

Rules on credit limit granting in Mastercard payment card account to private customers

The version shall be applicable from 01/08/2018

These Rules on Credit Limit Granting in Mastercard Payment Card Account to Private Customers are applied to the relations of the Parties under the Agreements:

1. That are concluded between Nordea Bank AB Lithuania Branch and the Customer until 30/09/2017 (inclusive);
2. That are concluded between Luminor Bank AB and the Customer starting from 01/10/2017, if they (or appendixes thereto) indicate that the Description of the Terms on Cards' Issuance and Usage for Private Persons or these Rules on Credit Limit Granting in Mastercard Payment Card Account to Private Customers are applied.

Whereas the Agreement contains references to the General Service Rules of Luminor Bank AB and at the moment Luminor Bank AB has two effective versions which are marked as either (D) or (N), in addition to the provisions of the Agreement, the relations between the Parties under the Agreement shall also be governed by the General Service Rules of Luminor Bank AB (N).

1. DEFINITIONS:

- 1.1. Reporting Period means the calendar month, during which the information received by the Bank on the Transactions performed with the Credit Card, accrued fees, charges and/or other amounts payable are included in the Account Statement.
- 1.2. Value Date means the day indicated in the Application-Agreement when the Bank debits the Bank Account for the amount specified in the Account Statement.
- 1.3. Bank means Luminor Bank AB.
- 1.4. General Rules means the General Service Rules of Luminor Bank AB (N).
- 1.5. Account Statement means the document prepared by the Bank, which provides information on the transactions executed on the Account within one calendar month or another period specified in the Agreement (if any) or the period and/or the payment demand, as well as other fees/charges and other amounts payable as accrued during the Reporting Period.
- 1.6. Customer means a private person who has submitted to the Bank an application for issuing the Credit Card and granting the Credit Limit. The Customer shall be considered the Holder of the Principal Card and/or the Holder of the Additional Card.
- 1.7. Credit Cards (hereinafter referred to as the Credit Card(s)) issued with the Credit Limit defined on the Customer's request and by decision of the Bank:
 - Mastercard Gold Charge and Mastercard Charge (hereinafter referred to as the Charge Card),
 - Mastercard consumer credit card (hereinafter referred to as the Consumer Credit Card),
 - Mastercard Standard (hereinafter referred to as the MC Standard),
 - Mastercard Credit,
 - Mastercard Platinum,
 - PINS Mastercard (hereinafter referred to as the PINS Card),
 - Mastercard Gold,
 - Mastercard Debit (may be issued with the Credit Limit, in this case these Rules shall be applicable).Unless stated otherwise, the definition of the Card shall also apply to the Additional Card.
- 1.8. Credit Limit means the maximum credit limit as set in the Application-Agreement provided for the definite period of time.



1.9. Payment Service Rules means the terms and conditions for the provision of Luminor Bank AB payment services.

1.10. Application-Agreement means the application, in the standard form of the Bank, submitted by the Applicant to the Bank for issuing the Card(s) and granting the Credit Limit, including all amendments, additions, and appendixes thereto.

1.11. Account means the account opened with the Bank in the name of the Applicant, which is used for execution of the Transactions or on which the funds belonging to the Applicant are held from which the Credit Limit granted is covered.

1.12. Agreement means the arrangement regarding the terms and conditions for the Card issuing and using and the Credit Limit granting concluded between the Bank and the Applicant, which comprises of the Application-Agreement, the Rules, the Payment Service Rules, the Pricelist, as well as their amendments, additions and appendixes, and any other documents that are indicated in the Application-Agreement as making an integral part.

1.13. Parties means the Bank and the Applicant.

1.14. Rules means the Rules on Credit Limit Granting in Mastercard Payment Card Account to Private Customers that as amended and supplemented constitute an integral part of the Agreement. In the event of any discrepancies between the Payment Service Rules, the General Rules and the Rules the provisions of the Rules shall apply.

Other definitions used in the Rules shall be understood as they are defined in the General Rules, the Payment Service Rules, except for the cases when a different meaning arises due to the context of the Rules.

2. CREDIT LIMIT GRANTING

2.1. Unless stated otherwise in the Application-Agreement, the Credit Limit shall be granted to the MC Standard, Consumer Credit Card, credit card Mastercard Credit, debit card Mastercard Debit and PINS Card for the period from the day of issuing the relevant Card mentioned in this Clause until its expiration date. The used portion of the Credit Limit shall be restored by the amount by which the Credit Limit has been covered. Any amount transferred to the Account with the Credit Limit shall be used first of all for covering of the used Credit Limit.

