

# Conditions of Credit Limit Agreement (Private Customer)

Valid from  
10.12.2013

## 1. GENERAL PROVISIONS

- 1.1 The credit limit agreement (hereinafter the **Agreement**) regulates the relations between AS LHV Pank (hereinafter the **Bank**) and the Bank's customer (hereinafter the **Customer**) in the use of the credit limit made available to the Customer by the Bank.
- 1.2 These conditions of the credit limit agreement (hereinafter the **Conditions**) shall form an integral part of the Agreement, and shall be applicable to the Agreement, unless otherwise agreed between the Bank and the Customer.
- 1.3 In issues not regulated by the Agreement, the Bank and the Customer shall be governed, in addition to the Conditions, by the Bank's General Conditions, the Conditions of Payment Services Agreement and the Conditions of Private Customer Card Agreement or the Conditions of Partner Bank Card Agreement or the Conditions of Gold Card Agreement (hereinafter the **Card Use Agreement**), including other documents referred to therein. The Customer has reviewed all of the above conditions, is aware of and consents to the Parties' rights and obligations arising therefrom.
- 1.4 The Agreement shall be governed by the laws of the Republic of Estonia.

## 2. TERMS AND DEFINITIONS

- 2.1 In addition to the terms defined in the Bank's General Conditions and the Conditions of Payment Services Agreement as well as the conditions of the Card Use Agreement, the following terms with the following meaning shall be used in the Conditions:
- 2.1.1 **Automatic Repayment** is a sum chosen by the Customer, to the extent of which the Customer wishes to repay the Credit Limit Used to the Bank on the Payment Date. The Customer is entitled to change the amount of Automatic Repayment at any time, including to designate 0 (zero) euros or the whole Credit Limit Used as the amount of Automatic Repayment.
- 2.1.2 **Interest** is the fee payable by the Customer to the Bank for the use of the Credit Limit.
- 2.1.3 **Daily Interest** is the rate of interest per day, accrued in case of withdrawal from the Agreement.
- 2.1.4 **Card** is an electronic means of payment, issued to the Customer or Card User (as defined in the conditions of the Card Use Agreement) under the Card Use Agreement, allowing the Card User to perform Operations (as defined in the conditions of the Card Use Agreement) pursuant to the procedure established by the Bank.
- 2.1.5 **Credit Limit Used** is the sum of the Operations and transfers to the Account, performed at the expense of the Credit Limit, as well as the related costs and fees.
- 2.1.6 **Account** is the Customer's current account in the Bank, as specified in the Agreement.
- 2.1.7 **Credit Account** is an account related to the Customer's Account, from which the Credit Limit can be used for performing Operations, making transfers to the Account, and paying for the costs and fees related to the Operations and transfers.
- 2.1.8 **Annual percentage rate of charge** is the total cost of the Credit Limit for the Customer (all costs borne by the Customer, including the Interest and other fees which the Customer is obliged to pay to the Bank under the Agreement and which are known to the Bank at the moment of the signing of the Agreement), which has been expressed as an annual percentage rate charged on the used part of the Credit Limit based on the assumption that the Bank and the Customer fulfil their obligations under the conditions and by the terms set forth in the Agreement. The Bank shall calculate the annual percentage rate of charge based on the assumption that the Customer takes the entire Credit Limit into use as soon as possible and returns the Credit Limit to the Bank within 1 (one) year in equal monthly instalments. When calculating the annual percentage rate of charge, the Bank shall not take into account any costs and fees to be paid by the Customer upon breach of the obligations arising from the Agreement, any fees to be borne by the Customer when using the Credit Limit via an ATM or via a transfer to the Account, any costs to be borne by the Customer in connection with

Operations performed with the Card in a foreign country, and other costs which are not known to the Bank at the moment of the conclusion of the Agreement. The Bank shall calculate the annual percentage rate of charge on the basis of the formula established by the Minister of Finance of the Republic of Estonia, and round the result off to two digits after the decimal point.

- 2.1.9 **Credit Limit** is the maximum amount in euros, within which the Bank shall grant the Customer credit on the Credit Account. The Credit Limit shall be determined as a standard amount for all Cards related to the Credit Account.
- 2.1.10 **Payment Date** is a monthly term, fixed in the Agreement, when the Bank will debit the Customer's Account for Interest, the fees set forth in the Price List, and the Automatic Repayment designated by the Customer.
- 2.1.11 **Total amount of payments** is the sum of payments made by the Customer in repayment of the Credit Limit and coverage of the total costs of the Credit Limit, calculated by the Bank on the basis of the assumptions specified in clause 2.1.8 of the Agreement.

