

Luminor Bank AB

## **RULES ON CREDIT LIMIT GRANTING IN MASTERCARD PAYMENT CARD ACCOUNT TO CORPORATE CUSTOMERS**

The version is valid from 01/08/2018

*These Rules on Credit Limit Granting in Luminor Bank AB Mastercard Payment Card Account to Corporate 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 Corporate Customers or the Rules on Credit Limit Granting in Luminor Bank AB Mastercard Payment Card Account to Corporate Customers are applied.*

*Whereas the Agreement contains references to the General Service Rules of Luminor Bank AB (the General Rules) and at the moment Luminor Bank AB has two effective versions of the General Rules, 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 when the Bank debits the Bank Account for the amount specified in the Account Statement.
- 1.3. **General Rules** means the General Service Rules of Luminor Bank AB.
- 1.4. **Customer** means a legal person or a natural person acting under the Agreement for the benefit of its business or professional activities, who has submitted an application to grant a credit limit to the Bank.
- 1.5. **Credit Card** means Mastercard Business and other cards with the Credit Limit defined on the Customer's request and by decision of the Bank.
- 1.6. **Credit Limit** means the maximum borrowing limit stipulated in the Application-Agreement and available by the Credit Card(s).
- 1.7. **Mastercard** means the international cards organization Mastercard WorldWide, which is responsible for clearing, settlements, and authorization processes as well as for intermediation in card transactions between the Bank and other banks in Lithuania and abroad.
- 1.8. **Payment Service Rules** means the terms and conditions for the provision of Luminor Bank AB payment services.
- 1.9. **Application-Agreement** means the application, in the standard form of the Bank, submitted by the Customer to the Bank for the issuance of the Card(s), including all amendments, additions, and appendixes thereto.
- 1.10. **Account** means the account opened with the Bank in the name of the Customer in euros, from which the Credit Limit granted is covered.
- 1.11. **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 agreed with the Customer and/or the payment demand, as well as other fees/charges and and other amounts payable as accrued during the Reporting Period.
- 1.12. **Agreement** means the arrangement regarding the terms on the Credit Card issuance and usage concluded between the Bank and the Customer, which comprises of the Application-Agreement, the General Rules, the Payment Service Rules, the Pricelist, as well as their amendments, additions and appendixes, and any other documents, which are indicated in the Application-Agreement as making an integral part.
- 1.13. **Parties** means the Bank and the Customer.
- 1.14. **Rules** means the Rules on Credit Limit Granting in Luminor Bank AB Mastercard Payment Card Account to Corporate Customers that as amended and supplemented constitute an integral part of the Agreement. In the event of any discrepancies between the Payment Service 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. The Credit Limit agreed between the Customer and the Bank in the Application-Agreement is granted on the Credit Card. Unless it is stated otherwise in the Application-Agreement, the Credit Limit shall be granted for the period from the day of issuance of the respective Credit Card to its expiration.
- 2.2. Prior to issuing the Credit Card, and not later than the 1 (one) month to the Credit Card expiration date in case of the issuance of the new Credit Card, or the issuance of the additional Credit Card(s), the Customer undertakes, upon the request of the Bank, to submit to the Bank the annual financial statement, the balance sheet, the profit (loss) account for the previous financial year (audited, if applicable), signed by the head of the Customer and the chief accountant and bearing the seal of the Customer (if applicable), which were provided to the Registry of Legal Entities of the State Enterprise Centre of Registers, the Customer's financial statement, the balance sheet, the profit (loss) account for the last quarter signed by the head of the Customer and the chief accountant and bearing the seal of the Customer (if applicable). If the Customer belongs to a group of enterprises, the Bank shall be submitted with consolidated financial statements of the group of enterprises to which the Customer belongs.
- 2.3. During and/or after the issuance of the Credit Card, the Bank shall have the right to require that the Customer should provide, in the form and content contents acceptable to the Bank, an instrument securing the performance of the obligations of the Customer arising from the Agreement.
- 2.4. If the Bank refuses to conclude the Agreement or amends the Credit Limit specified (requested to be granted/set) by the Customer in the Application-Agreement, the Bank shall undertake to inform the Customer within 7 (seven) Banking Days from the date on which the Bank received the Application-Agreement signed by the Customer. If the Bank fails to inform the Customer within 7 (seven) Banking Days about the refusal to conclude the Agreement, it shall be considered that the Bank has agreed to issue the Card, and the Agreement shall be considered to have been concluded under the terms and conditions specified in the Application-Agreement. The Card shall be issued within 3 (three) weeks from the date on which the Application-Agreement is approved.

