

**LOAN AGREEMENT NO. \_\_\_\_\_**

City of \_\_\_\_\_

This loan agreement is dated \_\_\_\_\_, 2019, and is between MIKRO KAPITAL MICROFINANCE COMPANY, a joint-stock company, registered as no. 3110563000807 in the State Register of Microfinance Companies (the "**Lender**"), represented by \_\_\_\_\_, acting under its \_\_\_\_\_, and \_\_\_\_\_ (the "**Borrower**"), represented by \_\_\_\_\_, acting under its \_\_\_\_\_.

**1. Subject Matter**

- 1.1. The Lender hereby agrees to extend a loan of RUB \_\_\_\_\_ (\_\_\_\_\_) to the Borrower, and the Borrower agrees to repay the loan plus any accrued interest on the loan as set out by this agreement.
- 1.2. The Borrower shall repay the loan on or before \_\_\_\_\_.
- 1.3. The Borrower shall pay the Lender an annual interest of \_\_\_\_\_ accrued on the loan specified in section 1.1 in the actual loan period.  
The Borrower shall pay monthly installments plus interest under the repayment schedule, which is made a part of this agreement, by transferring the amount due to the Lender's bank account given in section 10.
- 1.4. The Borrower acknowledges that the Lender extends the loan on the terms of serviceability, maturity, and refundability for the purposes of \_\_\_\_\_.

**2. Terms of Lending and Repayment**

- 2.1. The Lender shall extend the loan amount specified in section 1.1 to the Borrower by wire transfer to the Borrower's bank account given in section 10 no later than three business days from the effective date of this agreement or, if the obligations under this agreement are secured by a mortgage, no later than three business days from the date the Borrower presents or the Lender receives proof that the mortgage in question is registered with the state under the mortgage agreement referred to in section 5.1.
- 2.2. The Borrower shall pay the Lender the interest calculated based on the interest rate set out in section 1.3. Interest on the loan will accrue daily. Interest calculations must be based on the actual number of calendar days in the month or year in question.
- 2.3. The loan and interest period will start on the day following the date the loan amount is credited to the Borrower's bank account and will end on and include the date the Borrower repays the loan.
- 2.4. If there is no outstanding interest or penalties in respect of the loan, the repayment date will be the date on which the amount due is credited in full to the Lender's bank account.
- 2.5. The Borrower shall transfer to the Lender's bank account monthly repayment installments as set out in the repayment schedule.
- 2.6. If the amount of any payment made by the Borrower is less than the amount due, then the Lender will, regardless of the purpose of payment stated in the payment document, use the paid amount toward repayment of the Borrower's debt in the following order of priority:  
First priority: the Lender's expenses related to securing performance (e.g., legal fees and state duties)  
Second priority: any penalties accrued under this agreement  
Third priority: overdue loan interest  
Fourth priority: loan interest  
Fifth priority: overdue loan amount  
Sixth priority: principal loan amount  
Seventh priority: other payments under this agreement
- 2.7. If the date upon which a loan or interest payment is due falls on a nonbusiness day, then the Borrower shall pay the amount due on the first business day following that nonbusiness day.
- 2.8. If the Borrower makes a payment before the due date stated in the repayment schedule and does not give notice of early repayment or makes that payment without the Lender's consent (where the Lender's consent is required), then the principal amount and the accrued interest for the associated period will not be recalculated, and the Borrower shall make the payment in the amount stated in the repayment schedule for the due date in question.  
If the Borrower makes a payment that exceeds the amount due stated in the repayment schedule, the excess amount will be carried forward to the next payment periods contemplated by the repayment schedule.
- 2.9. The Borrower may repay the loan ahead of due date if, at least 30 calendar days before the expected early repayment date, the Borrower sends the Lender written notice to that effect, to include the amount and the expected date of payment. The Borrower may send the notice by mail or by courier to the Lender's registered address. The Borrower may repay the loan or a portion of the loan ahead of due date if the Borrower complies with the following terms:
  - 2.9.1. If the Borrower repays the full principal amount ahead of due date, the Borrower shall pay the Lender interest for the actual loan period through the date the Borrower repaid the principal amount in full.
  - 2.9.2. If the Borrower repays a portion of the loan ahead of due date, the Lender will reduce the amount of monthly payment according to the actual outstanding loan amount but the repayment period will remain unchanged; alternatively, the Lender may reduce the repayment period without changing the amount of monthly payment (in this case, the parties shall enter into a supplement in writing, to include an updated repayment schedule, effective as of the date the parties sign that supplement). In the case of partial early repayment, the Borrower shall repay the loan portion in question on the date upon which an installment is due under the repayment schedule, but in any event no later than 30 calendar days from the date the Borrower notifies the Lender of its intent to repay ahead of due date.