2.2. Unless stated otherwise in the Application-Agreement, the Bank shall create for the Charge Card a virtual account, which is not a bank account, and shall grant the Credit Limit in such account. The Customer may not add money to the virtual account, may not exceed the Credit Limit, and no transfers can be made from such account and no money can be withdrawn otherwise than at card terminals. The Credit Limit used in the previous month in such virtual account shall be covered from the funds available in the Account of the Holder of the Principal Card. The Credit Limit shall be renewed on the 1st (first) day of each month by the same amount, and such renewal shall take place until the end of the Credit Card period.

2.3. Unless stated otherwise in the Application-Agreement, in case of issuing the Credit Card Mastercard Platinum, the Account with the Credit Limit shall be opened to the Holder of the Principal Card to be used for recording payment transactions performed with the Card. The funds may be deposited or transferred to the Account, the funds available in the Account and the Credit Limit granted may be used to perform the Transactions with the Credit Card. No transfers can be made from such account and no money can be withdrawn otherwise than at ATMs. The Credit Limit shall be granted for the period from the day of issuing the respective Credit Card to its expiration date. The used portion of the Credit Limit shall be restored by the amount by which the Credit Limit has been covered. Any amount transferred to the Account with the Credit Limit shall be used first of all for covering of the used Credit Limit.

2.4. The Card shall be kept by the Bank 12 (twelve) weeks from the date of its issuance. Should the Customer fail to collect the Card from the Bank during this period, the Card shall be destroyed and the Agreement shall be deemed to have expired. In case of the card Mastercard Platinum the Agreement shall be deemed to have expired if the Customer fails to activate the Card within 12 (twelve) weeks after the date of its issuance.

2.5. At the end of the Credit Limit period (term), the Bank has the right not to renew the Credit Limit and not to provide reasons for non-renewal, as well as specify the Credit Limit renewal conditions. If

the Bank and the Holder of the Principal Card conclude the relevant Agreement, the Bank may issue the renewed/new Card without granting the Credit Limit.

2.6. The Holder of the Principal Card hereby confirms that he or she was informed that if he or she wishes the Credit Card to be issued to him or her, following the requirements of the Law on Consumer Credit of the Republic of Lithuania and in seeking to make sure that the Holder of the Principal Card is not declared incapacitated in certain areas, partially incapacitated in certain areas or declared to be a person who makes decisions in certain areas with assistance, the Bank shall verify data about his or her capacity (partial capacity) with the Register of Incapacitated and Partially Incapacitated Persons.

3. INTEREST

3.1. The annual interest rate in the amount specified in the Pricelist shall be charged for the used Credit Limit of the MC Standard, Consumer Credit Card, Mastercard Credit, Mastercard Gold, Mastercard Debit (with the Credit Limit) and the PINS Card. The interest shall be calculated based on the actual number of calendar days; it shall be considered that a year has 360 days.

3.2. The Account with the Credit Limit shall be debited with the amount of interest on a monthly basis on the last Bank business day of each calendar month for which the interest is accrued.

3.3. For the credit card Mastercard Credit, the credit card Mastercard Gold and the PINS Card the interest shall be calculated on the used Credit Limit amount, starting from:

3.3.1. for the credit card Mastercard Credit – from the Value Date in the month following the month in which the Card payment was made and/or the applicable charges and fees were debited; in case of cash withdrawal from card terminals – starting from the date of such withdrawal;

3.3.2. for the PINS Cards and the credit card Mastercard Gold – from the Value Date in the month following the month in which the payment was made and/or funds were withdrawn from card terminals and/or the applicable charges and fees were debited.

3.4. The annual interest rate specified in the Pricelist shall be charged for the used Credit Limit in the card Mastercard Platinum. The interest shall be calculated on the used amount of the Credit Limit based on the actual number of calendar days; it shall be considered that a year has 360 days. The interest shall be calculated from the Value Date in the month following the month in which the payment was made and/or funds were withdrawn from an ATM and/or the applicable charges and fees were debited. The Account shall be debited with the amount of interest on a monthly basis on the last Bank business day of each calendar month for which the interest is accrued.

3.5. The Bank shall not pay interest on a positive balance in the Account, unless otherwise determined by the Bank, or otherwise agreed in writing.

3.6. If any payment under the Agreement is not paid on time, for all of the overdue amount the Bank shall be entitled to calculate default interest in the amount specified in the pricelist of the Bank, with effect from the payment due date (not inclusive) until the actual date of payment. Default interest under the Agreement regarding the terms and conditions for the Credit Card issuance and usage cannot be accrued for a period exceeding 180 days.

