

## CUSTOMER SERVICE AGREEMENT No. \_\_\_\_\_

### Part II

### TERMS AND CONDITIONS OF THE CUSTOMER SERVICE AGREEMENT

#### SECTION 1 GENERAL PROVISIONS

##### 1.1. DEFINITIONS AND INTERPRETATION

**Definitions used in this Agreement have the meanings as set forth below. For the purposes of this Agreement, words in the singular form will be construed to include the plural and vice versa:**

**Bank** means AS (JSC) „Baltic International Bank”, Unified Business Identifier № 40003127883, registered with the Commercial Register [Komercreģistrs] of the Enterprises Register [Uzņēmumu reģistrs] of the Republic of Latvia.

**Customer** means any private person, legal entity, partnership (or similar legal arrangement), which has entered into this Agreement with Bank.

**Parties** mean Bank and Customer (together referred to as the Parties and each individually as a Party).

**Consumer** means Customer who is considered a consumer within the meaning of the Consumer Protection Law [Patērētāju tiesību aizsardzības likums] of the Republic of Latvia.

**RL** is the abbreviation for the Republic of Latvia.

**Application** means Part I of the Customer Service Agreement, signed by the Customer and received by Bank, which is regarded as Customer's application and express consent to avail of Bank's services as listed in the Application and chosen by Customer; or Bank-devised application form signed by Customer, received by Bank, and requesting for services (to be provided according to the terms and conditions stated in the application) and /or for amendments. The Application constitutes an integral part of the Agreement if Bank agrees to provide services specified in the application or agrees to make amendments, as requested in Customer's application, in accordance with this Agreement.

**Bank's Service** means Bank's service specified in Part I of the Agreement, or any other Bank-offered financial service to be provided under this Agreement

**Agreement** means the entire Customer Service Agreement which consists of Part I "Customer Service Agreement" and Part II ("Terms and Conditions of the Customer Service Agreement") and also includes all annexes, amendments and supplementary agreements thereto.

**Terms and Conditions** means Part II ("Terms and Conditions of the Customer Service Agreement") which consists of the following sections:

Section 1: General Provisions;

Section 2: Account Terms and Conditions;

Section 3: Deleted;

Section 4: Terms and Conditions for Remote Banking Services;

Section 5: Payment Card Usage Regulations;

Section 6: Deposit Terms and Conditions;

Section 7: Terms and Conditions for Foreign Currency Exchange Transactions.

**Fee Schedule** means the list of current fees and rates charged for Bank's services.

**Fee** means the price that Customer pays as remuneration for Bank's services, as specified in the Fee Schedule or the respective agreement entered into between Bank and Customer.

**Annual Card Fee** means a fee specified in the Fee Schedule, charged by Bank for servicing the Card and payable by Customer in the manner prescribed by the Agreement.

**Card Issuance Fee** means a one-time fee specified in the Fee Schedule, charged by Bank for production and issuance of the Card and payable by Customer in the manner prescribed by the Agreement.

**General Terms and Conditions for Transactions** means currently effective General Terms and Conditions for Transactions adopted by Bank.

**Banking Day** means Bank's regular hours of operation during official working days of the week in the Republic of Latvia (these are the days between and including Monday to Friday and do not include weekends (Saturday and Sunday) and legal public holidays established) by the applicable laws of the Republic of Latvia (and any other day declared to be a holiday by the government), on which Bank is open for customers and provides banking services unless other hours of operation are arranged and agreed upon in the respective agreement entered into between Bank and Customer. Changes to Bank's hours of operation are available for viewing on Bank's website [www.bib.eu](http://www.bib.eu) and at customer service venues.

**Bank-Approved Means of Electronic Communication** mean (depending on a type of Bank's service and the provisions of any agreement entered into between Bank and Customer): Internet Banking, electronic mail, telephone, fax, and other means of electronic communication used by Bank.

**Account** means any Customer's multicurrency current account set up with Bank under the Agreement.

**Order** means Customer's order (under Bank's approved form executed order which satisfies Bank's requirements) submitted to Bank in connection with Bank-offered services (Account, Card Account, Card, Deposit, Remote Banking Transactions, Foreign Currency Exchange Transactions and others).

**Penalty Fee** means an agreement penalty imposed on Customer in case of non-fulfilment or improper fulfilment of an obligation ensuing from the Agreement or failure to fulfil an obligation within the prescribed time frame. The amount of the Penalty Fee is specified in Bank's Fee Schedule, in the Agreement and/or in an agreement entered into between Bank and Customer. Payment of the Penalty Fee will not in any way exempt Customer from fulfilling its obligations.

**Late Fee** means interest that Customer must pay for his failure to pay the amount due by the due date. The annual interest rate used to calculate Late Fee is specified in the Fee Schedule, the Agreement and/or in any other agreement entered into between Bank and Customer.

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**Remote Banking Services (abbreviated as RBS)** mean Internet Banking, Telephone Banking, SMS Banking Facility and submission of Orders via Bank-Approved Means of Electronic Communication.

**Remote Banking Services User (also as RBS User)** means Customer or an individual indicated in the Application and designated and empowered by Customer to conduct Remote Banking Transactions using Remote Banking Services.

**Remote Banking Transactions (also as RBTs)** means funds transfer and payments execution, conduction of transactions in financial instruments, alternative investment products and with funds available in the Account; conclusion of agreements; acceptance of Orders and applications at Bank, presentation and receipt of information; or any other activities that Bank offers to perform using Remote Banking Services in accordance with the provisions of RBTs and making available to Customer all related information on Bank's website or communicated to Customer in any other unambiguous manner by using RBS.

**Internet Banking** means a service that enables Customer to submit Bank Orders to conduct Remote Banking Transactions using internet.

**Internet Banking Mobile Application** is the software (**BIB Mobile Application**) available through Bank-specified mobile application distribution platforms, or through web apps supported by Bank's servers. Customer for use of Internet Banking in his smartphone or other portable device downloads a copy of the BIB Mobile Application software to his smartphone or any other portable device.

**DigiPass Device** means Bank-issued device designed to generate codes to be used by RBS User to confirm to Bank their identity when using Remote Banking Services.

**DigiPass for Mobile** means Bank-approved software designed to generate codes to be used by RBS User to confirm to Bank his identity when using Remote Banking Services.

**Telephone Banking** means a service which enables Customer to submit Orders to Bank by contacting Bank's employee via telephone communication means with respect to the definite Telephone Banking Transactions (as specified in the Application) to be processed through Customer's Accounts, Card Accounts and Deposit Accounts; or, as indicated in the Agreement or RBT provisions, with respect to RBTs or as well as to specified RBTs negotiated and agreed upon between Customer and Bank on a separate basis.

**Telephone Banking Transactions** mean Remote Banking Transactions specified in the Application and to be processed through Customer's Account, Card Account and Deposit Account according to the RBS User Order submitted via Telephone Banking, in conformity with the Order details (particulars) as specified in the Application and in accordance with the amounts of money to be transferred. If the details or amounts stated in the RBS User's Order do not conform to Telephone Banking Transactions, Bank will not execute the Order.

**SMS Facility** means a service which enables:

- Customer/Cardholder to receive short message (SMS) containing information about the approved and/or rejected Card Transactions, Card Account balance as well as history of performed Card Transactions, by sending a short message (whose contents/format is prescribed by Bank) from his mobile phone to the telephone number provided by Bank;
- Internet Banking User to receive short message (SMS) containing information about debit and/or credit transactions posted to the Account; the service is activated/triggered by the Internet Banking-specific settings.

**Order Submission Over Bank-Approved Means of Electronic Communication** means a service that enables Customer and RBS User to submit Transactions Orders over Bank-Approved Means of Electronic Communication, which allows sending Bank an electronic copy of the paper-based Order.

**Transaction Provisions** mean provisions applicable to Bank's services and outlined in agreements for rendering a particular service (as entered between Bank and Customer) or other Bank's internal guidance documents which are binding upon Customer and regulate mutual obligations between Bank and Customer associated with the services that Customer receives from Bank.

**"Concierge" Services Provider** means a company that provides "Concierge" services to MasterCard Platinum, MasterCard World Elite, and VISA Infinite Cardholders according to the provisions as stated in the Application.

**"MasterCard Gateway" Services Provider** means a company that provides services to MasterCard Platinum and MasterCard World Elite Cardholders according to the provisions as stated in the Application.

**Cardholder** means Customer or an individual who is specified in the Application and whom Customer has explicitly empowered to use the Card.

**Card (also Payment Card)** means an international payment card MasterCard Standard, Business, Gold, Platinum, World Elite, Maestro, Amber Card, Visa Infinite or White Card linked to the Card Account and issued by Bank to Cardholder (according to the provisions of the Agreement) and which shall be used according to the Agreement.

**Amber Card** is an international payment card that is a complementary card (complementary service) issued to MasterCard Platinum or MasterCard World Elite Cardholder and assigned to certain MasterCard Platinum or MasterCard World Elite. Amber Card has the following features:

- the Cardholder's full name is not embossed on the card;
- it is accepted only electronically at all merchant locations or ATMs accepting MasterCard.

**White Card** is an international payment card that is a complementary card (complementary service) issued to Visa Infinite Cardholder and assigned to certain Visa Infinite card. White Card has the following features:

- the Cardholder's full name is not embossed on the card;
- it is accepted only electronically at all merchant locations or ATMs accepting VISA cards.

**Card Account** means Customer's Account with Bank, to which one or more Cards may be linked; wherein all Card Transactions are recorded; wherefrom payments resulting from Card Transactions are deducted.

**Card Transaction** means:

- a) financial transaction (conducted while using the Card or Card data) for payments for goods or services and cash withdrawal transactions at ATMs and other cash advance locations;
- b) Card Account balance replenishment or reducing;
- c) usage of other services offered to Cardholder by Bank, business partners or third parties, and conclusion of transactions offered to Cardholder.

**Card Loan** means the loan granted to Customer by Bank and denominated in the primary currency of the Card Account, up to the Credit Limit. Customer receives the Card Loan when conducting Card Transactions. The Card Loan is assigned to certain Card Account and is applicable to all Cards linked to the Card Account.

**Card Loan Interest** means remuneration paid by Customer to Bank in the manner prescribed in the Agreement for using the Card Loan and calculated applying certain percentage rate as specified in the Application as a certain fixed annual interest rate.

**Card Loan Annual Interest Rate (CLAIR)** according to the "Consumer Lending Regulations" No 1219 adopted by the Cabinet of Ministers of the Republic of Latvia means the Card Loan-related overall costs specified in the Application (for private

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persons) and expressed as a percentage of the Credit Limit, assuming that:

- the full amount of Card Loan (up to a pre-agreed Credit Limit) is withdrawn immediately;
- Card Loan is paid off within one year from the effective date of the Card Loan, on a monthly basis, in fixed (equal) payments, unless otherwise stipulated by the Agreement.

**CLAIR** is computed upon Bank's approval of the Card Loan, is provided for informational purposes only, and reflects overall Customer costs of using the Card Loan in relation to the Credit Limit.

**Total Card Loan Amount (TCLA)** according to the "Consumer Lending Regulations" No 1219 adopted by the Cabinet of Ministers of the Republic of Latvia means the Credit Card-related overall costs expressed in monetary funds and specified in the Application (for private persons), assuming that:

- the full amount of Card Loan (up to a pre-agreed Credit Limit) is withdrawn immediately;
- Card Loan is paid off within one year from the effective date of the Card Loan, on a monthly basis, in fixed (equal) payments, unless otherwise stipulated by the Agreement.

**TCLA** is computed at the time of concluding the Agreement, is provided for informational purposes only and reflects the overall costs of Customer of using the Card Loan.

**Credit Limit** means the limit on the amount of Card Loan, as specified either in the Application or in these Terms and Conditions, to which Cardholder is entitled to use a Card Loan. If no Credit Limit is specified in the Application, it is considered that the Credit Limit has not been established, and all sums spent in excess of the available amount in the Card Account and in excess of the Card Overdraft Bonus (if any) will be considered as unauthorised debit balance in the Account. The Credit Limit is assigned to certain Card Account and is applicable to all Cards linked to the Card Account.

**Card Overdraft Bonus** means a sum of money up to which the Cardholder is authorised, in excess of the available amount in the Card Account and in excess of the Credit Limit (if any), to make Card payment(s) within the limit of the Card Overdraft Bonus provided if Customer has submitted the Card Overdraft Bonus Application to Bank and Bank has approved the Application.

**Settlement Period** means a timeframe equal to one calendar month, starting from the 1<sup>st</sup> (first) day of each calendar month (inclusive) till the last day of the respective month (inclusive).

**Statement** means the account statement (a paper-based or electronic document) that Bank prepares for and issues to Customer to show the movement in the Account and/or Card Account during a specific period of time and Account and/or Card Account balance both at the beginning and the end of the period.

**Setoff Date** means the 10<sup>th</sup> (tenth day) of each calendar month (inclusive) prior to which Customer is obligated to pay off all amounts of debt that are charged to the Card Account (for Card Transactions), according to the Statement for the previous Settlement Period, and to pay off the Card Loan and interest thereon payable to Bank (if Customer uses Bank-granted Card Loan).

**PIN** means a Personal Identification Number assigned by Bank to the Cardholder together with the Card and which is mean of identification to confirm Card Transactions.

**SecureCode** is a private security code (a random string of characters), one of Cardholder's secure authentication elements, which is issued by Bank to Cardholder together with Card and which is used by Cardholder as one of the means of identification to confirm Card Transactions in the internet environment.

**OTP** is a one-time password loaded on Cardholder's mobile phone. OTP must be used together with SecureCode to confirm Transactions while shopping online at participating merchants.

**ATM** means an electronic device for cash withdrawn.

**Deposit Account** means a special-purpose account for Standard Deposit, Multicurrency Deposit, Accumulative Savings Deposit, Junior

Savers Deposit, Open-End Deposit or Deposit 33 (individually or all together) set up with Bank according to the Application. Money may be credited to the Deposit Account only from the Account for Subtracting Deposit Principal by submitting to Bank the Order to credit the money to the Deposit Account. In case of Multicurrency Deposit, multiple Deposit Accounts may be opened in accordance with the number of permitted currencies as specified in the Application.