**3. Rights and Obligations**

- 3.1 The Lender may:
  - 3.1.1. Check the Borrower's financial position at any time the Lender sees fit.

3.1.2. If any amount received by the Lender is less than the total amount due, use the paid amount toward repayment according to the order of priority set out in section 2.6.

3.1.3. Require that the Borrower repay the loan and any accrued interest on the loan ahead of due date if:

—the Borrower delays payment of a monthly installment for more than 15 calendar days

—the Borrower is past due more than twice in a 12-month period (even if each such delay is insignificant)

—there is a possibility that the security may be forfeited or that other circumstances may prevent or hinder the preferential satisfaction of the Lender's claims

—the Borrower breaches this agreement, including when there is a possibility that the borrower may not repay the loan and interest as agreed

—the Borrower's financial situation deteriorates

—guarantors, pledgers, or both fail to comply with the obligations set out by the agreements referred to in section 5.1

—the Borrower fails more than twice to comply with the obligations set out in section 3.4

—it is found in regard to any of the Borrower's statements under section 4, certificates, written statements, or documents provided under this agreement that they were inaccurate on the date they were made or deemed to have been made

—a bankruptcy procedure is initiated in respect of the Borrower, a guarantor, or a pledger

—a nonparty files a pecuniary lawsuit against the Borrower, a guarantor, or a pledger where the claim amounts to at least 25% of the loan

—a court rules that assets of the Borrower or a pledger be seized

3.1.4. If the Lender requests that the Borrower repay the loan ahead of due date, the Borrower shall repay the loan and the interest accrued no later than five business days from the date the Borrower receives the Lender's written request to that effect. If the Borrower cannot be found at the address given in this agreement, or if any other circumstances prevent the Borrower from receiving any such notice, the obligation to repay the loan, the interest accrued, and any other payable sums will arise upon expiration of five business days from the date the notice arrives at the post office serving the area in which the Borrower's address is located (the date will be determined from the post office's stamp on the envelope). In this case, the Borrower shall repay the outstanding loan amount plus the interest accrued for the actual loan period and any other sums payable under this agreement.

3.2. The Borrower may:

3.2.1. Request reconciliation and interest statements from the Lender.

3.2.2. Repay the loan or a portion of the loan ahead of due date as set out by this agreement.

3.3. The Lender shall:

3.3.1. Provide the Borrower with information on payments received from the Borrower.

3.3.2. If so requested by the Borrower, provide the Borrower with interest statements related to the loan.

3.3.3. Maintain the confidentiality of information on the Borrower's transactions and any other Borrower-related information received under this agreement.

3.4. The Borrower shall:

3.4.1. Throughout the period from the effective date of this agreement through the repayment date, provide the Lender with:

a. Copies of its accounting statements (in the form in place at the Borrower) for the last accounting period, stamped by the tax authority (to be provided no later than 10 business days from the end of the period set by Russian law for submission of accounting statements to tax authorities)

b. Other necessary documents requested by the Lender

c. information (documents) about the purpose of the loan if so requested by the Lender (to be provided no later than five business days from the date the Borrower receives the Lender's request)

3.4.2. Throughout the period from the effective date of this agreement to the repayment date, provide the Lender, no later than three days from the date the Borrower receives the Lender's request to that effect, with the documents and information the Lender needs to check the Borrower's financial position.

3.4.3. Comply with its obligations under this agreement.

3.4.4. Notify the Lender in writing no later than five days from the date any of the following events occurs and provide related proof:

—A civil suit is started against the Borrower that may affect its performance under this agreement.

—Changes are made to the actual or registered address, phone or fax number, executive bodies, or constituent documents of the Borrower.

—Other circumstances occur that may affect the Borrower's performance under this agreement.

3.5 Each party shall:

3.5.1. Comply with this agreement.

3.5.2. Not disclose any information about this agreement to a nonparty except as otherwise provided by Russian law.

3.6. The Borrower shall not assign its rights under this agreement to a nonparty.

3.7. The Lender may assign its rights under this agreement to a nonparty without notice to the Borrower.

#### 4. Statements

4.1. The Borrower states:

a. that the Borrower is authorized to enter into this agreement, borrow funds, and fulfill any other obligations under the agreement and that the Borrower has made all corporate decisions necessary to enter into this agreement, borrow funds, and fulfill any other obligations under the agreement

b. that the Borrower's performance under this agreement is not:

—an infringement of any rights granted by the Borrower to a nonparty or a violation of any court decision or an administrative ruling

—a violation of or conflict with Russian law

—that the Borrower does not have a tax debt that is past due for over one month or that the Borrower has not reasonably sought to challenge

—that if the Borrower has failed to meet any obligation under any of its other agreements and the amount of that obligation exceeds 15% of the value of the Borrower's assets, that breach will not have a material adverse effect on the Borrower's performance under this agreement

—that no court, arbitration, or administrative rulings have been issued to collect money or other assets from the Borrower in an amount exceeding 15% of the value of the Borrower's assets and which may have a material adverse effect on the Borrower

4.2. The Borrower's statements will continue in force after the effective date of this agreement, including on the date the loan is extended and the date the loan is repaid, in regard to the then-current facts and circumstances as if those statements were made on each of those dates.

