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A B L V

ABLV Bank, AS in Liquidation General Terms of Business

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A. General Section

A1. Application

- A1.1. These General Terms of Business of ABLV Bank, AS in liquidation (hereinafter referred to as *Terms*) regulate relations between ABLV Bank, AS in liquidation (registered with the Commercial Register of the Register of Enterprises of the Republic of Latvia under No. 50003149401, having its registered address at Building 1, 7 Skanstes Street, Riga, LV-1013, and its operations being regulated and supervised by the Republic of Latvia Financial and Capital Market Commission (www.fktk.lv) and the European Central Bank, hereinafter referred to as the *Bank*) and individuals, corporate persons, personal companies and their analogues to whom the *Bank* renders services, or who have applied to the *Bank* for its services (hereinafter each severally referred to as *Client*, and all jointly referred to as *Clients*). The *Bank* and the *Client* hereinafter are jointly referred to as *Parties*.
- A1.2. Upon entering into business relations with the *Bank*, the *Client* certifies the following:
- that it has studied the *Terms*, provisions of the respective agreements entered into with the *Bank*, the *Bank's* Rates and Charges, the general currency exchange rates and interest rates (on the capital use and overdue) set by the *Bank*, agrees thereto and recognises the same as binding upon itself with regard to all transactions between *Client* and *Bank* (hereinafter referred to as *Transaction* or *Transactions*);
 - that the *Client* is familiarized with the information on state guaranteed protection of deposits provided by the *Bank* as the deposit taker pursuant to the Deposit Guarantee Law, including the information on the amount of guaranteed compensation, procedure and term of paying the same, the possibility of mutual offset of claims, and contact information of the Deposit Guarantee Fund, available at the *Bank's* website www.ablv.com/ngl.
- A1.3. The *Terms* shall constitute an integral part of all *Transactions* and agreements between the *Parties*.
The *Terms* have the same legal force as other conditions of agreements concluded between the *Parties*. In case of any discrepancy between the norms of the *Terms* and the norms stipulated in any agreement between the *Parties*, the norms stipulated in the agreement between the *Parties* shall apply.
- A1.4. Current versions of the *Bank's Terms, Rates and Charges*, general currency exchange rates and interest rates set by the *Bank* are available for the *Client* on the website of the *Bank* www.ablv.com or at the *Bank's* premises during the *Bank's* working hours set for *Clients* and creditors servicing (hereinafter referred to as the *Bank's* working hours). The *Client* can call the Client Line at +371 6777 5555 during the *Bank's* working hours to obtain information on any *Transaction* that is of interest to the *Client*, as well as on conditions thereof. The *Bank's* working hours set for *Clients* and creditors servicing are indicated on the website of the *Bank* www.ablv.com.
- A1.5. The *Parties* shall be entitled to conclude *Transactions* electronically in cases and in accordance with procedures stated by the *Bank*.
- A1.6. The headings and table of contents provided herein are for convenience of reference only and shall not affect construction or interpretation of these *Terms*.

A2. Amendment of Terms

- A2.1. The *Bank* is entitled to unilaterally amend the *Terms*. The *Bank* will notify *Client* of any such amendments to *Terms* at the *Bank's* website www.ablv.com (publishing the text of the *Terms*).
The *Bank* shall be entitled to inform *Client* of such amendments to *Terms* individually by means of a respective notice via *Internetbank*.
- A2.2. Amendments to the *Terms* shall enter into effect and become binding upon *Client* on 31st day from the date of notification at the *Bank's* website www.ablv.com, unless such amendments to the *Terms* or legal enactments of the Republic of Latvia provide for a different term of entering into effect. *Bank* shall not be responsible for the *Client's* losses or other expenses, should the *Client* fail to familiarize itself with amendments to *Terms*.
- A2.3. Amendments to the *Terms* shall not apply to the *Transactions* that have been executed and completed before the date on which amendments to the *Terms* enter into effect.
- A2.4. Should the *Client* fail to submit its objections to the *Bank* before the day on which amendments to the *Terms* become effective, the *Client* shall be deemed to agree to amending legal relations between the *Parties* as stated in amendments to the *Terms*.
Should the *Client* disagree to the amendments, it shall be entitled to terminate its business relations with the *Bank* that are affected by the proposed amendments immediately, before the day on which amendments become effective, without penal sanctions applied.
Should the relations be terminated, the *Client* shall submit all required documents to the *Bank* and take all required steps to discharge the obligations arising out of the legal relations between the *Parties*.

A3. Representations

- A3.1. *Client* represents that:
- Client* has full legal capacity and ability to act in order to execute and perform *Transactions*;

- b. *Client* has all rights, permissions, licences and authorisations in order to execute and perform Transaction;
 - c. Transaction and all its consequences are binding upon the *Client* and do not cause infringements of Latvian law or the laws of the place of performance of the Transaction;
 - d. *Client* is the true beneficiary of *Transactions* with *Bank* (hereinafter referred to as *Beneficiary*), unless *Client* has supplied *Bank* with data on a different beneficiary of *Client*. The *Beneficiary* is the person concerned receiving all interest and other benefits resulting from the Transaction;
 - e. all information supplied by the *Client* to the *Bank*, including information on its *Beneficiary*, activities, financial condition, and location, is true and is not misleading. All documents and Notices supplied by *Client* to *Bank* are true and valid. *Client* has been informed of criminal responsibility for supplying *Bank* with false information;
 - f. *Client* has not offered, promised or given any thing or preference to *Bank's* employee, directly or indirectly, for the latter to act or abstain from any action in infringement of his duties;
 - g. *Client* is not engaged in money laundering, that is, concealing or disguising the criminal origin of funds or other estate obtained as a result of criminal offence, or in terrorism financing, and *Client's* funds on deposit at *Bank* have not been obtained through unlawful means;
 - h. the *Client* does not cooperate with the Democratic People's Republic of Korea (North Korea) or with the persons acting in the interests of the government of North Korea.
- A3.2. *Client's* representative, concluding the Transaction on behalf of *Client*, certifies that it is duly authorised and entitled to conclude the Transaction, sign documents of the Transaction, and carry out other actions required to perform the Transaction or related to the same. Should such certification be false, the *Client's* representative concluding the Transaction on behalf of the *Client* assumes all obligations of the *Client* against the *Bank*.
- A3.3. The *Bank* shall be entitled to verify the representation and certification and other information supplied by the *Client* at any time. During such verification the *Bank* is entitled to abstain from performing any *Transaction* with the *Client*.

A4. Client and its Representatives' Identification and Authentication

- A4.1. *Bank* shall identify *Client* and its representatives in accordance with the laws of the Republic of Latvia and the requirements of the *Bank*. *Client* shall be obliged to supply *Bank* with requested information and documents that certify authenticity of supplied information.
- A4.2. In performing *Transactions* with *Client*, *Bank* shall compare the signature and, if necessary, the seal imprint of *Client* or its representative in any *Notice* with the specimen signature and seal imprint submitted to *Bank*. In making such comparison, *Bank* shall not be obliged to take into account the colour of the seal imprint.
- A4.3. In verifying conformity of the signature and the seal imprint of *Client* or its representative with the specimen signature and seal imprint in the possession of *Bank*, *Bank* shall be liable only for its wrongful intent.
- A4.4. The *Client* shall be entitled to remotely enter into *Transactions* or submit *Notices* by using the authentication means issued by the *Bank* (hereinafter referred to as the *authentication means*) following the procedure set by the *Bank*.
- A4.5. In these *Terms*, according to the context, the *authentication means* shall denote any or all of the following: the *Internetbank* user ID and password, authorization tools, authorization codes, mobile device unique identifier, *Current Account* password, payment card password, and other data used for the *Client* authentication pursuant to these *Terms*.
- A4.6. The *Bank* shall make the *authentication means* available to the *Client* or the *Client's* representative authorized to act on behalf of the *Client* according to the *Client's* power of attorney submitted to the *Bank* (hereinafter referred to as the *User*). If the same individual is both the *User* and the *Client* or the *User* is the authorized representative of the *Client*-legal entity, the *Bank* shall authenticate such *User* as the *Client* proper.
- A4.7. The *Client* and the *User* recognize that any *Transaction* or *Notice* confirmed by using the *authentication means* of the *User* shall be true and binding upon the *Client*, the *User*, and the *Bank*, as well as shall have equal legal force as a *Transaction* or *Notice* bearing manual signature.
- A4.8. Special conditions of the *Bank* govern the use of the *authentication means*. The *Client* shall pay the *Bank* the *Charge* for the *authentication means* issued to the *Client* and the *User*, as set forth in the *Rates and Charges*.
- A4.9. If the *authentication means* issued to the *Client* or the *User* become known to a third party, the *Client* shall be responsible for all consequences until the moment of notifying the *Bank* of the same in accordance with the form and procedures set by the *Bank*.

A5. Confidentiality

- A5.1. *Bank* acknowledges that all information related to *Client*, the Transaction and *Client's* relations with third persons, and supplied by *Client* to *Bank*, is confidential and shall not be disclosed to third persons without *Client's* consent, except the information that:
- a. is publicly available, or
 - b. is disclosed to the Credit Register of the Bank of Latvia and concerns the *Client's* liabilities (the *Client* may request and receive information regarding itself from the Credit Register of the Bank of Latvia in accordance with the

Regulation for the Credit Register approved by the Bank of Latvia, the text of which is available at the Bank of Latvia website www.bank.lv), or

- c. is disclosed to the credit information bureaus established in accordance with the Law on Credit Information Bureaus or disclosed for the purpose of debt recovery and concerns existence, amount, grounds of the *Client's* liabilities or reinforcement of such liabilities, or
- d. is disclosed to an assignee on the rights of claim assigned, or is disclosed to third parties with regard to entering into partnership agreements or other financing agreements, or
- e. is required for financial institutions involved in execution of the *Transaction* applied for by *Client*, at their request, or
- f. is to be disclosed to the *Agency Companies* (paragraph B4.6.1 of the *Terms* below) with which, inter alia, the *Bank* has a *Nominal Account* opened (paragraph B4.6.3 of the *Terms* below) and with which the financial instruments owned by the *Client* are held, and this information is to be further disclosed to issuers of the respective financial instruments, their representatives, foreign tax administration authorities, and state supervisory authorities on each of the following instances:
 - such requirement is stipulated in applicable legal acts,
 - in order to apply the reliefs set forth in international agreements with regard to income from financial instruments,
 - in order to confirm the *Client's* country of residence upon request from the *Agency Company*;
- g. is supplied to the *Bank's* group companies, also where it is necessary for the *Bank* and the companies of its group to be able to comply with the requirements on the prevention of money laundering and terrorism financing, or
- h. might be an evidence of a criminal offence or the *Client's* breach under *Transactions*, or is necessary for detecting and investigating such, or
- i. is disclosed to third parties that supervise and audit the *Bank's* operations, or
- j. is provided to competent authorities of the Republic of Latvia, the European Union or other states for performing their functions pursuant to legal enactments, or
- k. is provided to tax administration authorities of the Republic of Latvia, the European Union, or other states, pursuant to provisions of the cooperation agreements made between the *Bank* and the tax administration authorities of the said states;
- l. is provided to the *Bank's* outsource service providers, personal data operators and attorneys, or
- m. is provided to the *Bank's* cooperation partners that provide services to the *Bank* or with whom the *Bank* otherwise cooperates for the sake of execution of the *Client's Orders*, the *Bank's* transactions or functions, or for complying with the requirements set forth in the applicable legal acts, or
- n. is provided to foreign supervisory institutions and/or regulated market operators (stock exchanges) pursuant to the provisions of applicable legal acts and/or rules of the regulated market operators (stock exchanges), or
- o. is provided to foreign tax administration authorities pursuant to the provisions of applicable legal acts, or
- p. is provided to the court, court of arbitration, or for the sake of out-of-court dispute resolution pursuant to the provisions of applicable legal acts, or
- q. was provided at the *Bank's* discretion with regard to the *Client* or the persons related to the same, following the request from a correspondent bank located outside the European Union and involved in execution of the *Client's* payment order, or
- r. is the *Client* information (name, surname, identity No., and other identification data of the *Client*) supplied to the beneficiary of the payment applied for by the *Client*, according to the requirements of the payment processing schemes.

The *Client* consents that on the instances mentioned in subparagraphs c–r of this paragraph A5.1, the *Bank* shall be also entitled to transfer information outside Latvia, complying with the procedure set forth in the applicable normative acts.

A5.2. Confidential information is the *Bank's* secret and is not to be disclosed. Confidential information may only be disclosed in compliance with Latvian law and these *Terms*.

A5.3. The *Client* shall agree to the *Bank* being entitled to record and keep all intercommunication without prior notification and to unilaterally choose technical means for recording the same. The *Client* shall agree to the *Bank* being entitled to use intercommunication records as evidence for protecting its interests in settling disputes and in court. The *Bank* shall not be obliged to store intercommunication records for the benefit of the *Client*.

A6. Proxy

A6.1. The *Client* shall be entitled to authorise a third person, including other *Client* of the *Bank*, provided the *Bank's* prior consent, to perform a *Transaction* on behalf of the *Client*. Such authorisation shall be executed in writing, with the *Client* making such authorisation in accordance with the *Bank's* requirements, for example, by filling out a signature card.

Bank shall be entitled to refuse to conclude a Transaction with *Client* in case such authorisation is executed in default of the *Bank's* requirements, or *Bank* has reason to believe such authorisation is not valid.

Bank shall verify execution of the authorisation, however *Bank* shall not be responsible for other conditions of validity.

- A6.2. A power of attorney submitted to *Bank* shall be considered valid in relations between *Client* and *Bank* until the moment when *Client* submits a written revocation of such power of attorney to *Bank* provided that rights of representation or attorney of the *Client's* representatives are revoked upon the *Bank* accepts such revocation submitted by the *Client*, or validity of such power of attorney expires. *Bank* shall not be responsible for losses or other additional expenses of *Client*, where a power of attorney is revoked and *Bank* has not been notified accordingly in writing.

Where a *Client's* representative acts on the basis of substitution of *Client's* representative (assignment), powers of such *Client's* representative shall be considered extended, if the powers of the primary attorney has been extended, or where a power of attorney of similar content has been issued to the primary attorney and the assignment has no stated term of validity.

- A6.3. *Client* is obliged to ensure in compliance with *Bank* requirements that *Bank* is in constant possession of documents certifying powers of the *Client's* representatives to act on behalf of the *Client* and identifying the *Client's* representatives. Unless *Client* supplies *Bank* with such documents, *Bank* shall be entitled to immediately refuse to perform the Transaction in whole or in part.

Bank is entitled to request and *Client* is required to provide signature samples, and a specimen of the seal imprint (where so available) of *Client* and of persons entitled to represent *Client* in its relations with *Bank*, and *Client* shall be obliged to submit same.

- A6.4. Where other *Client* of the *Bank* is authorized to perform the Transactions on behalf of the *Client*, the representatives of such attorney shall be entitled to act on behalf of the principal, according to the card of specimen signatures submitted to the *Bank* by the attorney.

- A6.5. In case the *Client's* outstanding payment liabilities to the *Bank* arising out of the Transactions between the *Client* and the *Bank* become due, the *Client* shall authorize the *Bank* to perform any of the actions listed below, at the *Bank's* discretion:

- a. debit the amount of funds required for discharging the *Client's* liabilities to the *Bank* from any account of the *Client* with the *Bank*;
- b. perform currency exchange Transactions with regard to the funds on any account of the *Client* with the *Bank*;
- c. sell the financial instruments and/or Precious Metals held in the *Client's* accounts with the *Bank* at market price and apply the obtained funds towards discharge of the *Client's* liabilities.

- A6.6. The authorization set forth in clause A6.5 of the Terms above shall not restrict the *Bank's* right to apply section A11 of the Terms 'Security of the Bank's Claims against the Client'.

A7. Data of an Individual

- A7.1. If *Client*, the *Client's* representative or *Beneficiary* are individuals, *Client*, the *Client's* representative and *Beneficiary*, establishing business relations with *Bank*, agree that *Bank* is entitled to process all personal data of *Client*, the *Client's* representative and *Beneficiary* in accordance with provisions of the Republic of Latvia normative acts, including person's identity numbers. The reason and purpose of processing of personal data is for use in the needs of rendering the *Bank's* services and ensuring of *Bank's* activities and performance of the *Bank's* functions. *Bank* shall be entitled to request, to receive and to process personal data of *Client* and the *Client's* representative from other sources, including from private systems for personal data processing and those of government and municipal institutions.

- A7.2. In cases of disclosure of *Client's* information stated in these Terms, the data of individuals available to *Bank* may be disclosed to third parties that render services to the *Bank* or represent the *Bank's* interests, entrusted by the *Bank* with fulfilment of liabilities stated in these Terms, or with whom the *Bank* otherwise cooperates in securing its activities and performing its functions. The *Client*, *Client's* representative and *Beneficiary* shall agree to persons that are provided individuals' data on instances of disclosing the *Client's* information pursuant to these Terms being entitled to process all personal data of the *Client*, *Client's* representative and *Beneficiary*, including sensitive data and person's identity numbers.

- A7.3. An individual on written application to *Bank* is entitled to review such individual's processed personal data available to *Bank* and the individual may amend or correct same according to normative acts applicable in the Republic of Latvia on protection of personal data of individuals.

- A7.4. If *Client* and the *Client's* representative are individuals, *Bank* is entitled to use available personal data of such *Client* and the *Client's* representative, in order to supply *Client* orally, by post or by electronic means with information on *Bank's* products and services.

- A7.5. *Bank* is entitled to perform video surveillance and video recording of the premises owned and/or possessed by the *Bank* in the interests of *Bank* and its *Clients*.

A8. Notices and Information Exchange

- A8.1. Unless specific requirements or restrictions are set forth in the Special Section of the Terms below, any information, orders, applications, instructions, notices, complaints and requests arising out of the business relations between the

Parties (in these *Terms* referred to as the *Notice* or *Notices*) may be submitted in person, sent in writing through a postal operator, subject to the *Bank's* prior consent also in electronic form — by fax, e-mail or via the *Internetbank*.

A *Notice* sent by the *Client* to the *Bank* by fax or e-mail pursuant to prior arrangement with the *Bank* shall be valid only provided the same contains the *Client's* authorization code calculated according to requirements of the *Bank* or the *Notice* is signed with a secure electronic signature.

Use of *Internetbank* is governed by section B5 of these *Terms*. Rendering information and services over the telephone is governed by section B12 of these *Terms*.

Notices to the *Bank* may be delivered orally as well in cases explicitly stated in these *Terms* or on instances defined as mandatory in the Republic of Latvia regulations.

All *Notices* submitted to the *Bank* shall be completed without corrections, deletions, erasures or *lapsus calami*, and shall be clearly legible and complying with the requirements set herein. All *Notices* shall bear the *Client's* own signature, be signed with a secure electronic signature or confirmed with the *Client's authentication means* ensured by the *Bank*, unless stipulated otherwise in the Special Section of these *Terms*.