**Account for Subtracting Deposit Principal** means the Account opened and maintained by Bank in Customer's name and specified in the Application, wherefrom money are withdrawn for placing as Deposit or for Deposit replenishment.

**Account for Receiving Deposit Principal** means Customer's Account with Bank, as specified in the Application, wherein Bank transfers the Deposit Principal or a portion thereof.

**Account for Receiving Deposit Interest** means Account opened and maintained by Bank in Customer's name and specified in the Application wherein Bank remits the Deposit Interest in case of Standard Deposit and Multicurrency Deposit.

**Deposit** means Customer's funds deposited in the Deposit Account.

**Deposit Principal** means the amount of money, as specified in the Application for Deposit placing, paid-in (deposited) to the Deposit Account.

**Deposit Amount** means Deposit Principal together with additional pay-ins (if Customer-chosen type of Deposit may be replenished) and capitalised Deposit Interest.

Capitalised Deposit Interest means interest calculated for every calendar day, starting from Deposit Opening Date, and added to Deposit Principal, thus increasing the initially deposited Deposit Principal. Subsequently, Deposit Interest is calculated based on (i) Deposit Principal accrued in the Deposit Account and (ii) Deposit Interest already added to Deposit Principal.

**Deposit Opening Date** means the date on which (i) the Deposit amount is deposited in the Deposit Account; and (ii) the Deposit Tenor commences.

**Deposit Maturity Date** means (i) the expiration date of the Deposit as set forth on the Application or (ii) the Deposit Repayment Date as set forth in Customer's Order if Deposit is placed for a non-fixed period of time.

**Deposit Tenor** means the life period of the Deposit from the Deposit Opening Date to the Deposit Maturity Date.

**Long-Term Deposit** means a Deposit placed for a tenor longer than one month or for a non-fixed period of time (non-fixed deposit).

**Short-Term Deposit** means a Deposit placed for a tenor longer of up to one month (inclusive).

**Deposit Interest** means the interest earned by the Deposit Principal and paid out by Bank according to Application, this Agreement and Fee Schedule.

**Standard Deposit** means a Deposit placed for a fixed period of time, with a non-changing Deposit Interest rate (as specified in the Application), with the option to receive Deposit Interest at the beginning of the Deposit Tenor, every month, every quarter or at maturity, without the option to replenish the Deposit during the life of the Agreement.

**Multicurrency Deposit** means a Deposit placed for a fixed period of time, with a non-changing Deposit Interest rate (as specified in the Application), with the option to receive Deposit Interest at maturity, without the option to replenish the Deposit during the life of the Agreement, but with the option to convert (during the life of the Agreement) the currency of the Deposit Principal to a permitted currency as specified in the Application. Based on Application, money held in the Deposit Account is converted to a currency specified in the Application according to

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Bank's General Currency Exchange Rate in effect on the day the money is converted.

**Accumulative Savings Deposit** means a Deposit placed for a fixed period of time, with a non-changing Deposit Interest rate (as specified in the Application), with the option to replenish the Deposit, with a monthly interest capitalisation, with the opportunity to withdraw the Deposit Amount partially during the life of the Agreement if an amount of money stipulated in the Application has been previously added to the Deposit.

**Junior Savers Deposit „Start-up“** is a Deposit with a changing Deposit Interest rate, deposited by the Client in the name of a juvenile represented by his/her natural guardian or legally appointed guardian for the time period until the juvenile attains the age of majority (eighteen years), however, the minimum period of the Deposit cannot be shorter than 1 (one) year; with the option to replenish the Deposit, with a yearly Deposit Interest capitalisation and withdrawal at maturity.

**Open-End Deposit** means a Deposit placed for a non-fixed period of time, with a changing Deposit Interest rate, with the option to replenish the Deposit, with a monthly Deposit Interest capitalisation, with the opportunity to withdraw the Deposit Amount either partially or in full by giving Bank a notice 7 (seven) calendar days prior to the withdrawal, or to withdraw the Deposit Amount within a shorter period of time paying Bank a Penalty Fee.

**Deposit 33** means a Deposit placed for a non-fixed period of time, with a changing Deposit Interest rate, with the option to replenish the Deposit (during the life of the Agreement), with a quarterly Deposit Interest capitalisation, with the opportunity to withdraw the full Deposit Amount giving Bank a 33 (thirty three) day notice or to withdraw the Deposit Amount within a shorter period of time paying Bank a Penalty Fee.

**Bank's General Currency Exchange Rate** means Bank-established foreign currency exchange rate for Bank-specified convertible currencies; the rate is available for viewing on Bank's website [www.bib.eu](http://www.bib.eu) and at Bank's premises during Banking Days.

**Foreign Currency Exchange Transaction** means a transaction whereby Bank, according to the General Exchange Rate or according to a currency exchange rate agreed upon between the Parties, buys and sells currencies for other currencies (converts one currency to another).

**Currency Exchange Order** means Customer's Order to conduct Foreign Currency Exchange Transaction; filled in and executed and submitted to Bank in the manner and form prescribed by Bank.

**Security Deposit** means Bank-specified amount of money that (i) Customer must pay in to and hold in the Security Deposit Account in the cases and in the manner prescribed in Section 7 hereof and (ii) is used in the manner prescribed in Section 7 hereof.

**Security Deposit Account** means Customer's account opened with Bank specifically for depositing therein money serving as Security Deposit to secure Foreign Exchange Transactions.

## 1.2. General Customer's Service Provisions

1.2.1. The Agreement, Fee Schedule and General Terms and Conditions for Transactions are binding upon Customer, RBS User and Cardholder. By signing the Agreement, Customer certifies that Customer has read the Agreement, Fee Schedule, General Terms and Conditions for Transactions, agrees to be bound by them, and has ensured that RBS User and Cardholder have also read them.

1.2.2. The Agreement will come into full force and effect only after Bank's representative has signed (or otherwise approved in a manner determined by Bank) the Agreement, thus confirming that Bank agrees to Customer servicing provisions outlined in the Agreement. This Agreement will be of unlimited duration.

1.2.3. This Agreement will terminate upon termination of all services provided by Bank to Customer under this Agreement.

1.2.4. Bank is entitled to unilaterally discontinue performance of services specified in the Agreement and terminate the Agreement by giving Customer a written notice of termination 2 (two) months prior.

Bank is entitled to unilaterally, without giving Customer a prior warning and notice, terminate performance of Bank's duties under the Agreement and/or to immediately discontinue performance of services (either entirely or partially) provided to Customer under the Agreement, or to refrain from providing the services (also, to terminate performance of any specific Transaction) if any of the following events occurs:

1.2.4.1. Customer, RBS User or Cardholder fails to meet any provision of this Agreement;

1.2.4.2. Bank has a suspicion that Customer could be related to a legalization of funds obtained in a criminal way (money laundering) or terrorism financing;

1.2.4.3. Bank has a suspicion that a person, who has not been identified or duly authorized to represent Customer, is acting on Customer's behalf;

1.2.4.4. Bank has a suspicion about Customer's legal disability (the lack of legal capacity) or become known about Customer death;

1.2.4.5. Customer fails to provide Bank-requested information about Customer, Customer's beneficial owner, its business and/or personal activity, source/origin of funds, as well as rationale and purposes for specific Transactions; also Bank has a reasonable doubt as to whether or not Customer-provided information is trustworthy and reliable (authentic, corresponds to the factual circumstances);

1.2.4.6. in other cases provided for in the General Terms and Conditions for Transactions, other agreement entered into between Bank and Customer, or regulative enactments of the Republic of Latvia whenever Bank has the right and/or obligation to terminate any specific Transaction and/or discontinue the existing business relationship with Customer.

If Bank rescinds the Agreement in the manner prescribed by this clause, Customer retains the duty to fully discharge obligations under the Agreement or any other agreement entered into between Bank and Customer, and the terms and conditions of this Agreement/other agreement will remain binding upon Customer until Customer fully fulfils its obligations under the Agreement/other agreement.

1.2.5. Bank may, unilaterally and at its sole discretion, amend the Terms and Conditions and the Fee Schedule in the following manner:

1.2.5.1. Bank will notify Customer, who is considered a Consumer, of the amendments (relating to payment services within the meaning of the RL Payment Services and Electronic Money Law [*Maksājumu pakalpojumu un elektroniskās naudas likums*]), at least 2 (two) months prior to the date upon which the amendments will come into full force and effect. To this end, the text of the amendments or the amended Terms and Conditions (Fee Schedule) will be made available at Bank's premises, posted to Bank's website [www.bib.eu](http://www.bib.eu) or delivered to Customer over Bank-Approved Means of Electronic Communication.

If Customer does not agree to Bank-made amendments, Customer may (subject to the condition that Customer has discharged all of the obligations owed to Bank under the Agreement with respect to the services whose terms are amended) discontinue using the respective service whose terms are amended, by giving Bank a written notice thereof before the date on which the amendments become effective.

Customer's failure to give Bank a written notice (statement) of objection within a specified time frame will be construed as tacit acceptance of the amendments.

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1.2.5.2. To notify Customer of the amendments not specifically mentioned in clause 1.2.5.1 hereof, Bank will make the text of the amendments available at Bank's premises and will post it to Bank's website [www.bib.eu](http://www.bib.eu) prior to the date upon which such amendments will come into full force and effect. If Customer does not agree to Bank-made amendments, Customer may (subject to the condition that Customer has discharged all of the obligations owed to Bank under the Agreement/other agreement entered into between Bank and Customer with respect to the services whose terms are amended) discontinue using the respective service whose terms are amended, by giving Bank a written notice thereof before the date on which the amendments become effective. Customer's failure to give Bank a written notice (statement) of objection within a specified time frame will be construed as tacit acceptance of the amendments.

1.2.5.3. Bank is entitled to reset the interest rate applied on Card Loan. Bank will notify Customer of change at least 1 (one) month prior to the date upon which the revised interest rate becomes effective but in any case no earlier than the Setoff Date of the next calendar month. To keep Customer informed, Bank makes the relevant information available on Bank's website [www.bib.eu](http://www.bib.eu) and at Bank's premises.

1.2.6. Customer has the right and obligation to read the most recent version of these Terms and Conditions, Fee Schedule and General Terms and Conditions for Transactions, Privacy Policy, when using mobile applications), and other Bank's documents (available for public review at Bank's premises during regular operating hours or on Bank's website [www.bib.eu](http://www.bib.eu)) and to ensure that every single RBS User and Cardholder regularly reads the aforementioned documents (as amended or updated). Bank will not assume responsibility for any loss incurred by Customer if Customer fails to read or has not ensured that every single RBS User and Cardholder read the aforesaid updates and amendments.

Customer may read previous (historical) versions of Bank's internal regulatory documents governing mutual relationship between Bank and Customers (which were valid before the entry of the most current versions into force and which were posted on Bank's website [www.bib.eu](http://www.bib.eu)) at Bank's premises.

1.2.7. Fee is calculated and payable in accordance with the Agreement/other agreement entered into between Bank and Customer, and the Fee Schedule.

1.2.8. According to the procedure and to the extent prescribed by the regulative enactments of the Republic of Latvia, Bank may release (disclose), request and obtain third-party information about Customer, Customer's beneficial owner, RBS User and Cardholder, including information from the Bank of Latvia's Credit Registry. Also, Bank may independently obtain the aforementioned information -- from publicly available registries, personal data processing systems held by public sector entities, or self-governments (municipalities), and other by public sources -- to ensure the provision of services and compliance with all applicable laws and regulations of the Republic of Latvia.

1.2.9. The Agreement is legally binding upon and applies to Customer and Customer's each and every successor in interest.

1.2.10. Customer undertakes to prevent the money (held in the Account) from being involved in financial transactions that are non-compliant with regulations of the Republic of Latvia, other applicable legal instruments, and the Agreement.

1.2.11. By signing the Agreement, Customer hereby represents to Bank as follows:

1.2.11.1. the funds credited to the Account (incoming sums of money) originate from legitimate/legal sources;

1.2.11.2. Customer will not use the Account and Bank-rendered services for illegal activities, including any activities/operations connected with or related to legalization of funds obtained in a criminal way (money-laundering) and/or a terrorism financing offence.

1.2.12. Customer will, upon Bank's first request, immediately furnish the required documents and information to prove business or apparent lawful purpose, economic substance (meaningful economic purpose) and the legality of planned and already executed transactions. Whenever Bank has reasonable grounds to suspect that Customer operates the Account(s) or initiates a particular transaction on specific instructions or for the benefit of third parties, Bank is entitled to require Customer to provide beneficial ownership information, i.e. information about the ultimate beneficial owners of the Account, who have control over, or entitlement to, the funds held in the Account. Customer will provide the necessary information upon Bank's first request within the time frame set forth by Bank.

1.2.13. Customer will be liable for both direct and indirect loss incurred by Bank and / or third parties in accordance with the General Terms and Conditions of Transactions and other agreements entered into between Customer and Bank, including cases where the value of the loss exceeds the amount of Penalty Fee.

1.2.14. In the event of any conflict, variance or contradictions between the provisions of the Terms and Conditions and those contained in the Application, the provisions of the Application will in all respects supersede and govern.

1.2.15. All notices, applications or other communications will be sent according to the General Terms and Conditions for Transactions.

1.2.16. This Agreement is made and will be governed by, and interpreted and construed in its entirety in accordance the substantive rules of the Republic of Latvia

1.2.17. In the event of any conflict or inconsistency between the Latvian and other language versions of these Terms and Conditions, the Latvian language version will be treated as the definitive version.