4. TERMS AND CONDITIONS FOR THE USAGE OF SEPARATE TYPES OF THE CARDS

4.1. For the Charge Cards:

4.1.1. The Agreement and the Account Statement issued to the Holder of the Principal Card shall specify the Value Date on which the Bank has the right to debit the Account for the amount specified in the Account Statement, consisting of the portion of the Credit Limit used in the previous month. Where the Value Date is a non-Bank business day, it shall be deemed that the Value Date is the next Bank business day.

4.1.2. Provided that the used Credit Limit is covered on the relevant Value Date, the Holder of the Principal Card shall pay no interest on the amount of such used and covered Credit Limit.

4.2. For the Consumer Credit Cards:

4.2.1. Where the Consumer Credit Card is issued and used, the Holder of the Principal Card shall have one Account intended for incoming amounts, settlements and credit repayments, and another Account for the Credit Limit.

4.2.2. The funds may be deposited or transferred to the Account with the Credit Limit, the funds available in the Account and the Credit Limit granted may be used to perform the Transactions with the Credit Card. No transfers can be made from the Account with the Credit Limit, and no cash can be withdrawn from it otherwise than at card terminals.

4.2.3. The Holder of the Principal Card must ensure that an amount equal to 10 (ten) % of the used Credit Limit of the Consumer Credit Card would be available in the Account for incoming amounts on the last day of every month if more than EUR 144.81 (one hundred forty-four euros and 81 ct) of the Credit Limit has been used. In order to cover the used Credit Limit, the Bank shall have the right to debit the Account for an amount equal to the minimum repayment amount of the monthly credit (10 % of the used Credit Limit of the Consumer Credit Card).

4.2.4. If the last day of the month is a non-business day, the funds intended for covering the used Limit of the Consumer Credit Card shall be debited by the Bank on the first Bank business day following the non-Bank business day. The amount of the used Credit Limit of the Consumer Credit Card shall be calculated according to the balance as at the end of the day of debiting.

4.3. For the credit cards Mastercard Credit, credit card Mastercard Gold or PINS Cards:

4.3.1. In case of issuing the credit card Mastercard Credit, credit card Mastercard Gold or PINS Card, the Account with the Credit Limit shall be opened for the Holder of the Principal Card. The funds may be deposited or transferred to the Account with the Credit Limit, the funds available in the Account and the Credit Limit granted may be used to perform the Transactions with the Credit Card. No transfers can be made from the Account with the Credit Limit, and no cash can be withdrawn from it otherwise than at card terminals.

4.3.2. The Bank shall prepare for the principal card the Account Statement on the Transactions carried out by the Customer(s). The Account Statement shall specify the Value Date set in the Application-Agreement by which the Holder of the Principal Card shall add money to the Account with the Credit Limit or the Account from which the Bank debits the funds for the used credit repayment (when the credit repayment via debiting by the Bank has been selected as the credit repayment method), the amount required for covering the amount of the monthly repayable credit specified in the Application-Agreement and shall ensure the availability of such funds in the Account on the Value Date. The amount of the monthly repayable credit will be debited by the Bank on the Value Date from the Account used for debiting the funds by the Bank in order to cover the Credit Limit used.

4.3.3. If the Holder of the Principal Card has selected to repay the used credit via debiting by the Bank as the credit repayment method and before the Value Date adds money to the Card Account for the payable amount or other amount indicated in the Account Statement then the amount will be recalculated and reduced by the added amount of money.

4.3.4. In case a commission fee is applied for crediting of the transfer funds to the Card Account, the Bank shall deduct the commission fees directly related to the Transaction from the amount transferred before crediting it to the Card Account and the amount after deduction of the commission fees is used for the used credit repayment.

4.4. For the MC Standard and Mastercard Debit Cards with Credit limit:

4.4.1. The credit granted and used on the basis of the MC Standard and Mastercard Debit shall be fully covered (repaid) upon expiry of the term of the Credit Limit, unless the Bank demands early covering of the credit or terminates the Agreement according to the procedure set out in the Rules (or other documents covering the Agreement as described in the Rules).

4.5. For the credit card Mastercard Platinum:

4.5.4. If the Holder of the Principal Card has selected the credit repayment via debiting by the Bank as the credit repayment method and before the Value Date adds money to the Card Account for the payable amount or other amount indicated in the Account Statement then the amount will be recalculated and reduced by the added money amount.



