

# Conditions of fixed payment credit card agreement

Valid from  
25 September 2019

## 1. GENERAL PROVISIONS

- 1.1. The Fixed Payment Credit Card Agreement (hereinafter the **Agreement**) governs the relations between AS LHV Pank (hereinafter the **Bank**) and the customer of the Bank (hereinafter the **Customer**) in using the services provided by the Bank and any third party via an electronic means of payment or a card to be issued by the Bank.
- 1.2. These terms and conditions of the Fixed Payment Credit Card Agreement (hereinafter the **Conditions**) constitute an inseparable part of the Agreement and are applied to the Agreement insofar as the Bank and the Customer have not agreed otherwise.
- 1.3. 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 and the Conditions of Payment Services Agreement, including other documents referred to in those conditions. The Customer has accessed all of the aforementioned conditions and is aware of and agrees to any rights and obligations of the Parties arising therefrom.
- 1.4. The Agreement is governed by the law of the Republic of Estonia.

## 2. DEFINITIONS

- 2.1. In addition to the terms defined in the General Conditions of the Bank and the Conditions of the Payment Services Agreement, the following terms with the following meaning shall be used in the Conditions:
  - 2.1.1. **Card User** is a Customer who is a natural person or another natural person complying with the requirements of the Bank to whom the Bank has granted the Card for use upon the request of the Customer.
  - 2.1.2. **Card** is an electronic means of payment belonging to the Bank, with which the Card User can conduct Operations pursuant to the procedure established by the Bank. Upon the request of the Customer, several Cards may be related to the Agreement.
  - 2.1.3. **Credit Limit Used** is the amount of Operations and the costs and fees related to the Operations performed on account of the Credit Limit.
  - 2.1.4. **Annual percentage rate** is the total cost for the Customer (all fees that the Customer shall pay to the Bank under the Contract and that are known to the Bank upon signing the Contract), which has been expressed as an annual percentage rate from the Credit Limit taken into use provided that the Agreement is valid for at least 1 (one) year and that the Bank and the Customer fulfil their obligations under the terms and conditions and on the deadlines agreed upon in the Contract. When calculating the annual percentage rate the Bank presumes that the Customer shall activate the Card on the day of entry into the Agreement and use the whole Credit Limit as soon as possible and return the total Credit Limit Used to the Bank on the Payment Date following the month of starting to use the Credit Limit. When calculating the annual percentage rate the Bank shall not take into account any costs and fees which the Customer must pay upon infringement of the obligations arising from the Agreement, any fees that the Customer shall bear when using the Credit Limit via an ATM, any costs that the Customer shall bear for Operations performed with

the Card abroad, and other costs that are not known to the Bank upon entry into the Agreement. When calculating the annual percentage rate the Bank shall proceed from the formula established by the Minister of Finance of the Republic of Estonia and round the result at the precision of a hundredth.

- 2.1.5. **Credit Limit** shall be the maximum amount in euros within which the Card User may perform Operations with the Card within one month. The Credit Limit shall be determined as a uniform amount for all Cards related to the Agreement.
- 2.1.6. **Payment Date** is a monthly deadline fixed in the Agreement when the Bank debits the Customer's Account up to the total Credit Limit Used in the previous month.
- 2.1.7. The **Total amount of payments** shall be the total amount of payments made by the Customer in order to repay the Credit Limit and bear the total costs of the Credit Limit, upon whose calculation the Bank shall proceed from the prerequisites specified in Article 2.1.4 of the Agreement.
- 2.1.8. **The international Card Organisation** shall be MasterCard Worldwide.
- 2.1.9. **Terminal** is an ATM, a payment terminal or another system (including Internet environment) that is in accordance with the requirements of the Bank and through which the Card User can perform Operations.
- 2.1.10. **Operation** shall mean the usage of the Credit Limit through the corresponding Terminal by using the Card for cash withdrawal, payment for goods and/or services, receipt of information or another operation related to the Card.