## 5. Security for Borrower Obligations

5.1 The Borrower's obligations under this agreement will be secured by [specify the security].

5.2. If the Borrower replaces the pledge afterwards, the Borrower shall pay the Lender a commission of 1% of the principal amount outstanding on the date the Borrower notifies the replacement to the Lender. The Lender may demand that the Borrower compensate other expenses related to the replacement of the pledge. The Borrower shall pay the commission before it signs an agreement to terminate the effective pledge agreement and enter into a new pledge agreement. If the Borrower does not pay the commission, the Lender may object to the replacement of the pledge even if the Lender has already consented to the replacement.

## 6. Liability

6.1. If the Borrower does not comply with its obligation to repay the loan, the interest, or both, meets that obligation improperly, or does not meet the due dates set out in section 3.1.4, the Borrower shall pay the Lender a penalty of 2% of the overdue amount for each day of delay, and interest on the outstanding amount of the principal debt will accrue based on the rate set out in section 3 of exhibit 1.

6.2. If any information or statements the Lender receives from the Borrower are inaccurate, the Borrower will be held liable as provided by Russian law.

6.3. If a force majeure event (an act of God, warfare, terrorist act, or strike) causes a party to postpone or suspend performance, this agreement will be extended for as long as the force majeure event prevents performance, and the parties will not be liable to each other for any such delay or suspension.

## 7. Miscellaneous

7.1. Obligations under this agreement may be terminated by offsetting a similar claim of regress.

7.2. Any documents (including notices) sent by the Lender to the last known address of the Borrower will be deemed delivered even if the Borrower cannot be found at the address or refuses to receive mail from the Lender.

## 8. Disputes

8.1. If a dispute arises out of or in connection with this agreement, the parties shall use all efforts to resolve that dispute through negotiation. The parties shall attempt to resolve a dispute through a complaint procedure before filing a lawsuit. If a party receives a complaint, that party shall review it no later than 10 calendar days from the date of receipt. If the parties cannot come to an agreement, Russian law will govern the settlement of the dispute.

8.2. If the Borrower receives a complaint from the Lender and does not satisfy that complaint within 30 calendar days from the date of receipt, the Lender may have recourse to the court.

8.3. The Lender may lodge a suit against the Borrower with the following courts:

1. Warrant proceedings: the magistrates' court for \_\_\_\_\_, city of \_\_\_\_\_

2. Action proceedings:

—where the claim amount does not exceed RUB 50,000: the magistrates' court for \_\_\_\_\_, city of \_\_\_\_\_

—where the claim amount exceeds RUB 50,000: the \_\_\_\_\_ court, city of \_\_\_\_\_

If the suit falls within the competence of a commercial arbitration court: the commercial arbitration court for \_\_\_\_\_.

8.2. The parties acknowledge that if the Borrower does not comply with this agreement and the Lender has recourse to the court, the debt may be collected under the simplified procedure set out by the Commercial Procedure Code of Russia, articles 226 and 227.

## 9. Term; Final Provisions

9.1. This agreement will come into effect when it is signed by the parties and continue in effect until the parties fully discharge their obligations under the agreement.

9.2. If the term of this agreement changes as a result of restructuring or rescheduling the loan (except where the Borrower repays the loan or a portion of the loan ahead of due date) at the Borrower's initiative, the Borrower shall pay the Lender a commission of 1% of the loan amount stated in section 1.1. If the Borrower does not pay the commission, the Lender may refuse to restructure or reschedule the loan even if the Lender has already given consent.

9.3. The parties are signing this agreement (no. \_\_\_\_\_, dated \_\_\_\_\_), in two equally valid counterparts, one for each party, each signed and sealed by the parties.

## 10. Addresses and Banking Details

**For the Lender:**

**For the Borrower:**

**Mikro Kapital Microfinance Company**

Head of the \_\_\_\_\_ division  
\_\_\_\_\_(\_\_\_\_\_)

\_\_\_\_\_(\_\_\_\_\_)

I acknowledge receiving a copy of this agreement.

/ \_\_\_\_\_ /

Signature

Printed name

The documents were signed in my presence. I have ascertained the legal capacity of the signatories.

\_\_\_\_\_(\_\_\_\_\_)