### 1.3. Dispute Settlement

1.3.1. Bank has in place the „Rules for Handling Customer Complaints and Disputes“ which can be read while at Bank's premises (during operating hours, Banking Days) and on Bank's website [www.bib.eu](http://www.bib.eu). All disputes between Bank and Customer, which arise out of this Agreement or in connection with fulfilment or non-fulfilment of obligations stemming therefrom, will be resolved informally through good faith negotiations between the Parties. If an amicable resolution proves impossible, the disputes, discords or claims arising out of affecting this Agreement, or relating to the infringement, termination or invalidity of the Agreement will be finally resolved, at the discretion of the claimant, either by:

1.3.1.1. applying the prorogative jurisdiction (unless the dispute falls within the exclusive jurisdiction), in a court of first instance of the Republic of Latvia, namely, the Vidzeme District Court in the City of Riga [*Rīgas pilsētas Vidzemes priekšpilsētas tiesa*]; or

1.3.1.2. the Court of Arbitration run by the Association of Latvian Commercial Banks [*Latvijas Komerbanku asociācijas šķirējtiesa*] (registration number: 40003746396, headquartered in Riga), in accordance with the applicable laws of the Republic of Latvia and the Charter, Standing Order and Regulations on sue charges of the Court of Arbitration. The covenants of the foregoing instruments are deemed to be incorporated by reference into this clause. The panel will be composed of a sole arbitrator. The Parties charge the Chief Justice of the Court of Arbitration to appoint the arbitrator. The language applicable to the Arbitration will be Latvian; or

1.3.1.3. court having jurisdiction over the place where the respondent (private person) is domiciled or where the

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respondent (legal entity) has its corporate seat (registered office).

1.3.2. Customer irrevocably agrees as follows: if Bank assigns (transfers) its claims against Customer under this Agreement to a third party, then the provisions outlined in clauses 1.3.1 hereof concerning the adjudication procedure (including the agreement concerning the Court of Arbitration) will remain in full force and effect and will govern Customer's relationship with a person to whom Bank assigns (transfers) its claims against Customer.

1.3.3. Customer (considered a Consumer) has the right to submit a written claim to the Ombudsman of the Association of Latvian Commercial Banks in respect of services provided by Bank. The Ombudsman of the Association of Latvian Commercial Banks is located in Riga at the following address: Pērses ielā 9/11, Rīgā (website: [www.lka.org.lv/lv/ombuds/](http://www.lka.org.lv/lv/ombuds/)).

#### 1.4. Other Provisions

1.4.1. Customer agrees that Bank is entitled to process personal data related to Customer, Customer-designated representatives, Customer's beneficial owner and other Customer-related third parties in accordance with the General Terms and Conditions for Transactions. Customer hereby certifies as follows: before delivering the personal data to Bank, Customer has obtained (or will obtain, with respect to the data to be delivered in the future) the express consent of Customer-related third parties (to whom such personal information pertains) to deliver the data to Bank for processing.

1.4.2. Customer will immediately notify Bank of any changes in previously submitted information (company / registration number, registered office, residence address, address for exchanging information, contact address, data contained in the personal identification document, Customer's legal status or changes related to the representative powers granted to Customer-designated persons. Customer will furnish Bank with copies of the relevant supporting documents (written to satisfy Bank's requirements) no later than on the date such changes come into full force and effect (the effective date).

1.4.3. Either Party will be relieved from responsibility for complete or partial non-fulfilment of any of its respective obligations under this Agreement when such non-fulfilment arises out of force majeure circumstances which could not be definitely foreseen by the Parties or prevented by human care, skill or foresight. Force majeure is defined generally as any event or condition not reasonably foreseeable and not reasonably within the control of either Party (Bank or Customer), including natural disasters, fires, industrial disasters, long-lasting telecommunications failures, civil disturbance or disobedience (mass riots), strikes, military operations, decisions made by governmental authorities or municipalities and judicial institutions or their legally binding normative instruments that are non-individual in nature, provided that those circumstances have directly obstructed the fulfilment of contractual obligations under this Agreement. Upon the occurrence of force majeure events the affected Party is obligated to immediately notify the other Party in writing and to provide, upon the other Party's request, a documentary proof of the circumstances. The Party pleading force majeure has the burden of proof and must therefore provide evidence (furnish appropriate proof) of the occurrence of such force majeure.

1.4.4. Bank will not be liable in any manner whatsoever for any loss incurred by Customer and resulting from the occurrence of the following events: restrictions on fulfilment of the obligations, insolvencies, bankruptcies, revocation or limitation of the licences of Bank's counterparties, issuer of financial instruments, third parties and Bank itself; the nationalisation of or placing a freeze on Customer's money (funds) or financial instruments.

1.4.5. Under the applicable laws of the Republic of Latvia, Bank will maintain the confidentiality of all information possessed by Bank in relation to Customer, Customer-related third parties and their

transactions, except in cases stipulated by the applicable laws of the Republic of Latvia.

1.4.6. The confidentiality requirement does not apply to:

1.4.6.1. the disclosure of public domain information;

1.4.6.2. information to be disclosed in cases, to the extent and in the manner prescribed by the applicable laws of the Republic of Latvia or other regulations that are legally binding on Bank;

1.4.6.3. information to be disclosed by Bank to its counterparties/third-party service providers whom Bank has engaged to perform certain functions or to provide services to be rendered to ensure proper administration of the Card Account and the Card directly linked to the account; the disclosure will be limited to such total volume as may be necessary to third party to provide a particular service and to perform the assigned duties according to the applicable laws of the jurisdiction (domicile) where such a third party is a resident;

1.4.6.4. information to be surrendered to the Bank of Latvia's Credit Registry in accordance with the Credit Registry Rules; the information is related to Customer to whom Credit Limit is assigned and Customer's credit behaviour /fulfilment of financial obligations. The most current and updated version of the Credit Registry Rules is maintained on the Bank of Latvia's website [www.bank.lv](http://www.bank.lv);

1.4.6.5. information related to Customer's credit behaviour to be disclosed to persons who have provided collateral to secure Customer's financial obligations (guarantor, mortgagor / pledgor, and others);

1.4.6.6. information to be disclosed to persons to whom Bank transfers (assigns) Bank's right of claim against Customer;

1.4.6.7. information to be disclosed in cases where Bank initiates debt recovery or enforcement of other Customer's obligations.

1.4.7. Bank is not obligated to keep Customer informed regarding the disclosure of such proprietary information referred to cl. 1.4.6 hereof.

1.4.8. Customer hereby declares that all information submitted in connection with this Agreement is true, accurate and complete.

1.4.9. By signing this Agreement, Customer authorises Bank to offer Customer banking services, by using Bank-Approved Means of Electronic Communication and post. Customer may refuse to receive commercial communications by giving Bank appropriate notice.

1.4.10. Bank has the right to get in touch with Customer and deliver information, including but not limited to, statements (reports), requests, notifications, letters of explanation and replies to Customer's letters, requests and/or claims and others over Bank-Approved Means of Electronic Communication, unless the Agreement or any other agreement entered into between Bank and Customer provides for any other manner of communication and information-sharing.

If an unidentified third person has contacted Customer on Bank's behalf (inter alia, telephonically, through electronic mail or SMS facility) requested to provide (give, send) any Customer-related information, including, but limited to, unique identifiers (passwords, PINs, DigiPass- and/or DigiPass for Mobile generated codes, and others), account numbers, Bank's services, personal data and other confidential information (or any portion thereof), Customer is obligated, before disclosing (giving or sending) the requested information, to get in touch with Bank to make sure that Bank is the real requester of the information and request authenticity. Bank will not reimburse Customer for any loss caused by unauthorised disclosure of the information to unidentified third persons.

1.4.11. If Banks grants Card Loan to Customer, then Customer will immediately (but not later than within 5 (five) Banking Days after receiving all relevant information) notify Bank of the

BANK: \_\_\_\_\_

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following circumstances: any claims filed against Customer in a court of justice or arbitration court; judicial (criminal proceedings) and administrative procedures instituted against Customer, the legal owner of the security (collateral) provided in Bank's favour, and/or Customer's beneficial owner. Customer will, within the same deadline, notify Bank of the commencement of the judicial remedy (legal defence) process or insolvency process, corporate reorganisation or dissolution (liquidation) or death of any of the aforementioned persons.

1.4.12. If Customer (a private person) uses Card Loan, then Customer is entitled to obtain the Statement at any time during the effective term of this Agreement, upon written request and free of charge. Bank will send the Statement to Customer by using Customer-preferred method for receiving monthly Statements, as specified on Customer's Application.

1.4.13. Bank emails Statements in an encrypted manner to Customer's e-mail address. Customer must always keep the password used to receive Statements strictly confidential. If Customer becomes aware that the password has come into possession of unauthorised third party or if Customer has a reason to suppose that the password has become known to unauthorised third party, Customer must immediately report, over Bank-approved means of electronic communication, the fact or the suspicions to Bank.

Bank will not be liable for any loss incurred by Customer if Customer fails to notify Bank, in the manner prescribed herein, of the above-mentioned fact (the password has fallen into possession of any third party) or the above-mentioned suspicions (the password has become known to any third party); or if Bank has received Customer's notification after a regular Statement has already been sent to Customer.

Bank has the right to charge Statement Fee according to the Fee Schedule.

1.4.14. Based on Bank's written request, Customer undertakes to reimburse (within the time limits specified by Bank) Bank for all expenses incurred by Bank in enforcing Customer's and / or pledgor's / mortgagor's property to satisfy Bank's claims arising out of this Agreement.

1.4.15. If Customer fails to submit to Bank information and/or paperwork specified in the Agreement, then Bank will charge a Penalty Fee of EUR 14.23 (fourteen *euro* and 23 cents) per each day of delay.

1.4.16. Customer is obligated to pay to Bank all due and payable Fees within 5 (five) Banking Days after receiving the respective invoice from Bank. If Customer fails to pay the respective invoice, as required herein, within the specified time frame, Bank is entitled (without Customer's specific order and prior consent) debit any Account held by Customer with Bank for the respective amount owed by Customer to Bank.

1.4.17. Customer is obligated to cover all costs and expenses paid or incurred in connection with the Agreement and completion of related paperwork, and registration (recordation) of the collateral in the public registries, including notary fees, stamp duties, secretarial/clerical charges. If Bank pays the above mentioned payments owed by Customer, then Customer is obligated, within a specified time frame, to reimburse Bank for all expenses incurred.

1.4.18. Bank is regulated and supervised by the Financial and Capital Market Commission (abbreviated as FCMC), headquartered in Riga (Kungu iela 1, Riga, LV-1050, Latvija). Bank-related information is available on the Register of Authorised Payment Institutions [*Licencēto maksājumu iestāžu reģistrs*] maintained by the FCMC. The FCMC is the Government of Latvia's unified public financial services regulator.

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## SECTION 2 ACCOUNT TERMS AND CONDITIONS

### 2.1. General Provisions for Operating Account

2.1.1. The Agreement sets forth the provisions for opening and servicing the Account in accordance with the Agreement, General Terms and Conditions for Transactions, Fee Schedule, and other Bank-issued regulations binding upon Customer, and the applicable laws of the Republic of Latvia. The Terms and Conditions of the Agreement will apply to any current Account set up by Customer with Bank at the time the Agreement is entered into or during the life of the Agreement. The Accounts are set up for an unlimited period of time.

### 2.2. Account Opening and Maintenance

2.2.1. Under this Agreement, the Account may be set up in response to Customer's Application. The Account will be denominated and transactions through the Account will be conducted only in Bank's functional currencies (as specified in the Fee Schedule) in which Bank conducts payment transactions.

2.2.2. Originally, the Account is set up in the initial currencies as indicated by Customer. Any other currency (Bank's functional currency) will be set automatically as soon as the funds denominated in the respective foreign currency are credited to the Account.

### 2.3. Account Transactions

2.3.1. Fees are charged from the funds held in Customer's Accounts according to the Fee Schedule. If Customer's Accounts do not hold a sufficient balance in the currency in which the payment is to be made, Bank may convert, at its sole discretion, the funds held in Customer's Accounts to the required currency. If Customer's Accounts do not hold amounts sufficient to pay a fee, Bank is entitled, at its sole discretion, to deduct the Fee by putting the Account into a negative balance (otherwise known as a debit balance).

2.3.2. Bank is entitled to accept, without prior consent of Customer, any payment designated for the Account. Bank posts credit entries to the Account according to instructions contained in the Order. Bank has the right, but not the obligation, to credit the funds to Customer's Account by relying on the beneficiary's account number (specified in the payment order) only, if Bank detects inconsistency between the beneficiary's account number and account name. Bank is entitled to credit Customer's funds to Customer's account other than that specified in the payment order in cases where Customer's Account specified in the payment order is closed.

2.3.3. Bank will credit the funds to the Account in a currency in which the incoming payment is denominated only if the incoming payment is denominated in Bank's functional currency.

2.3.4. Bank will debit the Account (to pay out money, to transfer funds, to provide other banking service) only after receiving Customer's Order to make a payment within the limits of the available Account balance (maintained in credit) if the Account is not subject to any limitations and also in cases specified in cl. 2.4 hereof. The Account may not fall into the red/negative balance unless (i) the debit balance occurs in accordance with cl. 2.3.1 hereof; or (ii) the negative balance results from Card Loan granted to Customer. If Card Loan is granted, the Account may not fall into the red/negative balance exceeding the Credit Limit.

2.3.5. Customer acknowledges that Customer has been informed of the following fact: when a payment is remitted to any other Latvia-based credit institution, the beneficiary's bank may execute the payment by relying only on the beneficiary's account number as indicated in Customer's payment Order.

CUSTOMER: \_\_\_\_\_

2.3.6. Bank accepts, approves for execution, executes or refuses to execute Customer's payment Order according to the procedure prescribed by this Agreement, the General Terms and Conditions for Transactions, and the applicable laws of the Republic of Latvia.

2.3.7 Customer has the obligation to keep track of all transactions in the Accounts and to file complaints concerning transactions, either executed or unexecuted, to Bank not later than within 30 (thirty) days following the date a certain transaction takes effect or after the proposed date for the transaction. Customer's failure to file complaints within the time frame specified hereunder will be construed as Customer's unambiguous approval of the transactions, either executed or unexecuted.

2.3.8. Bank has the right, but not the obligation, to unilaterally suspend outgoing transfers from the Accounts in the following cases: Customer fails to fulfil its obligations (under the Agreement/other agreement entered into between Bank and Customer or under the applicable laws of the Republic of Latvia) owed to Bank or Bank's member companies (undertakings belonging to the group); Bank has obtained information about Customer's (a private person) death; and/or Bank has doubt regarding the representative's entitlement to act (doubt as to whether Customer's representative has the power to act on Customer's behalf). Bank will not be held responsible or liable for any loss incurred by Customer and/or third parties as result of exercising the aforesaid rights by Bank. Customer will assume full responsibility for the loss.