- A8.2. *Notices* to the *Bank* that are sent through a postal operator shall be sent to the registered address of the *Bank*, and those shall be deemed received by the *Bank* upon they are recorded in the *Bank's* document registry. *Notices* by the *Client* sent by fax or e-mail shall be deemed received by the *Bank* after the *Bank* confirms their receipt.

Notices to the *Client* shall be sent through a postal operator to the *Client's* registered address (for legal entities) or residential address (for individuals), or to another contact address last communicated by the *Client*. The *Bank* shall not be responsible for losses or expenses incurred by the *Client* or a third party in case the *Client* has not notified *Bank* of change of address for sending of *Notices*, or has provided inaccurate or incorrect address designated for sending the *Notices*, and consequently has not received the *Notices* from the *Bank*, or has not received them in due time.

The *Bank* shall also be entitled to send *Notices* to the *Client* following some other procedures set by the *Bank*, including communicating them via the *Internetbank* or other electronic means and orally.

- A8.3. If a *Notice* is sent to the *Client* through a postal operator, the same shall be considered received on the third *Bank* day after service to the postal operator, regardless of its actual receipt. In case a *Notice* is sent to the *Client* by electronic means of communication, the same shall be considered received at the moment of being sent, regardless of its actual receipt. The *Bank* shall not be responsible for losses or other additional expenses of the *Client*, which the *Client* may sustain due to transmission failure, delay or misuse of information. The *Client* authorises all its representatives, as well as other persons being at the address where the *Notices* are sent to, to receive such *Notices*. In case any such authorised representative receives a *Notice*, the *Client* shall be considered to have received such *Notice*.

The *Bank* is entitled to record oral *Notices*. The *Client* acknowledges such recordings of the *Bank* to constitute written *Notices* received.

- A8.4. *Bank's* seal and the signature of *Bank's* employee on *Notice* submitted by *Client* constitutes acceptance of such *Notice* for processing but does not trigger *Bank* liability for execution of *Notice*.

Execution of the *Transaction* is only evidenced by the *Transaction* being booked to the *Client's* account or by a confirmation of its execution processed by the *Bank*.

- A8.5. *Notices* in Latvian, Russian or English languages only shall be legally valid. The *Client* shall agree that the language stated by the *Client* for receiving *Account* statement or other language specified in the *Client's Notice* shall be the language of receiving the *Notices*. In case receipt of *Account* statement has not been applied for, the *Bank* shall be entitled to send *Notices* to the *Client* in the language of the *Client's Notice* submitted to the *Bank*. *Client* is obliged to make a *Notice* clear and certain. *Bank* is entitled to refuse to execute an unclear *Notice* at its own discretion in full or partially. In case figures in the *Notice* are stated both in words and in numbers simultaneously, figures stated in words are valid in case of discrepancies.

- A8.6. If *Bank* considers there to be potential inadequacies in the *Client's Notice*, including with respect to its authenticity or validity, or has doubts concerning the document content, the *Bank* is entitled to request that the *Client* should repeat the *Notice* according to the form specified or request that the *Notice* should be translated into the Latvian language and legalised. The *Bank* is entitled to refuse execution of the *Notice* until a repeat *Notice* is received.

- A8.7. The *Client's* order submitted to the *Bank* is valid until execution or cancellation.

- A8.8. Unless stated otherwise in the Special Section of these *Terms*, the *Rates and Charges*, or the *Bank's Notices* (also at the *Bank's* website www.ablv.com), the *Bank* shall process *Notices* on working days of the Republic of Latvia (that is on all days except Saturdays, Sundays and holidays) during the *Bank's* working hours (hereinafter referred to as the *Bank* day). If the *Bank* has accepted a *Notice* at any other time, the following *Bank* day shall be considered the date of acceptance of the *Notice* for execution.

- A8.9. The *Bank* shall be entitled to send on its own initiative any *Notices* to the *Client* about services provided by the *Bank* via texts (SMS) or e-mail to the *Client's* mobile telephone numbers and e-mail addresses confirmed by the *Client*, also signing the *Notices* with a secure electronic signature.

A9. The Client's Obligation of Cooperation and the Compliance Requirements

- A9.1. To promote appropriate progress of *Transactions* of the *Bank* and the *Client*, the *Client* is obliged to immediately notify the *Bank* of changes in personal and registration data of the *Client* and its representatives, data of identity documents, address, other contact information, legal capacity and ability to act, of important changes in its financial condition, as well as of amendments to or termination of powers of attorney submitted to the *Bank*, and of the *Transaction Beneficiaries*. Such obligation of notice apply even if changes in *Client* information submitted to the *Bank* are included in public registers. *Client* that has entered into *Transactions* related to borrowing (loan, overdraft), or *Transactions* related to security and collateral (pledge, mortgage agreement, other collateral agreements, guarantee) with *Bank* agrees to submit to *Bank* documents that certify revenues, debt liabilities and financial status of *Client*, guarantor and other persons involved in repayment of the borrowed funds, until the deadline, in the form and in accordance with procedures specified in its request.
- A9.2. The *Bank* provides the *Client* with all information on the *Transactions* booked to the account by providing the *Client* with access to an electronic account report in *Internetbank*. The *Client* shall be entitled to receive other types of account statements or reports by special request, paying the *Charge* stated in the *Rates and Charges*.
- Client* is obliged to monitor *Transactions* booked to the account and check whether they correspond to those actually performed at least once a month. The *Client* shall agree that for the purposes of these *Terms* an account statement / report shall be deemed a primary evidence of the *Transactions* performed by the *Client*, constituting sufficient grounds for ascertaining the respective fact.
- The *Client* shall agree that, unless stated otherwise herein, should the *Client* fail to immediately, within ten calendar days from the date of receipt of the statement / report at the latest, inform the *Bank* of deficiencies, the *Client* shall be considered to have confirmed that his / its account statement / report is correct and complete.
- Immediately replying to the *Bank's* request, the *Client* shall supply the *Bank* with all documentary evidence of, and information on, incompliance between the *Transactions* booked to the account and those actually performed, or the *Transactions* not authorized by the *Client*.
- A9.3. If *Client's* account has been credited with funds or financial instruments through *Bank's* error, *Bank* shall be entitled to debit *Client's* account with such funds or financial instruments without acceptance.
- A9.4. The Parties agree that *Clients* are not entitled to assign their claims against *Bank* to third persons without *Bank's* written consent.
- A9.5. The *Client* shall be obliged to inform the *Bank* of any facts and events known to the *Client* that may be an evidence of and/or lead to unfair gain for the *Client* and/or cause losses for the *Bank*.
- A9.6. For the prevention of money laundering, terrorism financing, and violation of sanctions, the *Bank* shall be entitled to request information and documents from the *Client* on the *Client*, the *Client's* representatives, and its *Beneficiary* (also on economic and personal activities, financial status, and source of funds), purposes and the *Beneficiary* of the concluded, contemplated, or revoked *Transactions*, etc. It shall be the *Client's* obligation to supply the *Bank* with requested information and documents.
- A9.7. The *Client* has been informed about determination of tax residence of the *Client* and its *Beneficiary* and classification of the *Client* (active or passive nonfinancial organization, financial institution, international organization, or central bank) done by the *Bank* and reporting on the *Client's* accounts and *Beneficiary* to the State Revenue Service of the Republic of Latvia performed by the *Bank* on instances set forth in external normative acts. The *Client* shall supply up-to-date and complete information about the tax residence of the *Client* and its *Beneficiary* and classification of the *Client* on the *Client's* own initiative and following the *Bank* request.
- A9.8. The *Client* shall be liable for the losses that might be incurred by the *Bank* where the *Client* fails to timely provide up-to-date and complete information on the *Client's* own initiative or following the *Bank* request, due to which the tax residence of the *Client* and *Beneficiary* and classification of the *Client* are not determined properly and incorrect or unnecessary information about the *Client* or its *Beneficiary* is supplied by the *Bank* to the State Revenue Service.

A10. Charges. Payments to the Bank

- A10.1. *Client* shall pay remuneration for services rendered to *Bank* (hereinafter referred to as the *Charge*) according to the procedures and to the amount stated in the *Terms* and the *Bank's* respective *Rates and Charges* (hereinafter referred to as the *Rates and Charges*).

The *Rates and Charges* that are valid as of the time of rendering the service shall set the amount and procedures of payment of the *Charges*. The *Bank* shall be entitled to unilaterally amend the *Rates and Charges*. Such amendments shall enter into effect on the 31st day after adoption of same, unless the amendments or the Republic of Latvia legal enactments state otherwise. The *Bank* shall inform the *Client* of amendments to the *Rates and Charges* by means of publication at the *Bank's* website www.ablv.com. The *Bank* shall additionally inform the *Client* individually of the amendments to the *Rates and Charges* on instances stipulated in the Republic of Latvia legal acts only.

The *Bank* shall also be entitled to inform *Client* of amendments to the *Rates and Charges* individually by means of a respective notice via *Internetbank*.

Should the *Client* fail to submit its objections to the *Bank* before the day on which amendments to the *Rates and Charges* become effective, the *Client* shall be deemed to agree to those amendments.

Should the *Client* disagree to the amendments, it shall be entitled to refuse being rendered a corresponding service by the *Bank* and to terminate its business relations with the *Bank* that are affected by the proposed amendments immediately, before the day on which amendments become effective at the latest, without penal sanctions applied.

Should the relations be terminated, the *Client* shall submit all required documents to the *Bank* and take all required steps to discharge the obligations arising out of the legal relations between the *Parties*.

A10.2. The general currency exchange rates and reference interest rates (the rates used by the *Bank* to calculate the interest applicable to the *Transaction*, which the *Client* can check using publicly available source) set by the *Bank* shall not be included in the *Rates and Charges* and shall be stated at the moment of rendering the respective service.

Unless stated otherwise in the agreements between the *Parties*, the *Client* consents that the general currency exchange rates and reference interest rates set by the *Bank* may be changed any time without prior notification, also during the *Bank* day, considering currency exchange rate and reference interest rate fluctuations in financial markets. Those amendments shall become effective upon the *Client* is notified about them, i.e. upon publishing the changes at the *Bank's* website www.ablv.com.

The *Client* shall agree that the general currency exchange rate published by the *Bank* may differ from the currency exchange rate applied to a particular *Transaction*, and the *Bank* shall be entitled to inform the *Client* of the same only after execution of the *Transaction* by means of account statement / report.

The *Client* is required to familiarize itself with the *Rates and Charges*, currency exchange rates and reference interest rates before applying for any service with *Bank*.

Bank is entitled to unilaterally state and cancel discounts for *Client*.

Bank is entitled to state the *Charges* for services that are not included in the *Rates and Charges* at its own discretion. Such *Charges* are valid from the moment when the *Client* receives a respective Notice.

A10.3. The *Charges* must be paid before execution of the service, unless *Bank* has stated different procedures of payment of *Charges*. Unless *Client* has paid *Charges* to *Bank* for *Bank's* service, *Bank* is entitled to cease rendering such service to *Client* or refuse rendering the service without any notice. If *Bank* terminates or refuses rendering the service to *Client* because of the reasons mentioned in the previous sentence, *Bank* shall not be responsible for *Client's* losses or other additional expenses of *Client*. The *Bank* shall be entitled to continue rendering the service at the *Bank's* own discretion in case the *Client* has not paid the *Charges* for the *Bank's* service, the *Bank* consequently acquiring the corresponding rights of claim towards the *Client* of the amount equal to the *Charge*.

A10.4. If taxes, duties or similar payments are levied on *Charges*, the *Bank* shall be entitled to withhold such payments from the *Client*, with the *Charge* amount being increased accordingly.

A10.5. *Bank* is entitled to debit any account (*Client's* current account is the first to be debited unless the terms of the Special Section of the *Bank's* *Terms* provide otherwise) of *Client* with amount of any claim due under the *Transactions* the *Client* applied for (including amounts of payments applied for by the *Client*, *Charges*, forex transactions, taxes, duties, etc.) that the *Client* has undertaken to perform and/or *Bank* is entitled to under the *Terms* without acceptance by *Client*.

Unless a sufficient balance in the payment currency is available in *Client's* account at the moment when such payment is to be made, *Bank* shall be entitled to debit the amount of its claim in a different currency at the general currency exchange rate stated by *Bank* effective as of the moment of debiting the claim amount.

Unless a sufficient balance for making the payment is available in the *Client's* account at the moment when the payment is to be made, the *Bank* shall be entitled to grant credit to the *Client* equal to the amount required for making the payment following the provisions of Special Section of the *Terms* (section B7 of the *Terms*) or to immediately debit the amount of its claim upon the *Client's* account balance is sufficient for making the payment, and this being the case, the *Bank* shall be entitled to debit the claim amount according to the *Rates and Charges* effective as of the moment of debiting the claim amount.

If the amount paid by *Client* is insufficient to satisfy all claims of the *Bank*, the claims shall be satisfied in accordance with procedures stated at *Bank's* discretion, including procedures for first repaying less secured liabilities, and also ensuring that claims arising out of the same liability are first raised with regard to payment of overdue interest on the capital use, then payment of interest on the capital use, then discharge of the principal liability, and then payment of penalty.

A10.6. If *Client* defaults on its liabilities against the *Bank* in full or in part, or if *Client's* insolvency proceedings, legal protection proceedings or *Client's* liquidation process has been initiated, *Bank* shall be entitled to use *Client's* funds available at *Bank* for decreasing the amount of the *Client's* liabilities or discharging those completely.

A11. Security of the Bank's Claims against the Client

A11.1. All *Client's* funds (money, *Precious Metals*, etc.) and/or the *Client's* rights of claim on repayment of such funds against the *Bank*, as well as financial instruments, that are or will be held in the *Client's* accounts with the *Bank*, shall serve as financial collateral for the fulfilment of obligations of the *Client* and its closely related *Clients* (paragraph A11.3 of the *Terms* below) against the *Bank* and shall be pledged with *Bank* as a financial pledge (hereinafter referred to as *Financial Pledge*). *Financial Pledge* shall secure all obligations of *Client* and its closely related *Clients* (paragraph A11.3 of the *Terms* below) against *Bank*, including future obligations. *Bank* shall only be liable for losses caused to *Financial Pledge* by *Bank's* wrongful intent. *Bank* shall be entitled to use *Financial Pledge* and its future components. Remuneration for such use shall be paid by *Bank*, in case it is provided for in *Rates and Charges*.

- A11.2. *Bank* shall be entitled to satisfy all *Bank's* claims against *Client* by enforcing the *Financial Pledge* even before due date of performance of obligations and without any prior *Notice* to *Client* on the following instances:
- the *Client*, a *Client* closely related to the same, or another *Client*, in respect of obligations of which surety is provided for, defaults on its obligations to the *Bank* in full or in part, or
 - the *Client* or the person acting as a surety in respect of the *Client's* obligations has filed an application for initiating legal protection proceedings of the *Client*, or
 - insolvency proceedings of the *Client* or the person acting as a surety for the performance of obligations of the *Client* have been initiated in accordance with the procedure specified in normative acts, or
 - reorganization or liquidation process of the *Client* or the person acting as a surety for the performance of obligations of the *Client* have been initiated,
 - restrictions are set on the rights and activities of the *Client* rendering financial, management and/or insurance services or the rights and activities of the person acting as a surety in respect of the *Client's* obligations and rendering financial, management and/or insurance services, including complete or partial suspension of the rendering of financial services, appointment of the authorized person of supervisory authority, or licence cancellation, or
 - in accordance with provisions of special sections of these *Terms*.

In cases where *Financial Pledge* is funds, *Bank* shall be entitled to debit (transfer) the amount due from any *Client's* account with *Bank* or from funds otherwise due to *Client*. In cases where *Financial Pledge* is financial instruments and/or *Precious Metals*, *Bank* shall be entitled to sell financial instruments and/or *Precious Metals* available in any *Client's* account with *Bank* or, at *Bank's* discretion, to alienate such financial instruments and/or *Precious Metals* in its own favour at market prices. Financial instruments and/or *Precious Metals* shall be sold in the amount necessary to satisfy all claims of *Bank* to *Client*, provided established market practice is maintained (e.g. with respect to minimum amount of financial instruments and/or *Precious Metals* to be sold / purchased on the market). *Financial Pledge* in possession of *Bank* shall be considered to have been transferred to *Bank* in connection with all *Bank's* claims against *Client*, *Client's* debt to *Bank* and subsequent debts of *Client* to *Bank* are payable from such *Financial Pledge*, and *Bank* is entitled to exercise a lien upon the *Financial Pledge* and to alienate or use it without any *Notice* or special reminder to *Client*. *Bank* shall be entitled to exercise detainer rights on *Financial Pledge*. *Bank* shall be entitled to use *Financial Pledge* replacing it with a pledge of equal value.

- A11.3. *Client* is jointly responsible for all liabilities to the *Bank* of other *Clients* who are closely related to *Client*, as the debtor proper.

For the purposes of these *Terms*, "closely related *Clients*" mean any persons to whom one or more of the following conditions apply:

- one of the persons controls, directly or indirectly, another person in connection with decisive influence, on the basis of an agreement on interest, concern agreement or similar relations;
- the persons are closely related to a person to which provisions a) of this paragraph applies;
- the persons have a common *Beneficiary*.

The *Client* is liable for the liabilities of closely related *Clients*, if such *Clients* were closely related at any moment during the period of time of the existence or continuation of such liabilities.

- A11.4. The provisions of this section concerning the security of the *Bank's* claims against the *Client* shall not restrict the *Bank's* right to exercise the power set forth in clause A6.5 of the *Terms* above.

A12. Responsibility

- A12.1. The *Party* at fault for default of the term of any payment shall pay to the other *Party* a penalty of one tenth per cent of the outstanding amount per day of delay, however not more than ten per cent of the outstanding amount, unless stated otherwise in the normative acts, *Rates and Charges* or other section of the *Terms* with regard to the respective financial service. Payment of the penalty shall not release the *Parties* from the requirement of fulfilment of their liabilities not discharged in due time or unduly discharged timely.

- A12.2. Payment of the penalty shall include reimbursement for all the *Client's* losses.

Bank shall be responsible for losses of the *Client* sustained in connection with the *Transaction* between the *Parties*, only if such losses are due to *Bank's* wrongful intent. In case of *Bank's* wrongful intent, *Bank* shall only reimburse *Client* for direct losses sustained.

- A12.3. *Bank* shall not be responsible for default of its liabilities in whole or in part, provided such default has arisen due to circumstances beyond the *Bank's* control, including acts of terror, war, fires, explosions, civil unrest, strikes, acts of God, acts issued by government institutions, actions of third persons, break-downs, faults or errors of computers or other means of communication.

