other than the Issuer or its affiliates) holding or representing a clear majority in Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes, or, (ii) at any adjourned meeting, one or more persons (other than the Issuer or its Subsidiaries) present whatever the Outstanding Nominal Value of the Additional Tier 1 Temporary Write- Down Notes held or represented by him or them, (iii) or, in the case of a written consent without a meeting, the consent of persons holding or representing a clear majority in Outstanding Nominal Value of the Additional Tier 1 Temporary Write-Down Notes, except that at any meeting the business of which includes the modification of or amendments to certain of the Conditions of the Additional Tier 1 Temporary Write-Down Notes (as further discussed below), the necessary quorum for passing an extraordinary resolution will be one or more persons (other than the Issuer or its Subsidiaries) present holding or representing not less than two-thirds.

Modifications of and amendments to the Conditions of Additional Tier 1 Temporary Write-Down Notes may be effected by the Issuer, and future compliance with any Additional Tier 1 Temporary Write-Down Notes by the Issuer may be waived, with the prior consent of Holders of the Additional Tier 1 Temporary Write-Down Notes representing not less than two-thirds of the Outstanding Nominal Value of Additional Tier 1 Temporary Write- Down Notes (excluding any Additional Tier 1 Temporary Write-Down Notes held by the Issuer or its Subsidiaries).

Any modification shall be binding on the Holders and, any modification shall be notified by the Issuer to the Holders as soon as practicable thereafter.

12. Notices

(a) *To Holders of the Additional Tier 1 Temporary Write-Down Notes*

Notices to Holders will be deemed to be validly given if sent by e-mail to them at their respective e-mail addresses as recorded in the Register or otherwise known to the Issuer and will be deemed to have been validly given on the next Business Day after sending the notice by e-mail.

(b) *To the Issuer*

Notices to the Issuer will be deemed to be validly given if delivered to Riia 2, 51004 Tartu, Estonia or if delivered by e-mail to info@bigbank.ee (or at such other addresses as may have been notified to the Holders of the Additional Tier 1 Temporary Write-Down Notes in accordance with this Condition 12 or via the Issuer's website) and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's principal office is open for business.

13. Further Issues

The Issuer may from time to time without the consent of the Holders of the Additional Tier 1 Temporary Write- Down Notes create and issue further Additional Tier 1 Temporary Write-Down Notes and other debt securities.

14. Law and Jurisdiction

(a) The Additional Tier 1 Temporary Write-Down Notes and all non-contractual obligations arising out of or in connection with any of them are governed by Estonian law.

(b) The courts of Estonia shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the

Additional Tier 1 Temporary Write-Down Notes (including a dispute relating to any non-contractual obligation arising out of or in connection with the Additional Tier 1 Temporary Write-Down Notes).