#### 2.4. Deductions from Account

2.4.1. Customer hereby expressly agrees that Bank will debit, without Customer's prior consent and authorisation, the Account in any of the following cases:

2.4.1.1. in cases and in the manner prescribed by the applicable laws of the Republic of Latvia;

2.4.1.2. to pay Bank-charged Fees according to the Agreement/other agreement entered into between Bank and Customer and Fee Schedule; to pay other payments under the Agreement;

2.4.1.3. in a situation where any sum of money is credited to the Account without a valid legal reason and through involuntary omissions or errors;

2.4.1.4. to pay off Customer's debt (obligations) owed to Bank and stemming from this Agreement or any other agreement entered into between Customer and Bank; to exercise (enforce) Bank's rights under cl. 2.5.4 hereof;

2.4.1.5. Bank is entitled, based on any other agreement entered into between Customer and Bank or on any other legal grounds, to deduct money from Customer's Account;

2.4.1.6. in other cases provided for in the Agreement.

2.4.2. If, according to cl. 2.4.1 hereof, Bank deducts (writes off) money from Account specifically for a transfer denominated in a currency other than the designated currency of the Account or the Account holds insufficient funds in the required currency, Bank converts the funds into the required currency according to Bank's General Currency Exchange Rate in effect on the date the obligations are paid off.

#### 2.5. Fees Payable to Bank. Collateral

2.5.1. Bank charges Account opening fee, Account operation fee, and other service fees according to the Fee Schedule, or the amount of the Fee is specified in the respective agreement entered into between Bank and Customer, or is agreed upon with Customer on a separate basis.

2.5.2. Bank is entitled to set appropriate and reasonable remuneration for Bank's services not stipulated in the Fee Schedule, but having been provided in connection with the execution of the Order. The amount of remuneration may not be less than the amount of expenses actually incurred, and Customer gives his

irrevocable consent thereto when signing the Agreement, unless otherwise agreed between the Parties.

2.5.3. Customer will pay all additional costs and expenses (including but not limited to postal, telephone, fax and other communication-related costs) and other expenses incurred by Bank while cooperating with Customer/performing the Agreement/executing Customer's instructions and Orders. Bank will charge the additional expenses to Customer's Account without Customer's prior approval. Upon receiving Customer's written request, Bank will, under Customer request and as far as possible, provide Customer with the relevant supporting documents (documentary proof of the expenses) or other relevant evidence and/or explanatory information.

2.5.4. All the money and financial instruments (including improvements, additions, accessions and other subsequent increments upon them), which are held in or will be credited to Customer's Card accounts with Bank or to which Customer otherwise is entitled during the life of the Agreement, serve as financial collateral pledged to secure Customer's existing (and potential future obligations) owed to Bank (hereinafter referred to as the Financial Collateral) within the meaning of the Financial Collateral Act [*Finanšu nodrošinājuma likums*] of the Republic of Latvia. The Financial Collateral secures all Customer-owed obligations whose amount will be assessed at the time of selling the Financial Collateral, including all interest, penalty fees, expenses and losses to be incurred by Bank as a result of Customer's default (non-fulfilment of obligations) and the sale of the Financial Collateral.

2.5.5. If Customer fails to perform its obligations owed to Bank and/or Bank possesses the right of claim against Customer and /or any event or circumstance, as mentioned in the Terms and Conditions or any agreements concluded by Customer and Bank, occurs (resulting in that Bank may unilaterally terminate the Agreement or halt any transaction / refrain from executing any transaction), then Bank will be entitled to satisfy all its claims against Customer through selling the Financial Collateral. Bank may, at its sole discretion and according to the order (priority) and manner prescribed by Bank, without giving a prior notice (reminder letter) and without Customer's Order:

2.5.5.1. sell such a certain portion of the financial instruments held in the Financial instruments account at a free market price (including in Bank's favour) which will be sufficient to fully repay Customer's obligations owed to Bank, and

2.5.5.2. transfer /write off, in Bank's favour, the amount of money (held in any Customer's account with Bank or the money to which Customer otherwise is entitled) which will be sufficient to fully repay Customer's obligations owed to Bank.

2.5.6. Customer is not allowed, without the explicit consent of Bank, to alienate (sell), re-pledge the Financial Collateral, change the components (items) and reduce the value of the collateral. Customer is obligated to notify all interested persons of the creation of the Financial Collateral in Bank's favour. Bank may enforce its right of possessory retention/lien over the Financial Collateral. Also, Bank may apply a 'blocking-of-funds procedure' whereby the Financial Collateral held in the accounts is earmarked and made unavailable for any transaction until Customer fulfils its obligations owed to Bank and/or until maturity date arrives, and/or until Bank sells the Financial Collateral.

#### 2.6. Account Closure

2.6.1. Bank has the right at any time, at its sole and absolute discretion, to close a specific Account by giving Customer the respective notice 2 (two) months prior to the intended closure.

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_



- 2.6.2. Bank may close specific Accounts, without giving prior notice, in any of the following cases:
- 2.6.2.1. Customer is acting in breach of any of the provisions of the Agreement;
- 2.6.2.2. if Customer has not carried out transactions through the Account for the past 6 (six) months and the Account shows a zero balance of money;
- 2.6.2.3. any of the events provided for in cl. 1.2.4 hereof has occurred.
- 2.6.2.4. in the cases prescribed by the General Terms and Conditions for Transactions.
- 2.6.3. In response to Customer's written application requesting to close a specific Account, Bank will close the Account within 1 (one) month from the date of receipt of the application (unless otherwise indicated in the application), once Customer has satisfied all obligations owed to Bank.
- 2.6.4. The Account can also be closed in accordance with the Common Principles on Personal Current Account Switching adopted by the Association of Latvian Commercial Banks.
- 2.6.5. At the time of the closure, the available balance of the Account will be paid out to Customer once Customer has satisfied all obligations owed to Bank.
- 2.6.6. At the time of the closure, Bank will retain all paperwork submitted to Bank when opening and operating the Account.
- 2.6.7. If a certain Account is closed, the Agreement will continue in full force and effect with respect to other Customer's Accounts.
- 2.6.8. After the Account has been closed, these Terms and Conditions, the General Terms and Conditions for Transactions and the Fee Schedule will remain in full force and effect with respect to cross-claims that Bank and Customer have against each other.

### SECTION 3

#### TERMS AND CONDITIONS FOR OVERDRAFT FACILITY

*Deleted*

### SECTION 4

#### TERMS AND CONDITIONS FOR REMOTE BANKING SERVICES

##### 4.1. Remote Banking Services (RBSs): General Provisions

- 4.1.1. These provisions prescribe the manner for using Remote Banking Services (RBSs). Remote Banking Services are used in accordance with the Agreement, the General Terms and Conditions for Transactions, Fee Schedule, special provisions of Terms and Conditions for Transactions wherein RBSs are used, and other Bank-approved provisions and instructions that are binding upon Customer.
- 4.1.2. Customer will pay Fee for Remote Banking Services according to Bank's Fee Schedule. Bank is entitled to deduct the amount of the Fee from any Account held by Customer with Bank, without Customer's prior consent.
- 4.1.3. RBSs are provided in a full mode where RBS User can obtain information and Account statements and statements on Remote Banking Transactions; as well as to confirm execution of Orders and Orders to execute RBTs, except for cases where otherwise is stated in the application for Remote Banking Services, Transaction Terms and Conditions, or a standalone agreement entered into between Customer and Bank.
- 4.1.4. Customer is obligated to immediately ensure that all RBS Users are aware of the terms and conditions of the Agreement and Bank-issued instructions concerning usage of the means of identification and their amendments.
- 4.1.5. According to this Agreement and in respect of Customer's funds, any Order given by RBS User to Bank (by using RBSs) will be treated as though it has been given by Customer personally (Customer's personally given Order or consent).

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- 4.1.6. When using RBS, Customer undertakes to use RBSs with due care, observing provisions of the Agreement, the General Terms and Conditions for Transactions, Fee Schedule, special Terms and Conditions for Remote Banking Services, and other Bank's adopted regulations and instructions binding upon Customer; ensure that every RBS User uses RBS with due care, in the same manner that Customer would use, observing all Bank's adopted regulations and instructions binding upon Customer. Customer confirms that Bank has informed Customer about risks associated with using RBS, about how to use RBS safely and securely, and about the necessary security precautions to be taken by Customer.

##### 4.2. RBS User Identification

- 4.2.1. At the time of registering a new RBS User according to the Application, Bank assigns to RBS User a unique RBS username. At Customer's option, Bank issues him DigiPass device and PIN for DigiPass device use and/or DigiPass for Mobile and activation code for DigiPass for Mobile, as well as the Telephone Banking password.
- 4.2.2. If RBS User uses Internet Banking or Mobile Application for BIB Internet Banking, the User is authenticated by the RBS username and DigiPass and/or DigiPass for Mobile generated code, while in strict conformity with the restrictions specified in the Application and other limitations set forth by Bank (if any).
- 4.2.3. If RBS User uses Telephone Banking, the User is authenticated by a special-purpose Bank issued Telephone Banking password or the Telephone Banking password specifically agreed upon with Customer, RBS username or Customer's given name, family name or corporate name. To authenticate RBS User, Bank is entitled to use other information being in Bank's possession (registered with Bank) concerning Customer's or RBS User's personally (given and family name, corporate name, address, account number, personal ID number, the number of the personal identification document, and other Customer's or User's personally identifiable information) and information about conducted transactions.
- 4.2.4. If RBS User uses SMS Facility, the User is authenticated by RBS User's mobile phone number registered with Bank.
- 4.2.5. At the time of submitting Order over Bank-Approved Means of Electronic Communication, RBS User is authenticated by DigiPass- and / or DigiPass for Mobile- generated password.
- 4.2.6. Customer agrees that Bank may divulge to RBS User all information regarding Customer and Customer's account status, once Bank has authenticated RBS User according to cl. 4.2 and on the condition that no access restrictions are defined for RBS User in the Application.
- 4.2.7. Bank is entitled to originally extend the unique identifiers, as specified in the Agreement, to Customer, and Customer may not use them and is obligated to immediately hand them over to RBS User.
- 4.2.8. All of the unique identifiers extended to Customer and RBS User, including the RBS username, the Telephone Banking password and DigiPass- and/or DigiPass for Mobile- generated passwords and the PIN are treated as secret and confidential; Customer and RBS User are not entitled to disclose them to other persons and must take all necessary precautions to protect the unique identifiers against unauthorised possession of other persons.
- 4.2.9. Bank's unilateral requests sent or expressed via electronic means of communication, using voice telephony devices or others (for instance, the Internet, e-mail, telephone, SMS facility and others), only on Bank's own initiative without a separate prior consent from Customer or RBS User, never include proposals or offers to divulge (including to send, spell out, etc.) Bank-provided

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unique identifiers (passwords, PINs, DigiPass- and/or DigiPass for Mobile- generated passwords, etc.) or any other confidential information (or any portion thereof), which is defined as confidential in the agreements entered into between the Parties.

4.2.10. Customer is obligated to ensure that all RBS Users comply with this Agreement and follow Bank's instructions concerning safe usage of the unique identifiers (for instance, change their individual passwords regularly).

4.2.11. When using SMS Facility, Customer is obligated to ensure (is responsible) that all RBS Users will provide their mobile phone content confidentiality, in particular, the confidentiality of SMS messages received from/sent to Bank through their mobile phones, and without giving Bank prior notice will not refuse from mobile phone number, as assigned by a mobile network operator (MNO) and registered with Bank, and will not transfer the number to third parties.

4.2.12. If Customer and/or RBS User becomes aware of or has grounds to suspect that the confidential information contained in this Agreement (such as information related to the unique identifiers) has been or might have been disclosed to third parties (including a theft or loss), Customer and/or RBS User must immediately report the fact (either in writing or telephonically) to Bank. Upon having been so notified, Bank will discontinue Remote Banking Services and will make them unavailable to RBS User until Customer files a written application requesting to recommence providing Remote Banking Services to RBS User.

4.2.13. RBS User's access to Internet Banking will be blocked and made unavailable if RBS User enters wrong (incorrect) DigiPass-and/or DigiPass for Mobile- generated password three times in a row.

4.2.14. After three incorrect attempts (in a row) to key-in the individual four-character password, DigiPass device and /or DigiPass for Mobile device will be locked for RBS User.

### 4.3. Remote Banking Transactions (RBTs)

4.3.1. To conduct RBTs over the Internet Banking, RBS User uses a web browser and/or Mobile Application for BIB Internet Banking. To gain access to the Internet Banking, RBS User uses the link to the Internet Banking as specified on Bank's website [www.bib.eu](http://www.bib.eu) and/or enters web address: <https://ib.bib.lv>.

4.3.2. To submit Orders over Bank-Approved Means of Electronic Communication, RBS User sends the Orders to Customer's private banker's e-mail address or fax number or to any other e-mail address or fax number as unambiguously specified by Bank or agreed upon between the Parties on a separate basis.

4.3.3. To make the Telephone Banking service available to RBS User, the User calls at the number of Customer's private banker or the number specified in the agreement for the provision of a specific service entered into between the Parties.

4.3.4. SMS Facility is made available to RBS User whose mobile phone supports receiving SMS messages. If RBS User's mobile phone is switched off for more than 24 hours, Bank is entitled to delete the SMS messages previously sent to the User's mobile phone.

4.3.5. Customer hereby certifies and declares that every Order to conduct RBTs submitted to Bank using Remote Banking Services and/or Bank-Approved Means of Electronic Communication will be binding upon Customer and will be treated as the express and unambiguous approval by Customer of an RBT having been concluded.

4.3.6. Bank executes the Orders for Remote Banking Transactions (submitted to Bank using Remote Banking Services and/or Bank-Approved Means of Electronic Communication in full compliance with the provisions of the Agreement, provisions related to specific RBTs, and other provisions set forth by Bank.

