

## TERMS USED IN THE GENERAL TERMS AND CONDITIONS

The following terms shall be used in these General Terms and Conditions:

- 1) **Place of Service** – the Bank's branch, where the Bank provides services to the Customer;
- 2) **Bank** – AS DNB banka (registered in the Commercial Register maintained by the Register of Enterprises of the Republic of Latvia; unified registration number: 40003024725; legal address: Skanstes iela 12, Riga, LV-1013; homepage address in the Internet: www.dnb.lv; electronic mail address: info@dnb.lv), the main business area whereof is provision of financial services;
- 3) **Bank's Working Hours** – the working hours of every Place of Service when the Customers are serviced;
- 4) **Bank's Website** – the Bank's homepage on the Internet (www.dnb.lv);
- 5) **List of Conditions** – the effective List of Conditions of the Bank regarding the Services, which, among other things, stipulates the amounts and conditions for application of Service Fees;
- 6) **Transaction** – any transaction between the Parties with regard to provision of the Service;
- 7) **Means of Distance Communication** – any means used for sending or transmission of information allowing information transfer without simultaneous physical presence of the Bank and the Customer (e.g. mail, telephone, electronic mail, Internet);
- 8) **Means of Identification** – any means or the information available to the Bank that can be used by the Bank for verification of identity of the Customer or the Customer's representative;
- 9) **Internetbank** – the Bank's internetbank (remote access system) which provides the Customer, subject to the Service Agreement on the use of this system, with an option to submit Notices to the Bank, to receive Notices from the Bank, and to use other services offered by the Bank and third parties by using the Internet and relevant Means of Identification;
- 10) **Customer Data** – personal data of the Customer, Customer's representative, person connected with the Customer or the beneficial owner, which has become known to the Bank under any Service Agreement or in any other way;
- 11) **Customer** – a person who uses or has expressed a wish to use the Service;
- 12) **Service Fee** – a fee for the Service payable by the Customer to the Bank;
- 13) **Contact Centre Services** – the Bank's service providing an opportunity to the Customer to carry out transactions (as specified by the Bank) by telephone;
- 14) **Account** – Customer's current account or other Customer's account with the Bank;
- 15) **Parties** – the Customer and the Bank (collectively);
- 16) **Funds** – financial resources and/or financial instruments;
- 17) **Payment Service** – any payment service defined as such in the Law on Payment Services and Electronic Money;
- 18) **Operation** – an action, resulting from which the Account is debited or credited, made upon initiative of the Customer, the Bank or a third party within the scope of the Services;
- 19) **Service Agreement** – an agreement concluded between the Parties on provision of a certain Service to the Customer;
- 20) **Service Rules** – the Bank's rules, which in accordance with the Service Agreement govern legal relations between the Parties in relation to the provision of a certain Service;
- 21) **Service** – any financial service or any service in relation to financial service offered or provided by the Bank to the Customer;
- 22) **Specimen Signature Card** – the specimen signature card of one or more representatives of the Customer – legal entity, executed in the form specified by the Bank;
- 23) **Consumer** – a Customer regarded as a consumer under the Consumer Rights Protection Law;
- 24) **Notice** – an application, order, request, complaint, demand or any other notice that one of the Parties delivers to the other Party in connection with the Service;
- 25) **Bank's Associated Party** – DNB ASA (a company registered in the Kingdom of Norway; registration number: 981 276 957) and any person directly or indirectly controlled by it;
- 26) **General Terms** – these Terms (the General Terms and Conditions of the Bank).

## 1. GENERAL ISSUES

- 1.1. The General Terms govern legal relations between the Customer and the Bank in relation to the provision of the Services.
- 1.2. The General Terms set out the basic principles for legal relations between the Customer and the Bank, provisions regarding communications, as well as other general terms and conditions for provision of the Services.
- 1.3. In addition to the General Terms, legal relations between the Customer and the Bank in relation to the provision of the Services shall be governed by the Service Rules, Service Agreements, the List of Conditions and good banking practice as well as the principles of good faith and reasonableness.
- 1.4. The General Terms shall apply to the legal relations between the Customer and the Bank in relation to the provision of the Services to the extent not specified otherwise by the Service Rules regulating provision of that Service. In case of conflict between a provision of the General Terms and of the Service Rules, the relevant provision of the Service Rules shall apply.
- 1.5. The General Terms and the Service Rules shall apply to the legal relations between the Customer and the Bank in relation to the provision of the Services to the extent not provided otherwise by the Service Agreement regulating provision of that Service. Unless specified otherwise in the General Terms, in case a provision of the General Terms or the Service Rules is in conflict with a provision of the Service Agreement, the relevant provision of the Service Agreement shall apply.
- 1.6. Subject to the provisions of Clauses 1.4 and 1.5 above, the General Terms apply to every Transaction, form an integral part of every Transaction and shall be binding upon the Parties. The General Terms shall also apply to the legal relations between the Parties in connection with Services established prior to and continuing on the date the General Terms come into effect.
- 1.7. The General Terms, the Service Rules and the List of Conditions are available in the Places of Service during the Bank's Working Hours upon the Customer's request and on the Bank's Website. The General Terms, the Service Rules and the List of Conditions are available to the Customer in the Latvian language. In some cases these documents or their translation in other languages are available to the Customer.
- 1.8. By performing any Transaction or signing any document related to the Transaction the Customer represents to the Bank that the Customer has read and understood the General Terms, the Service Rules and other documents applicable to the relevant Transaction, as well as the List of Conditions effective on the day of performing the Transaction or signing of the respective document, agrees to them and undertakes to comply with them.
- 1.9. Service Agreements shall be concluded and mutual communication between the Parties shall be in Latvian. If agreed by the Parties, the Service Agreement can be concluded and the Parties can communicate in another language.
- 1.10. If the Service Agreement is concluded on provision of the Payment Service, during the effective period of the Service Agreement the Consumer may, upon request, receive from the Bank the provisions of the respective Service Agreement and other information, which in

accordance with the regulatory enactments should be provided to the Consumer in connection with the Payment Service.

- 1.11. The Bank has the right without explanations to the Customer to refuse to conclude the Service Agreement.
- 1.12. The regulatory enactments of the Republic of Latvia shall be applied to the legal relations between the Parties in relation to the provision of the Services unless agreed otherwise between the Parties.
- 1.13. The provisions of Section 58, 60, 61, 63, 64, 66, 67, 69 – 75, Paragraph one of Section 77, Section 85, 87, 88, 89 and 99, and the time period for request of compensation for loss specified in Section 84 of the Payment Services and Electronic Money Law shall not apply to the legal relations between the Bank and the Customer, who is not a Consumer, in relation to the Payment Services.
- 1.14. The General Terms shall be binding on and applicable not only to the Customer but also to every legal successor of the Customer.
- 1.15. Unless specified otherwise in the General Terms, provisions of the General Terms and the Service Rules applicable to the Customer, who is a legal entity, shall be applicable to any party that is not a natural person and to the individual merchant as well.

## **2. COMING INTO EFFECT OF THE GENERAL TERMS**

- 2.1. The Bank shall inform the Customer on the coming into effect of the General Terms by making them available in the Places of Service and on the Bank's Website at least 30 (thirty) days before the General Terms come into effect.
- 2.2. If the Customer does not agree to the General Terms, the Customer is entitled to withdraw unilaterally from the Service Agreements before the General Terms come into effect by notifying the Bank thereof in writing or in any other agreed manner and by fulfilling all obligations of the Customer arising from the Service Agreements in the manner stated by the Service Agreements.
- 2.3. If the Customer does not exercise its, his or her right stipulated in Clause 2.2, the Customer shall be deemed to have accepted the General Terms.

## **3. INTERPRETATION OF THE GENERAL TERMS, SERVICE RULES AND SERVICE AGREEMENTS**

- 3.1. Unless otherwise specified in the General Terms, the Service Rules or the Service Agreement (respectively) (all documents mentioned above in this Clause hereinafter in this Chapter shall be referred to as the Terms) and unless the context requires otherwise:
  - 3.1.1. references to Chapters, Clauses or sub-Clauses in the Terms mean references to Chapters, Clauses or sub-Clauses of the Terms (respectively);
  - 3.1.2. the terms, that are explained in singular in the Terms, shall be interpreted accordingly also when in the Terms these terms are used in plural and vice versa;
  - 3.1.3. for the purposes of the Terms the term „person” shall also mean a group of persons that does not have a status of a legal entity, but which is recognised as a subject of law (e.g. a partnership);
  - 3.1.4. a reference in the Terms to the Service Agreement includes a reference to the General Terms, respective Service Rules and other documents being an integral part of the respective Service Agreement;
  - 3.1.5. a reference in the Terms to any document includes a reference to that document with all amendments thereto and any novation thereto.
- 3.2. Headings of the Chapters in the Terms are intended for convenience only, not for interpretation of the Terms.
- 3.3. If any of the parts of the Terms is or becomes invalid, the other parts of the Terms shall not be affected thereby.
- 3.4. In case of discrepancies between the text of the Terms in Latvian and in a foreign language, the text of the Terms in Latvian shall prevail.