- A12.4. His / her parents (guardians) shall be liable for *Transactions* executed by minor *Clients* as the minor's lawful representatives. Parents (guardians) shall be liable for *Transactions* executed by minor *Clients* as guarantors as defined in Section 1702(2) of the Civil Law of the Republic of Latvia, shall assume all obligations as the minor itself, and they

waive any demands that *Bank* should make recovery from such minor *Client* first. A *Client* shall be considered minor before reaching the age of eighteen years, unless other provisions of applicable legal acts are applicable.

A12.5. While rendering the services to the *Client*, the *Bank* shall not be treated as tax advisor, and all information supplied by the *Bank* with regard to the taxes applicable to the *Client's Transactions* shall be for information purposes only; the *Client* shall bear the liability for the decisions made that affect assessment and payment of taxes to the state budget of the Republic of Latvia. When making the *Transactions*, the *Client* shall independently assess the tax payment obligation in both the Republic of Latvia and the *Client's* country of residence. In particular cases, the *Bank* shall be obliged to withhold the respective income tax of the Republic of Latvia from the payable income, but the *Client* shall not be consequently released of the obligation to independently assess the *Client's* liabilities under payment of taxes of the Republic of Latvia.

A13. Termination and Restriction of the Transaction

A13.1. Unless stated otherwise in the agreement between the *Parties* or in these *Terms*, any agreement entered into by the *Parties* shall be deemed to be of indefinite duration.

A13.2. Each *Party* hereto shall be entitled to unilaterally terminate all or individual contractual relations existing between the *Parties* hereto, servicing a *Notice* of termination of contractual relations stated therein to the other *Party* hereto at least thirty calendar days before the date of termination of such contractual relations, unless stated otherwise in the normative acts on consumer protection applicable in the Republic of Latvia, in other laws, or in special conditions.

A13.3. The *Bank* shall be entitled to unilaterally refuse, or abstain from, execution of a *Transaction* in full or in part, suspend or terminate any *Transaction*, change the term of executing the *Transaction*, set restrictions on any *Transaction*, inter alia, freezing or attach the funds and assets, limiting the availability of the *Bank's* products or services to the *Client*, as well as restrict, suspend or terminate any contractual relations with the *Client* without serving a *Notice* to the *Client* and without reimbursing the *Client* for any losses or additional expenses in the following cases:

- a. the *Client* has defaulted on the present *Terms* or the *Client's* certification appears to be false;
- b. a person who is not validly identified or authorised is suspected of acting on behalf of the *Client*;
- c. suspected involvement of the *Client* in money laundering, terrorism financing, or attempted money laundering or terrorism financing;
- d. fraud is suspected or the *Client* is suspected to allow a legally punishable, dishonest or unethical action, or if the *Bank* has reason to consider that further cooperation with the *Client* is to the detriment of the *Bank's* honour, credit or reputation;
- e. suspicion of the death of a *Client* who is an individual or liquidation of a *Client* who is a legal entity;
- f. the *Client* fails to supply the *Bank* with the requested information and documents in the cases specified in paragraph A9.6 of the *Terms* above, or the *Bank* suspects such supplied information or documents to be inconsistent with actual circumstances;
- g. it is conditioned by the necessity to meet the requirements of the financial institutions or organizations involved in execution of the *Transaction* applied for by the *Client*;
- h. the *Transaction* is suspected to result in direct or indirect violation of sanctions set by the Republic of Latvia, the European Union, the United Nations Organization or other international organization whose member state is Latvia, or a particular state;
- i. the *Transaction* contradicts the *Bank's* internal *Client* or risk management policies;
- j. the *Client* cancels the use of the *Internetbank*.
- k. the *Bank* considers the same to be necessary in order to secure the *Bank's* right to the *Financial Pledge* (incl. exercising of the *Financial Pledge*);
- l. the *Bank* considers some default on the *Client's* obligations to have occurred or to possibly occur.

A13.4. *Bank* is entitled to close unilaterally without prior notice the *Client's* account if the *Client* does not utilize its account for *Transactions* for more than 6 months in succession.

A13.5. Termination of the agreement entered into by the *Parties* shall not entail termination of their non-discharged obligations established before the agreement termination. All non-discharged obligations of the *Parties* established before terminating the agreement shall be discharged in accordance with the *Terms* and provisions of the agreements entered into. In case of terminating the agreement / *Transaction* entered into by the *Parties*, regardless the reasons for such termination, all the *Client's* obligations arising out of the agreement / *Transaction* being terminated shall become due, and the *Client* shall be obliged to pay *Charges*, cover incurred losses and discharge all obligations that arise out of the agreement / *Transaction* being terminated in full to the *Bank*, complying with the provisions of the agreement / *Transaction* and these *Terms*, as well as to provide adequate collateral, if so requested by the *Bank*. The *Client* shall be obliged to discharge the obligations assumed by the *Client* pursuant to the agreement / *Transaction* provisions and these *Terms* also after termination of the agreement / *Transaction*, until the *Client's* obligations to the *Bank* are discharged in full, and shall also pay the *Bank* a penalty or overdue interest for delaying payments under the *Client's* principal

obligation in accordance with these *Terms*. Documents submitted by the *Client* for the sake of conclusion of an agreement / *Transaction* and performance of the *Bank's* operations shall not be returned to the *Client*.

A13.6. In the event of the death of the *Client*, the *Bank* shall be entitled to abstain from execution of the *Notices* of the *Client's* representatives for the purpose of protection of the *Client's* estate.

Where the *Client's Beneficiary* has died and the *Client* fails to provide the information and documents about the new *Beneficiary* or about an uncompleted inheritance process to the *Bank*, the *Bank* shall be entitled to abstain from execution of the *Client's Transactions*.

The heirs shall be obliged to submit a document certifying their respective rights to the *Bank* in order to dispose of the deceased *Client's* estate, as well as shall provide instructions on further disposal of such estate.

A13.7. The *Client* shall discharge all liabilities arising out of the contractual relations with the *Bank* on the day of terminating the contractual relations at the latest.

A13.8. If the *Client's* account with the *Bank* is closed following the *Bank's* initiative or the *Client* fails to supply the *Bank* with instructions on transfer / outpayment of the account balance, the account balance shall be kept with the *Bank*, no interest shall be accrued on the same, and, following the *Terms*, the account balance shall be paid out upon the *Client's* request pursuant to the respective application made in accordance with the *Bank's* requirements. The *Bank* shall be entitled to withhold charge for keeping the account balance after the account closure in accordance with the *Rates and Charges*. Before paying the balance out, the *Bank* shall be entitled to perform identification of the *Client* following the procedure set forth in section A4 above.

A14. Applicable Legal Enactments and Procedures of Disputes Resolution

A14.1. Business relations between the *Parties* shall be subject to the legal acts of the Republic of Latvia and the European Union, international banking practice and customary practices.

The *Bank* shall apply special legal norms set forth in the normative acts on consumer rights protection to business relations with the *Clients* that are recognised as consumers under the normative acts on consumer rights protection applicable in the Republic of Latvia.

A14.2. Disputes between the *Client* and the *Bank* may be resolved by the *Parties* through mutual negotiations.

A14.3. Any *Client* grievance or claim (hereinafter referred to as *Claims*) against the *Bank* shall be resolved out-of-court on the following basis:

- a. the *Client* shall address its *Claim* to the *Bank*;
- b. the *Bank* shall register the *Client's Claim* and consider the same within thirty days of submission of such *Claim* and all documents requested by the *Bank* in this connection.
- c. Where the *Claim* concerns over-the-counter derivative financial instrument contract, the *Bank* shall consider the same within five days of submission of such *Claim* and all documents requested by the *Bank* in this connection.

However, should preparation of a response require additional time, the *Bank* shall be entitled to extend the term of the *Claim* consideration, notifying the *Client* accordingly.

A14.4. If a *Client's* Claim against the *Bank* is within the jurisdiction of the Ombudsman of the Association of Commercial Banks of Latvia according to regulations of the Ombudsman, the *Client* shall be entitled to lodge its Claim to the Ombudsman for resolution.

A14.5. Any dispute, discord or Claim ensuing from business relations of the *Parties* hereto, or the default, termination, lawfulness, validity or translation thereof shall be resolved at the discretion of the claimant at the courts of the Republic of Latvia or the Arbitration Court of the Association of Commercial Banks of Latvia, which is registered with the Arbitration Court Register under No. 40003746396, in Riga, according to the bylaws and regulations of such Arbitration Court and rules of expenses of the Association of Commercial Banks of Latvia. Provisions of such documents shall be incorporated by reference into this paragraph. An award of the Arbitration Court shall be final, not subject to appeals and binding upon the *Parties*. The number of arbitrators shall be one. Litigation in the Arbitration Court shall be conducted in the Latvian language. The *Parties* authorise the Chairman of the Arbitration Court of the Association of Commercial Banks of Latvia to appoint the arbitrator.

A14.6. In the case of a discrepancy between the text of the *Terms* in the Latvian language and the text of the *Terms* in another language, the *Terms* in the Latvian language shall prevail.

A14.7. Should any clause of these *Terms* become void because of amendments to the normative acts, the other clauses of these *Terms* shall remain in full force and effect, and this being the case the *Parties* shall apply the *Terms* in accordance with the requirements of the effective normative acts.

B. Special Section

B1. Terms of the Current Account

B1.1. Application

These *Terms* of the *Current Account* shall apply, where *Client* has applied for opening of a current account (hereinafter referred to as the *Current Account*) with *Bank* or a current account is opened for *Client* with *Bank*.

B1.2. Opening a Current Account

Based on the *Client's* application for opening of a *Current Account*, the *Bank* shall open a multicurrency *Current Account* for the *Client* in currencies corresponding to those stated in the *Bank's List of Main Correspondent Accounts*. The *Current Account* Agreement, constituted by the *Client's* application for *Current Account* opening and the *Terms*, shall be considered concluded from the moment of opening such *Current Account*. The *Current Account* shall be deemed opened from the moment a confirmation of the *Current Account* opening is issued to *Client* by the *Bank*.

The *Bank* shall be entitled to reject opening a *Current Account* for the *Client*, based on confidential information available to the *Bank*. This being the case, the *Bank* shall not be obliged to explain reasons for rejection to the *Client*.

B1.3. A Current Account of a Non-registered Enterprise

A company founded in the Republic of Latvia may open a *Current Account* for payment of its foundation capital until its registration with the Commercial Register. Funds in the *Current Account* of such non-registered enterprise shall not be used until the enterprise is registered with the Commercial Register or its foundation is terminated due to other reasons. The *Bank* shall be entitled to debit the *Current Account* of the non-registered enterprise with its *Charges* according to its *Rates and Charges*. Upon registration of the enterprise with the Commercial Register, the enterprise shall be obliged to apply for opening its *Current Account* again (paragraph B1.2 of the *Terms* above), notifying the *Bank* of representatives of the enterprise. In case the enterprise foundation is terminated without its registration, the *Bank* shall pay out or transfer the funds paid into the *Current Account* of the enterprise according to the instructions of founders of the enterprise, having paid the foundation capital into its *Current Account*. In such case the *Bank* shall be entitled to apply the *Charge* for paying out cash or for making the payment according to the *Rates and Charges*, and withhold such *Charge* from the amount of funds being paid out or transferred.

B1.4. Transactions in the Current Account

B1.4.1. Should the *Client* identify incompliance between the *Transactions* booked to the account and those actually performed, or the *Transactions* not authorized by the *Client*, the latter shall immediately, but not later than within thirty calendar days after the date the *Transaction* has been booked to the account (or the date the *Transaction* was supposed to be booked to the account), notify the *Bank* accordingly by submitting a claim to the *Bank* in the form and according to the procedure prescribed by the *Bank*.

B1.4.2. Pursuant to the instances and procedures stipulated in the Republic of Latvia Law on Payment Services and Electronic Money, the *Client* that is recognized to be a consumer under the normative acts on consumer rights protection applicable in the Republic of Latvia shall be entitled to be reimbursed for losses, provided that immediately upon having detected an unauthorized *Transaction*, but not later than within the term stipulated in clause B1.4.1 above, the *Client* informs the *Bank* of the same, complying with the procedures set forth herein. The *Bank* shall reimburse the losses by refunding the *Transaction* amount or, if applicable, by restoring the *Client's Current Account* balance to be equal to that before performing an unauthorized *Transaction*.

The *Bank* shall not reimburse the *Client* for losses if the *Client* has performed unlawful acts or violated some of the provisions of these *Terms* intentionally (deliberately) or due to gross negligence, and also in cases where the *Client* was able or should have been able to anticipate losses, but failed to ensure security of the funds held in the *Current Account*, inter alia, to set limits on the *Transactions* under particular products of the *Bank* or to apply for blocking of the accounts.

B1.4.3. Unless it contradicts the special legal norms on consumer protection applicable in the Republic of Latvia, the *Client* shall assume the liability for all losses arising out of an unauthorized or erroneously performed *Transaction*, where the same is due to the *authentication means* being lost, stolen, or possessed by third parties in other unlawful way, unless the *Bank's* fault is detected.

B1.4.4. The *Bank* shall be entitled to request the *Client* to provide a special confirmation of the *Transaction* in the *Current Account* that has not been applied for personally by the *Client* or its representative and the *Bank* has doubts with regard to the *Transaction* being confirmed (authorized) by the *Client*. The *Bank* shall be entitled not to execute such *Transaction* until a special *Client's* confirmation of the *Transaction*, meeting the *Bank* requirements, is received by the *Bank*. This being the case, the *Bank* shall not be liable for losses or additional expenses that might be incurred by the *Client* due to delayed execution of the *Transaction*.

By submitting its special confirmation of the *Transaction* to the *Bank*, the *Client* shall waive its right of lodging any claims with regard to this *Transaction* and requesting reimbursement for losses.

B1.5. Funds in the Current Account. Interest

- B1.5.1. The *Client* shall monitor that the funds in the *Current Account* are accounted in the currencies corresponding to those stated in the *Bank's List of Main Correspondent Accounts*.

If the *Bank* ceases to perform transactions in some of the currencies stated in the *Bank's List of Main Correspondent Accounts*, the *Bank* shall send a *Notice* to the *Client* containing the information about the planned changes and the date until which the *Client* has to perform a currency exchange transaction or a payment of the funds in the said currency to other bank, to ensure that the currencies of the funds held in the *Client's Current Account* correspond to those stated in the *Bank's List of Main Correspondent Accounts*.

If the currencies of the funds held in the *Client's Current Account* do not correspond to those stated in the *Bank's List of Main Correspondent Accounts* after the date specified in the *Notice*, the *Bank* shall be entitled to exchange the funds in the *Client's Current Account* denominated in the currency not corresponding to the currencies stated in the *Bank's List of Main Correspondent Accounts* into EUR, applying the *Bank's* general currency exchange rate effective as at the date of exchange.

- B1.5.2. Funds in the *Client's Current Account* are demand deposits, and the *Client* shall be entitled to use such funds. The *Client* may receive funds in its *Current Account* or transfer same.

- B1.5.3. The *Bank* shall pay interest on the balance in the *Current Account* of the *Client* in case it is provided for in the *Rates and Charges*. The interest on the balance of funds in the *Current Account* for one day shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly) and shall be paid for each day on the amount of funds in the *Current Account* as at the end of the respective day (*Actual / Actual*).

The *Bank* shall pay the *Client* interest on the balance of funds in the *Current Account* once per month by crediting this interest to the *Client's Current Account*.

B1.6. Suspending Current Account maintenance

- B1.6.1. Where the *Client* fails to perform its obligations set forth herein, including delay of performing the obligations, as well as on other instances stipulated herein, the *Bank* shall be entitled, without closing the *Current Account*, to suspend maintenance of the same. When suspending the *Current Account* maintenance, the *Bank* shall suspend withholding the charge for *Current Account* maintenance, calculating the remuneration for use of the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below, if any granted, informing the *Client* about events that might be related to the *Current Account*, as well as executing the *Client's* payment orders.

- B1.6.2. Suspension of the *Current Account* maintenance shall not terminate and cancel the *Client's* obligations to the *Bank*, including those under repayment of the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below, or other obligations set in these *Terms*.

- B1.6.3. If during the period of the *Current Account* maintenance being suspended the *Bank* receives any payment addressed to the *Client*, the *Bank* shall be entitled to accept the same and credit it to the *Current Account*. The *Bank* shall apply the charge for crediting the funds in accordance with the *Rates and Charges*.

- B1.6.4. If the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below in the *Current Account* is repaid, also as a result of crediting the payment addressed to the *Client*, the *Client* shall be entitled to apply to the *Bank* for resumption of the *Current Account* maintenance. This being the case, the *Bank* shall inform the *Client* about repayment of the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below and about the procedure of applying for resumption of the *Current Account* maintenance. Before resuming the *Current Account* maintenance, the *Bank* shall be entitled to perform identification of the *Client* following the procedure set forth in section A4 above, and the *Client* shall comply with all requests that the *Bank* can make in this respect. The *Bank* shall be entitled to withhold charge for resuming the *Current Account* maintenance in accordance with the *Rates and Charges*.

B1.7. Closing a Current Account

- B1.7.1. Unless stated otherwise in the normative acts on consumer rights protection or laws applicable in the Republic of Latvia, each *Party* shall be entitled to initiate closing of the *Current Account* any time, without explaining reasons for it.

Following the *Client's* initiative, the *Client's Current Account* shall be closed within five *Bank* days of receipt of the *Client's* written *Notice* in accordance with the procedure set by the *Bank*.

The *Bank* shall have no obligation to close the *Current Account* in case the same is required for execution of other *Transactions* concluded with *Client* or the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below is granted to the *Client*.

- B1.7.2. *Client* shall be obliged to pay a *Charge* for closing its *Current Account* to *Bank* in accordance with *Rates and Charges*.

- B1.7.3. If the *Client* on applying for its *Current Account* closure has provided a direction for transfer of the balance of funds contained therein in accordance with procedures stated by the *Bank*, the *Bank* shall close the *Current Account* and transfer the balance according to the payment order submitted by the *Client* or shall pay the

balance out in cash where the *Client* has submitted cash withdrawal order to the *Bank* when applying for closure of the *Current Account*.

- B1.7.4. The *Bank* shall be entitled to close the *Current Account* without prior *Notice* to the *Client* on the following instances:
- B1.7.4.1. the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below is generated during more than 180 days in a row, or;
 - B1.7.4.2. within 30 days after the *Bank's Notice* on repayment of the overdraft mentioned in paragraph B7.2.2.d of the *Terms* below and the rights to apply for resumption of the *Current Account* maintenance, the *Client* fails to apply for resumption of the *Current Account* maintenance and/or to comply with the requests made by the *Bank* under performing the identification, or
 - B1.7.4.3. on other instances mentioned in these *Terms*.
- B1.7.5. The day of closing the *Current Account* shall be the day of terminating the contractual relations between the *Parties*.