4.3.7. Bank is entitled to refuse to execute RBTs requiring Remote Banking Services in the following circumstances:

4.3.7.1. RBS User's cannot be satisfactorily verified according to cl. 4.2.;

4.3.7.2. Bank has grounds to suspect that any person other than RBS User, to whom the unique identifiers have been issued, intends to conduct a particular RBT or uses the unique identifiers;

4.3.7.3. RBS User, using RBSs, has provided incomplete or otherwise misleading information with respect to the nature of RBT;

4.3.7.4. no sufficient amount of money is available in the Account to cover the RBT or to pay fees and charges for the service rendered;

4.3.7.5. the limit imposed on the respective RBT has been exceeded;

4.3.7.6. in other cases stipulated by Transaction Terms and Conditions applicable to RBTs and the General Terms and Conditions for Transactions.

4.3.8. If at the time of receiving an Order the Account does not hold a sufficient sum of money to cover a particular RBT and to pay fees and charges for the services rendered, Bank will not execute the Order and will retain it unexecuted within 10 (ten) calendar days. If during this time frame the required sum of money is made available in the Account, Bank will execute the postponed Order. After the expiry of the aforementioned time frame the RBT Order will be cancelled. If the RBT provisions stipulate another procedure, then this procedure will apply.

4.3.9. After receiving an Order (submitted using Remote Banking Services) Bank may contact RBS User or Customer once again to obtain assurance about whether the Order is correct and executable. If Bank cannot contact RBS User or Customer, it may halt (suspend) the execution of the Order until the contact proves possible.

4.3.10. As far as the Telephone Banking service is concerned, RBS User expressly agrees that Bank is authorised to record and retain telephone conversations between RBS User and Bank's officer and to maintain records of any other activities carried out as part of Remote Banking Services. Where necessary, the recordings will be regarded as sufficient proof of the receipt of the respective Order and execution of the RBTs.

4.3.11. Bank will charge all applicable Remote Banking Service Fees from any account held by Customer with Bank. The fees will be assessed according to Bank's Fee Schedule.

Bank may, unilaterally and at its sole discretion, impose limits to all Customer-originated RBTs by giving Customer a notice thereof as well as to unilaterally reset the limits at any time.

Bank may, giving prior notice to Customer, impose limits to the amounts of the RBTs that Customer is obligated to confirm using DigiPass and/or DigiPass for Mobile device. Also, Bank is entitled to set limits to the amounts of the RBTs to be conducted within a definite period of time and Customer may to file the application requesting Bank to reset the limits.

4.3.12. Remote Banking Transactions (RBTs) or electronic documents confirmed (for the purposes of Remote Banking Services) using the means of Customer's identification as specified in this Agreement will be deemed to have signed with Customer's electronic signature.

### 4.4. Responsibility While Using RBS

4.4.1. Customer must (is responsible for):

4.4.1.1. abide by the Agreement, specific RBTs Terms and Conditions, Bank-issued instructions concerning usage of the unique identifiers, and other rules and regulations established by Bank;

4.4.1.2. keep RBS User informed about and ensuring that the User complies with the Agreement, Transaction Provisions specifically applicable to RBTs, Bank-issued

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

- instructions concerning the usage of the unique identifiers;
- 4.4.1.3. ensure that the Account holds sufficient funds to cover RBTs and remuneration charged by Bank for its services;
- 4.4.1.4. check and verify (regularly, at least once a month) whether the Account statements contain accurate and correct information about RBTs. Claims must be submitted to Bank within 45 (forty five) calendar days after the date of the respective RBT, unless otherwise stipulated by the Transaction Terms and Conditions applicable to RBTs. Customer's failure to lodge a claim within the specified time frame will be regarded as Customer's tacit approval of the respective RBT;
- 4.4.1.5. assume liability for any RBS User's activities carried out using Remote Banking Services;
- 4.4.1.6. use DigiPass and/or DigiPass for Mobile device only according to Bank-given instructions;
- 4.4.1.7. use licensed and safe software and antivirus programs in Customer's devices (PC, portative computing devices, mobile devices, and others) and take sufficient preventive measures in this regard;
- 4.4.1.8. not knowingly use unsafe and/or suspicious internet access/use places and data access venues (PAVs) (such as internet cafes, public Wi-Fi hotspots and others), use of which may cause potential risk of fraud and/or other illegal activity from third parties.
- 4.4.2. Bank will not be liable in any manner whatsoever for any loss incurred or sustained by Customer and RBS User in the following circumstances:
  - 4.4.2.1. Customer and/or RBS User has breached the Agreement and Transaction Terms and Conditions specifically applicable to RBTs;
  - 4.4.2.2. Bank-extended unique identifiers (username, DigiPass- and DigiPass for Mobile- generated passwords, and others) have been used by unauthorised third parties (including theft or loss) until that moment when RBS User reports the fact to Bank according to the Agreement and Bank discontinues Remote Banking Services;
  - 4.4.2.3. the contents of a SMS message (sent to RBS User's mobile phone number registered with Bank) has become known to unauthorised third parties;
  - 4.4.2.4. RBS User has refused (without giving Bank prior notice) from the number assigned by a mobile network operator (MNO) and registered with Bank, or has transferred the number to third parties;
  - 4.4.2.5. Bank is prevented from performing the Agreement and from complying with the RBT provisions in a proper manner due to transmission faults or any other obstacles that are beyond Bank's control.
- 4.4.3. Bank will not indemnify RBS User in respect of any loss whenever Bank enforces its rights stipulated in cl. 4.3.7.
- 4.4.4. Bank will be responsible for verifying RBS User's identity under the Agreement and for providing Remote Banking Services according to the Agreement, the RBT provisions and other agreements entered into between Bank and Customer.

#### 4.5. Discontinuance of RBSs

- 4.5.1. Customer is entitled to unilaterally withdraw authorisations assigned to the nominated RBS User by giving Bank written notice thereof or via Remote Banking Services. After receiving the notice, Bank will deactivate the User (i.e. will discontinue the User's access to Customer's accounts) and will cancel the User's authorisation to submit Orders and confirm Transactions on Customer's behalf.
- 4.5.2. Bank is entitled to discontinue rendering Remote Banking Services by giving Customer a Notice of Intention to Discontinue 10 (ten) calendar days prior to the intended date of discontinuance. If Customer or RBS User violates the provisions of this Agreement or

upon the occurrence of any of the events mentioned in cl. 1.2.4, Bank has the right to immediately discontinue rendering Remote Banking Services without giving Customer prior notice. The provisions of this Agreement will not apply to the accounts being closed.

4.5.3. Bank is entitled to discontinue rendering Remote Banking Services in respect of SMS Facility, if the User's mobile phone (whose number is registered at Bank) is switched off for longer than 10 (ten) calendar days, the phone number is assigned to another subscriber, or the partnership between Bank and the short message service (SMS) provider is terminated.

## SECTION 5 PAYMENT CARD USAGE REGULATIONS

### 5.1. General Terms and Conditions of Payment Cards Use

5.1.1. The usage of the Card is governed by the Agreement, Rules of MasterCard Worldwide and VISA Europe (leading global payment solutions companies), Bank's regulatory framework, the General Terms and Conditions for Transactions, the applicable laws of the Republic of Latvia, and Fee Schedule, which are binding upon Customer and Cardholder.

5.1.2. Bank is entitled to set up and modify varying functionality for certain Card types. To keep Customer and Cardholder informed of card functionality changes, Bank posts relevant information on its website.

5.1.3. Cardholder may use additional services (as offered by Bank, Bank's business partners or third parties) about which Cardholder has been informed by Bank.

### 5.2. Card Issuance and Usage

5.2.1. The Card will at all times remain the property of Bank and will be issued to Cardholder for personal use during a limited period of time to conduct Card Transactions.

5.2.2. The Card can be used to initiate Card Transactions both within and outside the Republic of Latvia at participating locations wherever Bank or a third party has ensured acceptance of the Card.

5.2.3. The Card may only be used by Cardholder whose full name (given and family name) is embossed on the front of the Card and whose signature appears in the signature line on the back of the Card, excluding Amber Card and White Card, which can be used by MasterCard Platinum or MasterCard World Elite Cardholder whose Card the respective Amber Card is linked, or VISA Infinite Cardholder to whose Card White Card is linked.

5.2.4. PIN and SecureCode are issued to Cardholder in a special sealed envelope. PIN and SecureCode used together with OTP basically serve as an electronic equivalent to Cardholder's signature to validate Card Transaction. Also, Bank may issue the PIN and SecureCode to Customer who must immediately hand over them to Cardholder. PIN and SecureCode used together with OTP are sufficient means of Cardholders authentication and Card Transaction approvals. Customer must memorise the PIN and destroy the PIN mailer envelope.

5.2.5. Cardholder must always keep the PIN and SecureCode strictly confidential. Cardholder must not disclose the codes to unauthorised third parties, write down the PIN on the Card, and/or keep the PIN together with the Card.

5.2.6. When Cardholder conducts Card Transactions in locations where the Card needs to be inserted into a Card reader, Cardholder must show the Card and confirm and validate the Transaction by writing the signature or by keying in the PIN, according to the merchant's instructions. PIN is used for ATM cash advances. When shopping at participating online retailers, Cardholder may be requested to enter the SecureCode and OTP

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

to validate the Card Transaction, excluding Amber Card and White Card that cannot be used for online shopping.

5.2.7. Bank or a third party that accepts the Card for payments (also ATM) is entitled to suspend (block in case of ATM) the Card if the Cardholder three times in a row enters the wrong PIN. Also, Bank may disable the Card.

5.2.8. Bank has the right to set limits to the Card Transactions amounts conducting Card Transactions and ATMs. Customer may request a change in Transaction limits and file the application to Bank in one of the following manners:

5.2.8.1. a filled-in and signed application (Bank-approved application form); or

5.2.8.2. a free-form application in the Internet Banking; or

5.2.8.3. telephonically, by calling his private banker or Payment Card Division's officer if the private banker is not available.

5.2.9. Bank considers Customer's application and approves the revised Card Transaction limit or declines the application within 7 (seven) Banking days after receiving Customer's application.

5.2.10. Bank has the right to charge a Fee for resetting the Card Transaction limit according to Bank's Fee Schedule.

5.2.11. Any information on Card use Cardholder may get by calling his private banker or Payment Card Division's officers (direct telephone line + 371 67 000 434) from 8:00 to 22:00 (local time in Latvia).

5.2.12. Additional regulations for MasterCard Platinum and MasterCard World Elite Cardholders:

5.2.12.1. "MasterCard Gateway" service provider ensures "Concierge" services and assistance in insurance-related cases (+1636 722 5276);

5.2.12.2. whenever Cardholder calls "MasterCard Gateway" service provider, the Cardholder is obligated, upon the service provider's request, to provide the information required for identification purposes (the information required that the Cardholder has specified in the Agreement).

5.2.13. Additional regulations for Amber Card Cardholders:

5.2.13.1. Amber Card may only be used for electronic Card-present transactions (at merchant locations or ATMs); Amber Card may not be used for remote transaction (for example, payments via the internet);

5.2.13.2. the Credit Limit assigned to MasterCard Platinum or MasterCard World Elite Card Account is applied also to Amber Card. If the Credit Limit assigned to MasterCard Platinum or MasterCard World Elite Card Account is changed or cancelled, it is automatically changed or cancelled for the corresponding Amber Card;

5.2.13.3. Bank will be under no liability whatsoever in respect of the refusal of any merchant (for any reason), with whom Cardholder intends to enter into a transaction, to accept Amber Card;

5.2.13.4. if MasterCard Platinum or MasterCard World Elite Card becomes invalid, Bank has the right to unilaterally disable the corresponding Amber Card.

5.2.14. Additional conditions for Visa Infinite Cardholders:

5.2.14.1. "Concierge" services provider ensures concierge services and assistance in insurance-related cases (+44 1733 862961);

5.2.14.2. whenever Cardholder calls "Concierge" services provider, the Cardholder is obligated, upon the service provider's request, to provide the information required for identification purposes (the information required that the Cardholder has specified in the Agreement).

5.2.15. Additional regulations for White Card Cardholders:

5.2.15.1. White Card may only be used for electronic Card-present transactions (at merchant locations or ATMs); White Card may not be used for remote transaction (for example, payments via the internet);

5.2.15.2. the Credit Limit assigned to Visa Infinite Card Account is applied to White Card. If the Credit Limit assigned to Visa Infinite Card Account is changed or cancelled, it is automatically changed or cancelled for the corresponding White Card;

5.2.15.3. Bank will be under no liability whatsoever in respect of the refusal (for any reason) of any participating merchant, with whom Cardholder intends to enter into transaction, to accept White Card;

5.2.15.4. if Visa Infinite Card becomes invalid, Bank reserves the right to unilaterally disable the corresponding White Card.

### 5.3. Cardholder's Obligations and Responsibility

5.3.1. Cardholder hereby undertakes to:

5.3.1.1. sign the Card in the signature strip on the reverse side of the Card immediately upon receipt;

5.3.1.2. keep the Card in the same way that one would care for his money, checks and other non-cash financial instruments. Cardholder should under no circumstances whatsoever allow the Card to be used by any other unauthorized individual - the Cards are non-transferable;

5.3.1.3. take all possible precautions to avert possible losses and to prevent unauthorised use of the Card;

5.3.1.4. not to expose the Card to extremely high or low temperatures and to the effect of electromagnetic fields; to preserve the Card from physical damage;

5.3.1.5. maintain the secrecy of the PIN and SecureCode and keep the codes separate from the Card;

5.3.1.6. if the Card is stolen or is suspected to be used by unauthorised third party or if Cardholder has any suspicion of fraudulent use of the PIN or SecureCode by unauthorised third party, Cardholder must immediately notify Bank in accordance with cl. 5.9. hereof;

5.3.1.7. not to exceed the Credit Limit on the Card; if no Credit Limit is assigned, Cardholder must not overspend the amount held in Customer's Card Account;

5.3.1.8. before confirming and authorising a Card Transaction by writing the signature of by keying the PIN or SecureCode and OTP, Cardholder must check each charge Transaction against the vendor receipts/charge slips (to verify the amount charged and currency) and to present Cardholder's personal identification document when required; not to sign charge slips whereon the Card Transaction Amount is not provided or a wrong Card Transaction Amount is indicated;

5.3.1.9. not to use the Card after the expiration date and after the Card has been disabled or whenever Bank gives the instruction to terminate using the Card; to immediately deliver the Card to Bank upon Bank's request;

5.3.1.10. not to use the Card Account and the Card for illegal or inappropriate actions, including financial transactions related to legalization of funds obtained in a criminal way (money laundering) and terrorist activity financing or any other illegal, fraudulent or wrongful activity.