## **4. AMENDMENTS TO THE GENERAL TERMS, THE SERVICE RULES AND THE LIST OF CONDITIONS**

- 4.1. The Bank has the right to amend the General Terms, Service Rules and List of Conditions unilaterally. If the Customer is the Consumer, such amendments can be made for any of the following reasons:
  - 4.1.1. in the Bank's reasonable opinion, such amendments make the respective terms more clear or precise for the Customer or such

amendments are favourable to the Customer;

- 4.1.2. due to changes in expenses incurred by the Bank in connection with provision of the respective Service;
  - 4.1.3. in order to ensure compliance of the Bank's activities with the regulatory enactments and other legal acts binding upon the Bank;
  - 4.1.4. in order to comply with an adjudication of court or a decision, instruction or recommendation of a supervisory authority or other similar institution;
  - 4.1.5. changes have taken place in technologies or systems used in relation to the respective Service;
  - 4.1.6. in order to improve, develop or change the Service;
  - 4.1.7. changes have taken place in the structure of the Bank's Associated Parties;
  - 4.1.8. there is any such reason that makes it impossible or significantly complicated to further provide the Service without making respective amendments;
  - 4.1.9. due to other valid reason.
  - 4.2. The Bank shall inform the Customer on the amendments to the General Terms, the Service Rules and the List of Conditions by making the information on respective amendments available in the Places of Service and the Bank's Website or in any other manner at least 30 (thirty) days before the day when the amendments come into effect. If such amendments are related to the Payment Service, the Bank shall inform the Customer, who is a Consumer, about such amendments at least 60 (sixty) days before the day when the respective amendments come into effect via the Internetbank, electronic mail or other Means of Distance Communication on the use whereof the Parties have agreed.
  - 4.3. If the Customer does not agree to the amendments mentioned in Clause 4.2, the Customer is entitled to withdraw unilaterally from the relevant Service Agreement which is affected by these amendments before the respective amendments come into effect by notifying the Bank thereof in writing or in any other agreed manner and by fulfilling any and all obligations of the Customer arising from the respective Service Agreement in the manner stated by the respective Service Agreement. In this case the Customer, who is a Consumer, is entitled to withdraw unilaterally from the Service Agreement governing the usage of the Payment Service and affected by respective amendments without application of penalty.
  - 4.4. The Bank has the right to amend the General Terms, the Service Rules and/or the List of Conditions not considering the notification term specified in Clause 4.2 or without prior notice to the Customer, if relevant amendments concern the Customer, who is not a Consumer. If the Customer is a Consumer, the Bank shall have the right to make such amendments without considering the notification term specified in Clause 4.2 or without prior notice to the Customer, if such amendments are favourable to the Customer or if in accordance with applicable regulatory enactments the Bank has the right to notify the Customer of the respective amendments within other time or the right to make such amendments without prior notice to the Customer. In the case mentioned in this Clause the Bank shall immediately notify the Customer of any amendments in the manner mentioned in Clause 4.2, and the Customer has the right to withdraw unilaterally from the relevant Service Agreement which is affected by these amendments as set out in Clause 4.3.
  - 4.5. If the Customer does not exercise the right stipulated in Clauses 4.3 or 4.4, the Customer shall be deemed to have accepted the amendments made to the General Terms, the Service Rules and/or the List of Conditions and therewith declared that the Customer has no claims to the Bank in respect to these amendments.
- ## **5. REPRESENTATION**
- 5.1. A natural person may enter into legal relations with the Bank and execute Transactions in person or through a representative. If so requested by the Bank, a natural person shall be obliged to enter into legal relations and execute Transactions in person.
  - 5.2. A legal entity may enter into legal relations with the Bank and execute Transactions through its legal representatives or through other authorised person. If so requested by the Bank, a legal entity shall be obliged to enter into legal relations with the Bank and execute Transactions through the legal representative.
  - 5.3. The Bank is entitled to request that the authorisation of the Customer's

representative be notarised.

- 5.4. The Bank has no obligation to accept a document certifying the right of representation in which the right of representation has not been expressed unambiguously and clearly or if the Bank has doubts about validity or authenticity of the authorisation.
- 5.5. The documents certifying the right of representation of the Customer submitted to the Bank are considered valid until the Bank has received documents confirming changes to the documents certifying the right of representation of the Customer.
- 5.6. An authorisation submitted to the Bank, if issued for a fixed period of time, shall be considered valid until expiration of the said term, unless the Customer has revoked the authorisation before the expiry date in writing. In case of revoking the authorisation, the authorisation shall be considered expired from the moment when the Customer has revoked the authorisation in writing and has notified the Bank in accordance with Clause 5.5. An authorisation submitted to the Bank, if issued for an indefinite period of time, shall be considered valid until the Customer revokes the authorisation in writing and revocation of the authorisation is notified to the Bank in accordance with Clause 5.5. The Customer shall inform the Bank in writing of revocation of the authorization also if the respective notice is published in the official gazette.

## **6. REQUIREMENTS TO NOTICES AND OTHER DOCUMENTS**

- 6.1. The Customer shall submit to the Bank original documents or copies certified by a notary or having certification similar to notarisation pursuant to regulatory enactments. The Bank is entitled to demand that the Customer submits original documents.
- 6.2. The Bank has the right to assume that the Customer's Notice or any other document submitted by the Customer is authentic, valid and correct.
- 6.3. The Bank has the right to demand that documents issued abroad be legalised or certified with an apostille, as appropriate, unless prescribed otherwise in a treaty between the Republic of Latvia and the respective foreign country.
- 6.4. If documents are in a foreign language, the Bank has the right to demand that the documents be translated into Latvian or another language acceptable to the Bank. The translation must be certified by a sworn translator whose signature under the translation of the document must be certified by a notary. The Bank shall not compensate for the costs related to the aforementioned acts.
- 6.5. The Bank has the right to retain the documents submitted by the Customer or to return the documents to the Customer, retaining copies of the documents.
- 6.6. All the documents submitted or sent to the Bank must be clearly legible and executed correctly. Documents submitted in paper form should be signed with such writing implements that the written text remains visible for an unlimited period of time and is erasable only by inflicting visible damage on the material of the document. The Bank may check whether such writing implements are used for signing of documents. The Customer shall bear liability for losses arising from the use of other type of writing implements and for losses incurred due to the submission of documents executed illegally or incorrectly.
- 6.7. When preparing and submitting Notices to the Bank, the Customer should express itself clearly and explicitly. If figures in the Customer's Notice are specified both in numbers and in words and if they differ, the Bank has the right not to fulfil the Notice, or to fulfil it based on the figures specified in words. In case of using electronic payment instruments, the sums or figures specified in numbers shall be taken as the basis.
- 6.8. The Customer has the right to request fulfilment only of such Notices, fulfilment whereof is stipulated by the Service Agreement or on fulfilment whereof the Parties agreed otherwise. The Customer is responsible for fulfilment of the preconditions necessary for fulfilment of the Notice, as well as for ensuring that the Notice be practicable.
- 6.9. The Bank has the right to request that the Notice is submitted to the Bank in the Latvian language in writing.
- 6.10. The Bank has the right, at own discretion, fully or partially refuse to accept or fulfil a Notice or a document submitted to the Bank, or to request that the Customer at own expense submit to the Bank an additional confirmation of the Notice or additional documents in the form acceptable to the Bank in the following cases:
  - 6.10.1. The Customer submits the Notice or other document that is not

in accordance with the requirements established by the Bank or prescribed by regulatory enactments effective in Republic of Latvia;

- 6.10.2. The Bank has doubts in the authenticity, correctness or validity of the submitted Notice or document;
- 6.10.3. The Bank has suspicion of existence of other drawbacks in the submitted Notice or document.
- 6.11. The Customer is obliged to take all necessary measures in order to hold the Bank harmless from liability for the Customer's orders given to the Bank and other Customer's Notices.
- 6.12. If in accordance with the General Terms or the Service Agreement the Bank should check the authenticity, completeness, correctness or validity of documents or translate their contents, the Bank shall be responsible only for its gross negligence. If the aforementioned actions are necessary in order to fulfil the Customer's order given to the Bank, the Bank shall have the right for fulfilment of such actions to use the services of third parties at the Customer's expense.