## **3. USAGE TERMS OF THE CREDIT CARDS**

- 3.1. In case of issuance of the Credit Card, a special virtual account linked to the Credit Card with the Credit Limit granted thereon shall be opened with the Bank. The Customer can neither replenish the virtual account by depositing additional funds in it nor overdraw the Credit Limit granted on such account, and no transfers are possible from such account or cash withdrawals otherwise than by means of POS terminals.
- 3.2. Together with the Application-Agreement the Customer shall submit to the Bank the decision adopted by the Customer's authorized persons regarding the requested total limit of the Credit Cards as well as its distribution to the Card holders.
- 3.3. The Card holder must not exceed the Credit Limit granted to it.
- 3.4. The Credit Limit revolves on the 1<sup>st</sup> (first) day of each month with the same amount of the Credit Limit newly granted and such revolving takes place until the Credit Card expiration date. The Credit Limit amount used over the previous month shall be covered from the funds available on the Account.
- 3.5. The Bank shall produce a general Account Statement for all the Credit Cards issued to the Customer and/or a separate Account Statement for a particular Credit Card of the Customer about all the Transactions performed in the previous month.
- 3.6. The Account Statement submitted to the Customer shall specify the Value Date, on which the Bank has the right to debit from the Account the amount specified in the general Account Statement. This Value Date shall be the 15<sup>th</sup> (fifteenth) day of the current month or the first following Banking Day if the 15<sup>th</sup> (fifteenth) day of the month is a non-Banking Day.
- 3.7. Other fees and charges applicable to the Credit Card, provided that they apply for the Transactions executed and services of the Bank provided during the previous month, shall also be debited from the Account on the Value Date, except the fee for the issuance of the Credit Card.
- 3.8. If there are not enough funds in the Account to make payments, the Bank shall have the right to use the provided Credit Limit to cover these amounts
- 3.9. The Bank shall not pay any interest for the positive balance of the Credit Limit or a positive balance of the Account.

## **4. ACCOUNT STATEMENT**

- 4.1. The Account Statement is prepared for each previous calendar month to include information on the Transactions performed with the Card on which the Bank has received information until the last day of the previous (reporting) month, the interest accrued for the previous month, other fees and charges. The general

Account Statement and the Account Statement prepared for each Card holder shall be presented to the Customer in the manner specified in the Application-Agreement.

- 4.2. The Account Statement shall be prepared by the 5th (fifth) Banking Day of the current month.
- 4.3. In case when the Customer did not receive the Account Statement, the Customer shall have the duty to inquire and contact the Bank regarding receipt of a duplicate of the Account Statement. The duplicate of the Account Statement can be obtained in any branch office of the Bank.
- 4.4. The fact that the Customer did not receive the Account Statement shall not release it from the obligation to make all payments provided for in the Agreement.

## **5. DEBITING OF AMOUNTS PAYABLE**

- 5.1. The Customer must ensure that a sufficient amount of funds would be available on the Account on the Value Date, on the day of debiting the amounts of the Transactions and/or day of executing any other payment obligation under the Agreement, and that the corresponding amounts payable could be debited in a proper and timely manner in accordance with the terms and conditions of this Agreement, and that there would be no unauthorized overdraft on the Account. In case there is an unauthorized overdraft on the Account, a default interest, administration fee and/or other charges shall be applied as defined in the Payment Service Rules or the Pricelist.
- 5.2. The Bank shall debit the Card fees from the Account in accordance with the following timeframe:
  - 5.2.1. The issuance fee for the Credit Card shall be included in the first Account statement and debited from the Account on the Value Date;
  - 5.2.2. The annual and/or monthly administration fee for the Credit Card shall be included in the first Account Statement issued after the order of the Credit Card, and the annual fee shall be annually included in the Account Statement on the last Banking Day of the month when the Credit Card was ordered and shall be debited from the Account on the Value Date.
- 5.3. The Customer shall authorise the Bank to debit from his Account (from the Credit Limit granted in the Account if there are no deposited funds on the Account or, if the funds on the Account are insufficient, from all and any accounts of the Customer opened and held in the Bank, in all currencies, after deduction of currency exchange fees (if applicable)) the amounts of the Transactions executed with the Credit Card, fees and charges applicable to the Credit Card and to the Transactions with the Credit Card, as well as commission fees for the services related thereto as specified in the Pricelist, including the amount of the used Credit Limit (or its part), the interest for the used Credit Limit, the default interest, any other fees and any other amounts payable by the Customer to the Bank as specified in the Agreement without further instruction of the Customer.