## 3. USE OF THE CREDIT LIMIT

- 3.1 The Customer or the Card User may take the Credit Limit into use, i.e. start performing Operations on the Credit Account and make transfers to the Account at the expense of the Credit Limit from the moment of the conclusion of the Agreement.
- 3.2 To be able to use the Credit Limit via the Card, the Customer or Card User must, when performing an Operation in the Terminal (as defined in the Card Use Agreement), designate the Credit Account as the place of performance of the Operation – i.e. select the corresponding option (e.g. "Credit" or "C", etc.) when using the Terminal (except for the Internet environment) or to enter the Card number specified on the back side of the card when using the Internet. Where the Terminal does not provide the above option for the performance of the Operation, the Operation may only be performed on the Account in accordance with the conditions agreed in the Card Use Agreement.
- 3.3 The Bank shall charge the Operations, which have been made with the Card on the Credit Account, or the transfers, which have been made to the Account, to the Credit Limit Used on the day of the Operation or transfer.
- 3.4 Along with the Operations made on the Credit Account or the transfers to the Account, the Bank shall also charge to the Credit Limit Used any fees related to the Operations and transfers (the fees set forth in the Price List, including the fee for cash withdrawal from ATM, the fee for the balance statement of the Credit Account or the statement of Operations via ATM, the fee charged for the transfer) and the costs related to the Operations (including the fee for converting any Operations performed outside euro area countries, the fees of the International Card Organisation).
- 3.5 The Customer, the Card User or a third party shall be entitled to make transfers to the Credit Account in any amount (in euros only) at any time. The amount transferred to the Credit Account shall be treated as repayment of the Credit Limit Used, with the Credit Limit Used made available for new Operations in the same amount. The unused part of the Credit Limit and any extra amounts transferred to the Credit Account shall compose the available funds of the Credit Account.
- 3.6 The Customer or Card User is entitled to perform Operations or make transfers to the Account within the limits of the funds available on the Credit Account and only in the Terminals bearing the MasterCard logo.
- 3.7 The Bank shall not pay any interest on the positive balance of the Credit Account.
- 3.8 The Customer is aware that, if the Credit Limit is taken into use outside the euro area, via an ATM in cash, or via a transfer to the Account, or in a manner which differs from the assumptions specified in clause 2.1.8 of the Agreement, it may bring about a higher annual percentage rate of charge than specified in the Agreement.