## **7. VERIFICATION OF IDENTITY AND SIGNING OF DOCUMENTS**

- 7.1. The Customer and the Customer's representative shall be obliged to present data and documents requested by the Bank for the purposes of verification of identity.
- 7.2. The identity of the Customer – natural person shall be verified on the basis of personal identification documents specified by the Bank, which comply with the provisions of regulatory enactments of the Republic of Latvia. In cases specified by the Bank the Customer or its representative, who is a natural person, may be identified by the Bank on the basis of a driver's licence or other document acceptable to the Bank that enables to identify the respective natural person if this natural person has been identified by the Bank before on the basis of the personal identification document.
- 7.3. The identity of the Customer – legal entity shall be initially verified by requesting the Customer to produce documents or otherwise obtaining the necessary data, on the basis whereof a legal entity shall be identified in accordance with the regulatory enactments, and by verifying the identity of a natural person representing the Customer – legal entity according to the provisions of Clause 7.2. The Bank has the right to verify the identity of the Customer – legal entity by obtaining the respective data necessary for verification of the identity of a legal entity, including data on the Customer's representatives, from a publicly available reliable and independent source of information (for example, from such database that includes information from a relevant public register, on the basis of an agreement on information re-use entered into between a respective state authority and a person maintaining the relevant database).
- 7.4. At conclusion of the first Service Agreement or later, at the Bank's discretion, the Customer – legal entity shall execute the Specimen Signature Card in conformity with the Bank's requirements in the presence of a representative of the Bank or otherwise acceptable to the Bank, at its own discretion attaching a sample imprint of the Customer's seal to the specimen signatures of the Customer's representative.
- 7.5. By signing the Specimen Signature Card the Customer represents to the Bank that the Customer's representative, whose specimen signature is indicated in the Specimen Signature Card, is authorized to represent the Customer in relations with the Bank and to conclude on behalf of the Customer any transactions in relation to the provision of the Services, to the extent not specified otherwise in the Specimen Signature Card.
- 7.6. Until the moment when the Bank receives from the Customer a written notification of termination of the representation rights mentioned in Clause 7.5, the Bank has the right to consider that the Customer's representative, whose specimen signature is indicated in the Specimen Signature Card has the right to represent the Customer in accordance with the provisions of Clause 7.5, considering the categories of the signatures, conditions and limitations of the representation rights. After a sample signature of the Customer's representative is taken, the Bank is not obliged before receiving of each Notice or performance of each Transaction to check the validity of the representation right of the Customer's representative, whose specimen signature is indicated in the Specimen Signature Card.
- 7.7. In cases when the Customer's representative, whose specimen signature is indicated in the Specimen Signature Card, has the right to perform only specific transactions for specific amounts or to act only

- under specific circumstances, at a specific time or place, or if approval of the Customer's administrative institution is required for specific transactions, the Bank shall not have an obligation to check that the respective provisions have been met and decisions made, and the fact that such provisions of the Customer's documents are not fulfilled and such decisions are not made cannot be considered as a basis for invalidation of a transaction.
- 7.8. Any amendments to the Specimen Signature Card take effect as of the date when a new Specimen Signature Card executed instead of the previous Specimen Signature Card or when the current Specimen Signature Card is amended.
- 7.9. After execution of the specimen signature of the Customer's representative, the identity of the Customer's representative may be verified by visually comparing the specimen signature of the Customer's representative on the Customer's Notice with the specimen signature of the Customer's representative submitted to the Bank. In case the specimen signature of the Customer's representative is complemented with a sample imprint of the Customer's seal, the Bank shall also visually compare the imprint of the Customer's seal on the Customer's Notice to the sample imprint of the Customer's seal in the Customer's Specimen Signature Card. While comparing the sample imprint of the seal, the Bank shall not be obliged to take the colour of the seal into consideration. For comparing the signature and imprint of the seal, the Bank can also use scanned or copied specimen signature and samples of imprint of the seal of the Customer's representative.
- 7.10. The Customer shall replace the specimen signature of the Customer's representative and/or the sample imprint of the Customer's seal being at disposal of the Bank, in the following cases:
- 7.10.1. the Customer's representative or personal data thereof have changed;
- 7.10.2. signature of the Customer's representative has been changed or visually differs from the specimen signature being at disposal of the Bank;
- 7.10.3. imprint of the Customer's seal has been changed or visually differs from the sample of the Customer's seal being at disposal of the Bank;
- 7.10.4. the Specimen Signature Card or other document being at disposal of the Bank containing the specimen signature and/or sample imprint of the seal is worn out.
- 7.11. The Bank has the right to demand that any Notice of the Customer – legal entity be signed by the Customer's representative whose specimen signature is executed by the Customer with the Bank. The Bank shall not be liable for authenticity of documents submitted to the Bank, as well as for debiting the Funds from the Account on the basis of a forged or otherwise illegal Notice, provided the signature and seal imprint in such Notice submitted to the Bank visually (without application of special tools) conform to the specimen signature and sample imprint of the Customer's seal (if any) submitted to the Bank.
- 7.12. The Bank has the right to request that the signature on any document be made in the presence of a representative of the Bank, or, if this is not possible or practicable, the Bank shall have the right to request notarisation of the signature.
- 7.13. The Bank may verify the identity of the Customer or the Customer's representative through the Means of Distance Communication acceptable to the Bank on the basis of the Means of Identification (e.g. by a login name, password, code, test keys) of the Customer or the Customer's representative, the status and usage provisions of which is governed by the General Terms and/or the Service Agreement, or in other manner acceptable to the Bank that enables to identify the Customer or the Customer's representative.
- 7.14. The Bank has the right to refuse to accept or fulfil the Customer's Notice or to provide the Service, if the Bank cannot identify or has doubts in the identity of the Customer or the Customer's representative, authorisation of the Customer's representative or the authenticity of the Customer's intention.
- 7.15. The Bank shall not be obliged to verify identity of the person making cash deposits or transfers of Funds to an account with the Bank, except for cases when such obligation of the Bank is provided by the applicable regulatory enactments.
- 8. REPRESENTATIONS OF THE CUSTOMER AND PROVISION OF INFORMATION TO THE BANK**
- 8.1. When concluding any Transaction, the Customer represents to the Bank that:
- 8.1.1. all such actions have been taken and all such consents, licences, permissions and authorisations have been obtained which under regulatory enactments are necessary for the Customer and the Customer's representative for conclusion and fulfilment of the respective Transaction;
- 8.1.2. all information submitted by the Customer to the Bank is true, precise and complete;
- 8.1.3. all documents and Notices that the Customer has submitted or submits to the Bank in relation to the respective Transaction are authentic and valid;
- 8.1.4. the Customer does not conclude the respective Transaction, does not perform it and does not accept its performance for the benefit of, in the interests of or upon assignment by another person, unless the Customer has notified the Bank otherwise;
- 8.1.5. the Customer, other person involved in the Operation, Transaction or any other Customer's transaction, or the Customer's or the respective other person's subsidiary, parent company or any other subsidiary of such parent company shall not be regarded as the Person subject to restrictions (as per Clause 10.4);
- 8.1.6. no officers, employees, proxies of the person mentioned in Clause 8.1.5 or other person acting for benefit of any person mentioned in Clause 8.1.5 shall be regarded as the Person subject to restrictions (as per Clause 10.4);
- 8.1.7. the Customer has no information that any country, intergovernmental organisation, international or supranational organisation would take measures against any person mentioned in sub-Clauses 8.1.5 and 8.1.6 in relation to financial or civil rights restrictions or other sanctions imposed by a respective country or organisation;
- 8.1.8. the Transaction and all its consequences are binding upon the Customer and do not constitute a violation of the regulatory enactments applicable to the Transaction.
- 8.2. The Customer's representative, when concluding any Transaction on the Customer's behalf, represents to the Bank that he or she is authorised to represent the Customer with regard to the respective Transaction, including the right to conclude the respective Transaction, to sign the documents of the respective Transaction and perform other actions related to fulfilment of the respective Transaction.
- 8.3. For proper fulfilment of the Transactions the Customer is obliged to notify the Bank immediately of any change in the information or representations submitted to the Bank, including: changes of a natural person's first name, surname, declared place of residence, changes of the name of a legal entity, type of a legal entity, registration number or place, seal imprint, change of the legal address and any contact information (including that used for provision of the Services), amendments to or termination of powers of attorney submitted to the Bank, as well as change of persons authorised to represent the Customer, or their signatures. The Customer shall immediately inform the Bank about an application for insolvency proceedings filed with the court in respect of the Customer, as well as about any other circumstances that may affect fulfilment of the Customer's obligations under the Service Agreement. The Customer – legal entity – is also obliged to inform the Bank about the Customer's reorganisation or termination of activities of the Customer and deletion from the Commercial Register, as well as an application for legal protection proceedings filed with the court in respect to the Customer.
- 8.4. Until the moment when the Customer notifies the Bank of the changes mentioned in Clause 8.3, the Bank shall be entitled to presume that the information and the Customer's representations at its disposal are accurate.
- 8.5. The Customer or the Customer's representative is obliged to notify the Bank immediately if personal identification documents of the Customer or the Customer's representative (respectively) have been either lost or stolen, or if they in any other way have passed into a third party's disposal against will of the Customer or the Customer's representative.
- 8.6. The Customer is obliged to submit information specified in Clauses 8.3 – 8.5 to the Bank even if the amended data or the circumstances have been made public in the mass media, published in the official gazette or entered into a public register.
- 8.7. The Bank is entitled to demand and the Customer is obliged to submit documents evidencing the respective changes to the Bank.
- 8.8. The Customer has the obligation to immediately verify the accuracy

of information contained in the statement or other Notice received from the Bank, and to immediately notify the Bank in case of any inaccuracies or other faults.