## 3. USE OF THE CARD AND THE CREDIT LIMIT

- 3.1. Only the Card User shall be entitled to perform Operations with the Card. If the Customer and the Card User are separate persons, the Customer shall be obliged to forward to the Card User the Agreement (incl. the Conditions), the General Conditions, the Conditions of Payment Services Agreement, the Principles of Processing Customer Data and other relevant service conditions, and to take responsibility for the Card User's adherence to the same.
- 3.2. Upon issuing the Card, the Card User shall be provided with personal Security Elements of the Card (PIN), which shall be regarded as the signature of the Card User when performing Operations.
- 3.3. Upon the request of the Customer, the Bank shall be entitled to send a Card that has not been activated and the Security Elements of the Card to the Customer by post at the address provided by the Customer to the Bank. Upon receipt of the Card, the Customer shall make sure that the envelope of the Card as well as that of the Security Elements of the Card have not been opened or damaged. In order to activate the Card the Customer shall address the office of the Bank or the Internet Bank.
- 3.4. The Card User may start to perform Operations and use the Credit Limit from the moment of activating the Card.

- 3.5. The Bank shall credit the Card Operations as of the date of performance of the Operation up to the Payment Date of the following month.
- 3.6. Along with the Operations the Bank shall also credit all fees related to the Operations (fees set forth in the Price List, incl. fee for the withdrawal of cash from an ATM, fee for a query of the unused part of the Credit Limit via an ATM) and costs related to the Operations (incl. fee for converting the Operations performed outside the euro area countries, fees of the International Card Organisation).
- 3.7. The Customer and/or The Card User shall be entitled to perform Operations within the limits defined in the Agreement and only in the Terminals signified with the MasterCard logo.
- 3.8. The Customer is aware that in the event that the Credit Limit shall be taken into use outside the euro area countries or via an ATM in cash or differently from the prerequisites set forth in Article 2.1.4 of the Agreement, it may bring about higher annual percentage rate than agreed in the Agreement.
- 3.9. The Customer and/or the Card User shall not exceed the Credit Limit when performing the Operations (incl. the fees and costs related to the Operations).
- 3.10. The Customer is aware of and agrees to the fact that the Operations performed at the end of month (incl. any fees and costs related to the Operations) may reach the Bank in the following month and may be calculated to be part of the Credit Limit Used in the month following performance of the Operation.
- 3.11. The Card User is obliged to confirm all Card Operations with their signature or insertion of the Security Element of the Card. By giving this confirmation the Card User shall grant their consent to the performance of the Operation. If it is possible to perform Operations with the Card in the Internet environment, the Card User shall grant their consent to performing the Operation in the Internet environment by entering the data required.
- 3.12. If the Card User has given the consent to the performance of the Operation, then the Customer and/or the Card User shall be not entitled to a refund of the amount paid for the Operation, unless the person who provided the relevant service agrees to a refund of the amount paid for the Operation.
- 3.13. Upon the request of the person servicing the Card, the Card User shall present their personal identification document and agree to recording of the data of the document.
- 3.14. The Customer shall accept that all Operations made by the Card User and/or by using the Security Elements of the Card, shall be valid as correct with regard to the Bank (and have been authorised within the meaning of the Law of Obligations Act) and shall be performed by the Bank.
- 3.15. The Bank shall be entitled not to perform the Operation made by the Card User, if:
- 3.15.1. the Customer's Account has been blocked or arrested;
