

General conditions of the consumer loan

Valid from 18.08.2015

1. GENERAL PROVISIONS

- 1.1. These general consumer loan terms and conditions (hereinafter **General Terms and Conditions**) are an integral part of the Agreement. The Agreement shall consist of the Special Conditions agreed upon between the Parties, these General Terms and Conditions, the Payment Schedule and other annexes, including any amendments, supplements or annexes to the Agreement made in the future. In case of a conflict between the Special Conditions of the Agreement and the General Terms and Conditions of the Agreement, the Special Conditions of the Agreement shall be applied.
- 1.2. When the Borrower is a client of AS LHV Pank (registry code: 10539549) and belongs to the same group as the Lender, the General Terms and Conditions of AS LHV Pank shall also be applied to any issues not regulated by the Agreement. The General Terms and Conditions of AS LHV Pank are available in the branch offices of AS LHV Pank as well as on the website of AS LHV Pank (www.lhv.ee).
- 1.3. **The Agreement includes the Borrower's insurance against financial loss, which reimburses the damages incurred as a result of the Borrower's declining financial situation on the basis of the Terms and Conditions of Insurance, if it has been agreed separately in the Special Conditions of the Agreement.** The Lender shall have the right to amend the Terms and Conditions of Insurance unilaterally by notifying the Borrower at least 2 (two) months in advance.

2. TERMS AND DEFINITIONS OF THE AGREEMENT

- 2.1. Unless otherwise stipulated in the Agreement or evident from the spirit of the Agreement, the terms used in the Agreement shall bear the following meaning:
- 2.2. **Interest** is the fee payable by the Borrower to the Lender for the use of the Credit Amount. Interest shall be calculated from and subject to payment from the date of entry into the Agreement (included) until the Payment Due Date of the last Instalment Payment (excluded) in accordance with the Payment Schedule under the Agreement. The amount of interest as a percentage is expressed with the **Interest Rate**.
- 2.3. **Daily Interest** is the Interest calculated per day applicable in cases where the Borrower withdraws from the Agreement.
- 2.4. **Terms and Conditions of Insurance** are the terms and conditions of loan insurance (T-HL-20151). The Terms and Conditions of Insurance constitute an annex to the Agreement if the Borrower's insurance against financial loss has been agreed upon separately in the Special Conditions of the Agreement.
- 2.5. **Account** is the Borrower's account specified in the Special Conditions of the Agreement, where the sum issued by the Lender is transferred.
- 2.6. **Total Cost of Credit** is the total amount of payments to be made by the Borrower for the repayment of the Credit Amount and the costs arising from the use of the Credit Amount, consisting of the Credit Amount, Interest, Contract Fee, Monthly Fee and other fees which are to be paid by the Borrower in connection with the Agreement and which are determined by the Lender at the time of entry into the Agreement.
- 2.7. **Annual Percentage Rate of Charge** is the total cost of use of the Credit Amount for the Borrower (Interest, Contract Fee, Monthly Fee and other fees which are to be paid by the Borrower in connection with the Agreement and which are known to the Lender at the time of entry into the Agreement), expressed as an annual percentage rate of the Credit Amount, and calculated based on the assumption that the Agreement will remain valid for the agreed period of time and that the Borrower will fulfil his obligations under the conditions and by the terms set forth in the Agreement. Any costs and fees that are not known to the Lender at the time of entry into the Agreement, as well as the costs to be paid by the Borrower upon breach of Agreement shall not be taken into account upon calculation of the Annual Percentage Rate of Charge. The Annual Percentage Rate of Charge has been presented for information purposes, is based on the preconditions established in the Agreement, and shall have no bearing on the contractual obligations and payable amounts. The calculation of the Annual Percentage Rate of Charge shall be governed by the formula established by the Minister of Finance of the Republic of Estonia, with the result rounded off to two digits after the decimal point.
- 2.8. **Credit Intermediary** is a person who, in certain cases, acts an intermediary for the Lender's credit and concludes the Agreement in the name of the Lender.
- 2.9. **Monthly Fee** is a service fee paid by the Borrower each month for the management of the Agreement. The amount of the Monthly Fee is established in the Special Conditions.
- 2.10. **Credit Amount** is the sum of money given to the use of the Borrower by the Lender on the basis of the Agreement, which the Borrower shall return to the Lender in the form of repayments along with the auxiliary expenses on the conditions provided in the Agreement.
- 2.11. **Credit Amount Repayments** are the Credit Amount payments to be made by the Borrower to the Lender under the Payment Schedule with the Interest and other fees stipulated in the Agreement added thereof.
- 2.12. **Agreement** is the consumer loan agreement concluded between the Lender and the Borrower.
- 2.13. **Parties or a Party** is the Lender, Borrower and Credit Intermediary either together or separately. The Credit Intermediary is a Party to the Agreement when the Agreement has been concluded through the Credit Intermediary.
- 2.14. **Contract Fee** is the service charge to be paid each time by the Borrower for the preparation, conclusion and/or amendment of the Agreement. The Agreement Fee payable for the conclusion of the Agreement shall be fixed in the Special Conditions.
- 2.15. **Payment Schedule** is the schedule of payment of the Instalments arising from the Agreement.
- 2.16. **Payment Due Date** is the date established in the Payment Schedule and/or on the basis of the Agreement, by which the contractual payment to be made by the Borrower shall be transferred to the Lender's bank account.
- 2.17. **Instalment Payments** are the periodic (monthly, unless agreed otherwise) payments to be made by the Borrower to the Lender consisting, among other things, of the Credit Amount Repayments, Interest, Monthly Fees and other fees payable by the Borrower in connection with the Agreement.