- 3.9 The Customer or Card User shall not exceed the Credit Limit when performing Operations on the Credit Account (including the fees and costs related to the Operations) or making transfers to the Account (including the fees related to the transfer), unless the funds available on the Credit Account are used for performing the Operations or making transfers to the Account.
- 3.10 The Bank is entitled to refuse to perform the Operation on the Credit Account or effect the transfer to the Account ordered by the Customer or Card User, if:
- 3.10.1 the Customer's Account has been blocked or seized;
- 3.10.2 the Card is invalid or closed, or use of the Card has been blocked;
- 3.10.3 the sum of the Operation made on the Credit Account (including all fees and costs related to the Operations) or the transfer made to the Account (including the fees related to the transfer) exceeds the unused part of the Credit Limit set forth in the Agreement, unless the funds available on the Credit Account are used for the purpose;
- 3.10.4 under any other basis arising from the General Conditions or legal acts.
- 3.11 The Bank shall have the right not to allow the use of the Credit Limit or a part of the Credit Limit, or to unilaterally lower the Credit Limit without any advance notification and without concluding an annex on the amendment of the Agreement, if at least one of the below circumstances exist:
- 3.11.1 the Bank has become aware of a circumstance from which it can be reasonably concluded that the solvency of the Customer has deteriorated and it would, in the Bank's opinion, raise suspicions with regard to appropriate fulfilment of the Agreement (including but not limited to cases where the Customer's Account is blocked or seized);
- 3.11.2 the Bank has become aware of a circumstance from which it can be reasonably concluded that the Card has become available to or the Security Elements of the Card have been disclosed to a person not authorised to use the Card;
- 3.11.3 the Customer fails to fulfil the payment obligations arising from the Agreement;
- 3.11.4 the Customer or Card User has failed to use the Credit Limit in 6 (six) months;
- 3.11.5 the Customer has failed to submit to the Bank the required documents or information, or has submitted documents or information which are untrue, or of the material circumstances which formed the basis for the decision to make the Credit Limit available to the Customer have changed.
- 4. PAYMENT OBLIGATION**
- 4.1 With the entry into this Agreement, the Customer confirms that the Bank has informed the Customer of, and that the Customer understands the risks involved in the use of the Credit Limit.
- 4.2 In addition to the Operations made on the Credit Account and the transfers made to the Account, the Bank shall have the right to debit from the Credit Account any fees related to the Operations (i.e. use of the Card) as set forth in the Price List, in particular but not limited to the fee for cash withdrawal from the Credit Account via an ATM, the fee for the balance statement of the Credit Account or the statement of Operations via ATM, and the fees related to transfers (including, but not limited to the fee for effecting the transfer).
- 4.3 In addition to the Operation-related fees established in the Price List, the Bank shall have the right to debit from the Credit Account any additional fees charged by the International Card Organisation as well as the potential conversion fee. The claims of the International Card Organisation for Card Operations performed on the Credit Account outside the euro area are received by the Bank in euros or amounts converted into euros. The conversion rate shall be determined by the International Card Organisation as of the day when the Operation is sent to the Bank.
- 4.4 The fees and costs debited from the Credit Account shall be added to the Credit Limit Used, with the Customer's monetary obligations to the Bank thus increasing.
- 4.5 The Customer is obliged to pay Interest to the Bank for the Credit Limit Used.
- 4.6 The Bank shall calculate the Interest on the Credit Limit Used on each calendar day. Interest shall be calculated on the basis of the actual number of days in a month and a 360-day year.
- 4.7 From the moment of the performance of the Operation up to the Payment Date of the month following the performance of the Operation, the Bank shall not calculate any Interest on the use of the Credit Limit for Operations related to the use of the Card for effecting payments for goods or services from the Credit Account.
- 4.8 The Interest calculated for the Credit Limit Used shall be paid on a monthly basis by the Payment Date of the month following the month which serves as the basis for Interest calculation. The last Interest payment shall be made on the Payment Date of the month following the termination of the Agreement. Upon cancellation of the Agreement by the Bank, the last Interest payment shall be made on the day of termination of the Agreement.
- 4.9 In addition to the Interest, the Customer is obliged to pay to the Bank the fees set forth in the Price List, including but not limited to the fee for amendment of the Agreement. The fee for amendment of the Agreement shall be subject to payment on the Payment Date of the month following the amendment of the Agreement.
- 4.10 The Bank shall debit the Interest and any fees payable by the Customer to the Bank under the Agreement (except for the fees and costs related to Operations on the Credit Account or transfers to the Account, which the Bank shall debit from the Credit Account) from the Customer's Account without the Customer's separate order. The Customer is obliged to ensure that on the Payment Date there are sufficient funds available (in euros) on the Account for debiting the Interest and the fees set forth in the Price List.
- 4.11 The total Credit Limit Used shall be repaid by the Customer to the Bank in a lump sum on the day of termination of the Agreement.
- 4.12 The Customer shall have the right, during the validity of the Agreement, to choose the amount and term of repayment of the Credit Limit Used to the Bank. To repay the Credit Limit Used, the Customer shall transfer the corresponding amount to the Credit Account or place an order with the Bank for the automatic debiting of the Account on the Payment Date (i.e. Automatic Repayment).
- 4.13 The Bank shall debit the Account in the extent of the Automatic Repayment on the Payment Date and transfer the debited amount to the Credit Account.
- 4.14 If on the Payment Date, after debiting the Interest and the fees payable to the Bank under the Agreement, there are insufficient funds available (in euros) on the Account for settling the Automatic Repayment in the amount designated by the Customer, the Bank shall debit the Account on the Payment Date in the extent of the funds (in euros) remaining on the Account after the debiting of the Interest and fees payable to the Bank under the Agreement. The outstanding part of the Automatic Repayment shall remain a part of the Credit Limit Used and shall not be considered breach of the payment obligation by the Customer.
- 4.15 If the Credit Limit has not been used or if the entire Credit Limit Used has been transferred back to the Credit Account before the Payment Date of the corresponding month, the Bank shall not debit the Automatic Repayment from the Account.
- 4.16 If the Credit Limit Used, from which the Operations (including the fees and costs related to the corresponding Operations) of the current month have been deducted, is smaller, before the Payment Date of the respective month, than the amount of the Automatic Repayment designated by the Customer, the Bank shall debit from the Account, on the Payment Date, the amount of the Credit Limit Used, from which the Operations (including the fees and costs related to the corresponding Operations) of the current month have been deducted.
- 4.17 Transfers to the Credit Account by the Customer, the Card User or a third party shall not be deemed as part of the Automatic Repayment.
- 4.18 If the Customer or Card User breaches the obligation stipulated in clause 3.9 of the Agreement, the Customer shall pay the Bank a fee for exceeding the Credit Limit in the amount specified in the Price List of the Bank. The fee for exceeding the Credit Limit shall be paid by the Customer to the Bank together with Interest in accordance with clause 4.8.
- 4.19 If the Bank is unable to debit the Account on the date specified in the Agreement due to unavailability of funds, the Customer shall be considered as having failed to fulfil the payment obligation arising from the Agreement (except if there are insufficient funds available on the Account for full or partial Automatic Repayment) and the Bank shall be entitled to disallow the use of the Credit Limit or a part of the Credit Limit or to block the use of the Card, notifying the Customer thereof as soon as possible. The Bank shall re-allow the use of the Credit Limit or a part of the Credit Limit or unblock the Card within a reasonable period of time after the circumstances serving as the basis for the prohibition or block have been eliminated or have ceased to exist.
- 4.20 If there are insufficient funds available on the Account for debiting the amounts specified in the Agreement on the dates set forth in the Agreement, the Customer shall pay the Bank a fine for delay of payment in the amount allowed by law, as well as the debt processing fee. The fine for delay and the debt processing fee have