5.3.2. Every time that the Cardholder makes a call to the Payments Cards Division or to private bankers, the Cardholder will be required to provide the password as specified by Customer in the Application, thereby the Cardholder is verified.

### 5.4. Customer's Obligations and Responsibility

5.4.1. Customer hereby undertakes to perform his respective obligations under the Agreement.

5.4.2. Customer is obligated to:

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

- 5.4.2.1. ensure that Cardholder (i) has read the entire Agreement, the General Terms and Conditions for Transactions and the Fee Schedule; (II) is bound to them;
  - 5.4.2.2. provide accurate and reliable information to be contained in the Agreement and all related documents submitted to Bank during the life of the Agreement;
  - 5.4.2.3. pay off, in accordance with the Agreement, the Card Loan amount spent, Credit Limit overrun; pay Card Loan Interest, interest for Credit Limit overrun, Late Fee, interest for unauthorized negative balance in the Card Account, as well as payment of Fees according to the Fee Schedule and other Fees payable according to the Fee Schedule and other payments payable under the Agreement and/or agreement entered between Bank and Customer;
  - 5.4.2.4. receive, at least 1 (once) a month, the Card Account statement (in the manner specified in the Application); keep the Card Account in check; reconcile (regularly, at least once a month) the actual Card Transactions against the records and amounts appearing on the Statements;
  - 5.4.2.5. notify Bank of any changes in the information contained in the Agreement and other related documents, including the residential address, registered office (legal address), contact phone number and email address;
  - 5.4.2.6. stay within the Credit Limit (not to exceed it) if the Card Loan is granted;
  - 5.4.2.7. ensure (if the Card Loan is granted) that, on the Offset Date (but if the Credit Limit is reduced, on that respective date), the Card Account holds a sufficient sum of money to cover payments payable under the Agreement and according to the Fee Schedule and to pay off the principal amount of the Card Loan plus Card Loan Interest. The aforementioned amounts of money must be made available in the Card account until Bank actually debits it from the Card Account, thus paying off the debts that are due and payable hereunder.
- 5.4.3. Customer may submit application to Bank requesting to change the primary currency of the Card Account (i.e. to make it a different currency) and to choose alternative permitted currencies (non-primary currencies), while staying within Bank-prescribed limits (restrictions); also, to request that new Cards be linked to the Card account or existing Cards be cancelled.
- 5.4.4. Customer is responsible for Card Transactions conducted with a Card and/or PIN-validated or validated by SecureCode used together with OTP, in the cases, manner and to the extent prescribed by the RL Payment Services and Electronic Money Law [LR Maksājumu pakalpojumu un elektroniskās naudas likums].
- 5.4.5. If Customer, who is not Consumer, denies authorising the Card Transaction (already conducted) or acting unlawfully or not in compliance with the Agreement, or claims that the Card Transaction has been executed erroneously, then Customer has the burden of proof this fact.

### 5.5. Bank's Rights While Servicing the Card

- 5.5.1. Bank is entitled, without first giving Customer prior notice, to disable the Card whenever Bank has a suspicion to believe that the Card is being used by unauthorised third parties, or used not in compliance with the Agreement and/or otherwise unlawfully used.
- 5.5.2. Bank is entitled, without first giving Customer prior notice, to fully or partially restrict right to use the Card Account and disable or cancel the Card if Customer or Cardholder commits a breach of the Agreement, the General Terms and Conditions of Transactions and/or other Bank's regulations binding upon Customer and/or external legal instruments, or provides Bank with false or misleading information.
- 5.5.3. While rendering services to Customer and Cardholder, Bank may use third-party services. Bank will not be held liable for any loss

incurred by Customer or Cardholder through third-party actions or their failure to act.

5.5.4. If no sufficient amount of money is available in the Card Account to repay Customer's obligations owed to Bank, then Bank is entitled, without obtaining a prior approval from Customer, to unilaterally debit any other account held by Customer with Bank. Bank may convert, if necessary, the required funds according to Bank's General Currency Exchange Rate effective at the moment of the conversion.

5.5.5. Customer and Cardholder expressly agree that Bank is authorised to record and retain their telephone conversations held with Bank's representatives, to process the information obtained and to use the information (the recordings) for the execution of Card Transactions and as proof for the Card Transactions.

### 5.6. Card Account and Payments

5.6.1. Bank issues the Card or Cards in accordance with the Agreement. Customer may choose to open a single-currency or a multiple-currency Card Account (multicurrency account). The primary currency is indicated in the Agreement. Fees are charged in the primary currency according to the Fee Schedule.

Where a Card Transaction involves a currency other than that in which the Card Account is opened, then (at the time blocking of the Transaction) an exchange rate set by MasterCard or Bank will be used, and the exchange rate may differ from the General Exchange Rate used at the time of processing the respective Transaction.

Where Card Transactions involve currencies other than those in which the Card Account is opened (permitted currencies), then the incoming funds will be converted into the primary currency of the Card account according to the General Exchange Rate effective on the conversion date. Funds required to cover payments will be converted from the primary currency of the Card account according to the General Exchange Rate effective on the payment date. If the Card Account balance denominated in the primary currency proves to be insufficient, then the funds (denominated in other alternative / permitted currencies) held in the Card Account will be converted in a sequence that Bank believes is appropriate. If the funds denominated in permitted currencies still prove to be insufficient, Bank will convert the required amount from the Card Loan proceeds according to the General Exchange Rate effective on the payment date.

In addition, Bank applies FX mark-up as specified in the Fee Schedule.

5.6.2. Bank will debit, without prior consent and authorisation, the Card Account for the following sums:

- 5.6.2.1. amounts involved in Card Transactions (conducted with the use of the Card linked to the Card Account) due and payable to other banks and organisations, using the services provided by the International Payment Systems MasterCard Worldwide, VISA Europe or the services of charge card operators (processing centres);
- 5.6.2.2. interest, fees and other charges payable for Bank's services according to the Fee Schedule and/or the Agreement;
- 5.6.2.3. fees charged for third-party services not stipulated in Bank's Fee Schedule while having been provided to Customer;
- 5.6.2.4. any amounts due and payable by Customer to Bank, including Late Fee, Interest for Credit Limit exceed, interest for unauthorized negative balance in the Card Account, the amounts of loss incurred by Bank through Customer's non-fulfilment or improper fulfilment of the obligations under the Agreement;

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

5.6.2.5. sums of money credited to the Card Account without a valid legal reason and through involuntary omissions or errors.

5.6.3. If Customer identifies any discrepancy between the items charged on the Statement and the actual Card Transactions or Transaction amounts (except the discrepancies in the Card Transaction amounts resulting from a currency conversion), Customer must, without any delay, inform Bank in writing (in Bank's prescribed manner) thereof not later than 45 (forty five) calendar days following a questionable Card Transaction date. The relevant application must be submitted to the Payment Card Division or to Customer's private banker.

5.6.4. Applications for questionable (disputing) Card Transactions are investigated within 10 (ten) Banking Days after the receipt by Bank. Bank charges an unjustified claim investigation fee according to the Fee Schedule from Customer's Card Account.

5.6.5. Fees, except fee for cash withdrawal at cash advance locations, an unjustified claim investigation fee and others are debited from the Card Account at the last Banking Day of the Settlement Period according to the Fee Schedule.

5.6.6. Bank deducts the Card Issuance Fee from Customer's Card Account (according to the Fee Schedule) on the last Banking Day of a month in which the Card has been produced. The Card Issuance Fee is a one-time fee charged when Bank produces Customer's Card for the first time.

Annual Card Fee is applicable starting from the second year of using the Card and is applicable for each forthcoming year (also after the renewal of the Card when the period of validity expires). Bank will deduct Annual Card Fee from the Card Account (according to the Fee Schedule) on the last Banking Day of the respective month (in which the Card has been originally produced) of the second/next year of using the Card.

5.6.7. As calculated for the current calendar month, Card Loan Interest, interest for Card Loan Limit exceed, payments specified in cl. 5.6.2 above but not mentioned in this clause, and Late Fee calculated according to cl. 5.7.7 below will be debited from the Card Account on the last Banking Day of every calendar month. Bank has the right, but not the obligation, to deduct at any time the above mentioned payments if the Card Account holds sufficient amount of money. If at the time when Bank debits, Customer's Card Account for payments due to Bank on the last day of a calendar month the Card Account shows an unauthorised negative balance, Customer must clear the negative balance immediately. Until repaid, the unauthorised negative balance will be considered a separate debt owed by Customer to Bank, and Bank will therefore charge interest on the negative balance starting from the first day of the next calendar month. To calculate interest for the unauthorised negative balance, Bank uses the same annual interest rate that is used to calculate interest for Card Loan exceed and applies a 360 day-count convention.

5.6.8. Other fees, including cash withdrawal fee, an unjustified claim investigation fee and duplicate Statement copy fee, fees charged for services rendered by third parties, and other applicable Fees, will be charged immediately after the respective Card Transaction or activity has occurred, unless otherwise provided for in the Fee Schedule.

5.6.9. Payment of the Penalty Fee will not relieve and exempt Customer from the obligation to pay in Bank's favour all due and payable payments and discharge other obligations under the Agreement, as well as will not affect the amount of loss reimbursable to Bank and will not be used to offset the loss, even if the amount of the loss does not exceed the amount of the Penalty Fee.

**5.7. Collateral. Card Loan and Card Loan Interest**

5.7.1. Bank may, at its absolute discretion, assign the Credit Limit in response to Customer's application. The Credit Limit is denominated in the primary currency of the Card Account. Customer is entitled to request Bank-assigned Credit Limit be changed. For this purpose

Customer needs to submit the Application or contact a private banker.

5.7.2. Customer is obligated to pay off the Card Loan to the Card Account till the next Setoff Date. If Customer goes over the Credit Limit (over-the-limit spending), Customer is obligated to pay off the overspent amount without delay.

5.7.3. At the time of opening the Card and at any point of time during the validity period of the Card, Bank has its absolute discretion to request that Customer provides top-up (additional) collateral to secure Customer's obligations (Card Loan principal, Card Loan Interest and other obligations associated with the Card Loan) and replaces or replenishes the collateral to the minimum specified whenever Bank thinks the collateral is insufficient. Eligible collaterals include: Deposits from private persons or legal entities; guarantees that are provided by acceptable persons and satisfy Bank's requirements; other acceptable assurances (types of collateral).

5.7.4. Bank may, by giving Customer prior notice or without prior notice, reduce or cancel the Credit Limit and/or request the full repayment of the Card Loan. Card Loan Interest and other payments specified in Section 5 hereof if any of the following events occur:

5.7.4.1. Customer fails to provide, upon Bank's request, the collateral mentioned in cl. 5.7.3. herein above or fails to replace or replenish the collateral to the minimum requested; Customer has supplied false information or documents; or Customer or Cardholder fail to fulfil or unduly fulfil their respective obligations owed to Bank;

5.7.4.2. any of the events mentioned in cl. 1.2.4 hereof has occurred.

5.7.5. Customer will pay Card Loan Interest to Bank if the Fee Schedule or any agreement concluded between Bank and Customer so provides for. In such case the Card Loan Interest will be computed according to the Agreement, starting from the day that Bank receives the information related to the Card Transaction (transaction that reduces the balance of the Card Account, using the Card Loan proceeds within the assigned the Credit Limit) till the day that the Card Loan amount is repaid into the Card Account. The Card Loan Interest is calculated assuming a 360-day year.

5.7.6. The interest for Credit Limit exceed is computed according to the Agreement, starting from the day that the Card Account balance is reduced (using the Card Loan proceeds and exceeding a valid Credit Limit) till the day that the respective amount for which the Credit Limit was exceeded is repaid to the Card Account. The interest is calculated applying the rate of the same specified in the Fee Schedule and/or Application, assuming a 360-day year. If Customer goes over the Credit Limit (over-the-limit spending), Customer is obligated to pay off the overspent amount without delay.

5.7.7. Every calendar month, starting from the next day after the Setoff Date and till the last day of the calendar month, all payments which have matured on Setoff Date, but which are outstanding, are subject to Late Fee calculated according to the annual interest rate as specified in the Fee Schedule. Customer must pay Late Fee and therefore ensure that the Card Account holds a sufficient amount of money. Bank applies a 360 day-count convention to calculate Late Fee.

5.7.8. Bank debits Customer's Card Account (and also other Customer's accounts with Bank in the cases prescribed by the Agreement) to make payments (referred to in Section 5) in the following order of priority: (1) to pay Late Fee, interest for Card Credit Limit exceed and interest for unauthorised negative balance in the Card Account; (2) to make payments which are listed in cl. 5.6.2. and which are not those mentioned in (1) above, Card Credit Limit exceed, Card Loan principal or Card Loan

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

interest; (3) to repay Card Credit Limit exceed; (4) to pay Card Loan interest; (5) to repay Card Loan principal. Bank may, at its sole discretion and without giving Customer prior notice or warning, change the order of priority.

5.7.9. Bank may, unilaterally and without Customer's prior consent, use the collateral in satisfaction of any charges incurred in the Card Transactions, Bank's services, Customer's debts, expenses and losses arising in connection with servicing of the Card Account and the Card, and any breaches of the Agreement, whenever the Card Account does not hold a sufficient available amount to cover outstanding debts.

#### 5.8. Card Account Statements

5.8.1. Bank prepares Statements and enables Customer to receive or read a monthly Statement covering each Settlement Period according to a preferred method for receiving Statements as stipulated in the Application. Bank prepares and issues the Statement after the end of each Settlement Period till the 5<sup>th</sup> (fifth) day of the next successive calendar month.

5.8.2. Statement provides a listing of all Card Transactions charged to the Card Account during the Settlement Period, including Fees, interest payments and any sums otherwise payable to Bank. Also, Statement shows the Card Account balance. Bank will debit the Card Account for each sent Statement according to Bank's Fee Schedule.