- 2.18. **Fine for Delay** is the interest payable by the Borrower for a delay in the fulfilment of a financial obligation in the rate agreed in the Special Conditions.
- 2.19. **Banking Day** is a calendar day which is not a Saturday, Sunday, national holiday or public holiday.
- 2.20. **End term of the Agreement** is the date specified in the Agreement by which time the Borrower must have repaid the entire Credit Amount and fulfilled all contractual obligations (including any Debt arising from the Agreement).
- 2.21. **Debt** means the Borrower's financial obligation before the Lender, which may take the form of an outstanding Agreement Fee, outstanding Loan Amount, outstanding Interest, Fine for Delay, contractual penalty, outstanding Monthly Fee and/or expenses related to the collection of the Debt.
- 2.22. **Sum issued by the Lender** is the Credit Amount minus the Contract Fee for the conclusion of the Agreement.

3. IDENTIFICATION OF THE BORROWER AND PAYOUT OF THE LOAN

- 3.1. The Lender undertakes to transfer the sum issued to the Account within 2 (two) banking days, given that the precondition for the payment of the Credit Amount provided in Clause 3.2. has been met. The Lender transfers the Sum Issued to the Account without any further order by the Borrower.
- 3.2. The Lender has the right to require the Borrower to be identified in person before the Sum Issued is transferred to the Account.
- 3.3. The Borrower is identified in person, either by the Lender or a third person/Credit Intermediary authorised by the Lender to identify the Borrower, either at the office of the Lender or the location of the third person/Credit Intermediary representing the Lender, at a location which has been communicated to the Borrower.

4. PAYMENT OF THE AGREEMENT FEE

- 4.1. **When the Credit Amount is paid out, the Lender shall, with the consent of the Borrower, deduct the Agreement Fee for concluding the Agreement from the Credit Amount.**
- 4.2. If the Borrower wishes to order from the Lender any operations not specified in the Agreement (for example, introduction of amendments in the Agreement), the Borrower shall pay to the Lender the Contract Fee or another fee in accordance with the Lender's price list, or, upon an agreement between the Borrower and the Lender, another service charge.

5. CALCULATION AND PAYMENT OF INTEREST

- 5.1. Laenusaja kohustub Laenuandjale tasuma Intressi Osamakse osana igal Maksetähtpäeval. Intressi arvestatakse Krediidisumma tagastamata osalt, mis on fikseeritud iga Intressi arvestamise perioodi alguses vastavalt Eritingimustes kokkulepitud Intressimäärale.
- 5.2. Intressi arvestamisel lähtutakse kuni esimese Krediidisumma tagasimakse Maksetähtpäevani tegelikust päevade arvust kuus ja 360-päevasest aastast ning seejärel 30-päevasest kuust ja 360-päevasest aastast.
- 5.3. Interest shall be calculated and paid from the day of entry into the Agreement until (excluding) the last Payment Due Date for repayment of the Credit Amount under the Payment Schedule.