B2. Deposit Terms and Conditions

B2.1. Application

- B2.1.1. These Deposit *Terms* and Conditions shall apply to relations between the *Parties*, where the *Client* has applied for a term deposit (hereinafter referred to as the *Deposit*) of his / its funds with the *Bank*, or where the *Client* has entered into a *Deposit* Agreement with the *Bank* in accordance with the *Terms* and a deposit account (hereinafter referred to as the *Deposit Account*) has been opened for the *Client* with the *Bank*.
- B2.1.2. Pursuant to the procedure specified in paragraphs B2.3 and B2.4.1 of the *Terms* or following a separate written agreement between the *Parties*, the *Parties* may agree upon applying other different conditions to the *Deposit*.
- B2.1.3. These Deposit *Terms* and Conditions shall be also applicable to the *Deposits* securing card credit (paragraph B3.5 of these *Terms* below) granted to the *Client* / Cardholder (hereinafter referred to as the *Card Credit Security Deposit*), unless stated otherwise in section B3.6 of these *Terms* below.

B2.2. Types of Deposits

The *Bank* offers the *Client* the following types of *Deposits*:

- a. a *Deposit* with interest payment on a monthly basis;
- b. a *Deposit* with interest payment at the end of the term.

B2.3. Procedures of Entering into the Deposit Agreement

- B2.3.1. In order to enter into a *Deposit* Agreement, the *Client* shall submit to the *Bank* his / its *Deposit* application made in accordance with the *Bank's* requirements, stating the *Deposit* type, the *Deposit* term, the *Deposit* amount, the *Deposit* currency and the *Deposit* interest rate, and other information required to enter into the *Deposit* Agreement. The *Bank* shall consider the *Client's* *Deposit* application and decide on entering into the *Deposit* Agreement.
- B2.3.2. The *Deposit* Agreement shall be entered into when the *Deposit* account is opened and the *Deposit* account is credited with funds equal to the *Deposit* amount in accordance with the *Terms*. Conditions of the *Deposit* Agreement incorporate the *Terms* and the *Deposit* application that is signed by the *Client* and contains conditions accepted by the *Bank*.

B2.4. Depositing a Deposit

- B2.4.1. Where upon receipt of the *Client's* *Deposit* application the *Bank* agrees to enter into the *Deposit* Agreement, the *Bank* shall transfer funds equal to the *Deposit* amount from the *Client's* *Current Account* to the *Deposit* account. The payment equal to the *Deposit* amount performed by the *Bank* from the *Client's* *Current Account* to the *Deposit* account shall be deemed the *Bank* consent to entering into the *Deposit* Agreement.
- B2.4.2. The *Bank* may only enter into the *Deposit* Agreement with the *Client* if the *Client* has a *Current Account* with the *Bank*. Funds equal to the *Deposit* amount may only be transferred to the *Deposit* account from the *Client's* *Current Account*.
- B2.4.3. The *Deposit* Agreement shall be entered into provided that:
 - a. the *Client* credits his / its *Current Account* with the required funds within 6 *Bank* days of the *Bank* from the day when the *Client's* *Deposit* application was received by the *Bank* and as a result the amount of funds available in the *Client's* *Current Account* is equal to or exceeds the *Deposit* amount stated in such *Deposit* application, and
 - b. the *Bank* agrees to enter into the *Deposit* Agreement pursuant to the relevant *Deposit* application, transferring funds equal to the *Deposit* amount from the *Client's* *Current Account* to the *Deposit* account.
- B2.4.4. In case the *Client* submits an application for placing a *Deposit* for a period less than thirty calendar days with interest payment at the end of the term (hereinafter referred to as the *Short-term Deposit*), the *Client* shall ensure availability of funds in an amount that is not less than the *Deposit* amount stated in the *Deposit* application in his / its *Current Account* on the date when his / its *Deposit* application is received by the *Bank*. In case of a *Short-term Deposit*, the *Deposit* Agreement is not and will not be entered into, unless the *Client* ensures availability of funds in an amount that is equal to or exceeds the *Deposit* amount stated in the *Deposit* application in his / its *Current Account* as of the date when such *Deposit* application is received by the *Bank*.
- B2.4.5. In the case specified in paragraph B2.4.3 of the *Terms* above, the *Deposit* Agreement shall be entered into in compliance with the following special conditions concerning the *Deposit* term and the *Deposit* interest rate:
 - a. the date of commencement of the *Deposit* term is the date when the *Deposit* account is credited with the *Deposit* amount;
 - b. the *Deposit* interest rate is the rate stated in the *Rates and Charges* as of the date when the *Deposit* account is credited with the *Deposit* amount.

B2.4.6. At the *Client's* request, the *Bank* shall issue a certificate on *Deposit account* status to the *Client*.

B2.5. Deposit Interest and Procedures of Its Accrual

B2.5.1. Interest shall be accrued and paid out on the *Deposit* amount available in the *Deposit* account.

If the *Deposit* is placed for a period of up to thirty calendar days, the *Deposit* interest for one day shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly), and the *Deposit* interest shall be paid for each day of the *Deposit* being held in the *Deposit Account (Actual / Actual)*.

If the *Deposit* is placed for a period exceeding thirty calendar days, the *Deposit* interest for one day shall be calculated assuming that a year is comprised of 360 days, and the *Deposit* interest shall be paid assuming that a month is comprised of 30 days (360 / 360).

B2.5.2. The dates on which the *Deposit* is deposited and withdrawn shall be considered to be a single day.

B2.6. Procedures of Paying out the Deposit and Interest

B2.6.1. In cases stated in the *Terms*, the *Bank* shall pay out the *Deposit* and the *Deposit* interest to the *Client* by crediting the *Client's Current Account*.

B2.6.2. Unless the individual *Client* has a *Current Account* with the *Bank*, upon receipt of the *Client's* written application the *Bank* shall pay out the *Deposit* and the *Deposit* interest to the *Client* in cash, in cases stated in the *Terms*.

B2.6.3. With regard to the *Client* holding a *Current Account* with the *Bank* at the moment of depositing the *Deposit*, but such *Current Account* being closed during validity of the *Deposit* Agreement, after the *Client's Current Account* is closed, conditions of paragraph B2.6.2 of the *Terms* above shall apply to paying out the *Deposit* and the *Deposit* interest accordingly.

B2.6.4. When the *Bank* pays out the *Deposit* and/or the *Deposit* interest, taxes and duties shall be withheld from funds payable to the *Client* in accordance with procedures pursuant to normative acts of the Republic of Latvia.

B2.6.5. Should the *Deposit* be used as collateral securing the *Client's* or other client's obligations to the *Bank* at the moment of the *Deposit* payout, then the *Deposit* shall not be paid out to the *Client* before those obligations to the *Bank* are completely discharged.

B2.7. Conditions of Paying out the Deposit and Interest

B2.7.1. In case of a *Deposit* with interest payment on a monthly basis, interest shall be paid out once a month. In case of a *Deposit* with interest payment at the end of the *Deposit* term, interest shall be paid out on the last day of the *Deposit* term.

B2.7.2. In case of a *Short-term Deposit*, *Deposit* interest shall be paid out on the last day of the *Deposit* term.

B2.7.3. When the *Bank* pays out the *Deposit* amount, the accrued outstanding *Deposit* interest shall be paid out to the *Client* concurrently.

B2.7.4. The *Bank* shall credit the *Client's Current Account* with the *Bank* with the *Deposit* and the *Deposit* interest.

B2.7.5. If the *Client* had a *Current Account* with the *Bank* when the *Deposit* was deposited and such *Current Account* was closed during the term of the *Deposit* Agreement, the *Client* shall be entitled to receive the *Deposit* and the *Deposit* interest in cash.

B2.8. Withdrawal of the Deposit prior to Term End

B2.8.1. The *Client* is entitled to request the *Bank* to pay out the *Deposit* prior to term end. Such payment shall be made as follows:

- a. the *Client* submits his / its written application for premature withdrawal of the *Deposit* to *Bank*;
- b. the *Bank* shall pay the *Deposit* and the accrued outstanding *Deposit* interest for the term up to the date of withdrawal of the *Deposit* to the *Client* within 20 *Bank* days from the day when the application for premature withdrawal of the *Deposit* is received by the *Bank*;
- c. for premature withdrawal of the *Deposit* the *Client* shall pay to the *Bank* a *Charge* to the amount stated in the *Rates and Charges* as of the date of premature withdrawal of the *Deposit*. Such *Charge* shall be paid on the date of paying out the *Deposit*.

B2.8.2. The *Bank* shall be entitled to refuse to pay out the *Deposit* prematurely where such *Deposit* serves as security for any liabilities of the *Client* or another *Client* towards the *Bank*.

B2.8.3. The *Bank* shall be entitled to terminate the *Deposit* Agreement unilaterally immediately and without notice to *Client* before expiry of the *Deposit* term, where:

- a. the *Client* fails to fulfil his / its obligations against the *Bank*, including failure to meet the deadline for performance of the *Client's* obligations to the *Bank*;
- b. another *Client* of the *Bank* for performance of the obligations of which the *Client* provides surety, or for performance of obligations of which the *Client's Deposit* has been pledged in favour of the *Bank* fails to fulfil his / its obligations to the *Bank*, including failure to meet the deadline of fulfilment of the *Client's* obligations against the *Bank*;
- c. other instances stipulated herein are present.

If the *Deposit Agreement* terminates in accordance with conditions of this paragraph, *Bank* shall assign (transfer) the *Deposit* and the accrued outstanding *Deposit* interest accordingly as a *Financial Pledge* of fulfilment of liabilities of the *Client* / another *Client* against *Bank*. In such cases *Bank* shall be entitled to deduct a penalty for termination of the *Deposit Agreement* to the amount equal to the *Charge* for withdrawal of the *Deposit* ahead of schedule that is stated in the *Rates and Charges*.

B2.9. Extension of the Deposit term

- B2.9.1. Prior to the *Deposit* payout, the *Client* shall be entitled to request the *Bank* to extend the *Deposit* term and make respective amendments to the *Deposit* agreement, submitting a corresponding free-form application to the *Bank*.
- B2.9.2. The *Bank* shall review the *Client's* application and make a decision on extension of the *Deposit* term.
- B2.9.3. Should the *Bank* refuse extension of the *Deposit* term, the *Bank* shall pay out the *Deposit* principal and interest in accordance with the *Deposit Terms and Conditions*.
- B2.9.4. Should the *Bank* decide to extend the *Deposit* term, the *Bank* shall not pay out the *Deposit* principal to the *Client* on the last day of the *Deposit* term set forth upon entering into the *Deposit* agreement. The *Bank* shall extend the *Deposit* term to the date stated in the *Client's* application. Alongside extending the *Deposit* term, the *Bank* shall review the *Deposit* interest rate according to the effective *Rates and Charges*. The new interest rate shall become effective on the day of the *Deposit* rollover.
- B2.9.5. Extending the *Deposit* term, the initial *Deposit* account number shall remain unchanged as well as other *Deposit* terms and conditions, except for the *Deposit* interest rate mentioned in clause B2.9.4 above.
- B2.9.6. Interest accrued under the *Deposit* with interest repayment at the end of the term shall be paid out before extending the *Deposit* term, on the last date of the *Deposit* term set forth initially. Thereafter, the *Deposit* interest shall be accrued applying new interest rate in accordance with effective *Rates and Charges* and shall be paid out following this *Deposit Terms and Conditions*.

B3. Payment Card Terms

B3.1. Application

- B3.1.1. These Payment Card *Terms* shall apply to relations between the *Bank*, the *Client* and the Cardholder (an individual entitled to use the payment card) under issuing, use, and maintenance of payment cards of *Visa Inc.* or *MasterCard Worldwide* international payment card organisations issued by the *Bank* (hereinafter in these *Terms* referred to as the *Card*), as well as under opening, use, and maintenance of the *Card* account.
- B3.1.2. The legal relations between the *Bank*, the *Client*, and the Cardholder under the *Card* issuing, use, and maintenance or the *Card* account use and maintenance that are not covered in these Payment Card Terms shall be also regulated by other provisions of the *Terms* and the rules of international payment card organisations *Visa Inc.* or *MasterCard Worldwide*.

B3.2. Card Account

- B3.2.1. *Bank* shall open a *Card* account for *Client* according to *Client's* application. The *Card* account shall be opened in single currency as offered by *Bank* and chosen by *Client*.
- B3.2.2. The *Card* account agreement shall be constituted by the *Terms* and the *Client's* application for the *Card* issuing. The *Card* account agreement between *Bank* and *Client* shall be considered concluded from the moment when *Bank* has opened a *Card* account for *Client*. *Bank* shall be entitled to refuse to open a *Card* account or to issue a *Card*, or offer a *Card* of a different type to *Client*, without stating grounds of such decision.

Where the *Client* signs and submits to the *Bank* the application for the *Card* issuing to other Cardholder, the *Client* thereby:

- a. represents that all information about the Cardholder provided in the application for the *Card* issuing is complete, accurate and true in all respects, and the Cardholder's consent to providing such information to the *Bank* for processing has been obtained, as well as the *Client* commits to immediately inform the *Bank* on all changes in the said information;
 - b. commits to ensure that the *Card* will be used only by the Cardholder stated in the application for the *Card* issuing;
 - c. undertakes full liability for the *Transactions* performed using the *Card* issued to the Cardholder;
 - d. commits to familiarize the Cardholder with the *Terms* and ensure that the Cardholder follows the same and complies with applicable provisions of the *Terms*.
- B3.2.3. *Bank* shall credit *Client's* *Card* account with funds paid in cash to *Bank* or credited to the *Card* account by making a payment. In case incoming payment currency differs from the *Card* account currency, at the moment of crediting to the account *Bank* shall convert such funds into the *Card* account currency applying the *Bank's* general currency exchange rate.
- B3.2.4. *Bank* shall be entitled to debit the *Card* account with amounts of *Transactions* made by means of the *Card* and any charges thereon without acceptance, after information on the *Transaction* is received.

At the moment of executing the *Transaction*, the *Bank* will block the *Transaction* amount and any charges thereon in the *Card* account until information about the *Transaction* is received. If information about the *Transaction* is not received in due time, the blocking shall be cancelled, without cancelling the abovementioned rights of the *Bank*.

The amount and currency of the *Transaction* made shall be made known to the *Bank* by the payment processing organisation – *Visa Inc.* or *MasterCard Worldwide*.

In case the currency of a *Transaction* corresponds to the *Card* account currency, the *Transaction* amount shall be debited in such currency.

In case the *Transaction* currency fails to correspond to the *Card* account currency, the *Transaction* amount shall be debited in the *Card* account currency, with funds being converted at the rate determined considering the currency exchange rate applied by *Visa Inc.* or *MasterCard Worldwide* and effective as at the moment of the *Transaction* processing, and the *Bank's* general exchange rate effective as of the moment of posting the *Transaction* to the *Card* account. For converting the *Transaction* amount the *Client* shall pay the *Bank* the currency conversion fee stated in the *Rates and Charges*.

- B3.2.5. *Bank* shall debit without acceptance *Client's* *Card* account with *Bank's* *Charges* for services rendered according to the *Rates and Charges* effective as of the moment of posting the *Transaction* to the *Card* account. *Bank* shall also be entitled to debit the *Charges* from other *Client's* accounts with the *Bank*. The *Client* shall also pay the *Bank* the third parties' charges related to the payment card services rendered, provided they are set forth in the *Rates and Charges* or the *Client* is otherwise informed of the same by the third parties. The said charges may be stated as a part of the *Transaction* amount, unless third parties involved in settlement do not state the charges separately from the *Transaction* amount.

- B3.2.6. The *Client* shall be entitled to make *Transactions* with the *Card* (also by ensuring funds in the *Card* account to make payments related to the *Transactions* and to cover the *Fees*) within the balance of funds in the *Card* account and the *Card* Credit (paragraph B3.5 below). The *Client* shall immediately reimburse the *Bank* for all expenses and losses that may be sustained by the *Bank* through the *Client's* failure to comply with the provision mentioned in the previous sentence.
- B3.2.7. To enhance security of the funds held in the *Client's* *Card* account, the *Client* shall be entitled to apply to the *Bank* for spending limits on the *Transactions* with the *Card* to be set or to request the *Card* to be temporarily blocked, by submitting a respective application to the *Bank* in the form and according to the procedure prescribed by the *Bank*. In case of the *Card* renewal or replacement, the spending limits set earlier shall not apply to the renewed or replaced *Card*.
- The *Bank* shall be entitled to request the *Client* to provide a special confirmation of the *Transaction* in the *Card* account that has not been applied for personally by the *Client* or its representative and the *Bank* has doubts with regard to the *Transaction* being confirmed (authorized) by the *Client*. The *Bank* shall be entitled not to execute such *Transaction* until a special *Client's* confirmation of the *Transaction*, meeting the *Bank* requirements, is received by the *Bank*. This being the case, the *Bank* shall not be liable for losses or additional expenses that might be incurred by the *Client* due to delayed execution of the *Transaction*.
- B3.2.8. In case the Cardholder has received the *Card* Credit (paragraph B3.5 below) or a part thereof as of the end of the settlement cycle covering one calendar month, *Client* shall be obliged to decrease its *Card* account balance by making a minimum payment for such account maintenance, that is, by debiting the *Card* account with at least the minimum amount stated by *Bank* and specified in the *Card* account statement until the date stated in such statement (hereinafter referred to as *Minimum payment*).
- B3.2.9. If the *Client* fails to make the *Minimum payment* to the *Card* account on the due date, the *Client* shall continue paying the interest on the capital use to the *Bank* for the *Card* credit used after the due date of making the *Minimum payment*, according to the amount of the interest on the capital use set forth in the *Rates and Charges*.
- B3.2.10. Other rights and obligations of the *Parties* related to payments made by the *Card* and payments to / from the *Card* account shall be regulated by section B6 of the *Terms* below, unless stated otherwise in these *Payment Card Terms*.