- 8.9. If the Customer has not received the statement or any other Notice from the Bank, the receipt of which it has been agreed on, the Customer shall notify the Bank immediately if the deadline has passed during which such notice should have been received by the Customer.
- 8.10. The Account statements prepared and calculations made by the Bank shall be a prima facie evidence (evidence that serve as sufficient ground to determine existence or non-existence of the respective fact until this evidence is rebutted) in the absence of manifest error of the matters to which they relate.
- 8.11. If the Funds are incorrectly credited to the Account, the Customer shall notify the Bank immediately after such error is detected. The Bank has the right to debit from the Account the Funds transferred to the Account by the Bank as a result of mistake, error or negligence or without any legal grounds. If the Funds are credited to the Account by error of the payer or the payment service provider involved in the payment, the Customer is obliged to cooperate with the Bank and within the term determined by the Bank to submit to the Bank the requested information and documents related to the Funds credited to the Account. The Bank has the right to suspend settlements with such Funds until clarification of all circumstances.

## **9. CONFIDENTIALITY AND PROTECTION OF PERSONAL DATA**

- 9.1. The Bank shall maintain confidentiality of all the information concerning the Customer, Accounts and the transactions made by the Customer that according to regulatory enactments of the Republic of Latvia are deemed to be information subject to banking secrecy (hereinafter referred to as "Confidential Information").
- 9.2. The Bank is entitled to disclose, without the consent of the Customer, the Confidential Information to third parties to whom the Bank is justified and required to disclose information under regulatory enactments of the Republic of Latvia or under any other regulatory enactments applicable to the Bank.
- 9.3. The Bank is entitled to process the Customer Data with the purpose to decide on the conclusion, administration and performance of the Service Agreement, and to fulfil the obligations laid down in regulatory enactments and to protect its violated or disputed rights.
- 9.4. The Bank is entitled to process Customer Data also to conduct statistical, social and market researches and analyses, to carry out Customer surveys and for risk management purpose. The Bank may use the Customer Data for offering and advertising the Services.
- 9.5. Upon signing of any Service Agreement or other document the Customer represents to the Bank that the Customer has the right to transfer to the Bank the personal data of natural persons indicated by the Customer in the respective document and the Bank is entitled to process these data for the purposes specified in the General Terms.
- 9.6. The Bank is entitled to forward Customer Data and Confidential Information:
  - 9.6.1. to a Bank's Associated Party;
  - 9.6.2. to persons who in relation to the Services render services to the Bank or with whom the Bank otherwise cooperates in order to provide Services, to fulfil Bank's obligations or to ensure its activity or perform its functions, if providing of the Customer Data or the Confidential Information is necessary for the receipt of the respective service or for the respective cooperation;
  - 9.6.3. to such register holders to which the Bank forwards data on the basis of the regulatory enactments or an agreement;
  - 9.6.4. to the person to (or through) whom the Bank assigns (or may potentially assign) its rights to claim under the Service Agreement ;
  - 9.6.5. to other third parties due to the Bank's need to protect its legal rights or if the Customer has violated the Service Agreement (e.g. persons, who provide debt collection services to the Bank under an agreement);
  - 9.6.6. to competent public authorities of European Union and other countries pursuant to the requirements of regulatory enactments and business partners of the Bank;
  - 9.6.7. to the Bank of Latvia, central banks of other countries and to third parties involved in operation of payment systems in order to ensure effective function of payment systems;
  - 9.6.8. to persons delegated by the Bank or the Bank's Associated Party to

conduct the statistical, social or market research or the Customer survey, if providing of the Customer Data or the Confidential Information is necessary for the execution of the respective research or survey.

- 9.7. In case of conflict between provisions of any Service Agreement and provisions of sub-Clause 9.6.1, the provisions of sub-Clause 9.6.1 shall apply. If the persons, to whom the Bank is entitled to disclose the Customer Data and/or the Confidential Information, are specified in the Service Agreement, the Bank is entitled in addition to these persons specified in the Service Agreement to disclose the Customer Data and/or the Confidential Information to any Bank's Associated Party.
- 9.8. The Bank may supplement its databases of Customer Data with information obtained from public registries, state or local government databases and/or other public sources, if providing such information or enabling access to the same is in conformity with regulatory enactments of the Republic of Latvia. For the same purpose the Bank has the right to receive additional information from any Associated Party of the Bank.
- 9.9. The Bank shall be entitled to request and receive Customer Data from third parties with the purpose to supplement and verify the information given by the Customer as well as to evaluate the credit risk. The Bank shall be entitled to process the Customer Data received from third parties.

## **10. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING. APPLICABLE SANCTIONS**

- 10.1. For prevention of money laundering and terrorism financing, the Bank acts in accordance with regulatory enactments applicable, especially:
  - 10.1.1. the Bank identifies the Customer and the Customer's representative in accordance with the procedure established by the Bank and by applicable regulatory enactments;
  - 10.1.2. the Bank shall have the right to re-identify the Customer and the Customer's representative as soon as there is cause to suspect the accuracy of the information acquired in the initial identification;
  - 10.1.3. the Bank shall have the right to ask and the Customer and the Customer's representative shall be obliged to present the data and documents requested by the Bank for the purposes of identification;
  - 10.1.4. verify on a regular basis the accuracy of data serving as grounds for the Customer identification and demand from the Customer presentation of the respective documents;
  - 10.1.5. the Bank shall monitor the Customer's transactions.
- 10.2. For prevention of money laundering and terrorism financing, the Bank is entitled:
  - 10.2.1. to request the Customer to submit the Notice signed by the Customer regarding the beneficial owner and provide written information on the origin and belonging of the Funds;
  - 10.2.2. upon conclusion of a Service Agreement or in course of performance of the Service Agreement, to ask additional information and documents concerning the Customer's economic and personal activity, including data on the contractual partners, turnover, the portion of cash and non-cash operations, frequency of transactions, etc., as well as information and documents about organizational and control structure of the Customer, beneficial owners, including third parties, any transaction conducted by the Customer, the financial standing, objective for receipt of the Service or performance of the Transaction and the legal origin and belonging of the Funds;
  - 10.2.3. for checking the legal origin of the Funds, to ask from the Customer documents serving as grounds for the Transaction (e.g. purchase contracts, supply contracts, documents covering goods) and/or information on the counter party or another person connected with the Transaction. If the Customer fails to present documents evidencing the legal origin of Funds used in the Transaction, the Bank will be entitled to refuse to carry out the Transaction and to proceed in accordance with the procedure established by the Bank and/or the requirements prescribed by the respective regulatory enactments.
- 10.3. The Bank is entitled, either in full or in part, to suspend Operations in the Customer's Account and/or suspend or terminate provision of the Service or performance of any Transaction as well as to terminate the Service Agreements and to request from the Customer the fulfilment of all the Customer's obligations under the Service Agreements before the specified due date, if:

- 10.3.1. the Bank has suspicions that the Customer or any Customer's transaction is associated with illegal activities;
- 10.3.2. the Customer fails to provide or refuses to provide to the Bank the documents and other information requested by the Bank for the purpose of prevention of money laundering or terrorism financing;
- 10.3.3. the Customer, other person involved in the Operation, Transaction or any other Customer's transaction, or the Customer's or the respective other person's subsidiary, parent company or any other subsidiary of such parent company shall be regarded as the Person subject to restrictions;
- 10.3.4. an officer, employee, proxy of any person mentioned in sub-Clause 10.3.3 or other person who acts for the benefit of any person mentioned in sub-Clause 10.3.3, shall be regarded as the Person subject to restrictions.
- 10.4. The term „the Person subject to restrictions“ used in Clause 10.3. shall mean:
- 10.4.1. a person, included in any list of persons suspected of involvement in terrorist or other criminal activities by any country, intergovernmental organisation, international organization or supranational organisation;
- 10.4.2. a person, against which any country, intergovernmental organisation, international organization or supranational organisation imposed financial or civil restrictions or other sanctions (such sanctions are deemed to be imposed against a person also in cases when they are imposed against a country with whom such person is associated or against other persons associated with such country);
- 10.4.3. a person, whose registration (residence) country is such country or territory:
- 10.4.3.1. against which any country, intergovernmental organisation, international organization or supranational organisation imposed financial or civil restrictions or other sanctions (such sanctions are deemed to be imposed against a country also in cases when they are imposed against persons associated with such country);
- 10.4.3.2. which does not take measures or takes insufficient measures in combating money laundering or terrorism financing;
- 10.4.4. a person which is controlled by any person mentioned in sub-Clauses 10.4.1 – 10.4.3 or which acts on behalf or for the benefit of any person mentioned in sub-Clauses 10.4.1 – 10.4.3.
- 10.5. The Bank has the right to refuse to start Transaction relations with the Customer without explanation of the reasons for such refusal to the Customer.
- 10.6. The Bank is not liable for losses caused to the Customer or third parties as a result of suspension or termination of the Transaction or provision of the Service, if the Bank has done it for the purpose of prevention of money laundering, terrorism financing or other unlawful actions, unless otherwise stipulated by applicable regulatory enactments.
- 11. GENERAL PROVISIONS OF DELIVERY OF NOTICES AND INFORMATION EXCHANGE**
- 11.1. A Party may deliver the Notice to the other Party in person or by Means of Distance Communication in accordance with the provisions of the General Terms and the Service Agreement.
- 11.2. The Bank has the right to deliver the Notices to the Customer and accept the Notices from the Customer via mail, telephone, electronic mail and other Means of Distance Communication acceptable to the Bank.
- 11.3. The Bank may send the Notices to the Customer to the Customer's address, mobile phone number or email address or use for delivery of the Bank's Notices to the Customer other Customer's contact details specified in the Service Agreement or any other document submitted to the Bank or otherwise communicated by the Customer to the Bank. It is considered that the Customer, having specified to the Bank its contact details, agrees that the Bank may use these contact details for delivery of the Bank's Notices to the Customer. The Customer shall have the right to refuse receiving commercial communications by notifying the Bank thereof.
- 11.4. When sending the Notices to the Customer by electronic mail, the Bank has the right not to use special means of information protection or cryptography, unless otherwise stipulated by applicable regulatory enactments. The Customer assumes the risk of loss, alteration or disclosure of the information contained in the Notices such sent by electronic mail (including the Confidential Information and the Customer Data).
- 11.5. The Bank may deliver the Notices to the Customer by placing them in the Places of Service or on the Bank's Website, or through the mass media.
- 11.6. The Bank's Notice to the Customer does not create and shall not be regarded as the Bank's proposal (offer) or advice with respect to the Service, unless it is explicitly stated otherwise in the relevant Notice. When communicating with the Customer on the Bank's own initiative by the Means of Distance Communication or through a third party, the Bank shall never ask and offer the Customer to disclose any Means of Identification, which, in accordance with the provisions of the Service Agreement, the Customer may not disclose to third parties (such as a password, PIN or other identification code).
- 11.7. The Bank's Notice shall be deemed to be delivered to the Customer and the Bank's obligation to inform the Customer shall be considered fulfilled as of the expiration of the period of time usually required for delivery of information via respective means of communication starting from the moment when the Notice is sent to the Customer or a person entitled to receive the Notice on the Customer's behalf. If the Bank's Notice is delivered personally to the Customer, it shall be deemed that the Customer has received it, when the Notice is served to the Customer or the Customer's representative against signature.
- 11.8. The Customer shall have the right to deliver Notices to the Bank via the Means of Distance Communication on the use whereof for delivery of Notices the Parties have agreed or to the use whereof in a particular case the Bank has agreed. The Customer's Notices to the Bank that are sent by mail should be sent to the legal address of the Bank.
- 11.9. The Bank shall have the right to record telephone conversations and other oral communication taking place between the Parties, to choose the means of recording of such communication and to keep such records, as well as, if necessary, to use such records to prove the communication.
- 11.10. If the Service Agreement between the Consumer and the Bank is concluded with the help of the Internet, telephone or other Means of Distance Communication, the following provisions shall apply:
- 11.10.1. the Customer can get the provisions of the Service Agreement and the information, which in accordance with the applicable regulatory enactments should be provided to the Consumer prior to the conclusion of a distance agreement, in Latvian or - in accordance with the agreement between the Parties - in another language;
- 11.10.2. if in accordance with the Service Agreement or applicable regulatory enactments the Customer has a right of withdrawal, the Customer may within 14 (fourteen) days after conclusion of the Service Agreement unilaterally terminate the Service Agreement having submitted a relevant Notice at any Place of Service, by sending such Notice to the Bank by mail to the Bank's legal address or via the Internetbank. If the Customer does not exercise the right of withdrawal within the period mentioned in this sub-Clause, the Customer shall have the right to unilaterally terminate the Service Agreement, if the Parties have so agreed;
- 11.10.3. if the Customer exercises the right of withdrawal and unilaterally withdraws from the Service Agreement, the execution whereof the Bank has already commenced at the Customer's request or with the Customer's consent, the Customer shall be obliged to pay to the Bank for the Service which the Bank has already provided to the Customer under the relevant Service Agreement.
- 12. CONTACT CENTRE SERVICES**
- 12.1. In order to make Transactions on the phone, the Contact Centre Services shall be available to the Customer – natural person in accordance the General Terms. The Contact Centre Services shall be available to the Customer – legal entity by conclusion of a special Service Agreement on the Contact Centre Services.
- 12.2. When providing the Contact Centre Services, the Bank may verify identity of the Customer or the Customer's representative by using the information at the Bank's disposal about the Customer, the Customer's representative and/or transactions performed by the Customer (e.g. name, surname, personal identity number, telephone number, the Customer's Notices submitted to the Bank and concluded Service Agreements, information specified in such Notices or Service Agreements, payment card password).

- 12.3. Having proved its identity in accordance with Clause 12.2, the Customer – natural person can receive from the Bank the information related to the Services, apply for certain Services, agree with the Bank on amendments to certain Service Agreements, waive certain Services, make payments between the Customer's accounts with the Bank and make other Transactions specified by the Bank over the phone.
- 12.4. When concluding a special Service Agreement on the Contact Centre Services, the Parties may agree to use other Means of Identification for verification of identity of the Customer or the Customer's representative.
- 12.5. The types of Transactions which can be performed within the scope of the Contact Centre Services and corresponding Means of Identification shall be determined by the Bank. The Bank shall have the right to set the limits for payments and other restrictions on Transactions to be performed within the scope of the Contact Centre Services. Information on the limits set by the Bank for payments is specified in the List of Conditions. Other information to be determined by the Bank in accordance with the provisions of this Clause, and any other additional information related to the Contact Centre Services is available to the Customer by calling the Bank on the phone number indicated for the Contact Centre Services, on the Bank's Website and upon request at the Places of Service. The Parties may agree on limits for payments, different from those specified in the List of Conditions by concluding a relevant agreement.
- 12.6. The Contact Centre Services are available to the Customer by calling the Bank on 1880, (+371) 67 17 1880 (from abroad) or another phone number specified by the Bank for this purpose. The Bank shall have the right to require that the Customer call the Bank from the phone number that the Customer has earlier specified to the Bank and which is registered in the relevant Bank's information system. The Contact Centre Services are available to the Customer also if the Bank calls the Customer on the Customer's phone number mentioned in this Clause.
- 12.7. The Bank has the right to refuse performing the Transaction on the phone and determine that the Transaction in full or in part can be performed at the Place of Service or via another Means of Distance Communication available to the Customer.
- 12.8. If using the Contact Centre Services, the Customer's identity is verified in accordance with the provisions of this Chapter or the provisions of the Service Agreement on the Contact Centre Services, any Customer's Notice submitted to the Bank or any Service Agreement concluded between the Parties by telephone shall be binding upon the Parties, and their legal effect is equivalent to a paper document signed by the Customer or the Parties (respectively).
- 12.9. If using the Contact Centre Services, the Customer's identity is verified in accordance with the provisions of this Chapter or the provisions of the Service Agreement on the Contact Centre Services, any information which the Bank provides to the Customer by telephone, shall be regarded as binding upon the Customer, and its legal effect is equivalent to a paper document signed by the Bank.
- 12.10. The Customer shall have the right at any time to waive the Contact Centre Services by submitting a relevant notice or by concluding a relevant agreement with the Bank.
- 12.11. The Bank shall have the right to terminate the Contact Centre Services in accordance with the provisions of Chapter 19 of the General Terms.
- 13. CURRENCY EXCHANGE AND TRANSACTIONS IN FOREIGN CURRENCY**
- 13.1. The Bank exchanges those foreign currencies for which the Bank has set an exchange rate. Unless the Parties have agreed otherwise, the exchange rate set by the Bank and effective at the time of the relevant currency exchange transaction shall be applied to currency exchange.
- 13.2. The Bank may apply changes in the exchange rates set by the Bank with immediate effect without prior notification of the Customer.
- 13.3. Information on the Bank's exchange rates is available to the Customer upon request at the Places of Service or by calling the Bank's hotline. Information on the Bank's exchange rates applicable to certain foreign exchange transaction is available to the Customer upon execution of the order on the relevant foreign exchange transaction at the Place of Service or via the Internetbank or other Means of Distance Communication.
- 13.4. The Parties may agree on application of a special exchange rate to a currency exchange transaction, if the amount of the relevant transaction exceeds the amount of money specified by the Bank on the Bank's Website in the section on foreign exchange transactions.
- 13.5. Currency exchange transaction with a special exchange rate is considered to be concluded as soon as the Parties agree on the currency to be bought and sold, an applicable exchange rate, transaction amounts, a payment method, and other provisions, if any of the Parties at the moment of conclusion of the transaction notifies the other Party of the necessity of such other provisions for conclusion of the transaction.
- 13.6. The Customer is obliged, on the day of conclusion of the currency exchange transaction with a special exchange rate before the end of the working hours of the Bank's dealers which are specified on the Bank's Website in the section on foreign exchange transactions, to submit to the Bank an order to conduct such exchange transaction and to meet all the preconditions, so that the Bank would be able to fulfil the order. If this obligation is not fulfilled, the Bank shall have the right to refuse to fulfil the relevant foreign exchange transaction with a special exchange rate. The Customer shall reimburse the Bank for all expenses and losses incurred by the Bank in connection with the Customer's failure to fulfil the obligations under this Clause.
- 13.7. When performing a currency exchange transaction with a special exchange rate, the Customer in its order is obliged to indicate the special exchange rate of such transaction, on the application whereof to the relevant currency exchange transaction the Customer has agreed with the Bank. Otherwise, the relevant currency exchange transaction will be executed at the exchange rate set by the Bank.
- 13.8. In respect of the Transactions and Services with the use of foreign currency, the Bank has the right to apply conditions and restrictions imposed by the country of origin of such currency which relate to the Bank when performing Transactions or providing Services that involve such foreign currency.
- 13.9. The Bank has the right to suspend the fulfilment of the obligations undertaken by the Bank in foreign currency, or to impose restrictions on them, if the reason for the application of such suspension or restrictions is the circumstances of force majeure in the country of origin of the relevant foreign currency.
- 13.10. Unless otherwise agreed, the Customer shall perform its obligations to the Bank in the currency in which they are expressed. The Bank may perform its obligations to the Customer in another currency, if performance of the obligations in the respective currency is impossible due to conditions for which the Bank is not responsible or occurrence of which is not resulting from the Bank's fault.
- 13.11. Unless the Service Agreement specifies otherwise, for purposes of monitoring restrictions specified in the Service Agreement (e.g. limits) or executing the Service Agreement, in case of conversion of a specific amount from one currency into another, the Bank shall have the right to apply the Euro Foreign Exchange Reference Rate published by the European Central Bank subject to the provisions on application of this rate specified in the General Terms.
- 14. SECURING THE BANK'S CLAIMS**
- 14.1. All Customer's Funds and any other Customer's property that is (or will be) at the Bank's possession, holding or disposal shall be regarded as security for all liabilities of the Customer to the Bank arising from any Service Agreement.
- 14.2. In accordance with the General Terms all deposits of the Customer with the Bank (both present and future) and all funds that otherwise owed (that will be owed in the future) by the Bank to the Customer and which, in accordance with the law, may be an object of financial pledge (hereinafter in this Chapter referred to as the Financial Collateral) are pledged to the Bank in accordance with provisions of a financial pledge in order to ensure fulfilment of the Customer's liabilities to the Bank under the Service Agreements. A Financial Pledge Agreement, on the basis whereof the Customer pledges to the Bank the Financial Collateral in accordance with the General Terms, shall be deemed to be concluded at the moment when the Customer agrees to the General Terms and they become binding upon the Customer.
- 14.3. The Customer represents to the Bank that the Customer may freely deal with the Financial Collateral (also to pledge it in accordance with the General Terms) and also that the Financial Collateral has not been pledged to any other person or otherwise encumbered. In respect of the Customer's future deposits with the Bank and the funds which otherwise will be owed in the future by the Bank to the Customer and which, in accordance with the law, may be an object of financial pledge the representations indicated in this Clause shall be deemed to be made by the Customer at the time when the respective deposits (funds) become a part of the Financial Collateral.