6. TERMS OF PAYMENT

- 6.1. The Borrower shall pay the Instalments to the Lender according to the Payment Schedule. The Borrower shall have the right to demand from the Lender the presentation of the Payment Schedule free of charge at any time during the validity of the Agreement.
- 6.2. As additional information, the Lender shall issue an invoice for the payments made under the Agreement, at the Borrower's discretion, to either the e-mail address or to the postal address indicated in the Agreement. If the Borrower wishes to receive a hard-copy invoice from the Lender for payment of the contractual amounts, the Borrower shall be obliged to pay to the Lender the corresponding fee (hard-copy invoice fee) for each delivery in accordance with the Lender's price list. The failure to receive the invoice shall not affect the Borrower's obligation to make contractual payments to the Lender.
- 6.3. Should the amounts paid by the Borrower prove insufficient for the fulfilment of the Borrower's obligations, the collection costs of the debt shall be deemed as paid in the first order, repayments of the Credit Amount in the second order, Interest due in the third order, and the Fine for Delay, contractual penalties and other fees and compensation of damage thereafter.
- 6.4. If the Borrower has concluded other agreements with the Lender on the same date, and the Payment Due Date of these agreements falls on the same date, then the Lender has the right to consider the less secured obligations of the Borrower as being fulfilled as a priority.
- 6.5. Where the payment due date for an amount payable under the Agreement has not been fixed in the Payment Schedule and/or the Agreement, the amount must be paid by the Payment Due Date established by the Lender in the invoice.
- 6.6. **In order to fulfil the payment obligations arising from the Agreement, the Buyer undertakes to conclude, for the benefit of the Lender, an e-invoice standing payment service agreement with regard to the Borrower's current account opened in a credit institution operating in Estonia and to ensure that there are sufficient funds available (in euros) on that account for the sums payable being debited as provided in the Agreement. The respective credit institution debits the sum from the Borrower's account for the benefit of the Lender on the basis of e-invoices: in accordance with the Payment Schedule or other contractual arrangements not reflected in the Payment Schedule, and ensures the validity of the e-invoice standing payment service agreement during the validity of the Agreement. The e-invoice standing payment service agreement must be concluded under such conditions which ensure that the sums payable are received in the Lender's bank account on the Payment Due Date.**
- 6.7. All payments provided with the Agreement shall be transferred to the Lender's current account specified in the Special Conditions, and are deemed as paid upon transfer of the corresponding amounts to the Lender's account. The Lender shall

inform the Borrower of any changes in the account information, as well as of other details required for the effecting of the payment.

7. FINES FOR DELAY, PENALTIES AND EXPENSES RELATED TO DELAY OF PAYMENT

- 7.1. The Lender hereby warns the Borrower that any failure to pay the contractual amounts could have serious consequences for the Borrower (including the obligation to pay a Fine for Delay, premature termination of the Agreement involving the obligation to pay back the whole unpaid Credit Amount, etc.) and this, in turn, may complicate the Borrower's credit funding in the future.
- 7.2. If the Buyer fails to make an Instalment Payment or to pay any other contractual amount by the Payment Due Date, the Lender shall have the right to demand from the Borrower a Fine for Delay, which is calculated on the outstanding debt amount in accordance with the stipulations of the Special Conditions, from the day following the Payment Due Date until appropriate fulfilment of the obligation. No Fine for Delay shall be calculated on outstanding Interest and the Fine for Delay.
- 7.3. If the Borrower fails to pay the contractual amounts in a timely manner, the Lender shall have the right to demand from the Borrower compensation for the expenses incurred for the collection of the debt (i.e. the debt processing fee) in accordance with the rate(s) established in the Lender's price list and/or the actual costs incurred by the Lender (the fees charged by the collection service provider and/or legal costs and/or bailiff's fees).
- 7.4. In case of breach of a contractual obligation other than a payment obligation on behalf of the Borrower, the Lender shall have the right to demand from the Borrower a contractual penalty in the amount of up to 5% (five per cent) of the outstanding Credit Amount as at the moment of the breach of the Agreement, unless the breach is amended within a reasonable period of time established by the Lender.
- 7.5. The payment of a contractual penalty shall not exempt the Borrower from the fulfilment of the breached obligation or any other contractual obligations, and does not deprive the Lender of the right to prematurely terminate the Agreement for the same or for another violation on the basis provided in the Agreement or by law.

