

What you should know before signing a credit card agreement

Here you can find information on the rights you will have and obligations you will undertake if you decide to sign a credit card agreement and start using a credit card. Please note that the terms and conditions described below are not binding. If you enter into a credit card agreement, the terms and conditions agreed in your specific contract will apply to you.

Before you sign a credit card agreement you should:

- (i) ascertain the risks involved in undertaking such an obligation - please think it over once more if the credit card is truly a credit product suitable to your requirements and means;
- (ii) make sure that you read through all the terms and conditions of the agreement, including standard service conditions and the information leaflet;
- (iii) examine other conditions and documents referred to in the agreement to be signed, such as the General Conditions of LHV Bank, and the Conditions of Payment Services Agreement;
- (iv) among other things, make sure that you will be able to repay the credit limit even if your income decreases or liabilities increase.

If you have any questions or you need advice or additional information, please do not hesitate to contact an LHV Bank employee or some other corresponding specialist.

Using the credit

You can start using your credit limit as soon as your credit card is activated and the agreement is signed. You can pick up your credit card from an LHV Bank customer service office or have it delivered by post. LHV Partner credit cards may also be collected from the customer service desks of Tallinna Kaubamaja, Tartu Kaubamaja. You can have the card activated and sign the agreement when you collect the credit card. When a postal delivery of the credit card has been ordered, the card can be activated and the agreement signed through our online banking system.

Withdrawing from the agreement

By signing a credit card agreement, you will not automatically incur any obligations. You will incur an obligation only if and when you use your credit limit which means that even if you have signed a credit card agreement and ordered a credit card, you will not be obliged to use your credit limit. If you do not want to incur the obligations arising from the use of a credit card and you have not used your credit limit, you are entitled to terminate the credit card agreement at any time, and have your card closed.

You will also have the right to withdraw from the credit card agreement within 14 days of signing the agreement, provided that you submit a written notice of withdrawal to the address indicated in the agreement within the same term. If you exercise your right of withdrawal, you will have to repay LHV Bank the entire credit limit used and pay interest accrued until the date of withdrawal and do so within no longer than 30 days of the submission of your notice of withdrawal to LHV Bank. Otherwise you will be considered as not having withdrawn from the agreement.

Calculating interest

Interest is a fee you pay to LHV Bank for using the credit limit. You must pay interest on the used credit limit as per the interest rate (annual interest percentage) indicated in your agreement. Interest is calculated on the basis of the actual number of days in a calendar month and a year of 360 days.

The interest rate indicated in your agreement is fixed and depends on the terms and conditions of the specific credit card, the prices applicable to the product you have chosen and your solvency or previous payment behaviour. LHV Bank has the right to change the interest stipulated in your agreement; however, in such an event LHV Bank will inform you two months in advance.

Repaying the credit limit used and paying interest

You may freely choose the amount and date of repayment of the credit limit to LHV Bank during the term of the credit card agreement (unless you have a charge card). You may repay the credit limit used to the limit account (credit account) at any time and in any amount or designate a fixed amount which will be automatically paid on a monthly basis. If you have chosen the automatic repayment option, LHV Bank will, on the date of payment, debit your LHV bank account (current account) specified in the agreement for the designated amount or the amount of transactions effected (according to the information available to LHV Bank) and yet to be repaid as at the end of the previous month, whichever is smaller. If there are insufficient funds on your LHV bank account (current account) for effecting the automatic repayment, LHV Bank will debit the amount available on the bank account, with the remaining amount recognised as credit limit used, and interest charged thereof. Automatic repayment is not obligatory; failure to effect the automatic repayment will not be considered a debt. Furthermore, you can change the amount of automatic repayment via the online banking system at any time.

Interest charged on the credit limit used in the previous month as well as service fees (where applicable) will be debited from your LHV bank account (current account) specified in the agreement on the date of payment. You must make sure that the corresponding bank account holds sufficient funds on that date.

When using a charge card, LHV Bank will debit your LHV bank account (current account) specified in the agreement for the credit limit used in the previous month (premature repayment of the credit limit is not possible; no interest will be charged on the credit limit used).

Your credit card agreement is signed for an unspecified term. If you wish to terminate the agreement, you will first have to repay the entire credit limit you have used and pay interest calculated thereon. However, please note that a credit card is valid for three years. After the expiry of this term you may have the validity of the card extended or you may order a new one. If you decide not to order a new card, you will still be obliged to repay the credit limit you have used and pay interest.