been set forth in the Price List. The calculation of the fine for delay shall cease on the day all the amounts due are paid in full.

- 4.21 Should the funds available on the Account prove insufficient for settling all amounts due under the Agreement on a specific date, the Bank shall debit from the Account the fee for compensation of the costs incurred on the collection of the debt (including the debt processing fee) in the first order, the amount of the Credit Limit Used owed by the Customer (in case of termination of the Agreement) in the second order, the interest in the third order, and other fees and costs thereafter. Upon failure to fulfil the payment obligation, the Customer may incur additional costs related to the collection of the debt (the fees charged by the collection service provider or legal costs or bailiff's charges).

## 5. EXCHANGE OF NOTICES AND SUBMISSION OF CLAIMS

- 5.1 The statement on the Operations performed by the Customer or Card User on the Credit Account, any costs related to the Operations, transfers to the Account, the amount of the Credit Limit Used, the Automatic Payment paid by the Customer to the Bank along with any fees specified in the Price List shall be made available by the Bank in electronic form via the Internet Bank (statement of the Account or Credit Account or the respective Card).
- 5.2 The Customer is obliged to immediately check the correctness of the Operations performed or transfers effected. Any claims related to unauthorised or incorrectly performed Operations or transfers shall be filed in a format which can be reproduced in writing immediately, but not later than by the term indicated in the Payment Services Agreement.
- 5.3 All other claims and disputes between the Customer and the Bank shall be settled pursuant to the procedure provided in the General Conditions. If the Bank and the Customer fail to reach an agreement in case of a dispute, the dispute shall be settled in court at the location of the Bank, unless the Bank and the Customer have agreed otherwise or unless Imperative Provisions stipulate otherwise.
- 5.4 The Customer shall also have the right to turn to the Consumer Complaint Committee of the Consumer Protection Board (address: Pronksi 12, Tallinn 10117, phone: +372 62 01 707, e-mail: info@tarbijakaitseamet.ee, website: www.tarbijakaitseamet.ee) to resolve the dispute out-of-court.
- 5.5 The Customer confirms that he/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 is living in or moves to a foreign country upon entry into the Agreement).

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

- 6.1 The Agreement shall enter into force upon its signing and shall be valid for an unspecified term.
- 6.2 The Customer shall have the right to request change of the Credit Limit pursuant to the procedure and within the limits established by the Bank. The Bank shall have the right to lower the Credit Limit without concluding a separate annex to the Agreement. To raise the Credit Limit, the Customer and the Bank shall enter into a respective agreement (a new agreement).
- 6.3 The Bank shall have the right to unilaterally amend the terms and conditions of the Agreement 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 free of charge. If the Customer fails to cancel the Agreement within the above term, it shall be deemed that the Customer has accepted the amendments.
- 6.4 The Customer shall have the right to cancel the agreement in the ordinary manner by notifying the Bank thereof at least 1 (one) month in advance.
- 6.5 The Bank shall have the right to terminate the Agreement by giving the Customer an advance notice of at least 2 (two) months.
- 6.6 The Bank shall have the right to cancel the Agreement extraordinarily and without any advance notification, if:
- 6.6.1 the Customer has submitted false information when applying for the Credit Limit or failed to disclose any information which is known to the Customer and which is liable to affect performance of the Agreement;
- 6.6.2 the Customer fails to fulfil a payment obligation arising from the Agreement within the additional term of 14 (fourteen) days granted by the Bank to the Customer;