B3.3. Card and Authorization of the Transaction

- B3.3.1. The *Card* is *Bank's* property transferred to the Cardholder for use. The Cardholder shall only be entitled to use the *Card*.
- In order to prevent or cease unlawful operations with the *Card*, *Bank* shall be entitled to demand from *Client* and *Cardholder* to return the *Card* and *Client* shall be obliged to satisfy above mentioned request of *Bank* immediately.
- B3.3.2. In case the *Card* provides for the Cardholder's signature specimen, the Cardholder shall be obliged to affix his signature to the *Card* in the place meant for the signature specimen at the moment of receiving his *Card*.
- B3.3.3. A Cirrus *Card* is meant for cash withdrawal in an ATM. Other *Card* types may be used in all *Transactions* where the respective *Card* type may be used.
- B3.3.4. The Cardholder is required to ensure the safekeeping of his *Card*, without allowing access of a third person to his *Card* or *Card* information (*Card* number, validity or CVC2 / CVV2 code).
- Should the *Card* be lost, reproduced or happened to unlawfully come to the disposal of a third party, or the *Card* information be disclosed, or the above facts be suspected, the *Client* / *Cardholder* shall immediately give the *Card* number or call its name, date of birth, type of the *Card* and the *Card* account currency to the *Bank*, for the *Bank* to be able to block the *Card* for the purposes of prevention of unlawful *Transactions* with the *Card*.
- B3.3.5. The Cardholder shall not be allowed to damage his *Card*, to modify or reproduce the *Card*, or to allow such damage, modification or reproduction. In case the *Card* is damaged, *Client* shall be entitled to apply to *Bank* for replacement of his *Card*.
- B3.3.6. A PIN-code is a personal identification number issued by *Bank* to the Cardholder together with the *Card*. The PIN-code is only known to the Cardholder and considered equal to the Cardholder's signature for Transaction certification. In case of PIN-code use, strict observance of all instructions of the respective ATM or payment card terminal is required.
- B3.3.7. Disclosure of PIN-code to third persons is not permitted. The PIN-code is to be kept safely, so that third persons have no access to same. Cardholder shall not be entitled to write his PIN-code on the *Card* or to keep the same together with his *Card*.
- B3.3.8. When making a Transaction with his *Card*, Cardholder shall be obliged to supervise actions with the *Card*, and shall be responsible in full for risks arising as a result of his *Card* servicing in the absence of the Cardholder or if the *Card* comes into the possession of any third party. The *Client* / Cardholder shall familiarize itself with

other rules of safe keeping and using of the *Card*, which are available at the *Bank's* website www.ablv.com, and shall observe the same.

- B3.3.9. The *Client* shall recognize a *Transaction* with the *Card* as confirmed (authorized) by the *Client* provided that:
- when making a *Transaction*, the *Client* / Cardholder has signed a document certifying the *Transaction*;
 - the *Transaction* has been confirmed by entering the PIN-code in the ATM or card POS terminal;
 - the *Transaction* has been confirmed by entering (providing) the *Client's* / Cardholder's name, surname, the *Card* number, validity period and CVC2 / CVV2 code;
 - in case of the *Transaction* amount being less than EUR 50 (or equivalent amount in another currency) the fact of the contactless *Card* being placed near a card POS terminal close enough for reading the *Card* data, thus enabling contactless authorization of the *Transaction*, shall be deemed to constitute the confirmation (authorization) by the *Client* / Cardholder.

- B3.3.10. The *Client* shall agree that a *Transaction* confirmation given following the procedures stipulated in sub-clauses a, b, c of clause B3.3.9 above shall constitute an irrevocable confirmation / consent by the *Client* / Cardholder with regard to the amount and other details stated in the document, or an ATM's or card POS terminal's display. To perform authorization of a *Transaction* made using the *Card* on the Internet where the vendor ensures secure authentication (3-D secure), the *Client* / Cardholder shall make additional authorization by confirming such *Transactions* with one-time password derived from the *Bank*.

The *Client* / Cardholder shall keep the document certifying the *Transaction* till the end of the term designated for lodging a claim, set forth in clause B3.7.1 below.

- B3.3.11. The *Client* / Cardholder is obliged to present his identity document at the request of the receiver of the *Transaction* amount or a person authorized by the latter.

- B3.3.12. *Bank* shall not be responsible for:

- losses of *Client* / Cardholder caused by damages or faults in the *Card* serving computer system, including the *Client's* / Cardholder's failure to use funds available in the *Card* account;
- errors or unlawful action of the receiver of the *Transaction* amount;
- quality of goods and services purchased with the *Card* being used;
- refusal to accept the *Card*.

- B3.3.13. On the instances related to safe using of the *Card*, suspected unauthorized use of the *Card* or use of the same for fraudulent purposes, or where the *Card* is linked to the *Card* credit and the *Client's* risk of defaulting in its obligations has increased, the *Bank* shall be entitled to refuse or prohibit execution of particular *Transactions*, or block the *Card* at any time, banning *Transactions* with it. *Bank* shall not be responsible for *Client's* / Cardholder's losses and other additional expenses, provided *Bank* exercises its rights according to provisions stated in the previous sentence. *Client* shall reimburse *Bank* for all expenses that may be connected with the above blockage of the *Card*.

The *Bank* shall unblock the *Card* or replace it with a new one, as soon as grounds for blocking are no longer present.

- B3.3.14. Validity of the *Card* is stated on the *Card*. The *Card* is valid until the last day of its validity (inclusive). Upon expiry of validity of the *Card*, as well as in case the *Card* is blocked, the same shall not be used. The *Client* / Cardholder shall be obliged to destroy a *Card* with expired validity, e.g. by dividing the same in two parts.

- B3.3.15. Upon expiry of validity of the *Card*, *Bank* shall make a new *Card* for the *Client* / Cardholder, unless *Client* has refused to receive such new *Card* at least one month before expiry of validity of the current *Card* or *Bank* has notified *Client* of its rejection to issue a new card. The *Bank* shall debit the *Client's* *Card* account with the *Charge* for the *Card* production without acceptance in accordance with the *Rates and Charges*. A new *Card* shall be kept at the *Bank* until being issued / sent to the *Client* / Cardholder. Unless the *Card* is picked up within three months, it will be cancelled and destroyed. The *Bank* shall not refund the *Charge* paid in accordance with this paragraph.

The *Bank* shall issue the *PIN-code* and the *Card* to the *Client* / Cardholder as the *Client* shall instruct. Where the *Client* instructs the *Bank* to send the *Card* and/or the *PIN-code* to the *Client* or the Cardholder by post and/or through intermediary of third parties, the *Client* shall assume all risks that may be associated with the *Card* delivery. The *Bank* shall be entitled to use services provided by third parties to fulfil the *Client's* instructions regarding delivery of the *Card* / *PIN-code*. The *Bank* shall bear no responsibility for losses or other expenses incurred by the *Client* or third parties as a result of the delayed delivery, the dispatch being lost, misused, deficient or damaged, confidential information being disclosed, or due to any other reasons beyond the *Bank's* control.

- B3.3.16. *Client* shall be responsible for fulfilment of all liabilities against *Bank* ensuing from the Payment Card *Terms*.

B3.4. Loss of the Card, Disclosing PIN-Code to a Third Person

- B3.4.1. In case the *Card* is lost, stolen, reproduced or otherwise has come to the disposal of a third person (hereinafter – *lost*), or PIN-code has become known or might have become known to a third person, or unauthorized use of the *Card* has occurred, the *Client* / Cardholder shall be obliged to inform the *Bank* of the same without delay, as soon as possible calling at +371 6777 5555. *Client* / Cardholder shall notify *Bank* of the fact of loss of the *Card*, disclosure of PIN-code to a third person, or unauthorized use of the *Card* in writing within seven days from the date of such loss of the *Card*, disclosure of PIN-code, or unauthorized use of the *Card*.
- B3.4.2. *Client* / Cardholder shall be obliged to immediately supply *Bank* at its request with data on circumstances related to loss of *Card*, disclosure of PIN-code to a third person, or unauthorized use of the *Card*.
- B3.4.3. If *Client* / Cardholder finds the *Card* declared to be *lost*, then *Client* / Cardholder is obliged to immediately notify *Bank* accordingly and make his *Card* unusable according to paragraph B3.3.14 of the *Terms* above.

B3.5. Card Credit

- B3.5.1. The *Client* shall be granted a *Card Credit* according to provisions of the *Rates and Charges* and the arrangement between the *Bank* and the *Client*, based on the *Client's* application or on the *Client's* consent to the *Bank's* offer, expressed in the form of the letter with European consumer credit information or in another way, or pursuant to the *Terms*, and the letter on card credit granting sent to the *Client* by the *Bank*.
- B3.5.2. *Card Credit* agreement between the *Bank* and the *Client* shall be deemed entered into, and *Card Credit* shall be considered to have been received as of the moment when the *Card* account is debited with the amount of the *Transaction* or with other amount of funds payable pursuant to the *Terms* exceeding the *Client's* own funds balance in the *Card* account.
- B3.5.3. *Card Credit* the limit of which is assigned pursuant to provisions of the *Rates and Charges* and the *Bank's* arrangement with the *Client* shall be deemed the credit subject to notice of termination. *Bank* shall be entitled to unilaterally decrease the said *Card Credit* or request that *Card Credit* is repaid at *Bank's* own discretion at any time.

If *Bank* has requested that *Card Credit* the limit of which is assigned pursuant to provisions of the *Rates and Charges* and the *Bank's* arrangement with the *Client* be repaid in full or partially, *Client* shall be obliged to repay the credit immediately, including when *Client* has been notified accordingly.

For the sake of discharging the *Client's* payment obligations to the *Bank* arising out of the *Card Credit* limit exceeded by the *Client*, the *Bank* shall grant the *Technical Overdraft on Card Account* pursuant to section B3.9 of the *Terms* below.

- B3.5.4. For using the *Card* credit the *Client* shall pay interest on the capital use to the *Bank* according to the *Rates and Charges*. Interest on the capital use for using the *Card* credit shall be accrued on the actually used credit amount, and the due term of the payment of the same shall be the last day of each month. Interest on the capital use for using the *Card* credit for one day shall be calculated assuming that a year is comprised of 360 days, and the same shall be accrued for each calendar day of using the *Card* credit (*Actual/360*). The accrued interest and other amounts of funds payable pursuant to the *Terms* shall be withheld from the *Card* account without specific *Client's* order as soon as those become due, and where there is no sufficient amount of funds available in the *Card* account as at the moment of making the payment, the *Technical Overdraft on Card Account* shall be granted in accordance with section B3.9 of the *Terms* below.
- B3.5.5. *Client* shall be entitled to refuse *Card Credit* and to decrease its amount at any time, repaying the credit part used and other payments related to the credit to *Bank* according to the present Payment Card *Terms* and the *Rates and Charges*, and delivering written *Notice to Bank* of termination or lowering of its *Card Credit* requirements.
- B3.5.6. In cases where *Bank* grants *Card Credit* to *Client* with zero interest rate, the *Minimum Payment* shall amount to the amount of *Card Credit* used. In such cases *Client* authorises *Bank* to debit *Client's Current Account* with the *Minimum Payment* in the *Card Credit* currency without acceptance from the first day of each settlement month until *Card Credit* is repaid in full. Should the *Minimum Payment* amount exceed the amount of balance available in the *Client's Current Account* in the *Card Credit* currency, the *Bank* shall debit the *Client's Current Account* with the *Minimum Payment* amount equal to the available balance in the *Card Credit* currency without acceptance.
- B3.5.7. The calendar month stated for making the *Minimum Payment* in the *Card* account statement shall be considered a settlement month. *Bank* shall be entitled, without obligation, to satisfy claims under the *Card Credit* by realising the *Financial Pledge*.
- B3.5.8. The *Parties* shall use *Internetbank* as main means for communication between the *Bank* and the *Client* regarding the *Card Credit* granted, provided the *Client* has applied for using *Internetbank* and unless stated otherwise in the respective *Client's* application.

B3.6. Collateral

- B3.6.1. The *Client*, given the *Bank's* approval, shall be entitled to place a *Card Credit Security Deposit* with the *Bank* upon submitting a respective application to the *Bank* in accordance with the form set by the *Bank*. The following conditions shall apply to such deposit as long as the same serves as security under the *Client's / Cardholder's* obligations to the *Bank* arising out of these Payment Card Terms:
- B3.6.1.1. the *Card Credit Security Deposit* shall be a term deposit, i.e., the *Card Credit Security Deposit* shall be deemed placed for an indefinite period, and the same shall be repaid upon request in accordance with the Terms, but not before the date of complete discharge of liabilities secured thereby, i.e., the term stated in paragraph B3.8.4 of these Payment Card Terms below, unless the *Bank* states otherwise. The *Bank* shall not be obliged to repay the *Card Credit Security Deposit* prior the expiry of the term mentioned in the previous sentence;
- B3.6.1.2. where at the moment of placing the *Card Credit Security Deposit* there is no sufficient balance in the *Client's Current Account* in the currency required for placing the *Card Credit Security Deposit*, the *Bank* shall be entitled to debit the amount of the *Card Credit Security Deposit* in other currency(-ies) without acceptance, applying the *Bank's* general currency exchange rate effective as at the moment of placing the *Card Credit Security Deposit*;
- B3.6.1.3. in case the *Card Credit Security Deposit* has been placed as security of liabilities of a third person, the *Client* having placed such deposit shall be responsible for the debt of such person as the debtor proper. This being the case, the financial pledge agreement shall be deemed to be entered into upon the moment when the *Client* acting as the security provider has submitted a signed surety application to the *Bank* and the *Bank* has after submission confirmed it by its signature. In such case, the provisions of the financial pledge agreement shall be constituted by the surety application signed by the *Client* and the *Bank* (sent to the *Client* by the *Bank* upon request) and the Terms;
- B3.6.1.4. in case of default of the secured liability, as well as in case the *Client's* bankruptcy or liquidation trial has been initiated, the *Bank* shall be entitled to use the *Card Credit Security Deposit* and outstanding deposit interest accrued for mutual set-off of liabilities of the *Parties* without any limitations.
- B3.6.2. In case the *Client* has established a pledge in favour of the *Bank* as security for its liabilities (not related to the *Card Credit*), such pledge shall secure the *Client's* liabilities ensuing from the present Payment Card Terms after opening the *Card* account.
- B3.6.3. The Interest on the *Card Credit Security Deposit* shall be accrued and paid to the *Client* in accordance with the Rates and Charges. The Interest on the *Card Credit Security Deposit* for one day shall be calculated assuming that a year is comprised of 360 days, and the interest shall be paid assuming that a month is comprised of 30 days (360 / 360). The day of the *Card Credit Security Deposit* placement and the day of its payment out shall be considered to be a single day.
- B3.6.4. The *Bank* shall pay the *Client* the interest accrued under the *Card Credit Security Deposit* once per calendar year by crediting this interest to the *Client's Current Account*.
- B3.6.5. If the *Client* holds an effective *Card Credit Security Deposit* placed for a specific period, it shall be extended in accordance with the following procedure:
- B3.6.5.1. The *Bank* shall pay the amount of the *Card Credit Security Deposit* to the *Client* on the last day of the term.
- B3.6.5.2. The *Bank*, without specific *Client's* application, shall execute another *Card Credit Security Deposit* in accordance with the Terms and effective Rates and Charges. The amount of the *Card Credit Security Deposit* shall be determined by the *Bank* at the moment of placing the *Card Credit Security Deposit*. The new interest rate shall become effective on the day of extending the *Card Credit Security Deposit*.
- B3.6.5.3. When extending the *Card Credit Security Deposit*, another *Deposit* account number shall be assigned, and other conditions of the *Card Credit Security Deposit* shall be changed in accordance with the Rates and Charges effective as at the day of extending the *Card Credit Security Deposit*.

B3.7. Contesting a Transaction

- B3.7.1. Should the *Client* identify incompliance between the *Transactions* booked to the account and those actually performed, or the *Transactions* not authorized by the *Client*, the latter shall immediately, but not later than within sixty calendar days after the date the *Transaction* was booked to the account (or the date the *Transaction* was supposed to be booked to the account), notify the *Bank* accordingly by submitting a claim in the form and according to the procedure prescribed by the *Bank*.
- B3.7.2. *Bank* shall consider such claim within reasonable period of time upon receipt of the claim and all information related to the contested *Transaction*, including receipt of information from the *Client / Cardholder, Visa Inc. or MasterCard Worldwide*.

The *Client* shall pay a *Charge* for consideration of an unjustified claim to the *Bank* according to the amount stated in the *Rates and Charges*, as well as shall reimburse the *Bank* for the payments made to third parties that are due from the *Bank* in connection with the consideration of such unjustified claim of the *Client* / *Cardholder*.

- B3.7.3. Unless it contradicts to the Republic of Latvia special legal norms on consumer protection, the *Bank* shall be entitled not to refund the contested or unauthorized (paragraph B3.3.9 above) *Transaction* amount to *Client*, in case:
- a. the *Client* failed to notify in accordance with clause B3.7.1 herein;
 - b. the *Transaction* has been confirmed in accordance with the procedure set forth in paragraph B3.3.9 and B3.3.10 of the *Terms* above;
 - c. the *Client* / *Cardholder* has transferred or allowed the *Card* to be at the disposal of a third person, or failed to fulfil other obligations stipulated in these *Payment Card Terms*;
 - d. the *Client* / *Cardholder* has not ensured safe keeping of the *Card* information (paragraph B3.3.4 above) and safe using of the *Card*;
 - e. the *Transaction* has been executed after *Client* / *Cardholder* learned about loss or reproduction of the *Card*, or about the *Card* being at the disposal of a third person, or PIN-code being disclosed, or unauthorized use of the *Card*, however before giving the relevant *Notice* about loss or reproduction of the *Card*, or about the *Card* being at the disposal of a third person, or PIN-code being disclosed, or unauthorized use of the *Card* (paragraph B3.4.1 above);
 - f. the *Transaction* has been executed within 48 hours of the moment of giving the *Notice* about loss or reproduction of the *Card*, or about the *Card* being at the disposal of a third person, or PIN-code being disclosed, or unauthorized use of the *Card*;
 - g. the *Transaction* has been executed in 48 hours of the moment of giving the *Notice* about loss or reproduction of the *Card*, or about the *Card* being at the disposal of a third person, or PIN-code being disclosed, or unauthorized use of the *Card* and within ten days after the above term of 48 hours, and the *Transaction* amount does not exceed EUR 250 or equivalent amount in another currency;
 - h. a *Short Message* about authorisation of a contested *Transaction* has been sent to *Client* or *Cardholder*, and, within 4 hours after such *Short Message* is sent, *Client* or *Cardholder* fails to notify *Bank* or an organisation stated thereby (paragraph B3.4.1 of the *Terms* above) that it is necessary to block the *Card* due to suspected unauthorised use of the *Card*;
 - i. in other cases, where the same is permitted by legal enactments applicable to the *Bank*.

Pursuant to the instances and procedures stipulated in the Republic of Latvia Law on Payment Services and Electronic Money, the *Client* that is recognized as a consumer under the normative acts on consumer rights protection applicable in the Republic of Latvia shall be entitled to be reimbursed for losses, provided that immediately upon having detected an unauthorized *Transaction*, but not later than within the term stipulated in clause B3.7.1 above, the *Client* informs the *Bank* of the same, complying with the procedures set forth herein. The *Bank* shall reimburse the losses by refunding the *Transaction* amount or, if applicable, by restoring the *Client's Card* account balance to be equal to that before performing an unauthorized *Transaction*.

The *Bank* shall not reimburse the *Client* for losses if the *Client* has performed unlawful acts or has not performed intentionally (deliberately) or due to gross negligence one or several of the provisions of sections A and B3 of these *Terms* or special terms of using payment cards published at the *Bank's* website, including cases where the *Client* was able or should have been able to anticipate losses, but failed to ensure security of the funds held in the *Card* account, inter alia, to set spending limits on the *Transactions* with the *Card* or to apply for blocking the *Card* (paragraph B3.2.7 above).