5. TOTAL ANNUAL PERCENTAGE RATE OF CHARGE

5.1. The Agreement concluded with the Holder of the Principal Card shall state the annual percentage rate of charge. It shall be calculated according to the procedure for the calculation of the annual rate percentage rate of charge as established by the Bank of Lithuania or other competent authority.

6. RIGHTS AND OBLIGATIONS OF THE BANK AND THE CUSTOMERS

6.1. The rights and obligations of the Customer and the Bank shall be established in the General Rules, the Rules, the Payment Service Rules, the Application-Agreement, and other documents covering the Agreement.

6.2. The Holder of the Principal Card shall:

6.2.1. ensure that there is a sufficient amount of funds in the Account in order to avoid exceeding of the Credit Limit and/or to ensure covering of the used Credit Limit as of the Value Date, and to enable the Bank to debit the amount equal to the amount of the executed Transactions and the Transaction fees, as well as other fees and charges of the Bank specified in the Pricelist;

6.2.2. ensure that the total amount of the Transactions would not exceed the set limits;

6.2.3. ensure that there is a sufficient balance in the Account in order to enable the execution of all payment obligations arising from the Transactions with the Card, and to pay the Bank's charges and fees;

6.2.4. add money, not later than by the Value Date, to the Account with the Credit Limit, or the Account for debiting of funds by the Bank, when the credit repayment via debiting by the Bank is selected as the credit repayment method, in an amount not smaller than necessary to cover the monthly repayable credit stipulated in the Application-Agreement, and ensure the availability of such funds in the Account on the Value Date (applicable only in case of issuing the credit card Mastercard Credit, credit card Mastercard Gold and/or PINS Card);

6.2.5. agree to provide information on the income in the previous year/quarter and other financial information or documents specified by the Bank in the manner specified by the Bank, once a year upon demand of the Bank, or more frequently if the Bank has any doubts regarding the solvency of the Customer. The Holder of the Principal Card must provide this information and the documents to the Bank within 14 (fourteen) calendar days from the day of receipt of such demand of the Bank. Failure to provide information specified in this Clause shall be considered to be a material breach of the Agreement and shall form the ground for unilateral termination of the Agreement by the Bank.

6.3. The Holder of the Principal Card to whom the MC Standard, Mastercard Debit, Consumer Credit Card, Mastercard Credit, Mastercard Gold and/or PINS Card has been issued may cover the used Credit Limit in full or in part at any time by adding the required amount to the relevant Account with the Credit Limit or to fully cover the used Credit Limit by terminating the Agreement on a unilateral basis according to the procedure stipulated in the Agreement. The Holder of the Principal Card shall not pay to the Bank any additional charges related to such covering of the Credit Limit.

6.4. The Holder of the Principal Card to whom the Charge Card has been issued shall be entitled to fully cover the used Credit Limit by terminating the Agreement on a unilateral basis according to the procedure stipulated in the Agreement. The Holder of the Principal Card shall not pay to the Bank any additional charges related to such covering of the Credit Limit.

6.5. The Holder of the Principal Card to whom the Credit Card with the Credit limit or Mastercard Debit with the Credit Limit has been issued shall have the right to withdraw from the Agreement within 2 (two) calendar days from the date of granting the Credit Limit. The Holder of the Principal Card wishing to exercise this right shall give the Bank a written notice as indicated in the Agreement by the end of the set time limit and shall cover (repay) the used Credit Limit (credit) without paying any interest, any other fees, expenses or compensations. When the Holder of the Principal Card exercises the right stipulated in this Clause, Clause 6.6 of the Rules shall not be applicable.

6.6. The Holder of the Principal Card to whom the Credit Card with the Credit limit or Mastercard Debit with the Credit Limit has been issued shall have the right to withdraw from the Agreement within 14 (fourteen) calendar days from the date of concluding the Agreement. The Holder of the Principal Card wishing to exercise this right shall give the Bank a written notice as indicated in the Agreement



by the end of the set time limit. The Holder of the Principal Card shall discharge his or her payment obligations under the Agreement immediately but not later than within 30 (thirty) calendar days from the date of sending the notice of withdrawal from the Agreement to the Bank.

7. AMENDMENT AND TERMINATION OF THE AGREEMENT

7.1. Any applications of the Customer regarding amendment of the terms and conditions of the Agreement (the Credit Limits, etc.) must be submitted to the Bank in writing. Amendments to the Application-Agreement shall come into force when the Bank has approved the corresponding applications of the Customer.