- 3.15.2. the Card is invalid or closed or using of the Card has been blocked;
- 3.15.3. the amount of the Operation (incl. all fees and costs related to the Operations) exceeds the unused part of the Credit Limit set forth in the Agreement,
- 3.15.4. under any other basis arising from the General Conditions or legal acts.
- 3.16. The Bank shall be entitled to block using of the Card until the circumstances are clarified, if:
- 3.16.1. the Bank has become aware of a circumstance from which it can be reasonably concluded that the solvency of the Customer has mitigated and it would, according to the Bank, cause suspicions with regard to due fulfilment of the Agreement (including but not limited to the event when the Customer's Account has been blocked or arrested);
- 3.16.2. the Bank has become aware of a circumstance from which it can be reasonably concluded that the Card has become available and/or the Security Elements of the Card have become known to a person who has no right to use the Card;
- 3.16.3. using of the Card may be related to fraud by the Customer and/or the Card User;
- 3.16.4. there exists a basis for blocking as indicated in the Conditions, the General Conditions or Service Conditions.
- 3.17. In the event that the basis for blocking the Card arising from Article 3.16 of the Agreement does not fall, the Bank shall be entitled to close the Card.
- 3.18. The Customer and/or the Card User shall at any time be entitled to request from the Bank to block using of the Card and/or to close the Card.
- 3.19. A blocked or closed or invalid Card may not be used.
- 3.20. Unless Imperative Provisions provide otherwise, the Bank shall not be liable for any loss occurred to the Customer or any other third party (incl. the Card User), which is related to blocking the use of the Card or closing the Card by the Bank according to the Conditions. This is also valid in the event that the Bank has blocked use of the Card on the basis of a false notification.
- 3.21. The Bank has the right to involve third parties for performance of Card Operations [e.g. credit institutions, the International Card Organisation or Pankade Kaardikeskus (Nets Estonia AS)]. The Bank does not bear any liability for the acts or omissions of those persons.
- 3.22. The Bank has the right to set amount of the limits of the Card and the minimum and maximum Operation amount.
- 3.23. The Bank shall be entitled in justified cases (including if the Customer fails to duly fulfil the payment obligations arising from the Agreement or if the Bank has become aware of a circumstance from it can be reasonably concluded that the solvency of the Customer has mitigated or if the Card User has within 1 (one) year never used the Credit Limit) to reduce unilaterally and without prior notification the Credit Limit without entry into a relevant annex for amending the Agreement.
- 3.24. The Bank shall be entitled to offer the Customer and/or the Card User without the prior consent of the Customer and/or the Card User any additional services and benefits related to the Card and/or stop offering such additional services and benefits and/or establish in the Price List service fees for all such services and benefits.
- 4. SECURITY REQUIREMENTS FOR USING THE CARD**
- 4.1. The Card User shall:
- 4.1.1. use the Card according to the Agreement and make every effort to protect the Card from mechanical damage, high temperature, influence of electromagnetic field, copying, amending, etc.;
- 4.1.2. not give the Card to any third party/parties, except for the receiver of payment during the time of performing the Operations;
- 4.1.3. use the card only in a Terminal signified with the MasterCard logo and follow when performing the Operations the instructions given by the Terminal or written on the Terminal. The Bank shall not be responsible for any damage that has occurred due to the infringement of this Article of the Agreement;
- 4.1.4. not use the Card for illegal purposes, including for buying such goods and services that are forbidden by valid legal acts;
- 4.1.5. notify the Bank immediately of any errors or disruptions obstructing performing of the Operations;
- 4.1.6. fulfil other obligations arising from the Agreement and the Law of Obligations Act.