- B3.7.4. By submitting its special confirmation of the *Transaction* to the *Bank* (paragraph B3.2.7 of the *Terms* above), the *Client* shall waive its right of lodging any claims with regard to this *Transaction* or requesting reimbursement for losses.
- B3.7.5. On instances stipulated in the Republic of Latvia Law on Payment Services and Electronic Money, the *Client* that is recognized as a consumer under the normative acts on consumer rights protection applicable in the Republic of Latvia shall be entitled to lodge substantiated claims to the *Bank* with regard to confirmed (authorized) *Transaction*, provided that the latter has been initiated by the *Transaction* beneficiary or through the intermediary of the *Transaction* beneficiary, by stating precisely the essence of the claim and circumstances that might be of importance for claim consideration, as well as by providing all evidence available to the *Client* that support the *Client's* claim and its substantiation.

B3.8. Cancelling the Card and Closing the Card Account

- B3.8.1. The *Client* may apply for cancellation of the *Card* at any time by submitting an application to the *Bank* following the procedure and form set by the *Bank*. For the purposes of the *Terms*, *Card* cancellation shall mean that the *Client* / *Cardholder* loses right to use the *Card* as a means of payment.

- B3.8.2. The *Client* may apply for closing the *Card* account any time, alongside closing all *Cards* linked to the *Card* account, by submitting an application to the *Bank* following the procedure and form set by the *Bank*. The *Card* account shall be closed within five *Bank* days after receipt of the *Client's* application. The *Card* account shall not be closed if the *Client* fails to completely settle the obligations to the *Bank* originated during the *Card* use.
- B3.8.3. In case the *Client* / Cardholder defaults in its liabilities against the *Bank*, the *Bank* shall be entitled to cancel the *Card* or close the *Card* account at any time. The *Bank* shall be also entitled to cancel the *Card* or close the *Card* account on other instances stipulated in these *Terms*. In case of cancellation of the *Card* and/or closing of the *Card* account, the *Client* / Cardholder shall be obliged at the *Bank's* request to submit all of its *Cards* to the *Bank*.
- B3.8.4. In case of closing the *Card* account, the *Card* account balance and the *Card Credit Security Deposit* (or part of such account balance and the *Card Credit Security Deposit*, at the *Bank's* discretion) shall secure the *Client's* liabilities against the *Bank*, arising upon closing the *Card* account. Such amount shall become available to the *Client* in its *Current Account* with the *Bank*, observing provisions of paragraph B3.6.1.1 above, or otherwise in case the *Client* has no such *Current Account*, shall be paid out to the *Client* according to the arrangement between the *Parties*, upon the *Client's* full settlement with the *Bank*, however within sixty days upon closing the *Card* account.

B3.9. Technical Overdraft on Card Account

- B3.9.1. For the sake of discharging the *Client's* payment obligations to the *Bank* arising out of the *Card* and/or *Card Credit* use by the *Client*, where no sufficient amount of funds is available in the *Card* account at the moment when the payment is due, the *Bank* shall grant the *Technical Overdraft on Card Account* to the *Client*.
- B3.9.2. The *Technical Overdraft on Card Account* shall be granted by the *Bank* in the form of non-revolving overdraft. The *Bank* shall be entitled to grant on the *Client's Card* account the *Technical Overdraft on Card Account* to the amount that is to be added to the balance of funds available in the *Card* account in order to discharge the *Client's* particular payment obligations. The *Client* shall not be entitled to repeatedly obtain the amount of the *Technical Overdraft on Card Account* granted once.
- B3.9.3. The *Technical Overdraft on Card Account* shall be deemed received at the moment of discharging the *Client's* payment obligations.
- B3.9.4. The *Technical Overdraft on Card Account* shall be repaid by the *Client* immediately on the day of origination of the same. The day of granting (disbursement) of the *Technical Overdraft on Card Account* and the day of repayment of the same shall be considered to be a single day. Should the *Client* receive and repay the *Technical Overdraft on Card Account* on the same day, the *Bank* shall be entitled to withhold the interest on the capital use for one day, charging the same on the maximum amount of the *Technical Overdraft on Card Account* used on the respective day.
- B3.9.5. Under the *Technical Overdraft on Card Account*, the *Client* shall pay the interest on the capital use to the *Bank* according to the *Rates and Charges*, unless agreed otherwise by the *Parties*. The interest on the capital use for using the *Technical Overdraft on Card Account* for one day shall be calculated assuming that a year consists of 360 days and shall be accrued for each calendar day of using the *Technical Overdraft on Card Account* (Actual / 360).

B4. Terms of the Financial Instruments' Account and the Cash Account

B4.1. Application

These *Terms* of the financial instruments' account and the cash account shall apply where the *Client* has submitted the application for receipt of investment (brokerage) services to the *Bank*.

Appendix No 1 'Terms and Conditions for Orders for Financial Instruments Transactions' shall be an integral part of these *Terms*. *Bank* shall notify *Clients* about any amendments to such appendix, and the same shall take effect on the date stated in such notice.

B4.2. Opening the Accounts included in the Client's investment portfolio and determining the Client's status

- B4.2.1. The *Bank* has opened a financial instruments' account (hereinafter – the *Financial Instruments' Account*) for the *Client* and a related cash account (hereinafter – the *Cash Account*) (both hereinafter referred to as the *Accounts*) on the basis of the *Client's* application for receipt of investment (brokerage) services.
- B4.2.2. These *Terms* and *Client's* application for receipt of investment (brokerage) services shall constitute the agreement on the financial instruments' account concluded between the *Parties* (referred to as the *Agreement* in this section B4). *Agreement* shall be considered concluded from the moment when *Accounts* are opened. At *Client's* request *Bank* may issue a certificate or another confirmation of opening such *Accounts* to *Client*.
- B4.2.3. *Financial Instruments' Account* and *Cash Account* opened for the *Client* with the *Bank* (as well as special financial instruments' and cash accounts) constitute an aggregate of related entries in the *Bank's* accounting system, and it is labelled as the *Client's* investment portfolio (in these *Terms* referred to as the *Investment Portfolio*). On instances stipulated in the *Terms*, other types of assets may be additionally accounted in the *Client's Investment Portfolio*.
- B4.2.4. After the *Account* is opened, the *Bank* shall notify the *Client* about his / its status (retail client, professional client or eligible counterparty) concerning investment services provided by the *Bank*, sending a notice to the *Client* via the *Internetbank*. The *Client* shall be entitled to request that his / its status should be changed in cases and according to procedures pursuant to legal enactments, also by submitting a motivated application to the *Bank*.

B4.3. Opening a Financial Instruments' Account for a minor Client

- B4.3.1. The requirements set forth in paragraph B4.3 of the *Terms* shall be applied in addition to the procedure stipulated in other paragraphs of section B4 of the *Terms* with regard to maintaining a *Financial Instruments' Account* and *Cash Account* with the *Bank* where such accounts have been opened for a minor *Client*.
- B4.3.2. The *Bank* shall open a *Financial Instruments' Account* and *Cash Account* for a minor *Client* (without opening a *Current Account* with the *Bank*) on the basis of the application for services to be rendered to a minor person made in accordance with the *Bank's* requirements, and completed and signed by both parents (or one parent where the same is entitled to act as the sole representative of a minor *Client*) or the guardian of the minor *Client* in the capacity of the minor *Client's* lawful representatives.
- B4.3.3. When entering into the *Agreement*, the lawful representatives of the minor *Client* shall present the identity documents, as well as the minor *Client's* birth certificate and passport (if any). If the minor *Client* is represented by a guardian, the latter shall also present the decision on establishing the guardianship issued by the Republic of Latvia or foreign guardianship authorities.
- B4.3.4. Financial instruments may be transferred to the minor *Client's Account* from the other clients' financial instruments' accounts with the *Bank* only, and the transfers may be only performed with regard to the shares of mutual funds managed by ABLV Asset Management, IPAS. Only lawful representatives of the minor *Client* may transfer the financial instruments to the *Account* opened for the minor *Client*. Subject to prior arrangement between the minor *Client's* lawful representatives and the *Bank*, the financial instruments may be also transferred to the minor *Client's Account* by other persons.
- B4.3.5. The *Client's* lawful representatives confirm their consent to receiving all financial instruments transfers to the minor *Client's* account, without the need to give specific consent to each such transfer of financial instruments.
- B4.3.6. The funds and financial instruments held in the minor *Client's Accounts* shall be deemed the property of the minor *Client*, and the *Client* shall be entitled to freely manage this property upon reaching the age of majority.
- B4.3.7. Lawful representatives of the *Client* shall be entitled to request the *Account* statement from the *Bank*.
- B4.3.8. The minor *Client's* lawful representatives confirm that they are informed about their obligation to independently inform the state guardianship authority and, if necessary, other state authorities about opening the *Accounts* for the minor person, inter alia, about the financial instruments transferred to the *Accounts* and the funds held in the *Accounts*, about management of the financial instruments and funds in the *Accounts*, as well as to supply other required information in accordance with the provisions of the Republic of Latvia or foreign legal acts. The *Bank* shall not be liable for the losses that may be sustained by the lawful representatives of the minor *Client* because of the failure to fulfil their obligations or undue fulfilment of those.

- B4.3.9. The lawful representatives of the minor *Client* shall pay all taxes and duties under the *Transactions* in the *Accounts* of the minor *Client*, if such are due pursuant to the applicable legal acts, in full and in due time.

B4.4. Financial Instruments' Account

- B4.4.1. In the *Financial Instruments' Account*, the *Bank* shall hold in custody financial instruments owned by the *Client* separately from financial instruments owned by the *Bank*.
- B4.4.2. Financial instruments being in public circulation in the Republic of Latvia shall be held in the account of *Bank's* clients with the Latvian Central Depository according to its regulations.
- B4.4.3. Financial instruments not being in public circulation in the Republic of Latvia shall be held with another Latvian *Agency Company* or a foreign *Agency Company*. *Client* undertakes all risks related to custody non-registered financial instruments.
- B4.4.4. *Client* shall make all decisions related to transactions with financial instruments independently or authorise a third person to do so at its own risk and responsibility, and *Bank* shall not be responsible for losses arising as a result of *Client's* transactions with financial instruments. *Client* shall reimburse *Bank* for all losses sustained as a result of *Client's* transactions with financial instruments.
- B4.4.5. The statement of *Financial Instruments' Account* that contains information on financial instruments entered in such account shall be received by the *Client* in the *Internetbank* once per month. The *Client* shall be entitled to instruct the *Bank* on other frequency of sending the statements. The *Client* shall be entitled to receive other statements of his / its *Financial Instruments' Account* in accordance with a special request.
- The *Client* shall be entitled to submit, following the procedure and form set by the *Bank*, an application to the *Bank* requesting to change the currency in which value of financial instruments is indicated in the *Financial Instruments' Account* statement.
- B4.4.6. The acquisition price of the respective financial instrument (except derivative financial instrument) indicated in the *Financial Instruments' Account* statement covering the *Client's* transactions performed during a particular period represents the weighted average value taking into account all transactions on acquiring the particular financial instrument during the said period, including the charges withheld under the transactions. When calculating the acquisition price of debt securities, accrued interest income is disregarded.

B4.5. Cash Account

- B4.5.1. General Terms of the *Cash Account*
- B4.5.1.1. A *Cash Account* is an account where funds are used for transactions with financial instruments, making related tax payments, if necessary, payment of *Charges* of the *Bank* and other payments related to the *Accounts* maintenance, as well as currency exchange.
- B4.5.1.2. The income from financial instruments (hereinafter referred to as the *Income*) due to *Client* shall be credited to the *Cash Account* by the *Bank* within one *Bank* day after the *Bank* comes into possession of the *Income*, e.g., the *Income* is credited to the *Bank's* correspondent account.
- B4.5.1.3. The *Bank* shall not be obliged to credit the *Income* before the *Bank* comes into possession of this *Income*.
- B4.5.1.4. The *Bank* shall be entitled to credit the *Income* before the *Bank* comes into possession of the same where a confirmation on accrued *Income* is received from the *Agency Companies* (clause B4.6.1 of the *Terms* below). If the *Income* is credited by the *Bank* but not received from the *Agency Companies*, the *Bank* shall be entitled to debit the credited *Income* from the *Client's* account without acceptance.
- B4.5.1.5. The *Client* shall assume the risk of losses related to the *Income* being not credited through the fault of the issuer, *Agency Company* or other third parties, or due to other reasons beyond the *Bank's* control.
- B4.5.1.6. Interest shall accrue and shall be paid on funds balance in the *Cash Account*, in case it is provided for in *Rates* and *Charges*. Interest on funds balance in the *Cash Account* for one day shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly) and shall be paid for each day on the amount of funds in the *Cash Account* at the close of the relevant day (*Actual / Actual*).
- The *Bank* shall pay the interest on funds balance available in the *Cash Account* to the *Client* once a month by crediting the *Client's Cash Account*.
- B4.5.1.7. *Cash Account* statement is available to the *Client* in *Internetbank* or upon special request.
- B4.5.1.8. The *Client* shall be entitled to apply to the *Bank* for opening a special cash account in order to enter into *Transactions* of any specific category in accordance with procedures agreed with the *Bank*. *Terms* of the *Cash Account* shall apply to such account.

- B4.5.2. Accounting of *Client's* funds in *Cash Account* separately from the *Bank's* property
- B4.5.2.1. The *Bank* is entitled to ensure accounting of the *Client's* funds in the *Cash Account* separately from the *Bank's* property. Such accounting procedure shall be applied to the *Client's* funds in the *Cash Account* if the *Bank* has notified the *Client* thereof.
- B4.5.2.2. The *Client's* funds in the *Cash Account* shall be accounted separately from the *Bank's* property, subject to the following conditions:
- such funds are considered as property owned by third parties (the *Client*) within the meaning of the Credit Institution Law and Financial Instrument Market Law;
 - the *Bank* ensures accounting of such funds at the *Bank*, without disclosing the mentioned *Client's* funds in the *Bank's* balance sheet;
 - the *Bank* ensures holding of such funds with the *Bank's Agency Company* in a segregate account separately from the *Bank's* property.
- B4.5.2.3. The *Client* confirms being aware that no guaranteed compensation provided for in the Deposit Guarantee Law is paid for the funds accounted in the *Client's Cash Account* separately from the *Bank's* property, and such funds are subject to the protective measures stipulated in the Investor Protection Law.

B4.6. Agency Companies

- B4.6.1. To hold and service the *Client's* financial instruments and to execute transactions, the *Bank* shall use the services of other *Agency Companies*, including correspondent banks, stock exchanges, depositories, clearing institutions and other financial market institutions (hereinafter referred to as the *Agency Companies*). The *Client* undertakes risks of default of liabilities and insolvency of the *Agency Companies*, and the *Bank* shall not be responsible for losses that the *Client* may sustain in connection with activities of the *Agency Companies*. In case the execution of transaction is delayed due to the default and/or insolvency of the *Agency Companies*, the *Client* shall not be entitled to cancel transaction without the consent of the *Bank*.
- B4.6.2. The *Bank* shall book the execution of transaction with financial instruments on the *Client's Financial Instruments' Account* and/or *Cash Account* after the confirmation of execution of the respective transaction is received by the *Bank* from the *Agency Company*. The *Bank* shall be also entitled to book execution of such transaction before confirmation is received from the *Agency Company*. If a transaction in financial instruments or the relevant payment is not executed or its execution is delayed through the fault of the *Agency Company*, the *Bank* shall be entitled without the consent of the *Client* to make all the necessary corrections on the *Client's Financial Instruments' Account* and/or *Cash Account* in order to reflect execution of the transaction in accordance with the actual situation.
- B4.6.3. Financial instruments owned by *Client* shall be held in an account opened in *Bank's* name with the *Agency Company* in accordance with rules and legal enactments applicable to operations of such *Agency Company*, with a note that such financial instruments are owned by *Bank's Clients* (hereinafter in these *Terms* referred to as the *Nominal Account*). Financial instruments owned by more than one *Bank's Client* shall be held in such nominal account.
- B4.6.4. *Client* agrees that *Bank* is entitled to hold financial instruments owned by its *Clients* in *Agency Companies* registered abroad even in cases where holding of financial instruments in favour of third persons in a nominal account is not regulated in the relevant country, provided it is necessary for execution of any *Transaction Client* has submitted an application for. *Client* is aware of and undertakes risks related to the circumstances mentioned in the previous sentence, to wit in such cases financial instruments owned by *Client* shall be held together with financial instruments owned by *Bank*, and as a result it is impossible to identify *Client's* title to financial instruments to the full extent, should foreign legal enactments be applied. However, *Bank* shall keep accounts of *Client's* financial instruments held thereby and shall ensure that:
- it should be possible to separate financial instruments owned by one *Client* from those owned by another *Client* or those owned by *Bank* at any moment;
 - accounts should be reconciled against accounts of an *Agency Company* where *Bank* holds *Client* financial instruments on a regular basis.
- B4.6.5. *Client* is aware of and undertakes risks related to the fact that the *Agency Company* carries out its operations in accordance with foreign legal enactments and the Market practice, and their regulation may differ from what is set forth in legal enactments of the Republic of Latvia.
- B4.6.6. *Client* is aware of and undertakes risks of default and insolvency of the *Agency Companies*, and the *Bank* shall not be responsible for losses that may be sustained by the *Client* due to action (omission) of the *Agency Company*.
- B4.6.7. In cases where financial instruments owned by the *Client* and held by the *Agency Company* are irrecoverably lost (incl. in cases of insolvency of the *Agency Company*, insolvency of the issuer of financial instruments, loss of data) or written off the *Bank's* financial instruments account with the *Agency Company* due to their redemption, the *Bank* shall be entitled to debit the *Client's Financial Instruments' Account* with the relevant

financial instruments. In cases where irrecoverably lost financial instruments were held in a *Nominal Account* together with financial instruments of other *Bank's Clients*, the *Bank* shall exercise the rights of debiting financial instruments pursuant to the previous sentence in proportion to the number of financial instruments owned by the *Client* that were irrecoverably lost in such *Nominal Account*.

B4.6.8. The *Client* agrees that:

B4.6.8.1. the *Bank* and the *Agency Company* shall be entitled to encumber and use the *Client's* financial instruments, *Precious Metals*, and funds held thereby;

B4.6.8.2. the *Agency Company* shall be entitled to exercise netting rights with regard to the *Client's* financial instruments, *Precious Metals*, and funds held thereby.

B4.6.9. The *Client* recognizes and assumes the risk of possible loss of the *Client's* financial instruments and/or monetary funds resulting from the default on obligations of the *Bank* and/or *Agency Company* on instances where the *Client's* financial instruments and/or monetary funds held by the *Bank* and/or *Agency Company* are encumbered or used by the *Bank* and/or *Agency Company*.

B4.6.10. The *Bank* may independently choose the *Agency Companies* with which the *Client's* financial instruments will be held.

B4.6.11. Where an individual segregated account of the *Client* is opened for the *Client*, the *Bank* shall supply the *Agency Company* with the requested information about the *Client*.