5.8.3. Non-receipt of or Customer's failure to read a Statement will not be considered a valid reason for exempting Customer from the obligations.

#### 5.9. Lost/Stolen Card Reporting

5.9.1. If Card has been stolen or got into possession of third party, Customer and/or Cardholder must immediately:

5.9.1.1. notify Bank's Payment Card Division's officers at +371 67 000 434; alternatively, a notification may be faxed to +371 67 000 479 (every day, 8:00 to 22:00, local time in Latvia);

5.9.1.2. notify First Data, a Latvia-based processor of card payments, operator at +371 67 092555 (22:00 to 8:00, local time in Latvia);

5.9.1.3. block (disable) the Card in the Internet Banking;

5.9.1.4. notify Customer's private banker.

5.9.2. If the Card is lost/stolen in the Republic of Latvia or abroad and Cardholder cannot follow procedure referred to in cl. 5.9.1 hereof, Cardholder must file a report with the local police department or other law enforcement agency.

5.9.3. Customer and/or Cardholder must deliver to Bank written Card loss notification or notification that Card become available to third parties enclosed with the documents required by Bank not later than within 7 (seven) days after the oral reporting.

5.9.4. If Card Transactions have been conducted at the time when the Card has been reported as lost or possessed by unauthorised third parties and/or the Card has been unlawfully used or skimming has occurred (a counterfeit card has been made and used), then Bank's liability for the Card Transactions will arise only in the cases and in the manner prescribed by the RL Payment Services and Electronic Money Law [LR Maksājumu pakalpojumu un elektroniskās naudas likums] and will be limited to the extent specified by the Payment Services and Electronic Money Law.

5.9.5. Customer and Cardholder undertake to deliver, if necessary, to Bank or Bank-designated representative all required information that could be useful in investigating the Card loss case.

5.9.6. To receive a new Card, Customer is required to submit the application to Bank or Customer's private banker.

5.9.7. If a Card previously reported missing (lost or stolen) is then found or recovered, Customer and Cardholder must immediately notify Bank thereof.

#### 5.10. Disputes with Merchants (Chargeback)

5.10.1. Bank will not be liable for the refusal of any merchant or other person, with whom Card Transaction is conducted, to accept Card for payments.

5.10.2. Bank will not be liable for the quality of the goods or services purchased with the Card.

5.10.3. Bank will not be liable for limitations or restrictions imposed on Card Transactions by a third party and/or merchant.

5.10.4. Bank will not be liable for inability to conduct the Card Transaction due to any technical failures beyond Bank's reasonable control.

#### 5.11. Card Validity Period

5.11.1. Expiration date is shown on the Card. The Card is valid through the last day of the month embossed on the Card (inclusive). If the Card is presented after the expiration date, it will not be processed (Bank will disable the Card).

5.11.2. Once the new Card is activated, the old one is disabled by Bank.

5.11.3. Customer must assure that the expired Card is surrendered to Bank or destroyed.

5.11.4. If 20 (twenty) calendar days before the expiration date shown on the Card Customer does not submit a written application requesting Bank not to renew the Card and the Card Account holds sufficient available amount to pay Annual Card Fee, then Bank will automatically renew the Card and will issue to Cardholder the new Card with a new validity date.

#### 5.12. Termination or Suspension of the Card

5.12.1. Customer may file a written application satisfying Bank's requirements and requesting Bank to suspend activity on the Card. In this case Customer must assure that the Card is destroyed or surrendered to Bank; repay all spendings on the Card and other amounts due and payable to Bank within 30 (thirty) calendar days after filing a written application (notice) to Bank.

5.12.2. Without a prior warning, Bank is entitled to:

5.12.2.1. disable the Card for a period not exceeding 2 (two) months whenever Customer or Cardholder breaches any provisions of the Agreement or there is a reasonable doubt regarding the proper implementation or proper adherence to the Agreement;

5.12.2.2. disable and/or close the Card if Bank has suspicion that the Card is used by third parties or otherwise unlawfully used or is counterfeit;

5.12.2.3. disable and/or close the Card if Bank has the right and/or obligation to discontinue rendering services to Customer under the applicable laws, or if any of the circumstances specified in cl. 5.7.4 hereof have occurred;

5.12.2.4. suspend the use of the Card in individual countries or in deals with individual merchants in order to protect Customer from possible fraud;

5.12.2.5. suspend the use of the Card and close both the Card and the Card Account in the cases prescribed by cl. 1.2.4.

5.12.3. Without prejudice to Bank's rights stipulated in cl. 5.12.2. hereof, Bank has the right to unilaterally at Bank's sole discretion to terminate servicing the Card, close the Card, cancel the Credit Limit and request full repayment of the Card Loan and payment of other sums stipulated in Section 5 hereof, by giving Customer a two-month prior notice thereof.

5.12.4. Bank's or Customer's unilateral termination of the Card servicing/usage will not relieve and exempt Customer from the responsibility to properly fulfil Customer's financial obligations and will not reduce and affect any payments mentioned in the Agreement/Fee Schedule and having arisen during the validity period of the Card.

BANK: \_\_\_\_\_

CUSTOMER: \_\_\_\_\_

5.12.5. If Bank or Customer unilaterally terminates to service/use the Card, or Customer, who is not a Consumer, Bank will not refund the Annual Card Fee (previously paid to Bank by Customer). If Customer is a Consumer, Bank will refund the Annual Card Fee (previously paid to Bank by Customer) proportionately to the period of time during which (till the end of the current year) the Card will no longer be used. Card Issuance Fee is not refunded to Customers.

### 5.13. Card Overdraft Bonus

5.13.1. Card Overdraft Bonus (the right to use the service) may be assigned to Customer on the basis of Customer's Application submitted to Bank for review and consideration.

5.13.2. If Bank agrees to the provisions specified in the Card Overdraft Bonus Application, Bank signs the Application, and the Application constitutes an integral part of this Agreement. From that moment, Customer is eligible to request Card Overdraft Bonus.

5.13.3. To request Card Overdraft Bonus and prove its identity, Customer uses Remote Banking Services (RBSs) and adheres to these Terms and Conditions (Section 4 hereof).

5.13.4. Bank may refuse, without stating any reason, to assign Card Overdraft Bonus or reduce, at any time, the amount of the assigned but unutilised Card Overdraft Bonus, or to repay it. Bank will notify Customer of Bank's refusal to assign Card Overdraft Bonus and reduction or repayment of the assigned but unutilised Card Overdraft Bonus.

5.13.5. Total amount of Bank-assigned and outstanding (non-repaid) Card Overdraft Bonuses may not exceed the overall limit imposed by Bank and stated in the Card Overdraft Bonus Application, irrespective of whether the Bonuses have been spent.

5.13.6. Customer will pay a Fee (according to the Fee Schedule) per each Card Overdraft Bonus assigned by Bank.

5.13.7. Card Overdraft Bonus is intended for urgent Card Transactions.

5.13.8. Card Overdraft Bonus is considered spent (fully or partially) at the moment when Customer commences Card payments within the limit of the Card Overdraft Bonus.

5.13.9. Customer is obligated to fully repay to Bank spent Card Overdraft Bonus within 3 (three) calendar days after the Bonus has been assigned. Regardless of whether Customer has spent the Card Overdraft Bonus (fully or partially) or not, Bank will cancel the Card Overdraft Bonus on the 4<sup>th</sup> (fourth) calendar day after the Card Overdraft Bonus has been assigned.

5.13.10. If several Card Overdraft Bonuses are assigned to Customer, and Customer delays the specified due date (cl. 5.13.9 hereof) for any of the Bonuses fully or partially, then Bank may request that all other outstanding Card Overdraft Bonuses be immediately paid. In the case mentioned herein Bank has the right to cancel all assigned but unspent or partially spent Card Overdraft Bonuses (as far as partially spent Bonuses are concerned, Bank cancels their unspent portion).

5.13.11. Card Overdraft Bonus, which is assigned, spent and outstanding (unpaid) in accordance with cl. 5.13.9) will be treated as Customer's debt owed to Bank and representing an unauthorised negative balance in the Card Account. Bank charges interest on the unauthorised negative balance. To calculate the interest, Bank uses the same annual interest rate as specified in the Fee Schedule and used to calculate interest for Card Credit Limit exceed. The interest is calculated on the basis of a 360-day year and the actual number of calendar days in each month. The interest calculated for a calendar month is deducted from the Card Account on the last banking day of the respective calendar month.

If the unauthorised negative balance in the Card Account is not cleared by the Setoff Date, Customer must pay Late Fee calculated on the amount in arrears, using the annual interest rate as specified in the Fee Schedule. On the last calendar day of every calendar month, Late Fee (calculated for a calendar month) is deducted from the Card Account, thus increasing the unauthorised negative balance in the

Card Account. Customer must immediately clear the unauthorised negative balance.

5.13.12. To repay any of Card Overdraft Bonuses, as spent and overdue, Bank may, without giving Customer a prior notice, deduct the required amount (fully or partially) from any account held by Customer with Bank by transferring the required amount from any Customer's account with Bank. If necessary, Bank may convert the funds (if the funds available in the account are denominated in other currency) into the Card Account currency according to Bank's General Currency Exchange Rate effective at the time of the conversion.

## SECTION 6

### DEPOSIT TERMS AND CONDITIONS

#### 6.1. General Provisions

6.1.1. Bank can open Customer's Deposit Accounts in currencies specified in Bank's Fee Schedule.

6.1.2. Bank will maintain a separate Deposit Account for each Deposit. Each addition to Deposit Account requires a separate Application to be filed by Customer, unless otherwise expressly stipulated by the Agreement. Customer may have multiple Deposit Accounts in accordance with this Agreement.

6.1.3. Customer undertakes to pay the amount of Deposit Principal (either in cash or by wire transfer) into Account for Subtracting Deposit Principal.

#### 6.2. Paying in Deposits

6.2.1. When placing any type of Deposit, Customer has an obligation to pay in (to the Account for Subtracting Deposit Principal) the Deposit amount of not less than an amount specified on the Fee Schedule. The amount is to be deposited not later than within 10 (ten) calendar days after the date that Bank has approved Customer's Application regarding Deposit.

6.2.2. Additions to Deposits (replenishment options):

6.2.2.1. Additional funds may not be added to Standard Deposit and Multicurrency Deposit;

6.2.2.2. Accumulative Savings Deposit may be added on a regular basis by making monthly payments or by paying additional amounts in accordance with the Application and this Agreement. Also, Customer has the option to authorise Bank (specifically specifying in the Application) to make monthly payments to Deposit Account from Account for Subtracting Deposit Principal;

6.2.2.3. There are no limits on the amounts that can be added to Junior Savers Deposit, Open-End Deposit and Deposit 33.

#### 6.3. Computation of Deposit Interest

6.3.1. Deposit Interest is computed for each calendar day, starting from the Deposit Opening Date (inclusive) to the Deposit Maturity Date (exclusive). When calculating Deposit Interest it is assumed:

6.3.1.1. for Long-Term Deposits, Bank applies a 30/360 day-count convention (assumes there are 30 days in a month and 360 days in a year);

6.3.1.2. for Short-Term Deposits, Bank uses an Actual/365 day count basis (this calculates the actual number of days in a calendar month and assumes the year has 365 days).

6.3.2. Deposit Interest is computed at the end of each day on the total balance available in the Deposit Account as follows:

6.3.2.1. Standard Deposit: Deposit Interest is added to the amount accrued in the Deposit Account in the beginning of the tenor, monthly, quarterly or at maturity;

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- 6.3.2.2. Multicurrency Deposit: Deposit Interest is added to the amount accrued in the Deposit Account at the end of the tenor;
- 6.3.2.3. Accumulative Savings Deposit and Open-End Deposit: Deposit Interest is added to the amount accrued in the Deposit Account once a month, but not later than on the second banking day of a month following the Deposit Interest calculation-date;
- 6.3.2.4. Junior Savers Deposit: Deposit Interest is added to the amount accrued in the Deposit Account once a year, on the date and the month which correspond to the date and month of birth of Customer - a person who has not reached the age of majority,- and for whose benefit the deposit has been placed);
- 6.3.2.5. Deposit 33: Deposit Interest is added to the amount accrued in the Deposit Account once a quarter, on the last Banking Day of the calendar months: March, June, September and December.
- 6.3.3. Bank applies Deposit Interest rate as specified in the Application in compliance with the following provisions:
  - 6.3.3.1. for Standard Deposit and Accumulative Savings Deposit - Deposit Interest rate remains unchanged during the entire life of the Deposit;
  - 6.3.3.2. for Open-End Deposit and Deposit 33, Bank applies the original Deposit Interest rate as specified in the Application. However, during the Deposit Tenor, Bank may unilaterally revise the original Deposit Interest rate (either upward or downward) and specify the revised rate in the Fee Schedule. For already existing Deposit 33, Bank may unilaterally revise Deposit Interest rate 33 (thirty three) calendar days prior to the effective date of the revised interest rate and specify the revised rate in the Fee Schedule.
  - 6.3.3.3. for Junior Savers Deposit Bank applies the original Deposit Interest rate as specified in the Application. However, during the Deposit Tenor, once a year (on the date as indicated in the Fee Schedule), Bank may unilaterally revise the original Deposit Interest rate (either upward or downward) and specify in the Fee Schedule.
  - 6.3.3.4. for Multicurrency Deposit - Deposit Interest rates (as indicated in the Application) remain unchanged during the entire life of the Deposit. Differing interest rates for various currencies may be indicated in the Application (differing currencies have differing interest rates).