7.2. The Application-Agreement may not be amended except by a written mutual agreement of both Parties. The Bank shall have the right to amend the Rules under the procedure set out in the Payment Service Rules.

7.3. The Agreement shall be effective until the Agreement has been fully performed and/or the Credit Card has expired and/or the Agreement has expired on other grounds.

7.4. Upon termination of the Agreement the Customer cannot use the Credit Limit.

7.5. The Bank shall have the right to terminate the Agreement under the procedure laid down in Clause 8 if any of the following grounds exists:

7.5.1. Late payment – if (a) the Customer fails to pay timely the amount payable under the Agreement, which is at least 10 (ten) % of the used Credit Limit and such payment is overdue more than 1 (one) month, or the Customer fails to pay any amount payable under the Agreement and such payment is overdue more than 3 (months) in a row, and (b) a notice of overdue payment has been served to the Holder of the Principal Card according to the procedure stipulated in the Agreement, the Bank shall have the right to terminate the Agreement and demand that the credit is repaid and the accrued interest and other amounts payable under the Agreement are paid.

7.6. Other grounds:

7.6.1. the Holder of the Principal Card has provided essentially misleading information to the Bank or has concealed information, which affected or could have affected the issuance of the Card(s) with the Credit Limit;

7.6.2. the financial situation of the Holder of the Principal Card has deteriorated considerably (e.g. loss of permanent income or considerable decrease thereof, etc.);

7.6.3. the Holder of the Principal Card has failed to timely repay another debt or has failed to discharge other obligations (or part thereof) to the Bank;

7.6.4. the Account of the Holder of the Principal Card is blocked, or withdrawal or transfer of funds is suspended according to the procedure prescribed by the laws of the Republic of Lithuania, or his or her assets are seized;

7.6.5. the Holder of the Principal Card and/or the Holder of the Additional Card has failed to comply with other terms and conditions of the Agreement and to rectify the violation within 10 (ten) calendar days from the date of serving of the relevant notice of the Bank;

7.6.6. in case of death, declaring as dead, declaring as legally incapable or declaring as missing of the Holder of the Principal Card, or in case of restricting his or her freedom according to the procedure prescribed by the laws;

7.6.7. the Holder of the Principal Card has informed the Bank of his or her intention to initiate his or her self-bankruptcy proceedings, or the information is submitted to the Bank about the application to initiate bankruptcy proceedings against the Holder of the Principal Card which is submitted to the court, or bankruptcy proceedings are initiated against the Holder of the Principal Card;

7.6.8. other grounds established in the legal acts and/or the General Rules or the Payment Service Rules.

8. PROCEDURE FOR TERMINATION OF THE AGREEMENT

8.1. In the case referred to in Clause 7.1 of these Rules, the Bank shall notify the Holder of the Principal Card in writing of the ground for termination of the Agreement and shall set at least a 14 (fourteen) days' period for the elimination of this ground. Should the Holder of the Principal Card fail to eliminate

the ground for termination within the said period, the Bank shall terminate the Agreement with a written notice given to the Borrower.

8.2. In the cases referred to in Clause 7.2 of these Rules, the Bank shall be entitled to terminate the Agreement by giving at least a 30 (thirty) days' prior notice to the Holder of the Principal Card.

8.3. When the grounds provided for in Clause 7 exist, the Bank shall also have the right to demand that the used Credit Limit is covered.

8.4. By the day of termination of the Agreement, the Holder of the Principal Card must discharge any outstanding payment obligations to the Bank under the Agreement.

8.5. Upon submission of the notice of termination of the Agreement by the Customer, the Customer shall lose the right to use the Credit Limit.

8.6. Upon termination of the Agreement the Holder of the Principal Card must immediately repay the used Credit Limit to the Bank, pay the interest and make other payments stipulated in the Agreement.

9. DISPUTE RESOLUTION

9.1. The Bank undertakes to give a written reply not later than within 30 (thirty) calendar days from the date of receipt of the Customer's written claim. In case the Bank's reply is not satisfactory to the Customer he or she shall be entitled, within 6 (six) months from the day of submitting the claim (request/complaint) to the Bank, to apply to the Consumer Protection and Education Division of the Financial Services and Markets Supervision Department of the Supervision Service of the Bank of Lithuania (Žirmūnų str. 151, 09128 Vilnius, tel.: (8 5) 268 0545, (8 5) 268 0549), that examines consumer complaints under the procedure of out-of-court settlement of consumer disputes.

