

CONDITIONS OF TERM DEPOSIT

Effective as of 11.05.2009

1. GENERAL PROVISIONS

- 1.1. The term deposit agreement (hereinafter **the Agreement**) is an agreement between AS LHV Pank (hereinafter **the Bank**) and the customer who holds a current account in the Bank (hereinafter **the Customer**), according to which the Customer deposits the agreed amount of money in the Bank (hereinafter **the Deposit Amount**) for the term specified in the Agreement (hereinafter **the Deposit Term**).
- 1.2. These terms and conditions of the Term Deposit Agreement (hereinafter **the Conditions**) constitute an inseparable part of the Agreement and they are applied to the Agreement insofar as the Bank and the Customer have not agreed otherwise. The Bank has the right to amend the Conditions unilaterally pursuant to the grounds and procedure provided for in the General Conditions of the Bank (hereinafter **the General Conditions**).
- 1.3. The conditions of term deposit of the Bank (incl. the currencies deposited, minimum deposit amounts, interest rates of deposit periods by currencies, service fees relating to management of the Agreement, etc.) are established and amended by the Bank. The Customer receives information about these from the Bank's Website and in the Bank's service hall.
- 1.4. Upon entry into the Agreement the terms and conditions of depositing the Deposit Amount are specified in the Agreement (incl. the Deposit Amount, the interest rate and the start and end of the Deposit Term).
- 1.5. In matters not regulated by the Agreement the Bank and the Customer follow, in addition to the Conditions, also the General Conditions of the Bank insofar as is not in conflict with these Conditions or other terms and conditions of the Agreement. The Customer has accessed the General Conditions and is aware of the Customer's duties and the Bank's rights arising therefrom.
- 1.6. The Agreement is governed by the law of the Republic of Estonia.

2. RIGHTS AND OBLIGATIONS OF PARTIES

- 2.1. No payments can be made to or from the Deposit Amount. The Customer does not have the right to use the Deposit Amount during the Deposit Term.
- 2.2. The Bank is obligated to calculate and pay interest on the Deposit Amount and to return the Deposit Amount on the conditions set out in the Agreement.
- 2.3. Upon calculation of interest on the deposit amount the Bank proceeds from a 360-day year, the actual number of days in a month and the interest rate. The Bank calculates interest on the deposit amount as of the first day of the Deposit Term until the last day of the Deposit Term (excluded).
- 2.4. The Customer pays a service fee for the services related to management of the Agreement pursuant to the Bank's price list.
- 2.5. On the last date of the Deposit Term the Bank transfers the Deposit Amount and the interest calculated on it to the Customer's account, unless the Bank and the Customer have agreed otherwise.

3. EXTENSION OF AGREEMENT

- 3.1. During the term of validity of the Agreement the Bank and the Customer may agree on automatic extension of the Agreement. In the event of automatic extension of the Agreement the Deposit Amount is considered as deposited for another Deposit Term as of termination of the Deposit Term. The first day of the new Deposit term is the last day of the previous Deposit Term.
- 3.2. Upon extension of the Agreement, the Agreement is subject to the Bank's terms and conditions effective on the first day of the new Deposit Term and the interest rate for the new Deposit Term is the Bank's interest rate established for respective deposit term for deposits in the currency of the Deposit Amount as effective on the first day of the Deposit Term.
- 3.3. The Bank transfers the interest calculated for the previous Deposit Term to the account indicated by the Customer or adds it to the Deposit Amount pursuant to the Agreement.
- 3.4. Both the Bank and the Customer have the right to unilaterally terminate the agreement referred to in Article 3.1 of the Conditions before the first day of the new Deposit Term, notifying the other party thereof no less than 3 days in advance, unless agreed otherwise.

- 3.5. If on the first day of the new Deposit Period the terms and conditions applicable to the Agreement do not allow the extension of the Agreement, the agreement referred to in Article 3.1 of the Conditions is deemed terminated.

4. VALIDITY AND TERMINATION OF AGREEMENT

- 4.1. The Agreement enters into force upon signing and remains in force for a fixed period.
- 4.2. The Agreement terminates on the last day of the Deposit Term, unless:
- 4.2.1. the Agreement is extended pursuant to Article 3 of the Conditions;
- 4.2.2. the Agreement is terminated before the prescribed time pursuant to the Conditions.
- 4.3. The Bank has the right to unilaterally terminate the Agreement before the prescribed time on grounds arising from law or specified in the General Conditions.
- 4.4. The Customer does not have the right to unilaterally terminate the Agreement before the prescribed time, unless the imperative provisions of legislation applicable to the Agreement (i.e. the provisions from which one cannot deviate for the benefit of the Bank) provide otherwise.
- 4.5. The Customer has the right to propose to the Bank to terminate the agreement prematurely upon agreement between the parties. The Bank is not obligated to accept such proposal by the Customer or to terminate the Agreement prematurely upon agreement between the parties. The Bank's agreement referred to in this Article must be given in writing or in a format which can be reproduced in writing.
- 4.6. In the event of premature termination of the Agreement the Bank does not pay any interest.
- 4.7. The Bank has the right to demand that the Customer compensates for the expenses caused to the Bank by premature termination of the Agreement. The cost of premature termination of the Agreement is the Bank's additional interest expense arising from refinancing the period between the date of premature termination and the initially agreed final date of Deposit Term compared to the interest which the Bank would have had to pay the Customer for the remainder of the Deposit Term if the Agreement had not been prematurely terminated. Additional interest expense is calculated on the basis of the difference between the interest rate quoted for the respective period with regard to the respective currency in the inter-bank money market and the initially agreed interest rate.
- 4.8. The Bank has the right to set off the expenses caused to the Bank by premature termination of the Agreement:
- 4.8.1. against the amounts payable to the Customer upon termination of the Agreement; or
- 4.8.2. other claims of the Customer against the Bank.
- 4.9. At the Customer's request the Bank submits to the Customer a calculation of the expenses specified in Article 4.7 of the Conditions.