**6.4. Withdrawal of Deposit Principal and Interest**

- 6.4.1. Deposit Interest is paid out as specified below, unless otherwise clearly stated in the Agreement and except for cases prescribed by the Agreement, the General Terms and Conditions for Transactions, any other agreement entered into between the Parties or other Bank's regulations (that are binding upon Customer) when operations in the Deposit Account are subject to limitations (restrictions):
  - 6.4.1.1. Standard Deposit: on the Deposit Maturity Date. The amount of Deposit Interest is remitted to Account for Receiving Deposit Interest as specified in the Application;
  - 6.4.1.2. Multicurrency Deposit: on the Deposit Maturity Date. The amount of Deposit Interest is remitted to Account for Receiving Deposit Interest as specified in the Application;
  - 6.4.1.3. Accumulative Savings Deposit, Junior Savers Deposit, Open-End Deposit and Deposit 33: according to the Agreement, Deposit Interest is added to the amount accrued in the Deposit Account, thus increasing the Deposit Amount, and is not paid out on a separate basis.
- 6.4.2. Bank pays back the Deposit to Customer on Deposit Maturity Date by remitting the Deposit amount to Account for Receiving Deposit Principal as specified in the Application, except for cases where operations in the Deposit Account are subject to limitations.

- 6.4.3. Customer may terminate the validity of Open-End Deposit or request a partial withdrawal or give Bank the order to pay out the whole or any part of the Deposit, by giving Bank a written notice thereof 7 (seven) calendar days prior to the intended withdrawal.
- 6.4.4. Customer may terminate the validity of Deposit 33 or request a partial withdrawal or give Bank the order to pay out the whole or any part of the Deposit, by giving Bank a written notice thereof 33 (thirty three) calendar days prior to the intended withdrawal.
- 6.4.5. Customer is entitled to change the account, as previously indicated in the Application, to which Bank is expected to credit Deposit Interest and/or Deposit according to Customer's order. Once Customer has designated another account, he is obligated to notify Bank thereof in writing at least 3 (three) Banking Days prior to the intended money transfers.
- 6.4.6. No partial withdrawals from the Deposit Account are allowed by Bank, except from Open-End Deposit, Accumulative Savings Deposit and Deposit 33.
- 6.4.7. If Deposit and/or Deposit Interest withdrawal date falls on a non-Banking Day, then the Deposit and/or Deposit Interest will be paid out on the Banking Day following such a non-Banking Day.
- 6.4.8. When the Deposit Maturity Date (as specified in the Agreement) arrives, the Deposit amount is remitted to Account for Receiving Deposit Principal and from this time onward the Deposit will be categorised as a demand deposit and will no longer earn Deposit Interest after maturity. The accrued Deposit Interest is credited to Account for Receiving Deposit Interest.
- 6.4.9 For Junior Savers Deposit - Deposit Principal together with the accrued Interest will be paid out to the beneficiary of the Deposit after the beneficiary of the Deposit has reached the age of majority under the applicable law of the Republic of Latvia, upon presentation of his/her personal identification document and upon filing a written application specifying the beneficiary account wherein the Deposit principal and Deposit Interest will be remitted.

**6.5 Premature Withdrawal of Deposit**

- 6.5.1. If Customer holds multiple Deposits, Customer is entitled to close a certain type of Deposit and to terminate the Agreement only with respect to the said Deposit, and to withdraw the amount deposited in the Deposit Account before the scheduled Deposit Maturity Date in compliance with the provisions of the Agreement. Before paying out Junior Savers Deposit prior to the Maturity Date, Bank has the right to require permission from the Orphans' Court [Bāriņtiesa]. The Deposit will be paid out after all Bank-requested documents are received.
- 6.5.2. Customer requesting for premature withdrawal of the Deposit (except for Open-End Deposit) expressly agrees to pay in Bank's favour Penalty Fee at the rate of 2 (two) percent per annum of the amount repayable to the beneficiary of the Deposit Principal and the beneficiary of the Deposit Interest (i.e. Deposit Principal plus Deposit Interest) per each calendar day, starting from the date of premature withdrawal till the Deposit Maturity Date (inclusive). Customer may request the premature withdrawal of the Deposit at least 2 (two) weeks before the proposed withdrawal. In respect of Deposit 33, Penalty Fee is calculated for 90 (ninety) calendar days.
- 6.5.3. Bank will be entitled to deduct Penalty Fee referred to in cl. 6.5.2 hereof from the amount repayable to the beneficiary of the Deposit and/or the beneficiary of the Deposit Interest.
- 6.5.4. If Customer wishes to close his Open-End Deposit Account or to withdraw a partial amount from the Deposit in violation of the seven-day advance notification provision, Customer agrees to pay in Bank's favour Penalty Fee at the rate of 0.5% (one-half of

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one percent) of the amount payable to the beneficiary of the Deposit and the beneficiary of the Deposit Interest (i.e. Deposit Principal plus Deposit Interest). Bank may charge the Penalty Fee from the amount repayable to the beneficiary of the Deposit Principal and/or Deposit Interest.

6.5.5. With Accumulative Savings Deposit Customer may, without incurring Penalty Fee, once a year withdraw from the Deposit Account an amount up to 10 (ten) percent of the Deposit amount under the condition that Customer, prior to the intended withdrawal, has added to Accumulative Savings Deposit a sum of money equal to at least 10 (ten) percent of the Deposit amount placed on the Deposit Account at the time of its opening.

6.5.6. Customer may not perform a pledge over the Deposit and over any ancillary rights arising out of the Deposit in favour of third parties without the express prior written consent of Bank. If Customer performs a pledge over the Deposit without the express written permission of Bank, then Bank (as soon as it becomes aware of the fact) may unilaterally terminate this Agreement. As a result, the Deposit Interest will cease to accrue and therefore the Deposit Interest for the entire Deposit Tenor will not be paid out. Any Interest that has been paid out on the Deposit will be taken back from the Deposit amount before being paid out

6.5.7. Bank will not be responsible or liable for any tax obligations payable by Customer and the beneficiary of Deposit Principal and/or beneficiary of Deposit Interest. Bank will withhold taxes from amounts payable out to Customer/beneficiary in accordance with the applicable tax laws and regulations of the Republic of Latvia.

#### **6.6. Collateral. Deductions from the Deposit Account**

6.6.1. Customer's Deposit and the Deposit Interest accrued are designated as collateral to secure the repayment of obligations arising out of transaction-related documents as indicated in the Application. Customer empowers and authorises Bank (in the event that Customer partially or completely defaults on any of its obligations) to use the Deposit and/or the accrued Deposit Interest for partial or complete repayment of Customer's obligations. Bank may use the Deposit and/or the accrued Deposit Interest to secure the repayment of any other Customer's obligations owed to Bank.

6.6.2. Customer hereby fully agrees that whatever claims that Bank has against Customer may be offset by Customer's claims against Bank arising out of the Agreement (on the basis of one claim offsetting another claim).

6.6.3. If Customer's Deposit is designated as collateral to secure the repayment of Customer's obligations or third-party obligations owed to Bank, the respective Deposit will not be paid out until all of the aforementioned obligations are completely discharged, except in the cases where Bank and Customer and/or any third party have agreed upon any other collateral to secure the repayment of the obligations.

#### **6.7. Miscellaneous Provisions**

6.7.1. Bank will be entitled to debit the Deposit Account in the following cases:

6.7.1.1. to pay fees (according to the Fee Schedule) charged for services provided by Bank to Customer;

6.7.1.2. in a situation where any amount of money has been paid in the Deposit Account without a valid legal reason and through involuntary omissions or errors;

6.7.1.3. in other cases stipulated by this Agreement and the applicable laws of the Republic of Latvia.

6.7.2. Bank is entitled, without giving Customer prior notice, to close the Deposit Account/ Deposit Accounts prior to the scheduled Deposit Maturity Date upon the occurrence of any one of the following circumstances:

6.7.2.1. Customer has failed to pay in/to deposit the minimum amount specified in the Fee Schedule within 10 (ten)

calendar days after Bank's approval of the Deposit Application;

6.7.2.2. under the applicable laws of the Republic of Latvia, enforcement action is initiated against Customer's funds and/or funds payable to Customer by third parties;

6.7.2.3. Bank exercises its legal rights stipulated in cl. 6.6 hereof;

6.7.2.4. at the time of opening the accounts (as specified in the Agreement) or at the time of paying money in those accounts, Customer has violated the applicable laws of the Republic of Latvia; under the applicable laws, the competent authorities have ordered Bank to close the Deposit Account;

6.7.2.5. in the cases prescribed by cl. 1.2.4 hereof;

6.7.2.6. in the cases prescribed by the General Terms and Conditions for Transactions.

6.7.3. If Bank discontinues to offer and accept Open-End Deposit or Deposit 33, Bank has the right to close the Deposit Account by notifying Customer thereof at least 2 (two) months prior to the intended date of termination.

### **SECTION 7 TERMS AND CONDITIONS FOR FOREIGN CURRENCY EXCHANGE TRANSACTIONS**

#### **7.1. Procedure for the Conclusion of Foreign Currency Exchange Transactions**

7.1.1. Foreign Currency Exchange Transaction (currency-conversion transaction) is concluded once Bank has approved Customer's currency conversion Order. Bank conducts Foreign Currency Exchange Transaction according to Bank's General Currency Exchange Rate effective on the currency conversion Order execution date.

7.1.2. Bank may offer Customer a special exchange rate if Customer-submitted currency conversion Order does not specify a special exchange rate agreed upon with Bank, then Bank will tacitly assume that Customer submits currency conversion Order to be executed according to Bank's General Currency Exchange Rate effective on the Order execution date.

7.1.3. Foreign Currency Exchange Transaction to be executed according to a special exchange rate will be deemed to have been concluded at a point in time when the Parties (by using the pre-agreed means of communication for submitting currency conversion Order/concluding Foreign Currency Exchange Transaction) have agreed upon Forex Transaction-specific features (parameters), such as currency, amount, exchange rate, settlement date.

7.1.4. Once a Foreign Exchange Transaction has been sealed, Customer is obligated (not later than 18:00, local time in Latvia, on the date of conclusion of the Foreign Exchange Transaction) to send confirmation of the Foreign Exchange Transaction in the Internet Banking environment. If Customer fails to send the confirmation in the manner prescribed herein, Bank will be entitled to stop the Foreign Exchange Transaction and recover Bank-incurred loss from Customer. The amount of the loss is calculated as the difference between the value of the discontinued Foreign Exchange Transaction (to be executed according to the exchange rate pre-agreed by the Parties) and the value of the offset transaction (executed according to the then-current exchange rate available to Bank. If Customer fails to furnish Bank with the confirmation of conclusion of the Foreign Exchange Transaction the Internet Banking environment, Bank has the right, but not the obligation, to execute the Foreign Exchange Transaction.

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## 7.2. Settlement and Payments

7.2.1. Customer is obligated to ensure that Customer's Account holds a sufficient amount of money to settle the respective Foreign Currency Exchange Transaction on the respective settlement date (till 18:00, local time in Latvia) as pre-agreed by the Parties at the time of sealing the Foreign Currency Exchange Transaction. Customer's Account is used to settle Foreign Currency Exchange Transaction (all relevant entries are posted to Customer's Account).

7.2.2. In respect of Forex Transaction that is concluded and settled on different dates, Bank opens Customer's Security Deposit Account. Bank unilaterally sets the mandatory threshold (the amount to be held in the Security Deposit Account). To comply with the requirement, Customer must remit Bank-specified amount (on the date of conclusion of the Forex Transaction, till 18:00, local time in Latvia) to the Security Deposit Account.

7.2.3. Bank fulfils its respective currency conversion-related obligations (carries out the settlements) only after Customer has fulfilled its obligations under cl. 7.2.1 and cl. 7.2.2 hereof.

However, if Customer fails to fulfil its obligations under cl. 7.2.1 and cl. 7.2.2 hereof, Bank has the right (but not the obligation) to execute, at its sole discretion and without Customer's prior consent, Customer-ordered Foreign Currency Exchange Transaction and hence give rise to Bank's claims held by Bank against Customer in connection with the shortfall of funds in the Account. Simultaneously, Bank concludes (at Customer's expense) an offset transaction (transaction designed to offset the aforementioned transaction) to be executed according to the then-current exchange rate available to Bank. In such a case, Customer is obligated to reimburse Bank for all expenses and losses caused by Customer's failure to fulfil its obligations and/or resulting from the execution of the aforesaid Foreign Currency Exchange Transaction.

7.2.4. Bank-incurred expenses and losses associated with the execution of the Foreign Currency Exchange Transactions (cl. 7.2.3 hereof) are calculated as the difference between the value of Customer-ordered Foreign Currency Exchange Transaction (executed according to the exchange rate pre-agreed by the Parties) and the value of the offset transaction executed according to the then-current exchange rate available to Bank.

7.2.5. Bank has the right (but not the obligation) to remit, at its sole discretion, the money held in the Security Deposit Account to the Account to extinguish Bank's claim against Customer.

7.2.6. Customer independently calculates the amount of the Security Deposit while ensuring, however, that the amount of the Security Deposit does not fall below the amount of the Security Deposit mandated by Bank.

7.2.7. Customer authorises Bank to replenish, on Customer's behalf, the Security Deposit Account with Customer's money held in the Account in order to secure Customer's obligations arising from the Forex Transaction and also in cases when it is necessary to hold (in the Security Deposit Account) the amount of Security Deposit as mandated by Bank. Bank therefore has the right, but not the obligation, to replenish the Security Deposit Account with Customer's money held in the Account. If the Account does not have enough money, Bank will use Customer's funds held in other accounts with Bank.

7.2.8. If Bank uses the amount of the Security Deposit to cover Customer's losses, Customer undertakes to immediately replenish the Security Deposit Account with an amount not below the amount of the Security Deposit as mandated by Bank.

7.2.9. Once the Foreign Exchange Transaction has been executed, the respective Security Deposit is credited to the Account.

7.2.10. Bank will not pay any interest on balance in the Security Deposit Account, unless the Parties agree otherwise in writing.

7.2.11. Any amounts of money (unless denominated in a currency other than the Primary Currency) deposited into the Security Deposit Account may be converted to the Primary Currency according to the exchange rate established by Bank. If any expenses associated with paying any commissions and other fees must be recorded (in a currency other than the Primary Currency) by a debit entry against Customer's account, then the recordable amount must be converted to the Primary Currency according to the exchange rate established by Bank.

## 7.3. Remuneration Payable to Bank.

7.3.1. In Foreign Currency Exchange Transactions, Customer pays Fees charged by Bank according to the Fee Schedule, unless Bank and Customer agree upon any other amount of the Fee at the time of concluding the respective Foreign Currency Exchange Transaction.

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