- 14.4. The Customer shall not, without prior written consent of the Bank, pledge or otherwise encumber the Financial Collateral (any part thereof) or exercise its other rights in respect of the Financial Collateral (any part thereof) if such exercising of the rights contradicts the obligations of the Customer arising out of the General Terms or in any manner whatsoever terminates or limits the rights of the Bank granted to it by the General Terms.
- 14.5. Subject to the restrictions regarding dealing with the Financial Collateral set out in the General Terms and in other agreements between the Customer and the Bank, the Customer may deal with the Financial Collateral. However, if the Bank exercises its rights in respect of the Financial Collateral in accordance with the General Terms, all Bank's claims for the securing of which the Financial Collateral has been pledged in accordance with the General Terms shall be satisfied at first, and only after satisfaction of such claims the Customer shall be entitled to deal with remaining part of the Financial Collateral (if any).
- 14.6. If the Customer delays any payment to the Bank related to the Service Agreement, as well as in any other case, when in accordance with the Service Agreement the Bank's claim to the Customer arises, the Bank shall be entitled, without prior notification thereof to the Customer, to suspend debit operations with the Financial Collateral (any part thereof) and apply the Financial Collateral (any part thereof) to make the respective payment. In such case at first the funds shall be debited from the accounts opened in the currency in which the respective payment shall be made in accordance with the Service Agreement.
- 14.7. If the Financial Collateral is pledged to secure the Bank's claims arising out of several different grounds (agreements), then, upon occurrence of the basis for applying of the Financial Collateral to discharge of the Bank's claims, the Bank is entitled to choose for discharge of what claims and in what amount the Financial Collateral shall be applied.
- 14.8. The Bank has the right to demand that the Customer provides security or increases an existing one, for any Bank's claims that may arise from the legal relations between the Parties in connection with the provision of the Services. The Bank has such right in the case if the underlying conditions for the Bank-Customer relations have changed, or if such a change has affected or at Bank's justified opinion may affect the due performance of the Customer's obligations, including the following cases:
- 14.8.1. deterioration of the Customer's economic situation or the danger thereof;
- 14.8.2. decreased value of the existing security or the danger thereof.
- 15. INTEREST**
- 15.1. The Bank shall pay the Customer interest on the Funds deposited in the Account pursuant to the interest rate agreed in the relevant Service Agreement. In case when the interest rate is not specified in the Service Agreement or if provided by the Service Agreement the Bank shall pay the Customer interest on the Funds deposited in the Account pursuant to the interest rate established by the Bank. The Bank shall be entitled to change the interest rates established by the Bank unilaterally pursuant to the respective Service Rules.
- 15.2. Information about the interest rates established by the Bank is available to the Customer at the Places of Service during the Bank's Working Hours upon the Customer's request or on the Bank's Website.
- 15.3. The grounds of calculating and conditions for paying interest shall be specified in the Service Agreement.
- 15.4. The interest rates laid down in the Service Agreement may be changed by an agreement of the Parties unless stipulated otherwise in the Service Agreement.
- 15.5. If the regulatory enactments applicable provide for any tax withholdings or other charges on the interest payable by the Bank to the Customer, the Bank may make such deductions from the interest accrued and pay to the Customer the residual amount.
- 15.6. The Customer shall pay the Bank interest for using Funds received from the Bank in accordance with the provisions of the respective Service Agreement.
- 16. SERVICE FEES, REIMBURSEMENT OF COSTS AND OTHER OBLIGATIONS**
- 16.1. The Customer shall be obliged to pay the Service Fees pursuant to the List of Conditions, Service Rules and/or the Service Agreement.
- 16.2. The Customer shall read the List of Conditions and pay Service Fees for the provided Services pursuant to the List of Conditions effective as of the moment of provision of the respective Service. The use of the Service means that the Customer has agreed to the List of Conditions. The Bank may at its discretion determine the Service Fee for the Services not included in the List of Conditions.
- 16.3. If the Service Fee specified in the Service Rules or Service Agreement differs from the Service Fee specified in the List of Conditions for the respective Service, the Customer shall pay the Service Fee pursuant to the respective Service Rules or Service Agreement.
- 16.4. The Bank has the right to determine special fees or to increase the indicated Service Fees if the performance of the respective Service requires extra work or causes unforeseen expenses.
- 16.5. The Customer shall also reimburse the Bank for all the expenses incurred by the Bank arising from the activities needed to execute the Customer's Notices, as well as any extra costs.
- 16.6. In addition to the Service Fees, the Customer shall cover the Bank's costs of necessary activities performed by the Bank in the interests of the Customer (e.g. communication costs, notary fees), as well as the necessary costs related to the legal relations between the Parties in connection with Services (e.g. costs on establishing, managing, selling and releasing of collateral, as well as insurance, warehousing, security and maintenance of collateral or court expenses).
- 16.7. The Bank shall be entitled at the Customer's expense to obtain information, documents and other proof that are necessary to provide the Service and/or perform Operations, to obtain information on the Customer, to examine the information provided by the Customer or to examine, to manage or to alienate the security provided by the Customer.
- 16.8. When using third-party services at the Customer's expense, the Bank shall present to the Customer, at the latter's request, all reasonable documents as a proof of the expenses incurred, and the Customer is obliged to pay the Bank for all expenses contained in the presented documents.
- 16.9. No taxes, duties or other payments may be a reason to reduce the amount due to the Bank. If the regulatory enactments applicable provide for any withholdings from the amounts due to the Bank under the General Terms, Service Rules or Service Agreement, the Customer shall cover these costs in addition, thus ensuring that the amount due to the Bank is not reduced.
- 16.10. In the case of a delay in the performance of an obligation or other breach thereof, the Customer shall pay the Bank a default interest and/or a penalty specified in the List of Conditions, Service Rules or in the Service Agreement. The Bank shall calculate the default interest on the delayed amount per every delayed day.
- 16.11. Payment of penalties does not release the Customer from the duty to fulfil the obligations, does not affect the amount of losses to be reimbursed and may not be added to reimbursement of loss.
- 16.12. If according to the General Terms, Service Rules and/or Service Agreement the Customer is obliged to make a payment to the Bank, then at the maturity set for the respective payment the Customer shall ensure that the sum necessary for such payment is freely available on the Account. The Customer authorises the Bank, without any additional Customer's order and without any prior notice to the Customer, to debit from any Accounts or withheld from the Funds that are otherwise due to the Customer these sums. If the making of a payment requires currency exchange, it shall be carried out pursuant to the currency exchange rate determined by the Bank and effective on the moment when the respective amount is debited.
- 16.13. Where the Customer has no Account, any and all sums due to the Bank under the General Terms, Service Rules and/or Service Agreement Customer shall pay to the Bank by crediting the account indicated by the Bank, unless otherwise agreed between the Parties.
- 16.14. If a new currency is put into circulation instead of the currency in which the obligations are denominated, the Bank shall have the right to unilaterally change the currency of the obligations and recalculate the obligations in the currency put into circulation on the basis of the official exchange rate.
- 16.15. In cases specified in the Service Agreement, during exchange of currencies or conversion of an amount into another currency, the Bank shall apply the Euro Foreign Exchange Reference Rate published by the European Central Bank. If the Euro Foreign Exchange Reference Rate published by the European Central Bank is to be applied in accordance with a Service Agreement but there is no Euro Foreign