- 4.2. In order to ensure the security of performing the Operations, the Card User shall periodically change the Security Elements of the Card, if the Bank has established the relevant procedures and periods.
- 4.3. The Customer and/or the Card User shall ensure that no person who is not entitled to use the Card would get to know or obtain the Card and/or the Security Elements of the Card. The Card User shall make all efforts in order to maintain the Card and/or the Security Elements of the Card protected, incl. to remember the Security Elements, not to save the Security Elements on any data carrier and keep the Security Elements with such care that would not enable their use by any third Parties (incl. to destroy the paper containing the Security Elements immediately after remembering the Security Elements).
- 4.4. If the Card has been used in an unauthorised or incorrect manner or if the Card and/or the Security Elements have been lost or stolen or the Security Elements have become or may have become known to a third party who shall not be entitled to use them, the Card User or the Customer shall immediately notify the Bank thereof over the phone whose number and answering times have been published at the website of the Bank.
- 4.5. Upon receipt of the information indicated in Article 4.4 the Bank shall make all efforts in order to stop further use of the Card (incl. close the Card).
- 4.6. The Bank and/or the person servicing the Card shall be entitled to refuse to perform the Operation and/or to confiscate the Card if the Card and/or the Security Elements of the Card have been used incorrectly or if the Bank and/or the person servicing the Card have a suspicion with regard to the identity of the Card User.
- 5. PAYMENT OBLIGATION**
- 5.1. The Customer shall confirm by entry into this Agreement that the Bank has notified them of and the Customer has understood the risks accompanying using the Credit Limit.
- 5.2. According to Article 3.6 of the Agreement, the Bank shall be entitled to credit in addition to the Operations any fees related to using the Card or Operations as set forth in the Price List, in particular but not limited to the fee for withdrawing cash from an ATM, fee for a query of the unused part of the Credit Limit via an ATM.
- 5.3. In addition to the fees related to Operations established in the Price List, the Bank shall also be entitled to credit any additional fees and a potential fee for conversion calculated by the International Card Organisation. The claims of the International Card Organisation for Card Operations performed outside the euro area shall be received by the Bank in euros or as converted into euros. The conversion rate shall be determined by the International Card Organisation on the date of sending the Operation to the Bank.
- 5.4. The Credit Limit Used is increased by the fees and costs of Operations, increasing thereby the Customer's monetary obligation before the Bank.
- 5.5. The Customer shall repay the Bank on each Payment Date the Credit Limit Used in the previous calendar month.
- 5.6. In addition to the fees and costs related to an Operation, the Customer shall pay the Bank the fees set forth in the Price List (including but not limited to the fees for the issuing and replacement of the Card, and monthly or annual fees). The fee for the issuing and/or replacement of the Card shall be payable on the Payment Date of the month following the ordering of the Card (incl. the new Card), the monthly fee of the Card shall be payable on the Payment Date of each month following the month serving as the basis for the calculation, and the annual fee of the Card shall be payable on the first Payment Date of each year serving as the basis for the calculation. The fee for the issuing and replacement of the Card shall not be returned to the Customer.
- 5.7. The Bank shall debit all amounts payable by the Customer to the Bank under the Agreement from the Customer's Account without any further orders by the Customer.
- 5.8. In the event that the Card User infringes the obligation set forth in Article 3.9 of the Agreement, the Customer shall pay the Bank a fee for exceeding the Credit Limit, whose amount has been set forth in the Price List of the Bank. Fee for exceeding the Credit shall be payable by the Customer to the Bank on the day determined by the Bank.
- 5.9. In the event that the Card User uses a Card which is closed, the Customer shall pay to the Bank fee for using a closed Card, whose amount has been set forth in the Price List of the Bank. Fee for using a closed Card shall be payable by the Customer to the Bank on the day determined by the Bank.
- 5.10. If the Bank is not able to debit the Account on the date agreed in the Agreement in relation to the absence of available assets, then the Customer shall be deemed to have not been fulfilled the payment obligation arising from the Agreement and the Bank shall be entitled to block the use of the Card notifying the Customer thereof as soon as possible. The Bank shall stop blocking the use of the Card within a reasonable time after the circumstances serving as the basis for the blocking have been eliminated or have ceased to exist.
- 5.11. If there are insufficient available assets for debiting the amounts agreed in the Agreement at the deadlines agreed in the Agreement, the Customer shall pay default interest to the Bank for the debt occurred in the amount allowed by law and the fee for sending the debt notification. The valid rate of the default interest and the amount of the fee of the debt notification have been set forth in the Price List (the rate of the default interest may change according to the Law of Obligations Act each year on 1 January and 1 July). Calculation of the default interest stops on the day all the amounts due are paid in full.
- 5.12. In the event that the available assets on the Account are insufficient for settling all amounts due under the Agreement on a specific deadline, the Bank shall at first debit the Account with the fee for the costs incurred for collecting the debt (including the fee for sending the debt notification), secondly for the amount of the Credit Limit Used owed by the Customer, thirdly for other fees and costs.
- 5.13. Upon failure to make payments additional costs for collecting the debt may incur for the Customer (fees of the person providing collection services and/or court expenses and/or fees of the bailiff).
- 6. INFORMATION AND FILING OF CLAIMS ABOUT OPERATIONS PERFORMED**
- 6.1. The Bank shall make available for the Customer the statement about the Operations performed by the Customer and/or Card User, any costs related to the Operations and the amount payable by the Customer to the Bank on the Payment Date (amount of the Credit Limit Used) and any fees paid according to the Price List in an electronic format via the Internet Bank (statement of the Account and/or the respective Card).
- 6.2. The Customer shall immediately check the correctness of the Operations performed. All claims related to an unauthorised and/or incorrectly performed Operation shall be filed immediately in a format that can be reproduced in writing, but not later than within the deadline indicated in the Payment Services Agreement.
- 6.3. All other claims and disputes between the Customer, the Card User and the Bank shall be resolved according to the procedure set forth in the General Conditions. If the Bank and the Customer shall not be able to reach an agreement at settling the disagreements related to the Agreement, the dispute shall be resolved by a court of the location of the Bank, unless the Bank and the Customer have agreed otherwise or unless Imperative Provisions stipulate otherwise.

