

AS LHV PANK  
EUR 1,000,000,000  
COVERED BOND PROGRAMME

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DEED OF COVENANT

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**THIS DEED OF COVENANT** is made on 19 May 2020

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**BY**

- (1) **AS LHV PANK** (the "**Issuer**")

**IN FAVOUR OF**

- (2) **THE ACCOUNTHOLDERS** (as defined below); and
- (3) **THE PERSONS** for the time being and from time to time registered as holders of the Registered Covered Bonds referred to below (the "**Holders**" of Registered Covered Bonds and, together with the Accountholders, the "**Beneficiaries**");

**WHEREAS**

- (A) The Issuer has established a Covered Bond Programme (the "**Programme**") for the issuance of covered bonds (the "**Covered Bonds**"), in connection with which it has entered into a dealer agreement dated 19 May 2020 (the "**Dealer Agreement**") and an issue and paying agency agreement dated 19 May 2020 (the "**Agency Agreement**").
- (B) The Issuer has made applications to the Central Bank of Ireland (the "**Central Bank**") for Covered Bonds issued under the Programme to be admitted to listing on the official list of The Irish Stock Exchange plc trading as Euronext Dublin (the "**Official List**") and to trading on its regulated market. Covered Bonds may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) In connection with the Programme, the Issuer has prepared a base prospectus dated 19 May 2020 (the "**Base Prospectus**") which has been approved by the Central Bank as a base prospectus issued in compliance with Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").
- (D) Covered Bonds issued under the Programme may be issued either (1) pursuant to the Base Prospectus describing the Programme and Final Terms describing the final terms of the particular Tranche of Covered Bonds or (2) pursuant to a prospectus (the "**Drawdown Prospectus**") relating to the particular Tranche of Covered Bonds which may be constituted by a single document.
- (E) Covered Bonds issued under the Programme may be issued in bearer form ("**Bearer Covered Bonds**") or in registered form ("**Registered Covered Bonds**"). Bearer Covered Bonds may be in the form of either a temporary global covered bond in bearer form (the "**Temporary Global Covered Bond**") or a permanent global covered bond in bearer form (the "**Permanent Global Covered Bond**"). Registered Covered Bonds may be in the form of a global covered bond in registered form (a "**Global Registered Covered Bond**").

- (F) The Issuer wishes to constitute the Registered Covered Bonds by deed poll and to make arrangements for the protection of the interests of Accountholders in certain circumstances.

**NOW THIS DEED OF COVENANT WITNESSES** as follows:

1. **INTERPRETATION**

1.1 **Definitions**

All terms and expressions which have defined meanings in the Base Prospectus, the Dealer Agreement or the Agency Agreement shall have the same meanings in this Deed of Covenant except where the context requires otherwise or unless otherwise stated. In addition, in this Deed of Covenant the following expressions have the following meanings:

**"Accountholder"** means any accountholder with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Covered Bond, except for any Clearing System in its capacity as an accountholder of another Clearing System;

**"Clearing System"** means each of Euroclear Bank S.A./N.V., Clearstream Banking S.A. and any other clearing system specified in the relevant Final Terms;

**"Conditions"** has the meaning given in the Base Prospectus except that, in relation to any particular Tranche of Covered Bonds, it means the Conditions (as defined in the Base Prospectus) as supplemented, amended and/or replaced by the relevant Final Terms, and any reference to a numbered Condition shall be construed accordingly;

**"Determination Date"** means, in relation to any Global Covered Bond, the date on which such Global Covered Bond becomes void in accordance with its terms;

**"Direct Rights"** means the rights referred to in Clause 3.1 (*Direct Rights - Creation*);

**"Entry"** means, in relation to a Global Covered Bond, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Covered Bonds represented by such Global Covered Bond;

**"Global Covered Bond"** means a Temporary Global Covered Bond, a Permanent Global Covered Bond or a Global Registered Covered Bond; and

**"Principal Amount"** means, in respect of any Entry, the aggregate principal amount of the Covered Bonds to which such Entry relates.

1.2 **Clauses**

Any reference in this Deed of Covenant to a Clause is, unless otherwise stated, to a clause hereof.

### 1.3 **Other agreements**

All references in this Deed of Covenant to an agreement, instrument or other document (including the Base Prospectus, the Dealer Agreement and the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Covered Bonds, each reference in this Deed of Covenant to the Base Prospectus shall be construed as a reference to the Base Prospectus as supplemented and/or amended by the relevant Final Terms.

### 1.4 **Legislation**

Any reference in this Deed of Covenant to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

### 1.5 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Covenant.

### 1.6 **Benefit of Deed of Covenant**

Any Covered Bonds issued under the Programme on or after the date of this Deed of Covenant shall have the benefit of this Deed of Covenant but shall not have the benefit of any subsequent deed of covenant relating to the Programme (unless expressly so provided in any such subsequent deed).

### 1.7 **Final Terms or Drawdown Prospectus**

In the case of a Tranche of Covered Bonds issued pursuant to a Drawdown Prospectus, each reference in this Deed of Covenant to "Final Terms" shall be read and construed as a reference to such Drawdown Prospectus unless the context requires otherwise.