- Exchange Reference Rate published by the European Central Bank for the relevant currency, the Bank shall apply the money market euro exchange rate for that currency published in a periodical of a recognised provider of financial information on financial markets (e.g. Bloomberg, Reuters, Financial Times) or on its website. The Bank shall apply the relevant exchange rate effective at the start of the day when currency is exchanged or conversion amounts are converted. Information on exchange rates and changes thereto as specified in this Clause shall be available to the Customer on the website of the European Central Bank, in the financial information provider's periodical or on its website, as well as on the website of the Bank of Latvia on the internet. The Bank shall not be obliged to notify the Customer in advance of changes in exchange rates specified in this Clause.
- 16.16. The Bank may discharge any claim of the Customer against the Bank by way of a counterclaim, regardless of the currency of either claim. If the claim and counterclaim are in different currencies, the Bank may recalculate the Customer's counterclaim in the currency of the Bank's claim on the basis of the currency exchange rate determined by the Bank and effective on the day of performance of the set-off.
- 16.17. The Customer may only discharge the Bank's claim against the Customer by way of counterclaim if the Customer's claim is undisputed or has been confirmed by a court adjudication that has come into legal effect and only in the same currency, unless agreed otherwise between the Parties.
- 17. RESTRICTIONS ON THE SERVICES**
- 17.1. Blocking**
- 17.1.1. Blocking of the Account or the Service means that Operations with the Funds in the Account or provision of Services has been either partially or completely suspended.
- 17.1.2. At the Customer's initiative the Account or the Service may be blocked and it's operation may be resumed by virtue of the instructions submitted by the Customer in writing or otherwise if so agreed between the Bank and the Customer. At the Customer's initiative may not be suspended the Operations performed by the Bank to redeem the Customer's obligations to the Bank or the Bank's Associated Party, or Operations the Bank is obligated to perform under the applicable regulatory enactments by virtue of the instructions from the third party (e.g. bailiff or the State Revenue Service) or without an explicit instructions from the Customer or the third party (e.g. to withhold tax or duty from the interest income or another payment due to the Customer).
- 17.1.3. If the Customer has to block the Account or Service due to the danger of fraudulent use of Funds in the Account, the Account or Service may be blocked at the Customer's verbal instruction via phone. In that case, in order to identify the Customer, the Bank is entitled to ask the Customer questions based on the data in the databases of the Bank.
- 17.1.4. Should the Bank have reasonable doubt of the Customer's identity, it has the right to abstain from blocking the Account or the Service, or demand a written confirmation of the blocking instruction of the Customer within the time established by the Bank. The Bank is entitled to cancel the blocking, if the Customer has not confirmed the blocking in time. In this case, the Bank shall not be liable for the losses caused to the Customer by refusing or cancelling the block.
- 17.1.5. The Bank is entitled to block the Account or the Service without any prior notice to the Customer without the Customer's request or consent:
- 17.1.5.1. if the Customer fails to submit the documents required by the Bank for ascertaining the representation rights or for verifying the data serving as basis for the Customer identification;
- 17.1.5.2. if contradictory documents are submitted to the Bank in regard to the persons having the rights to represent the Customer;
- 17.1.5.3. if the Bank from the reliable source available to it has received information about death of the Customer, who is a natural person or to the Bank have been submitted documents verifying this fact;
- 17.1.5.4. if the Customer has incurred debt to the Bank as a result of failing to fulfil payment obligations;
- 17.1.5.5. in other cases in accordance with the provisions of the General Terms or the Service Agreement.
- 17.1.6. The Bank shall reverse the Account or the Service blocking performed under sub-Clause 17.1.5 when the circumstances, based on which the Account or the Service was blocked, have ceased to exist, but in case of blocking of the Account or the Service due to death of the Customer – at the request of the heirs on the basis of documents attesting the inheritance rights.
- 17.1.7. To prevent laundering of the proceeds derived from crime the Bank is entitled without explanations to block the Account or the Service at any time without any prior notice to the Customer and without the Customer's request or consent to such blocking of the Account or Service.
- 17.1.8. In addition to the cases mentioned in sub-Clauses 17.1.5 and 17.1.7 the Bank is entitled without any prior notice to the Customer and without the Customer's request or consent to block the Account in such cases:
- 17.1.8.1. current account or open-end term deposit account, the funds of which may be replenished or withdrawn, opened with the Bank by the Customer – natural person – if for 12 (twelve) months in this Account have not been carried out any credit Operations (except for crediting the interest payable by the Bank to the Customer on the Funds deposited on the Account) and debit Operations (except for debit Operations whereby the Bank debits the Account with the Account maintenance Service Fee or individual's income tax payable by the Customer from the interest income received from the Bank on the Funds deposited on the Account);
- 17.1.8.2. current account or open-end term deposit account, the funds of which may be replenished or withdrawn, opened with the Bank by the Customer – legal entity – if for 6 (six) months in this Account have not been carried out any credit Operations (except for crediting the Interest payable by the Bank to the Customer on the Funds deposited on the Account) and debit Operations (except for debit operations whereby the Bank debits the Account with the Account maintenance Service Fee);
- 17.1.8.3. fixed-maturity term deposit account opened by the Customer with the Bank – in case the Customer has not withdrawn the respective term deposit within 12 (twelve) months after the expiry of the respective term deposit maturity date.
- 17.1.9. Operations on the Account blocked in accordance with sub-Clause 17.1.8 shall be limited by credit Operations and such debit Operations:
- 17.1.9.1. debit Operations made by the payment card linked to the respective Account;
- 17.1.9.2. debit Operations made by the Bank to redeem the Customer's obligations to the Bank (e.g. to repay the loan disbursed to the Customer, to pay the interest on the loan disbursed to the Customer or to pay the Account maintenance Service Fee) or the Bank's Associated party;
- 17.1.9.3. debit Operations the Bank is obligated to perform by virtue of the instructions from the third party (e.g. bailiff or the State Revenue Service) under the applicable law or without explicit instructions from the Customer or the third party (e.g. to withhold tax or duty from the interest income or any other payment due to the Customer).
- 17.1.10. The Bank shall reverse the Account blocking performed under sub-Clause 17.1.8, when the Customer has submitted to the Bank a respective request and the Bank has repeatedly identified the Customer and the Customer's representatives pursuant to the procedure stipulated by the Bank and the applicable regulatory enactments. The Bank is entitled also at its own discretion to reverse the Account blocking performed under sub-Clause 17.1.8 either completely or in part without the Customer's request or identification of the Customer and the Customer's representatives.
- 17.1.11. The Bank shall not bear liability for the losses arising from blocking the Account or the Service.
- 17.2. Other restrictions**
- 17.2.1. The Customer's Funds in the Bank may be seized and an arrest may be imposed on them, as well as the payment operations of the Customer may be either partially or completely suspended pursuant to the applicable regulatory enactments.
- 17.2.2. The Bank has the right to refuse to serve the Customer, if the Customer or the Customer's representative is under the influence of

alcohol or toxic substances, and if the Customer or the Customer's representative is unable to realize his or her actions, or if behaviour of the Customer or the Customer's representative is inappropriate and disturbs the work of the Bank.

### 17.3. Maintenance and development of information systems

- 17.3.1. The Bank shall have the right to carry out planned maintenance and development work of information systems. If possible, the Bank shall carry out the planned maintenance and development work at night.
- 17.3.2. Upon occurrence of extraordinary circumstances, the Bank shall have the right to carry out extraordinary maintenance or development work in order to prevent greater losses.
- 17.3.3. During the maintenance or development work the performance of the Bank's obligations to the Customer arising from the Service Agreement shall be suspended.

## 18. INHERITANCE

- 18.1. In the case of death of the Customer, the Bank shall be entitled to request the documents attesting the inheritance rights of the persons presenting requests to the Bank regarding the Customer's property. These persons shall submit to the Bank such documents attesting their inheritance rights and such document (-s) shall comply with the provisions of the regulatory enactments of the Republic of Latvia. The Bank shall be entitled to verify the authenticity, validity and completeness of the submitted documents at the expense of the persons specified in this Clause.