6.4. In order to resolve the dispute outside court, the Customer who is a natural person shall also be able to address to the committee of consumer complaints of the Consumer Protection Board (address: Pronksi 12, Tallinn 10117, phone: +372 62 01 707, e-mail: info@tarbijakaitseamet.ee, website: www.tarbijakaitseamet.ee).

6.5. The Customer who is a natural person confirms that he or she agrees to the application of the law of the Republic of Estonia to the relations arising from the Agreement and to the settlement of any disputes in an Estonian court (including in the event that the Customer lives in or moves after entry into the Agreement to a foreign country).

## 7. LIABILITY

7.1. The Parties shall be liable for any infringement of their liabilities according to the provisions set forth in the Conditions, the General Conditions, the Payment Services Agreement and legal acts.

7.2. In the event that an unauthorised payment within the meaning of the Law of Obligations Act has been performed using a lost or stolen Card and/or the Security Elements of the Card, and also in the event that the Card and/or the Security Elements have been subjected to any other unauthorised use and the Customer and/or the Card User have not kept the Card and/or the Security Elements of the Card duly and there are no circumstances precluding the liability as set forth in law, the Customer shall be liable for the loss occurred up to the moment of notifying the Bank in an acceptable way, but not more than within the amount corresponding to EUR 150. Such maximum amount shall not be applied in the event that the unauthorised payment is related to fraud by the Customer and/or the Card User or if the Customer and/or the Card User have infringed intentionally or due to gross negligence:

7.2.1. the obligation to use the Card and/or the Security Elements according to the terms and conditions of issuing and using thereof, including the obligation to make all efforts required from the receipt of the Card and/or the Security Elements in order to keep the Card and the Security Elements enabling the use thereof protected;

7.2.2. the obligation to notify immediately the Bank, or any third party indicated by it for that purpose, of losing or stealing of the Card and/or the Security Elements and of any unauthorised or incorrect use of the Card, after becoming aware of it;

7.2.3. one or more conditions of issuing and using the Card and/or the Security Elements.

7.3. The circumstances limiting or excluding the liability as set forth in Article 7.2 shall not be applied in the event of a Customer who is a legal person.

7.4. The Bank shall not bear liability for the third parties involved in the performance of the Operations, the goods or services paid for with the Card or if the Card is not accepted for performance of the Operation.

## 8. VALIDITY OF THE CARD AND ISSUE OF A NEW CARD

8.1. The Card shall be valid until the last day of the month (included) indicated on the Card.

8.2. The Bank shall be entitled to prepare a new Card at the expiry of the validity of the Card. The Bank shall notify the Customer and/or the Card User of the time and/or place of receipt of the new Card.

8.3. The Bank shall be entitled at the time of expiry of the validity of the Card or if the Customer applies for a new Card (a replacement card) not to prepare and/or issue a new Card, if the Customer and/or the Card User has infringed any of the obligations arising from the Agreement and/or the terms and conditions of using the Card or if the Customer does not any longer correspond to the terms and conditions set forth by the Bank.

8.4. If the Customer and/or the Card User does not wish a new Card, they shall notify thereof the Bank in writing or in any other way accepted by the Bank at least 2 (two) months before the final day of the month indicated on the Card.

8.4. In the event that the Customer and/or the Card User will not accept the Card from the Bank and/or activate the Card within 6 (six) months from preparing the Card, the Card shall be closed and destroyed, whereas the fees debited from the Customer's Account according to the Price List of the Bank shall not be returned.

8.5. The Card User shall not use an invalid or a closed Card or a Card that is in any other way not usable and return such card to the Bank within 30 (thirty) days from closing the Card or expiry of the Card or from the moment the card has in any other way turned unusable.