6.6.3 the Card Use Agreement has expired and the Customer has failed to enter into a new Card Use Agreement within a period of 6 (six) months after expiry of the previous Card Use Agreement;

6.6.4 the Bank has received a claim for seizure of the Account from a competent authority pursuant to the procedure provided by legal acts;

6.6.5 the Customer breaches a payment obligation with regard to another payable to the Bank, and fails to eliminate the breach within the additional term of 14 (fourteen) days granted by the Bank to the Customer;

6.7 In addition to the cases stipulated in the Conditions, the Bank shall have the right to cancel the Agreement extraordinarily without any advance notice on other basis provided by the General Conditions, the Payment Services Agreement or legal acts.

6.8 The Agreement shall be automatically terminated upon expiry of the Payment Services Agreement entered into between the Bank and the Customer with regard to the Account tied to the Credit Account.

6.9 The Parties shall have the right to terminate the Agreement at any time by mutual agreement.

6.10 Termination of the Agreement shall have no bearing on the collection or satisfaction of financial claims that arose prior to termination of the Agreement.

6.11 Upon termination of the Agreement, the Bank shall have the right to debit from the Customer's Account (or any other Account which has been opened by the Customer in the Bank, if the Account does not hold sufficient funds) the Credit Limit Used, the Interest calculated up to the day of termination of the Agreement and the fees and other payables set forth in the Price List (e.g. fine for delay, debt collection costs).

## 7. THE CUSTOMER'S RIGHT OF WITHDRAWAL

7.1 The Customer may withdraw from the Agreement within 14 (fourteen) days after entry into the Agreement by sending to the Bank's address specified in the Agreement, before expiry of the term of withdrawal, a written notice of withdrawal.

7.2 If the Customer exercises the right of withdrawal set forth in clause 7.1 of the Agreement, the Customer shall immediately, but not later than within 30 (thirty) days from the submission of the notice of withdrawal to the Bank, repay the entire Credit Limit Used and pay the Interest calculated up to the date of repayment of the Credit Limit. Otherwise, the Customer shall not be deemed as having withdrawn from the Agreement.

## 8. FINAL PROVISIONS

8.1 The Parties shall be held liable for breach of their obligations in accordance with the provisions of the Conditions, the General Conditions, the Payment Services Agreement and legal acts.

8.2 The Bank and the Customer undertake not to disclose any information related to the conclusion and performance of the Agreement to third parties, unless this is required by circumstances related to the performance of the Agreement or unless otherwise agreed in the Agreement.

8.3 The Bank shall have the right to disclose information on the Customer, the terms and conditions of the Agreement and performance of the Agreement (including failure to appropriately perform the Agreement) to the following parties:

8.3.1 companies incorporated in the same group with the Bank, their staff members and service providers, including company/companies or individual(s) rendering debt collection services to the Bank;

8.3.2 the Bank's counsellors or auditors, AS Krediidinfo and the registrar of the payment default register;

8.3.3 the Bank's creditors who have provided financial resources for the purpose of financing the Agreement;

8.3.4 persons to whom the Bank intends to or is planning to transfer or assign the rights, obligations or claims arising from the Agreement;

8.3.5 providers of monitoring or similar services to the Bank;

8.3.6 persons whose right to receive information arises from the valid legal acts of the Republic of Estonia.

8.4 With the conclusion of the Agreement, the Customer shall grant the Bank his/her consent to the processing of the Customer's personal data for the purpose of performance of the Agreement in accordance with the terms and conditions of the Agreement, and the Bank's "Principles of processing customer data", available on the Bank's website.

- 8.5 The Financial Supervision Authority (address: Sakala 4, 15030 Tallinn; telephone: +372 66 80 500; e-mail: info@fi.ee, website: www.fi.ee) shall conduct supervision over the activities of the Bank.