We will debit your LHV bank account (current account) specified in the agreement, in exceptional cases the limit account (credit account) linked with the card, with all the amounts payable under the agreement. If the bank account does not hold sufficient funds for debiting the amounts payable under the credit card agreement on the repayment date, we will debit the prescribed amount from your other account(s) opened with LHV Bank.

If, on the payment date, you do not have enough funds on your account(s) in the prescribed currency, we may also debit the amounts in other currencies and convert them as per the currency exchange rate applicable by LHV Bank at the time of transaction. If the funds on your

account(s) are denominated in various currencies, LHV Bank will decide the order of use of such funds.

You can find information on applicable exchange rates:

- (i) from our online banking system;
- (ii) from the LHV Bank customer service offices;
- (iii) by calling our customer support line at 6 800 400, and also from LHV Chat.

Please note that LHV Bank receives notices on credit card transactions effected outside the euro area in euros or after they are converted into euros. In such case the currency exchange rate is determined by a relevant international card organisation as of the date of the banking transaction. This means that the currency exchange rate may be altered not to your advantage.

Other expenses related to the credit card agreement

You will have to pay a monthly fee for the credit card in accordance with the rate established in the LHV Bank price list. If you use the additional services related to the credit card (such as cash withdrawal, information request from an ATM (balance and account statement), etc.), you will have to pay separately for these in accordance with the price list of LHV Bank. Issue of the first credit card, renewal and closure are free of charge. Other fees related to credit cards (incl. card replacement fee and the fee for issuing an emergency card) are determined with the LHV Bank price list.

LHV Bank has the right to demand a fine for using a closed card.

Amending the agreement

LHV Bank has the right to amend your credit card agreement unilaterally by notifying you thereof at least two months in advance. The amended version of the terms and conditions of your agreement is made available to you at the LHV Bank customer service office, on our website, through our online banking system or in any other manner determined by LHV Bank. You have the right not to agree with the amendments and cancel the credit card agreement within the term stipulated by LHV Bank. If you do not cancel your agreement within this term, you will be considered as having agreed to the amendments introduced by LHV Bank.

Possible consequences of a breach of agreement

If you have signed a credit card agreement and for some reason violate the agreed terms and conditions, you may have to pay the following:

- (i) default interest and/or a fine;
- (ii) expenses incurred in handling your debt (e.g. postal charges for sending you a debt notice, etc);
- (iii) credit card agreement cancellation costs;
- (iv) other expenses incurred in enforcing the credit card agreement and other agreements related thereto (e.g. costs associated with debt collection or with legal, enforcement or bankruptcy proceedings).

The LHV Bank's price list is available at www.lhv.ee.

If, on the payment date, there are insufficient funds on the LHV bank account (current account) indicated in your credit card agreement for debiting the amounts payable under the credit card agreement, LHV Bank will be entitled to begin calculating default interest on the outstanding amount as per LHV Bank's price list starting from the day following the due date. The calculation of default interest will cease after all the amounts due have been paid.

Cancelling the agreement

You have the right to cancel the credit card agreement at any time by notifying LHV Bank at least one month in advance.

LHV Bank has the right to cancel the credit card agreement at any time by notifying you thereof at least two months in advance.

Under certain circumstances LHV Bank will be entitled to cancel the credit card agreement without any prior notice, these include if:

- (i) when applying for a credit card, you have provided false information or failed to provide information known to you and relevant to the performance of the agreement;

- (ii) you have breached the repayment obligation stipulated in the agreement (in case of the credit card agreement, failed to pay the interest or service fees; in case of a charge card, failed to repay the credit limit used or the service fees) and fail to pay the debt within two weeks of the receipt of a corresponding notice from LHV Bank;
- (iii) you fail to perform other obligations arising from the credit card agreement or other agreements entered into with LHV Bank or its subsidiaries.

If your credit card agreement is terminated, you have to repay the entire credit limit you have used and pay interest calculated thereon. LHV Bank also has the right to request that you pay the outstanding default interest and fines and perform other obligations arising from the agreement.

How to avoid accruing a debt?

It is important to know the above information and explanations if you are considering applying for a credit card and signing a corresponding agreement. A credit card is a liability and having one issued to you always brings about the risk of accruing a debt. Therefore we kindly ask you to thoroughly consider everything provided herein, and if you have problems with meeting your obligations or you have other relevant questions, please do not hesitate to contact LHV Bank.

Should you have any questions or need additional information, please call the LHV Bank's customer support line at 6 800 400 or write to info@lhv.ee.