8. ADDITIONAL DECLARATIONS AND WARRANTIES OF THE BORROWER

- 8.1. By signing the Agreement, the Borrower declares the following:
 - 8.1.1. No bankruptcy or execution proceedings have been initiated against them, and they are not aware of any circumstances which could lead to the initiation of such proceedings in the future;
 - 8.1.2. The Borrower shall guarantee fulfilment of the obligations assumed under the Agreement with all of his or her property or any future property that the Borrower may acquire;
 - 8.1.3. The Credit Amount is appropriate for their interest in the loan, needs and financial situation;
 - 8.1.4. They oblige to fulfil the contractual payment obligations to the Lender pursuant to the procedure and by the terms set forth in the Agreement and the Payment Schedule;
- 8.2. The Borrower is obliged, during the validity of the Agreement, to submit to the Lender, immediately upon the Lender's request, the documents attesting to the Borrower's solvency and other information (e.g. pay slip, account statement, etc.).
- 8.3. The Borrower is obliged to inform the Lender within 5 (five) calendar days of the following:
 - 8.3.1. Any changes in the Borrower's residence/contact address (including e-mail address), contact telephone or bank accounts specified in the Agreement;
 - 8.3.2. A statement of claim is filed with the court, either by the Borrower or by any third person(s), to declare the bankruptcy of the Borrower, to restructure the obligations of the Borrower, or for any other similar proceedings (incl. an execution proceeding or court proceeding having been initiated, an interim trustee in bankruptcy is appointed);
 - 8.3.3. The Borrower's regular income has decreased;
 - 8.3.4. The occurrence of other significant events that may hinder the appropriate performance of the Borrower's obligations arising from the Agreement, or render it impossible;
- 8.4. The Borrower shall not have the right, without the Lender's previous written consent, to assign the contractual rights and obligations to third parties, or to offset the contractual payables.

9. ENTRY INTO FORCE OF THE AGREEMENT

- 9.1. The Agreement enters into force with the Sum issued by the Lender being paid out as provided in and according to Clauses 3.1. and 3.2., also retroactively from the conclusion of the agreement.

10. AMENDMENT OF THE AGREEMENT

- 10.1. Any amendments, additions and changes in the Agreement shall be prepared in writing. Any changes and/or additions and/or amendments to the Agreement shall enter into force upon their signing by the Parties to the Agreement, unless agreed upon otherwise.
- 10.2. The Lender has a unilateral right to make changes to the Agreement and/or the General Conditions when changes are made in the legal provisions covering consumer credit or any other relations arising from the Agreement and/or the General Conditions and amendments to the Agreement and/or the General Conditions are justified for bringing them into alignment with the legal provisions, and the Borrower needs to be notified of these amendments in advance by the Lender. When the Borrower does not agree to the new terms and conditions the Borrower has the right to terminate the agreement immediately.
- 10.3. The Lender shall have the right to unilaterally amend the price list by notifying the Borrower at least 2 (two) months in advance. The term of advance notification set forth in this clause shall not be applied, if the change is conditioned by a lowering of the price for a service listed in the price list, amendment of a contractual condition in favour of the Borrower, or addition of new services to the price list.

11. EXPIRY OF THE AGREEMENT AND PREMATURE TERMINATION OF THE AGREEMENT

- 11.1. The Agreement shall lapse upon expiry of the Agreement, when all obligations arising from the Agreement have been appropriately fulfilled.

- 11.2. The Borrower shall have the right to withdraw from the Agreement, without giving a reason thereof, within 14 (fourteen) days after entry into the Agreement, by submitting within the established term a written withdrawal application to the Lender's postal or e-mail address specified in the Agreement.
- 11.3. When the Borrower exercises their right to withdraw from the agreement they must immediately, but no later than within 30 (thirty) calendar days after filing the withdrawal application, return to the Lender the Credit Amount and pay the interest calculated on the Credit Amount for the period since the Credit Amount was taken into use until the Credit Amount is paid. When the Borrower does not return the Credit Amount along with the aforementioned Interest for the designated term, then it is regarded as the Borrower not having withdrawn from the Agreement. The estimated daily interest rate is provided in the Special Conditions.
- 11.4. The Lender shall have the right to cancel the Agreement prematurely by notifying the Borrower in writing, when:
 - 11.4.1. The Borrower has submitted false information in the application for the conclusion of the Agreement or in other documents submitted to the Lender, or has failed to submit information concerning his or her activities or legal status, which significantly affects the performance of the obligations arising from the Agreement;
 - 11.4.2. The Borrower partially or completely delays payment of the Instalment Payment for 3 (three) consecutive instances, and fails to eliminate the breach within the 14 (fourteen)-day additional term given by the Lender;
 - 11.4.3. In case of circumstances provided in Clauses 8.3.2, 8.3.3. or 8.3.4. of the Agreement and according to the assessment of the Lender it could have an effect on the performance of the Agreement as required;
 - 11.4.4. The Borrower is in breach of any other agreement concluded with the Lender or a company in the same group as the Lender, and fails to amend the breach within the 14 (fourteen)-day additional term given by the Lender.
- 11.5. In case of a cancellation or premature termination of the Agreement on behalf of the Borrower, the Instalment Payments made by the Borrower during the validity of the Agreement or other amounts paid under the Agreement shall not be returned or otherwise compensated to the Borrower.
- 11.6. The Borrower shall have the right to partially or completely fulfil the contractual obligations prematurely, by submitting to the Lender the corresponding application, and paying to the Lender the unreturned Credit Amount or a portion thereof. If the Borrower fails to submit the above declaration of intention to the Lender, any amounts prematurely paid by the Borrower shall be considered as an advance payment.