## 9. ENTRY INTO FORCE, AMENDMENT AND TERMINATION OF THE AGREEMENT

9.1. The Agreement shall enter into force from the signing thereof and shall be valid for an unspecified term.

9.2. The Customer shall be entitled to apply to the Bank for amending the Credit Limit and/or the limits of the Card to the extent and pursuant to the procedure established by the Bank. In such case the Bank shall be entitled to reduce the Credit Limit and/or amend the limits of the Card without entry of a respective annex for amending the Agreement. In order to raise the Credit Limit, the Customer and the Bank shall enter into a respective agreement (new Agreement).

9.3. The Bank has the right to amend the terms and conditions of the Agreement unilaterally by notifying the Customer thereof at least 2 (two) months in advance. The Customer shall be entitled within those 2 (two) months to cancel the Agreement immediately and without charge. In the event that the Customer fails to cancel the Agreement within this term, they shall be deemed to be consented to the amendments.

9.4. The Customer has the right to cancel the agreement in the ordinary manner by notifying thereof at least 1 (one) month in advance.

9.5. The Bank has the right to cancel the Agreement in the ordinary manner notifying the Customer thereof at least 2 (two) months in advance.

9.6. The Bank has the right to cancel the Agreement extraordinarily and without prior notification, if:

9.6.1. the Customer has submitted false data when applying for the Credit Limit or left any data known to the Customer and having an impact on the fulfilment of the Agreement undisclosed;

9.6.2. the Customer leaves a payment obligation arising from the Agreement unfulfilled also within the additional deadline of 14 (fourteen) days allowed by the Bank to the Customer;

9.6.3. all Cards issued under the Agreement have been closed and/or use of the Card has been blocked for at least 4 (four) consecutive months;

9.6.4. the Card shall become invalid and the Customer and/or the Card User shall not accept a new Card from the Bank (incl. shall not activate the new Card) within the time limit set forth in Article 8.5. of the Agreement;

9.6.5. no Operations have been performed with the Card for at least 6 (six) consecutive months.

9.7. In addition to the cases provided for in the Conditions, the Bank shall be entitled to cancel the Agreement extraordinarily without prior notification with other bases arising from the General Conditions, the Payment Services Agreement or legal acts.

- 9.8. The Agreement shall terminate automatically upon expiry of the Payment Services Agreement entered into between the Bank and the Customer.
- 9.9. The Parties shall have the right to terminate the Agreement at any time by mutual agreement.
- 9.10. Expiry of the Agreement shall not affect the monetary claims that have arisen prior to the expiry of the Agreement becoming collectible or their satisfaction.
- 9.11. Upon termination of the Agreement, the Bank shall be entitled to debit from any Account of the Customer the whole Credit Limit Used and the fees set forth in the Price List and other debts (e.g. default interest, costs for collecting the debt).

#### **10. THE RIGHT OF WITHDRAWAL BY A CUSTOMER WHO IS A NATURAL PERSON**

- 10.1. The Customer who is a natural person may withdraw from the Agreement within 14 (fourteen) days from entry into the Agreement, sending to the Bank before expiry of the term of withdrawal a written notification of withdrawal to the address specified in the Agreement.
- 10.2. If the Customer who is a natural person exercises the right of withdrawal indicated in Article
- 10.3. of the Agreement, the Customer must immediately but not later than within 30 (thirty) days from the submission of the notification of withdrawal to the Bank repay the Credit Limit Used in full. Otherwise the Customer shall not be deemed as having withdrawn from the Agreement.

#### **11. FINAL PROVISIONS**

- 11.1. The Bank and the Customer shall not disclose any information related to the entry into the Agreement and fulfilment of the Agreement to third parties, unless this is required by any circumstances related to processing the Card or Operations or if this has been agreed in the Agreement.
- 11.2. The Bank shall be entitled to disclose any information related to the Agreement about an Operation, the Card, the Customer and the Card User to third parties whose right to such information arises from the General Conditions and the Principles of Processing Customer Data by the Bank.
- 11.3. Supervision over the activities of the Bank shall be performed by the Financial Supervision Authority (address: Sakala 4, 15030 Tallinn, phone: +372 66 80 500, e-mail: [info@fi.ee](mailto:info@fi.ee), website: [www.fi.ee](http://www.fi.ee)).