## 19. TERMINATION OF THE SERVICE AGREEMENT BY THE BANK

- 19.1. The Bank has the right to withdraw unilaterally from any Service Agreement concluded for an indefinite period of time by notifying the Customer who is a Consumer at least 60 (sixty) days in advance, but the Customer who is not a Consumer – at least 30 (thirty) days in advance. The Bank is entitled, with good reason, to withdraw unilaterally from any Service Agreement without advance notice, in particular upon material breach of the Service Agreement by the Customer.
- 19.2. A good reason exists, inter alia, if:
  - 19.2.1. the Customer or a person connected with the Customer has not submitted, upon request of the Bank, sufficient information or documents to prove the lawful origin of the Funds;
  - 19.2.2. there is cause for suspicion that an Operation or transaction performed by the Customer is suspected to be linked associated with illegal activities;
  - 19.2.3. the Customer or a person connected with the Customer has submitted, intentionally or due to gross negligence, inaccurate or insufficient information to the Bank or to a Bank's Associated Party, has failed to notify the Bank of significant changes in the information submitted to the Bank or has refused to provide information;
  - 19.2.4. the Customer has repeatedly failed to fulfil payment obligations to the Bank or such obligations have been delayed for a long time or the Customer has breached the Service Agreement in any other manner deliberately or repeatedly;
  - 19.2.5. the Customer or a person connected with the Customer has caused to the Bank or to a Bank's Associated Party significant losses or there is a real danger of causing such losses;
  - 19.2.6. bankruptcy proceedings have been initiated with respect to the Customer, who is a legal entity, or its operations have been terminated based on other grounds.
  - 19.2.7. the Customer fails to provide or increase the security within the term and in accordance with the procedure determined by the Bank.
- 19.3. For the purposes of the General Terms, a person connected with the Customer – natural person is:
  - 19.3.1. person, whose authorised representative the Customer is;
  - 19.3.2. person, where the Customer is a member of the supervisory or management board;
  - 19.3.3. legal entity, where the Customer holds 10 (ten) or more percent of the equity capital or equity capital with voting rights.

- 19.4. For the purposes of the General Terms, a person connected with the Customer – legal entity is:

- 19.4.1. person, who is member of the supervisory or management board of the Customer or representative of the same,
- 19.4.2. legal entity, where the Customer holds 10 (ten) or more percent of the equity capital or equity capital with voting rights;
- 19.4.3. person who owns 10 (ten) or more percent of the Customer's equity capital or equity capital with voting rights.

## 20. SUPERVISORY BODIES, CONSIDERATION OF COMPLAINTS AND SETTLEMENT OF DISPUTES

- 20.1. Supervision of the Bank activities in accordance with the regulatory enactments regulating activities of credit institutions is carried out by the Financial and Capital Market Commission (address: Kungu iela 1, Riga, LV-1050, homepage address in the Internet: [www.fctk.lv](http://www.fctk.lv)). Supervision of consumer rights protection in connection with the Service Agreement and the fulfilment thereof is carried out by the Consumer Rights Protection Centre (address: Krišjāņa Valdemāra 157, Riga, LV-1013, website: [www.ptac.gov.lv](http://www.ptac.gov.lv)).
- 20.2. The Bank shall consider each Customer's written complaint (application) regarding violation of applicable regulatory enactments and provisions of the General Terms and the Service Agreements (hereinafter in this Chapter – the Complaint) and give the Customer a written reply to the Complaint within the following terms:
  - 20.2.1. if the Complaint is submitted by the Consumer – within 10 (ten) days after receipt of the Complaint by the Bank, unless within that time the Parties agree on satisfying of the Customer's claim contained in the Complaint or an alternative manner of satisfying the Customer's claim;
  - 20.2.2. if the Complaint is submitted by the Customer who is not the Consumer – within 30 (thirty) days after receipt of the Complaint by the Bank.
- 20.3. If the Bank needs a longer time for a comprehensive clarification of the facts and circumstances mentioned in the Complaint, and therefore the term specified in Clause 20.2 cannot be met, the Bank shall inform the Customer about it.
- 20.4. The Bank shall send to the Customer the Bank's reply to the Complaint by mail to the Customer's address indicated in the Complaint or to another Customer's address known to the Bank, or shall deliver it to the Customer in person, or communicate it in any other manner acceptable to the Customer on which the Parties may agree.
- 20.5. Additional information about the procedure for consideration of Complaints by the Bank is available to the Customer at the Places of Service during the Bank's Working Hours upon the Customer's request and on the Bank's Website.
- 20.6. The Customer has the right to use the following mechanisms of out-of-court settlement of Complaints:
  - 20.6.1. if the Customer's claim against the Bank is within the competence of the Ombudsman of the Association of Commercial Banks of Latvia pursuant to the Rules of the Ombudsman of the Association of Commercial Banks of Latvia, the Customer may submit the Complaint to the Ombudsman of the Association of Commercial Banks of Latvia (address: Pērses iela 9/11, Riga, LV-1011) in accordance with the "Regulation on the Ombudsman of the Association of Commercial Banks of Latvia" and the Rules "Procedure for Consideration of Complaints of the Customers of Credit Institutions by the Ombudsman of the Association of Commercial Banks of Latvia (the Rules)". The documents mentioned in this Clause are available to the Customer on the website of the Association of Commercial Banks of Latvia ([www.bankasoc.lv/skirejtiesa/ombuds](http://www.bankasoc.lv/skirejtiesa/ombuds)). Submission of the Complaint to the Ombudsman of the Association of Commercial Banks of Latvia is not a precondition for bringing an action before the court of the Republic of Latvia or the Arbitration Court of the Association of Commercial Banks of Latvia;
  - 20.6.2. the Consumer may submit the Complaint to the Consumer Rights Protection Centre. The procedure of decision making by the Consumer Rights Protection Centre and the procedure on appeal of these decisions are determined in the Consumer Rights Protection Law.
  - 20.6.3. if the Customer is not a Consumer, the Customer may submit to the Financial and Capital Market Commission the Complaint regarding

non-compliance with requirements of the Law on Payment Services and Electronic Money, if it has caused or may cause significant damage to the interests of groups of users of these services (the collective interests).

- 20.7. Any dispute arising between the Bank and the Consumer in connection with the provision of the Services shall be resolved in a court of the Republic of Latvia.
- 20.8. Any dispute arising between the Bank and the Customer, who is not a Consumer, in connection with the provision of the Services, shall be resolved in a court of the Republic of Latvia or in the Court of Arbitration of the Association of Commercial Banks of Latvia (at the claimant's choice). If the action is brought to the Court of Arbitration of the Association of Commercial Banks of Latvia, the relevant dispute shall be resolved in Riga in accordance with the Articles of Association of and the Regulations of that court of arbitration and the Regulations on the Costs of the Court of Arbitration of the Association of Commercial Banks of Latvia, by 1 (one) arbitrator, in Latvian.
- 20.9. The Provisions of Clauses 20.7 and 20.8 regarding a dispute arising between the Parties in connection with the provision of the Services, its settlement in a court of the Republic of Latvia shall not restrict the rights of the Bank to commence court proceedings against the Customer in relation to the relevant dispute in any other court with jurisdiction. To the extent allowed by the regulatory enactments, the Bank may simultaneously commence the respective court proceedings in several courts.

## **21. LIABILITY**

- 21.1. Parties shall be held liable for the non-performance or undue performance of their obligations. The Bank shall not be liable for indirect losses caused to the Customer (loss of profits, etc.).
- 21.2. The Bank shall not be liable for failure to fulfil its obligations if the reason of such failure has been an obstacle not under control of the Bank and if no one could have reasonably expected that the Bank may foresee rising of such obstacle during the period of establishing the obligations or avoid this obstacle or its consequences.

- 21.3. The Bank shall not be liable for services provided by third parties through the mediation of the Bank
- 21.4. The Bank shall not be liable for losses caused to the Customer by the risks related to exchange rate fluctuations, the decrease in the price of securities or other risks related to investing activities, or the depreciation of the Funds deposited with the Bank.
- 21.5. The Customer shall be liable for fulfilling the obligation to inform the Bank, as well as the correctness of the information submitted to the Bank.
- 21.6. If the Customer fails to fulfil the Customer's obligation to inform, the Bank shall presume that the information submitted to the Bank is correct, and shall not be liable for losses caused to the Customer and/or third parties by non-fulfilment of the obligation to inform, except if the loss is caused through intent or gross negligence of the Bank.
- 21.7. The Customer is obliged to compensate the Bank for losses caused by submitting incorrect data or failure to provide information to the Bank, as well as failure to notify the Bank of changes in the information provided to the Bank before.
- 21.8. The Customer shall be fully liable for losses incurred as a result of deceiving or misleading the Bank by the Customer or of negligence of the Customer.
- 21.9. The Bank shall have no liability for losses incurred as a result of failures or interruptions of the means of communication (mail, facsimile, mobile phone, electronic mail or any other means of communication) used in the frame of provision of the Service, unsuitability or damage of equipment, as well as actions of third parties targeted at the acquisition, use, modification or deletion of content of the information sent with the help of the means of communication.
- 21.10. The Bank shall have no liability for delays in sending Notices, loss of consignments, transmission errors or distortions arising from time zone differences, exchange rate fluctuations or any other circumstances beyond the control of the Bank, including actions of third parties.