12. CONFIDENTIALITY OBLIGATION AND PROCESSING OF PERSONAL DATA

- 12.1. The Lender and/or the Credit Intermediary shall have the right to disclose information on the Borrower, the terms and conditions of the Agreement and the performance of the Agreement (including failure to appropriately perform the Agreement) to the following parties:
 - 12.1.1. The Lender and the Credit Intermediary and the staff members and service providers in the companies of the same groups, including a company (companies) or individual (individuals) who provide identification or debt collection services to the Lender;
 - 12.1.2. The advisers or auditors of the Lender and the Credit Intermediary;
 - 12.1.3. The managers of the payment default register;
 - 12.1.4. The Lender's creditors who have provided financial resources for the purpose of financing the Agreement;
 - 12.1.5. Persons to whom the Lender intends to or is planning to transfer or assign the rights, obligations or claims arising from the Agreement;
 - 12.1.6. Providers of monitoring and other similar services to the Lender and/or the Credit Intermediary.
 - 12.1.7. The insurer referred to in the Terms and Conditions of Insurance if the Borrower's insurance against financial loss has been agreed separately in the Special Conditions of the Agreement.
 - 12.1.8. Persons whose right to receive information arises from the valid legal acts of the Republic of Estonia.
- 12.2. With the conclusion of the Agreement, the Borrower shall grant the Lender and/or Creditor his or her consent to the processing of the Borrower's personal data for the purpose of performance of the Agreement in accordance with the terms and conditions of the Agreement, and the Lender's "Principles of processing customer data", available at the Lender's website (www.lhv.ee/vaikelaen).
- 12.3. With the conclusion of the Agreement, the Borrower shall grant the Lender his or her consent to the exploitation of the data provided by the Borrower (name and contact data) for marketing purposes – above all, for the sending of offers and marketing information concerning the products and services offered by the Lender to the Borrower, i.e. for direct marketing via means of communication (including e-mail). The Borrower shall have the right to withdraw this consent at any time by filing with the Lender, respectively, the corresponding declaration of intention in a format which can be reproduced in writing.

13. EXCHANGE OF NOTICES

- 13.1. Any notices submitted to the other Party to the Agreement under the Agreement shall be prepared in writing or in a format which can be reproduced in writing. In the cases set forth in the Agreement, the notice shall be prepared in writing.
- 13.2. Notices prepared in writing shall be considered as received by the other Party to the Agreement, if delivered against signature or sent via a post office by registered mail to the Party's address specified in the Agreement, and 5 (five) calendar days have passed since the posting. A notice which has been digitally signed by a Party to the Agreement and sent to the other Party's e-mail address specified in the Agreement shall be considered as received by the other Party to the Agreement on the working day following the day of dispatch.
- 13.3. If one of the Parties has changed their address, fax number or e-mail address during the validity of the Agreement, and has failed to inform the other Party thereof, the notice shall be considered as received by the Party and/or the Lender if sent to the address specified in the Agreement. Any notices regarding breach of, withdrawal from and/or cancellation of the Agreement shall be submitted in writing (except for notices of obligations, which may be submitted in a format which can be reproduced in writing).

14. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

- 14.1. This Agreement (including the entry into, performance of and any disputes arising from the Agreement) shall be governed by the laws of the Republic of Estonia.
- 14.2. Any disputes between the Borrower and/or the Lender arising from the Agreement shall be solved by way of negotiation.
- 14.3. If the Parties fail to reach an agreement by way of negotiation, the dispute shall be settled by the courts of the Republic of Estonia. The Parties have agreed that Harju County Court shall serve as the court of first instance in the settlement of disputes. The jurisdiction agreement stipulated in this clause shall be applied insofar as and on the condition that this is not prohibited under a mandatory provision of the law in the particular dispute.
- 14.4. The Borrower confirms agreeing to the application of the law of the Republic of Estonia on the relations arising from the Agreement and the settlement of disputes in Harju County Court (including if the Borrower is living in or relocates to, after entry into the Agreement, a foreign country or transfers its place of business or place of residence to a foreign country, or if the place of business or residence is not known at the time of submission of the claim).
- 14.5. The Borrower shall also have the right to turn to the Consumer Protection Board (Rahukohtu 2, 10130 Tallinn) for the protection of his or her rights.