B4.7. Order types

B4.7.1. Taking into account the following:

- on 12 June 2018, the *Bank's* voluntary liquidation process was started;
- on 12 July 2018, the *Bank's* license of credit institution was withdrawn;
- on 18 September 2018, the *Bank* published the announcement in the official gazette *Latvijas Vēstnesis* inviting third parties to receive their property held with the *Bank*, including the *Clients' financial instruments*,

with regard to the financial instruments held in the *Client's Financial Instruments' Account* the *Client* may submit to the *Bank*, and the *Bank* shall execute, only the orders for outgoing transfers of financial instruments from the *Bank*.

B4.7.2. As far as allowed by effective normative acts, the *Bank* and the *Client* may agree on acceptance of other order types, not mentioned in clause B4.7.1 of the *Terms* above, with regard to the financial instruments held in the *Client's Financial Instruments' Account*.

B4.8. Procedure for submitting orders over the phone

B4.8.1. The *Client* or the *Client's* duly authorized representative may request the information on the *Client's Investment Portfolio*, including the information about the made transactions, using the password.

B4.8.2. Password is a code composed of Arabic digits and/or Latin letters stated by the *Client*. The *Client* shall state the password to the *Bank* by completing a respective application.

B4.8.3. The *Client* shall keep the password secret and shall not disclose it to third parties. If the password comes to the disposal of a third party, the *Client* shall state new password to the *Bank*. The *Client* shall be responsible for timely statement of the new password, and until new password is stated to the *Bank*, the *Bank* shall treat previous password as the *Client's* authentication means. The *Client* shall be entitled to state new password to the *Bank* any time.

B4.8.4. The *Bank* and the *Client* agree on treating the password together with other data requested by the *Bank* from the *Client* or the *Client's* duly authorized representative (the *Client's* first name, surname or company name, the account number or part of such number) as the *Client's* authentication means in telephone communication. If the *Client* is recognised by the said *Client's* authentication means, all telephone notices of the *Client* or the *Client's* representative shall be deemed equal to the *Client's* duly signed written notices.

B4.8.5. The terms of *Notices* (section A8 of the *Terms*) shall be applicable to the telephone *Notices* of the *Client* and the *Client's* duly authorized representative. In case of any discrepancy between these special terms and general terms of *Notices* (section A8 of the *Terms*), these special terms shall be applicable.

B4.8.6. The *Bank* shall be entitled to record telephone conversations with the *Client* using technical means. The *Bank* and the *Client* agree that such recordings made by the *Bank* shall be considered a sufficient evidence of telephone messages between the *Bank* and the *Client* and may be used as evidence in court.

B4.9. Procedure for order execution

B4.9.1. The *Bank* shall execute the *Client's* order by booking the transaction to the *Client's Financial Instruments' Account* and the *Cash Account*.

- B4.9.2. The *Bank* shall send a confirmation of execution of the *Client's* order to the *Client* on the following *Bank* day after such order is executed, or, where an *Agency Company* is involved in execution of the *Client's* order, on the following *Bank* day after a confirmation is received from the *Agency Company*. The confirmation of the order execution shall be for information only, and the *Client* shall acquire the rights to the financial instruments and/or funds after those are booked to the *Client's Account*.
- B4.9.3. The *Client's* order submitted to the *Bank* is valid until execution or cancellation.

B4.10. Terms of transfers of financial instruments

- B4.10.1. The terms of the *Financial Instruments' Account* and the terms of funds transfers set forth in these *Terms* shall be applicable to transfers of financial instruments, and under the same the financial instruments shall be deemed similar to funds to be transferred. In case of discrepancies between the said terms, the special terms of financial instruments shall be applicable.
- B4.10.2. For a transfer of financial instruments to be performed, the *Client* shall submit the transfer order to the *Bank* according to the *Bank's* requirements. The *Bank* shall be entitled not to accept or not to execute the *Client's* financial instruments transfer order if it fails to be made in full, clearly or correctly, or there are other hindrances to the order execution, including the following:
- B4.10.2.1. financial instruments available in the *Account* are insufficient for execution of the order;
- B4.10.2.2. the *Cash Account* balance is insufficient for payment of the charge;
- B4.10.2.3. conditions of the order do not meet the requirements of the *Agency Company*.
- B4.10.3. If the *Client* submits several financial instruments transfer orders to the *Bank* and the total of those orders exceeds the amount of the financial instruments available in the *Financial Instruments' Account*, the *Bank* shall determine the sequence of execution of such orders at its own discretion.
- B4.10.4. The *Bank* shall transfer financial instruments within the deadlines set by the *Agency Company* involved in such financial instruments transfer.
- B4.10.5. The *Bank* shall not be responsible for the *Client's* losses or other extra expenses of the *Client* incurred as a result of delay of the transfer, where such delay occurs through the fault of third parties involved in execution of the financial instruments transfer.
- B4.10.6. The financial instruments addressed to the *Client* shall be credited to the *Financial Instruments' Account* on the following *Bank* day after such financial instruments become available to the *Bank* and the *Bank* receives the *Client's* acceptance at the latest.

B4.11. Corporate Actions

- B4.11.1. The *Bank* acquires the information about the *Corporate Action* from the *Agency Company* and/or the issuer. The *Bank* shall have no obligation to acquire the information about the *Corporate Actions* from other sources. The *Bank* shall inform the *Client* about the *Corporate Action* within 3 (three) *Bank* days after receipt of the respective information (hereinafter referred to as the *Notice on Corporate Action*). The *Client* agrees that the *Notice on Corporate Action* contains only information which the *Bank* considers necessary for the *Client's* participation in the *Corporate Action*.
- B4.11.2. The *Bank* shall not be liable for the contents and accurateness of the received information about the *Corporate Action*, and the *Bank* shall have no obligation to check the completeness of the said information. The *Bank* shall not be liable for failure to supply the *Client* with the *Notice on Corporate Action* or untimely supply of the same where the information about the *Corporate Action* is not received from the *Agency Company* and/or the issuer or is received belatedly.
- B4.11.3. Depending on the conditions of the *Corporate Action*, the *Client* can take part in the *Corporate Action* through the intermediary of the *Bank*, having submitted a respective order, or the *Bank* represents the *Client* pursuant to a specific arrangement.
- Should the *Client* acquire the information about the *Corporate Action* on the *Client's* own, the *Client* may inform the *Bank* about the *Client's* wish to take part in such *Corporate Action*.
- The *Bank* shall be entitled to deny execution of the *Client's* order for participation in the *Corporate Action*.
- B4.11.4. The *Client* shall reimburse the *Bank* for all expenses and losses that can be incurred by the *Bank* under ensuring the *Client's* participation in the *Corporate Action*.
- B4.11.5. The *Bank* shall be entitled to block the financial instruments available in the *Financial Instruments' Account* for the time of the *Corporate Action* performance.

B4.12. Application of tax reliefs to the income from financial instruments

- B4.12.1. The *Bank* may take adequate and reasonable measures to ensure the *Bank's* right to request the *Agency Companies* to apply the reduced tax rates (referred to as the *Tax Reliefs* in paragraph B4.12.1 of the *Terms*) set forth in the legal acts to the income from the financial instruments held in the *Client's Financial*

Instruments' Account. Concerning the application of the *Tax Reliefs* to the income from the financial instruments the issuers of which are registered in the United States of America, the *Bank* may consider the possibility to enter into the agreement on acting as Qualified Intermediary with the Internal Revenue Service of the United States of America.

- B4.12.2. The *Bank* shall be entitled to freely choose the *Agency Companies* and the *Client's* financial instruments under the *Bank's* custody with respect to which the *Bank's* measures aimed at applying the *Tax Reliefs* to the income from financial instruments will be taken. The *Bank* shall not be obliged to take such measures with respect to all *Agency Companies* under custody of which the *Client's* financial instruments are held and with respect to all *Client's* financial instruments held under the *Bank's* custody.
- B4.12.3. In order for the *Tax Reliefs* to be applied to the *Client's* income from financial instruments the issuers of which are registered in the respective country, the *Client* shall supply the *Bank* with all documents requested by the *Bank* (including those conforming to the sample approved by the tax administration authorities of such country) which are necessary for ascertaining the *Client's* actual right to dispose the said income or in which the *Client's* country of tax residence should be stated. The *Bank* shall be entitled not to accept the documents submitted by the *Client* if those fail to comply with the requirements of the *Bank* and/or the tax administration authorities of the respective country.
- B4.12.4. If the *Bank* makes the decision on taking the necessary measures to ensure application of the *Tax Reliefs* to the income from the respective financial instruments held in the *Client's Investment Portfolio* that are under the custody of the particular *Agency Company*, the *Bank* shall make corresponding changes to the *Bank's* information systems within 3 (three) *Bank* days after the necessary documents are submitted to the *Bank* by the *Client*.
- B4.12.5. The *Bank* shall not guarantee that the reduced tax rates set forth in the legal acts will be applied to the *Client's* income from financial instruments the issuers of which are registered in the respective country on all instances where the *Client* supplied the *Bank* with the required documents evidencing the *Client's* country of tax residence.
- B4.12.6. In case of changes in the *Client's* actual circumstances after the submission of the documents evidencing the *Client's* country of tax residence to the *Bank* and the inconsistency of those circumstances with the evidence provided in the submitted documents, or in case of expiry of the validity of the submitted documents, the *Client* shall immediately supply the *Bank* with the up-to-date documents evidencing the *Client's* country of tax residence.
- B4.12.7. Where the *Client* has submitted to the *Bank* the documents necessary for application of the *Tax Reliefs*, the *Client* shall represent the following:
- a. the *Client* requests the *Bank* to ensure application of the *Tax Reliefs* to the income from the financial instruments;
 - b. the *Client* is entitled to obtain the *Tax Reliefs* set forth in the respective international double taxation avoidance agreement;
 - c. the *Client* is the actual beneficiary of the income from the financial instruments;
 - d. the *Client* actually receives the benefits from the said income and determines the ultimate purpose of using such income;
 - e. the *Client's* right to permanently dispose and use the said income is unlimited, taking into account the type of the *Client's* activities and the risks that might be associated with the receipt of such income.
- B4.12.8. The *Client* shall reimburse the *Bank* for all losses and expenses incurred by the *Bank* because of the untrue, incomplete or inaccurate information contained in the submitted documents evidencing the *Client's* country of residence.

B4.13. Charges and Payments

- B4.13.1. *Client* shall pay *Charges* for opening, maintenance of *Accounts*, holding financial instruments and related transactions, and for participation in the *Corporate Actions* to the *Bank* pursuant to the *Bank's Rates and Charges*.
- B4.13.2. The *Bank* shall pay all taxes, duties and other payments ensuing from the *Transaction* applied for or applicable to respective financial instruments (e.g. a charge applied by the „Depositary bank” to deposit certificates) that are payable by the *Bank* pursuant to the legal enactments of the Republic of Latvia or other countries and the international market practice, instead of the *Client*, without the *Client's* special consent and at the *Client's* expense. The *Bank* shall not be responsible for payment of taxes, duties and other payments payable by the *Client*.
- B4.13.3. The *Bank* shall be entitled to debit any *Client's* account with the *Bank* with any payments due to the *Bank* pursuant to these *Terms* or agreements concluded between the *Bank* and the *Client*, or payable by the *Client* under executed transactions with financial instruments, without acceptance for execution of such transactions, with payments being made from the *Cash Account* first.

B4.14. Closing Accounts

- B4.14.1. *Client* shall be entitled to file an application for closing *Accounts* at any time. *Accounts* shall be closed within five *Bank* days after *Client's* application is received. *Accounts* shall not be closed in cases where they are required for execution of *Client's Transactions* with *Bank* or *Bank's* Subsidiaries.
- B4.14.2. In cases where the *Client* files an application for closing its *Financial Instruments' Account*, it shall be considered as an application for closing its *Cash Account* at the same time, and vice versa.
- B4.14.3. The *Client* shall pay to the *Bank* a *Charge* for closing the *Accounts* pursuant to the *Bank's Rates and Charges*.
- B4.14.4. Closing the *Accounts*, the *Bank* shall transfer the financial instruments available in the *Financial Instruments' Account* according to the *Client's* instructions, and shall transfer the funds available in the *Cash Account* to the *Client's Current Account* with the *Bank*.
- B4.14.5. Unless the *Client* has stated an account for transfer of the financial instruments, the *Bank*, without prior notification and without observing other additional procedures, shall be entitled to sell the *Client's* financial instruments to a third party or in favour of the *Bank* at the market price determined by the *Bank* by taking into account the price of these financial instruments at stock exchange and/or over-the-counter market.
- B4.14.6. If no information about actual price of the financial instruments being sold is available at the respective stock exchange and/or over-the-counter market, the *Bank* shall determine the price of the financial instruments on the basis of the last price of the financial instruments available at the stock exchange and/or over-the-counter market or shall take into account any other information available to the *Bank* on the financial instruments being sold or equal ones.
- B4.14.7. Unless the *Client* has stated an account for transfer of funds, the *Bank* shall hold the *Account* balance without accruing any interest, and shall pay it out at the *Client's* request pursuant to these *Terms*, on the basis of and according to the relevant application filed in keeping with the *Bank's* requirements.

B5. Terms of Using Internetbank

B5.1. Application

The present *Terms* of using *Internetbank* shall be applicable to remote execution of the *Bank's* operations via the Internet by means of the *Internetbank* software ensured by the *Bank* (referred to as the *Internetbank* throughout these *Terms*).

With regard to the *Clients* having several representatives, the term *User* mentioned in the *Terms*, paragraphs A4.6, B5.2.1 – B5.2.5, B5.2.8 – B5.2.10, and B5.4.2 of the *Terms* shall become effective and shall be binding upon the *authentication means* (*Internetbank* user ID and authorization tools) are linked to the particular representatives of the *Client*. Before the *authentication means* (*Internetbank* user ID and authorization tools) are linked to the particular representatives of the *Client*, provisions of section B5.5 of the *Terms* shall be additionally binding under the use of the *Internetbank*.

B5.2. Use of the Internetbank

- B5.2.1. For using the *Internetbank* and confirming the *Transactions* in the *Internetbank*, the *User* shall be authenticated by the *Bank* according to the *User's authentication means* – the user ID, password, and authorization codes – derived from the *Bank*.
- B5.2.2. Having received a prior consent from the *User*, the *Bank* shall be entitled to use the unique identifier of the *User's* mobile device for the *Client* authentication in accordance with the *Bank's* requirements.
- B5.2.3. The *Bank* shall be entitled to ensure several *authentication means* for the *User*, and those shall be used in accordance with the procedure set by the *Bank*.
- B5.2.4. The *User* shall acknowledge the use of the *authentication means* ensured by the *Bank* following the procedure and form set by the *Bank*, alongside confirming that the *User* is familiarized with the procedure of performing the *Bank's* operations in the *Internetbank*, as well as with the rules of secure use of the *authentication means*, as stated in paragraph B5.4 of the *Terms* below.
- B5.2.5. For accessing the *Internetbank*, the *User* may create an unlimited number of additional user IDs as needed, linking the respective *authentication means* to those. The *Client* shall bear full liability for all *Notices* and *Transactions* made in the *Internetbank* on behalf of the *Client* where additional user ID is used by the *User*, and such actions shall be binding upon the *Client*, the *User*, and the *Bank*.
- B5.2.6. The *Client* shall agree that any *Transaction* or *Notice* confirmed in the *Internetbank* may be treated by the *Bank* as a *Client's* irrevocable consent to the information stated in the *Transaction* or *Notice* and execution of the same.
- B5.2.7. The *Bank* shall be entitled to block the *Internetbank* on instances that concern safety of the *authentication means*, reasonably suspected unauthorized use of the *authentication means* or their use for fraudulent purposes, and also on instances where the *Client's* risk of defaulting in its obligations has increased significantly. The *Bank* shall not be liable for the *Client's* losses and other additional expenses in case the *Bank* exercises its rights in accordance with provisions of the foregoing sentence. The *Client* shall cover all the *Bank's* expenses related to the said blocking.
- The *Bank* shall unblock the *Internetbank* or replace the *authentication means* with the new ones, as soon as grounds for blocking are no longer present.
- B5.2.8. Using the assigned *Internetbank* user ID, the *User* may remotely manage the accounts of several *Clients* that the *User* is entitled to manage according to the *Clients'* authorization submitted to the *Bank*. The *User* shall combine management of such *Clients'* accounts under single user ID by submitting the application to the *Bank* in accordance with the form and procedure set by the *Bank*. This being the case, single user ID and *authentication means* linked to the same shall authenticate each *Client* whose account is linked to the *Internetbank* of this *User*.
- B5.2.9. The *Charge* for issuing the *authentication means* to the *User* that has combined remote management of several *Clients'* accounts under single user ID may be debited by the *Bank* from the account of any such *Client*.
- B5.2.10. Following the *Client's*, the *User's*, or the *Bank's* own initiative, the *Bank* may cancel the right to manage the accounts of several *Clients* granted to the *User* if the authorization of the *User* is revoked, or the authorization to manage the accounts of a particular *Client* has expired, or because of other safety considerations regarding the use of the *authentication means*, as well as on other instances stipulated in the *Terms*.
- B5.2.11. The *User* shall be entitled to use the *Internetbank authentication means* for performing the authentication in order to obtain e-services of third parties at Internet portals. Receipt of e-services of third parties using the *authentication means* ensured by the *Bank* shall be available to the *User* provided the *Bank* has entered into a respective agreement on use of the *Bank's authentication means* for verification of the *User's* identity for the sake of receiving such e-services of third parties.
- B5.2.12. By using the *Internetbank authentication means* to receive e-services of third parties, the *User* consents to provision of its identification data (name, surname, identity No.) to a third party, so that verification of the *User's* identity can be ensured by such third party.

B5.3. Copyright, Modifications

- B5.3.1. *Bank* shall own all personal and property copyright to *Internetbank* and related materials (manuals, user manuals, etc.). *Client* shall only be entitled to use *Internetbank* within limits set by the present *Terms*, that is, according to conditions of *Internetbank* use stated by *Bank*.
- B5.3.2. Apart from that, no modification of *Internetbank*, no *Internetbank* reproduction, publishing beyond that stipulated in the present *Terms*, no transfer thereof to any third person or use of technologies used in *Internetbank* for making other software shall be allowed without *Bank's* consent.
- B5.3.3. The *Bank* guarantees compatibility of *Internetbank* with the Internet browsers supported by the *Bank*, the list of which is available at the *Bank's* website **www.ablv.com**.