## **6. RIGHTS AND OBLIGATIONS OF THE BANK AND THE CUSTOMER**

- 6.1. The rights and obligations of the Customer and the Bank shall be established in the General Rules, the Payment Service Rules, the Application-Agreement, and other documents of the Agreement.
- 6.2. The Customer:
  - 6.2.1. shall ensure that the total amount of the Transactions would not exceed the set limits;
  - 6.2.2. shall ensure a sufficient amount of funds on 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, to avoid an unauthorized overdraft on the Account;
  - 6.2.3. not later than until the Value Date, shall replenish the Account with an amount not less than necessary for covering the monthly repayable Credit Limit specified in the Application-Agreement and ensure the availability of such funds in the Account on the Value Date;
  - 6.2.4. must submit the Customer's annual statements with annexes signed by the head of the company and the chief accountant and bearing the seal (if applicable) and the auditor's report (if applicable) within 4 (four) months from the end of each relevant financial year, as well as any other financial information that may be reasonably requested by the Bank about the Customer's activities, unless otherwise specified in these Rules;
  - 6.2.5. agrees to provide information on the income of 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 Customer 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 the 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;
  - 6.2.6. must reimburse the Bank for costs and fees related to the recovery of the Credit Limit, the interest on the Credit Card, and other indebtedness under the Agreement. Costs related to the resolution of disputes or differences in court, as well as to the consideration of claims, when it is necessary to address Mastercard or other intermediaries, which provide the services related to servicing of the Cards

and processing of information on the Transactions to the Bank, in relation to the receipt of proofs or consideration of a claim, shall be paid by the defaulting party.

## **7. AMENDMENTS 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 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. The Customer shall have the right to terminate the Agreement at any time by submitting a written notice to the Bank.
- 7.5. Upon termination of the Agreement the Customer cannot use the Credit Limit.
- 7.6. The Bank shall have the right to immediately terminate the Agreement in any of the cases specified below:
  - 7.6.1. The Customer fails on time to pay to the Bank any amount payable in accordance with the Agreement, and the amount remains outstanding for 5 (five) Banking Days, or an unauthorized overdraft appears on the Account and is not covered within 5 (five) Banking Days;
  - 7.6.2. The Customer provided the Bank with essentially misleading information or concealed information which affected or could have affected the issuance of the Credit Card(s) or granting of the Credit Limit;
  - 7.6.3. The financial situation of the Customer has deteriorated significantly (e.g. loss of permanent income or considerable decrease thereof, etc.);
  - 7.6.4. The Customer has failed to timely repay a debt or failed to fulfil other obligations or a part thereof toward the Bank;
  - 7.6.5. The Account of the Customer is blocked, or withdrawal or transfer of funds is suspended under the procedure set by the laws of the Republic of Lithuania, or a lien is placed on the assets;
  - 7.6.6. The Customer fails to observe the terms and conditions of the Rules, other than specified in this Clause 7.6, and fails to remedy the breach within 10 (ten) calendar days;
  - 7.6.7. The Customer is reorganized, liquidated, or has been declared insolvent, or suspends payments;
  - 7.6.8. If the Bank fails to receive requested deposit amounts in the relevant currency within a relevant period in the interbank market in the ordinary course of business, the Bank shall inform the Customer with a relevant notice as soon as possible, suspends the usage of the Credit Limit and demands to cover all the liabilities to the Bank not later than within 7 (seven) days. In the case, the Bank shall have the right to terminate the Agreement;
  - 7.6.9. On other grounds for the termination of agreements provided for by the General Rules and the Payment Service Rules.
- 7.7. When the grounds provided for in Clause 7.6 exist, the Bank shall also have the right to block the Credit Card and the Account.
- 7.8. By the day of termination of the Agreement, the Customer must fulfil all outstanding payment obligations towards the Bank in accordance with the Agreement
- 7.9. Upon submission of a notice of termination of the Agreement by the Customer, the Customer shall lose the right to use the Credit Limit.
- 7.10. The Bank shall inform the Customer in writing of termination of the Agreement by setting a 7 (seven) days' period during which the Customer must repay the used Credit Limit, pay the interest and make other payments provided for in the Agreement.