## 2. **THE REGISTERED COVERED BONDS**

The Issuer hereby constitutes the Registered Covered Bonds and covenants in favour of each Holder of a Registered Covered Bond that it will duly perform and comply with the obligations expressed to be undertaken by it in each Covered Bond Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Covered Bonds shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

## 3. **DIRECT RIGHTS**

### 3.1 **Creation**

If any Global Covered Bond representing all or part of a Tranche of Covered Bonds becomes void in accordance with its terms, each Accountholder shall have against the Issuer all rights ("**Direct Rights**") which such Accountholder would have had in respect of the Covered Bonds if, immediately before the Determination Date in relation to that

Global Covered Bond, it had been the Holder of Definitive Covered Bonds or an Individual Covered Bond Certificate, as the case may be, of that Tranche, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to such Global Covered Bond including (without limitation) the right to receive all payments due at any time in respect of such Definitive Covered Bonds or Individual Covered Bond Certificate as if such Definitive Covered Bonds or Individual Covered Bond Certificate had (where required by the Conditions) been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Anything which might prevent the issuance of Definitive Covered Bonds or an Individual Covered Bond Certificate in an aggregate principal amount equal to the Principal Amount of any Entry of any Accountholder shall be disregarded for the purposes of this Clause 3.1, but without prejudice to its effectiveness for any other purpose.

### 3.2 **No Further Action**

No further action shall be required on the part of the Issuer or any other person:

3.2.1 *Direct Rights*: for the Accountholders to enjoy the Direct Rights; or

3.2.2 *Benefit of the Conditions*: for each Accountholder to have the benefit of the Conditions as if they had been incorporated *mutatis mutandis* into this Deed of Covenant,

*provided, however, that* nothing herein shall entitle any Accountholder to receive any payment in respect of any Global Covered Bond which has already been made.

## 4. **EVIDENCE**

### 4.1 **Records**

The records of the Clearing Systems shall be conclusive as to the identity of the Accountholders and the respective amounts of Covered Bonds credited to their securities accounts and a statement issued by a Clearing System setting out:

4.1.1 *Name*: the name of the Accountholder in respect of which it is issued; and

4.1.2 *Principal Amount*: the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall be conclusive evidence for all purposes of this Deed of Covenant.

### 4.2 **Determination Date**

If a Clearing System determines the Determination Date, such determination shall be binding on all Accountholders with such Clearing System.

## 5. **DEPOSIT OF DEED OF COVENANT**

This Deed of Covenant shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of the Covered Bonds (including, without

limitation, its obligations under this Deed of Covenant) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed of Covenant.

## **6. STAMP DUTIES**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Deed of Covenant, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it may incur or which may be made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **7. BENEFIT OF DEED OF COVENANT**

### **7.1 Deed Poll**

This Deed of Covenant shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

### **7.2 Benefit**

This Deed of Covenant shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Covenant against the Issuer.

### **7.3 Assignment**

The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

## **8. PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

## **9. NOTICES**

### **9.1 Address for notices**

All notices and other communications to the Issuer hereunder shall be made in writing and in English (by letter or email) and shall be sent to the Issuer at:

Address: AS LHV Pank  
Tartu mnt 2,  
10145 Tallinn,  
Estonia

Attention: Head of Treasury  
Email: [treasury@lhv.ee](mailto:treasury@lhv.ee)

or to such other address or for the attention of such other person or department as the Issuer has notified to the Covered Bondholders in the manner prescribed for the giving of notices in connection with the Covered Bonds.

## 9.2 Effectiveness

Every notice or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be deemed received:

1.1.1 if sent by letter, when delivered; and

1.1.2 if sent by e-mail, when sent, subject to no delivery failure notification being received by the sender within 24 hours of the time of sending,

in each case in the manner required by this clause,

*provided, however, that that* if a communication is received after business hours on any business day (in the place of the recipient) or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of the Issuer. Every communication shall be irrevocable save in respect of any manifest error in it.

## 10. LAW AND JURISDICTION

### 10.1 Governing law

This Deed of Covenant and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

### 10.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with this Deed of Covenant (including a dispute regarding the existence, validity or termination of this Deed of Covenant) or the consequences of its nullity.

### 10.3 Appropriate forum

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

#### 10.4 **Rights of the Beneficiaries to take proceedings outside England**

Notwithstanding Clause 10.2 (*English courts*), the Beneficiaries may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

#### 10.5 **Service of process**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the LHV Bank, UK branch (UK establishment number BR020302) at its office at 1 Old Street Yard, London, EC1Y 8AF, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Beneficiaries. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

### 11. **MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Covered Bondholders to consider matters relating to the Covered Bonds, including the modification of any provision of this Deed of Covenant. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries (to the extent that this Deed of Covenant relates to the relevant Series of Covered Bonds).



**IN WITNESS** whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

**EXECUTED** as a deed )

by **AS LHV PANK** )

Acting by

MEELIS PAAKSPUU .....Name of Director )

 .....Signature of Director )

Acting by

 .....Name of Director )

ERKI KILU .....Signature of Director )