B5.4. Internetbank Security Requirements and Responsibility

- B5.4.1. For the security purposes, the *Bank* shall set payment limits on the *Internetbank Transactions* (setting the maximum amount of each particular payment or the total maximum amount over a specific period). The *Client* shall be entitled to change or reject the payment limits set by the *Bank*.
- B5.4.2. The *Client* shall assume all risks that might be associated with delivery of the *authentication means* to the *User*. The *Bank* shall be entitled to use services of third parties for delivery. The *Bank* shall bear no responsibility for losses or other expenses incurred by the *Client*, *User* or third parties as a result of the delayed delivery, the dispatch being lost, misused, deficient or damaged, confidential information being disclosed, or due to any other reasons beyond the *Bank's* control.
- B5.4.3. The *Client* and the *User* shall study technical requirements of using the *Internetbank* and the *authentication means*, and also requirements to safe keeping and using of the *authentication means*, which are available at the *Bank's* website **www.ablv.com**, and shall observe the same.
- B5.4.4. The *Client* and the *User* shall ensure that the *authentication means* are kept safely and are not accessible to third parties. The *Client* shall bear full liability for all losses and risks of other additional expenses of the *Client* in case the *Client's authentication means* come to the disposal of a third party because of the *Client's* or the *User's* failure to abide by the *Terms*.
- B5.4.5. When connecting to the *Internetbank*, the *Client* and the *User* shall use a safe workstation, including safe Internet connection and licenced software, as well as shall take all necessary preventive security measures (inter alia, install software updates, ensure control over workstation access rights, and install necessary antivirus software and firewall) to prevent possession of the *Client's* information and *authentication means* by third parties and their unauthorized use, or their use for fraudulent or other criminal purposes. In case the *authentication means* are lost, stolen, reproduced or become otherwise accessible to a third party, or in case of unauthorized use of the *authentication means*, the *Client* shall immediately, as soon as possible, notify the *Bank* accordingly within the *Bank's* working hours, calling at +371 6777 5555 and providing the *Account* number or the *Client's* code and name, surname (company name), as well as other information requested by the *Bank*. Upon receipt of such information, the *Bank* shall immediately suspend operation of the *Internetbank* and notify the *Client* accordingly within the term stated by the *Bank*.
- B5.4.6. Immediately following a request by the *Bank*, the *Client* shall provide the same with information on circumstances related to loss, theft, reproduction of the *authentication means* or their coming to the disposal of a third party.
- B5.4.7. Where the *Client* lodges a complaint to the *Bank* for loss compensation under the *Client's* unauthorized or erroneously performed *Transaction*, the *Client*, following the *Bank's* request, shall supply the *Bank* with the personal workstations (PC, mobile devices, etc.) used to regularly connect to the *Internetbank* at the time when unauthorized or erroneous *Transactions* were performed, for the expert examination to be carried out in order for the *Bank* to make sure whether the requirements of the *Terms* have been complied with.

B5.5. Additional terms of using Internetbank for the Clients the authentication means issued to which are not linked to particular representatives of the Client

- B5.5.1. For using the *Internetbank*, the *Client* shall use the *authentication means* issued by the *Bank* – user ID and password, as well as necessary authorization tools (authorization codes calculation devices or software).
- B5.5.2. The *Client* shall assume all risks that might be associated with delivery of the *authentication means* to the *Client*. The *Bank* shall be entitled to use services of third parties for delivery. The *Bank* shall bear no responsibility for losses or other expenses incurred by the *Client* or third parties as a result of the delayed delivery, the dispatch being lost, misused, deficient or damaged, confidential information being disclosed, or due to any other reasons beyond the *Bank's* control.
- B5.5.3. Having received a prior consent from the *Client*, the *Bank* shall be entitled to use the unique identifier of the *Client's* mobile device for the *Client* authentication in accordance with the *Bank's* requirements.
- B5.5.4. The *Bank* shall be entitled to issue several authorization tools to the *Client*, and those shall be used in accordance with the procedure set by the *Bank*.

- B5.5.5. The *Client* shall acknowledge receipt of the *authentication means* to the *Bank* following the procedure and form set by the *Bank*, alongside confirming that the *Client* is familiarized with the procedure of performing the *Bank's* operations in the *Internetbank*, as well as with the rules of secure use of the *authentication means*.
- B5.5.6. For accessing the *Internetbank*, the *Client* may create an unlimited number of additional user IDs as needed. The *Client* shall bear full liability for all *Notices* and *Transactions* made in the *Internetbank* on behalf of the *Client* where additional user ID is used, and such actions shall be binding upon the *Client* and the *Bank*.
- B5.5.7. Accounts of more than one *Client* may be managed using the *Internetbank*. Such *Clients* make a *Client* group. A *Client* group is established in the *Internetbank* on the basis of the application submitted in accordance with the procedure and form set by the *Bank*. The following conditions shall apply to a *Client* group:
- a. one common user ID and one common password shall authenticate each *Client* whose account is connected to the *Internetbank*;
 - b. each *Client* whose account is connected to the *Internetbank* shall be entitled to apply to the *Bank* for connection of another *Client* to the *Client* group without receipt of consent of the other participants of the *Client* group;
 - c. the *Bank* shall be entitled to debit the account of any *Client* included in the *Client* group with the *Charge* due to the *Bank* from one of the *Clients* included in such *Client* group.

B6. Terms of Payments

B6.1. Application

- B6.1.1. The present *Terms of Payments* shall apply, in case the *Client* has submitted a payment order to the *Bank* or the *Bank* receives funds addressed to the *Client*. Relations between the *Parties* that ensue from payments, unless regulated by these *Terms of Payments*, shall be interpreted in accordance with provisions of the Civil Law on work-performance contracts, the Commercial Law provisions on commercial transactions, the Law on Payment Services and Electronic Money, and legal acts issued by the Bank of Latvia and the Financial and Capital Market Commission, as well as international banking practice and customs of the *Bank's* operations.

B6.2. Accounts from which and to which payments are made

- B6.2.1. The *Client* shall only be entitled to make payments from the *Client's Current, Cash, Card, Forward Transaction Collateral Account, or Savings Account* with the *Bank*.

The *Client* shall be entitled to make payments from its *Current Account* with the *Bank* to:

- a. its *Current, Card, Cash, Forward Transaction Collateral Account, Savings Account, or escrow account* with the *Bank*;
- b. other client's *Current, Card or Savings Account, or escrow account* with the *Bank*;
- c. by prior agreement with the *Bank*, to another account with the *Bank*;
- d. account with another bank.

The *Client* shall be entitled to make payments from its *Card, Cash, Forward Transaction Collateral Account, or Savings Account* with the *Bank* only to its *Current Account* with the *Bank*.

- B6.2.2. Funds received by *Bank* and addressed to *Client* shall be credited following the procedures set forth herein and according to details stated in the received payment order to *Client's Current Account, Card account* and escrow account, as well as, by prior agreement with *Bank*, to another account with *Bank*. In case *Bank* receives funds addressed to *Client* and meant to be credited to another *Client's account* with *Bank*, and such credit has not been previously agreed on, *Bank* shall credit *Client's Current Account* with such funds

Client shall be considered to have received such funds when *Client's account* with *Bank* is credited with the same.

The *Bank* shall bear no responsibility to the *Client* with regard to a non-executed or unduly executed payment in case the payment currency does not match those stated in the *Bank's List of Main Correspondent Accounts*.

B6.3. Submission, authorization, processing, and execution of Payment Order

- B6.3.1. In order to make a payment, *Client* shall submit payment order to *Bank* in a form and according to the procedure prescribed by the *Bank*, filling in the same precisely and in full and stating all information requested. The *Client* shall state the *Client's name and number of its account with the Bank, the payment amount and currency, the beneficiary's name, address and account number, full name, address and bank code of the beneficiary bank, the payment purpose, and other details required in the payment order and necessary for performing the payment. The payment purpose stated by Client in the payment order shall describe the nature of such payment (including the number of the transaction supporting document, details) and goods or services paid for clearly.*

- B6.3.2. The *Client* shall agree that a payment shall be deemed confirmed by the *Client* where:

- a. the payment order is submitted in paper form and signed in conformity with the specimen signatures and/or seal imprints submitted to the *Bank*;
- b. the payment order is submitted via the *Internetbank* and authorized by respective *authentication means* (paragraph B5.2.1 of the *Terms* above) pursuant to the *Terms of Using Internetbank*;
- c. the payment order is submitted by fax, using the authorization code calculated in accordance with the *Bank's requirements*;
- d. the payment order is submitted by phone, using the *Client authentication methods* stated in the *Terms of Rendering Information and Services over the Telephone* (paragraph B12.2.1.2 of the *Terms* below).

The *Client* shall agree that a payment confirmation given following the procedures stipulated in sub-clauses a, b, c, and d of clause B6.3.2 above shall constitute an irrevocable confirmation / consent by the *Client* with regard to the amount and other details stated in the payment order.

The *Bank* shall be entitled to request additional payment confirmation complying with the *Bank's requirements* to be provided by the *Client* on instances stipulated herein.

- B6.3.3. A payment order shall be valid for submission to the *Bank* during eight calendar days from the date of signing the same (including the date of signing).

- B6.3.4. The *Bank* shall be entitled to postpone or deny execution of a payment order on the following instances:
- B6.3.4.1. the *Client's* account balance is insufficient to execute the respective payment orders and/or cover the payment charges in accordance with paragraph B6.5 of the *Terms* below;
 - B6.3.4.2. details of the payment order should be amended in accordance with paragraph B6.3.6 of the *Terms* below;
 - B6.3.4.3. the *Client's* additional confirmation of the payment is required in accordance with paragraph B6.3.7 of the *Terms* below.
- B6.3.5. Where execution of the payment order submitted by the *Client* is postponed on reasonable grounds, such payment order shall be valid until execution or cancellation.
- B6.3.6. Should the *Client* fail to provide all required details in a payment order or clearly state the nature of the payment, e.g., fail to indicate the goods or services paid for, or other information enabling check of the transaction compliance, the *Bank* shall be entitled, at its own discretion, to postpone execution of such payment order until receipt of additional information and/or documents requested from the *Client* (but not longer than for the period stated in paragraph B6.3.5 above) or deny execution of such payment order if the requested additional information and/or documents are not received.
- B6.3.7. To protect the *Client's* property, the *Bank* shall be entitled, without obligation, to request additional payment confirmation (authorization) to be provided by the *Client*, where under the payment processing by the *Bank* there arise suspicions of attempted fraud involving the *Client's* funds, even though attempted fraudulent transaction might be not detected after the check. The *Bank* may postpone execution of such payment until the *Client* confirms the payment in accordance with the *Bank's* requirements and also may deny execution of the payment if no confirmation is received.
- B6.3.8. The *Bank* shall be entitled to deny execution of a payment also on instances where other provisions stipulated herein are not complied with, or where legal acts or other regulatory requirements applicable to the *Bank* prohibit execution of the payment.
- B6.3.9. The *Bank* shall inform the *Client* of postponing the payment execution or the denial to execute the payment in writing, by means of a *Notice* via the *Internetbank* or in other way designated for that by the *Client*, unless legal acts applicable to the *Bank* prohibit provision of such information. The *Bank* shall be entitled to withhold a *Charge* for providing the said information.
- B6.3.10. The *Bank* shall be not liable for the *Client's* losses or other additional expenses incurred by the *Client* in case of suspending the payment execution or the denial to execute the payment stipulated herein. The *Bank* shall be not liable for the *Client's* losses or other additional expenses that might be incurred due to not executing the payment order or undue execution of the same, where the beneficiary's account number provided in the *Client's* payment order and stated in IBAN or other format, including invalid or incorrect account number, fails to conform to other payment details stated, and also where details provided in the *Client's* payment order are incorrect or incomplete.
- B6.3.11. The *Client* shall agree that the *Bank's* obligations regarding execution of the payment made by the *Client* to other bank shall be deemed discharged upon the payment amount is passed on to the disposal of the beneficiary's bank or intermediary bank. Having received the payment amount passed on, the beneficiary's or intermediary bank shall be liable for due execution of the payment.
- B6.3.12. The *Bank* shall bear no responsibility with regard to a non-executed or unduly executed payment order in case due execution of the same is hindered by legal enactments or other regulatory requirements applicable to the *Bank*.

B6.4. Charges applicable to the Client

- B6.4.1. *Bank* offers the following types of *Charge* payment to *Client*:
- a. in case *Client* has stated the type of *Charge* payment "OUR" in its payment order, *Client* shall ensure the payment amount at *Bank* and shall pay *Bank's* *Charge* in addition according to the *Rates and Charges*. *Bank* shall transfer *Client's* payment order to its correspondent bank, stating the option "OUR" in the respective field of SWIFT message, and thus instructing such bank to pay out the full payment amount to the beneficiary. Thereupon *Bank* shall be considered to have fulfilled its liabilities concerning execution of the payment according to "OUR" conditions. In case banks involved in the payment execution request *Charges*, *Bank* shall debit *Client's* *Current Account* with *Bank* with such *Charges* without acceptance;
 - b. in case *Client* has stated the type of *Charge* payment "BEN" in its payment order, *Client* shall ensure the payment amount at *Bank*. *Bank* shall transfer *Client's* payment order to its correspondent bank, stating the option "BEN" in the respective field of SWIFT message. Thereupon *Bank* shall be considered to have fulfilled its liabilities concerning execution of the payment according to "BEN" conditions. *Bank* shall withhold the *Charge* from the payment amount. The other banks involved in the payment execution shall be entitled to debit *Charges* from the payment amount;
 - c. in case *Client* has stated the type of *Charge* payment "SHA" in its payment order, *Client* shall ensure the payment amount at *Bank*, and apart from that shall pay *Bank's* *Charge* according to the *Rates and*

Charges. Bank shall transfer *Client's* payment order to its correspondent bank, stating the option "SHA" in the respective field of SWIFT message. Thereupon *Bank* shall be considered to have fulfilled its liabilities concerning execution of the payment according to "SHA" conditions. All banks involved in the payment execution, except *Bank*, shall be entitled to debit *Charges* from the payment amount, moreover, in case of payments in currencies of the European Economic Area (hereinafter referred to as the EEA) member states, including EUR, within the EEA, the beneficiary's bank only is entitled to withhold charges from the payment amount before the latter is credited to the beneficiary account, if agreed upon by the beneficiary and its servicing bank.

Unless *Client* has stated the type of *Charge* payment in its payment order, the terms of *Charge* payment "SHA" shall apply, except for payments in BYN, RUB, GEL, UAH, KZT, to which "OUR" type of the *Charge* payment shall apply.

- B6.4.2. *Bank* may state additional conditions for *Charges* for payments set in the *Rates and Charges*, as well as exceptions to this section B6.4.
- B6.4.3. For payments in the currencies of the EEA member states, including EUR, within the EEA, the "SHA" type of *Charge* payment is to be stated. Should the *Client* fail to meet the above obligation by stating "OUR" or "BEN" type of the *Charge* payment, the *Bank* shall be entitled to change the type of *Charge* payment to "SHA" or to deny the payment execution.
- B6.4.4. On instances stipulated in the *Rates and Charges*, the *Bank* shall be entitled to apply the *Charges* for crediting the *Client's* account with the payment addressed to the *Client*—legal entity from other bank, debiting the charge amount from the funds held in the *Client's* account. The *Bank's* charge for crediting the *Client's* account with the payment addressed to the *Client* from other bank shall be applied regardless the *Charge* payment type (BEN/OUR/SHA) stated by the originator of the payment addressed to the *Client*.

B6.5. Funds for Payment and currency exchange rate

- B6.5.1. The *Client* shall ensure the sufficient amount for execution of a payment in the account stated in clause B6.2.1.
- B6.5.2. The *Client* shall ensure the amount of payment in the payment currency or in other account currency (hereinafter referred to as the *Cover Currency*), stating the same in the payment order. The *Client* recognizes and consents that in case of the *Cover Currency* stated for the payment execution the *Bank* will execute the payment involving the exchange of the *Cover Currency* in the payment currency at the general currency exchange rate set by the *Bank* that is effective as at the moment of the exchange. The *Client* shall choose the currency for paying the *Charge* at its own discretion, complying with the form and procedure set by the *Bank*, by stating the same in the payment order. In case the currency designated by the *Client* for paying the *Charge* is different from the currency of the respective *Charge* specified in the *Rates and Charges*, the *Bank* shall debit the *Charge* in the currency chosen by the *Client*, calculating equivalent of the *Charge* amount specified in the *Rates and Charges* in the currency indicated by the *Client* at the *Bank* general currency exchange rate effective as of the moment of exchange.

The *Bank* shall be entitled to refuse execution of a payment involving currency exchange applied for by the *Client* where the amount of such payment exceeds the limits set by the *Bank*.
- B6.5.3. In case the *Client* has not indicated the currency designated for paying the *Charge*, complying with the form and procedure set by the *Bank*, the *Bank* shall debit the *Charge* as follows:
 - a. in the payment currency, calculating equivalent of the *Charge* amount specified in the *Rates and Charges* in the payment currency at the *Bank* general currency exchange rate, or
 - b. in the *Cover Currency*, calculating equivalent of the *Charge* amount specified in the *Rates and Charges* in the *Cover Currency* at the *Bank* general currency exchange rate – for making payments with exchange into the payment currency the *Bank* shall debit in the *Cover Currency*.
- B6.5.4. The *Bank* shall be entitled to choose the currency of debiting the amount equivalent to the *Charge* stated in the *Rates and Charges* at the general currency exchange rate set by the *Bank* or to grant the overdraft mentioned in clause B7.2.2 d to the *Client*, without special *Client's* order, if:
 - a. balance of the *Client's* account stated in clause B6.2.1 in the currency, designated by the *Client* for paying the *Charge*, is insufficient for paying the *Bank Charge* for executing this payment or
 - b. the *Client* has not indicated the currency chosen for paying the *Charge*, complying with the form and procedure set by the *Bank*, and balance of the *Client's* account stated in clause B6.2.1 in the payment currency or the *Cover Currency* (in case of a payment involving currency exchange) is insufficient for paying the *Bank's Charge*.
- B6.5.5. Should the *Client* revoke the payment stated in clause B6.5.2, the *Bank* shall refund the payment amount to the *Client* in the payment currency or the *Cover Currency*, exchanging the payment currency at the general currency exchange rate set by the *Bank* as at the day of executing the payment revocation order.
- B6.5.6. If *Client* has submitted more than one payment order to *Bank* to the total amount exceeding *Account* balance, *Bank* shall state the sequence of execution of such payment orders at its own discretion.

B6.6. Correspondent Banks

- B6.6.1. All payments addressed to the *Client* or payments made by the *Client*, except payments between the *Client's* account with the *Bank* and payments to other client's account with the *Bank* (hereinafter in these *Terms* referred to as the intrabank payments), are executed via correspondent banks and correspondent accounts, as well as settlement systems.
- B6.6.2. Information about the *Bank's* current list of main correspondent accounts (hereinafter referred to as the *List of Main Correspondent Accounts*) can be published by the *Bank* at the *Bank's* website www.ablv.com or provided to the *Client* upon specific request.
- B6.6.3. The payments via the *Bank's* correspondent accounts not stated in the *List of Main Correspondent Accounts* can be executed only after being specifically agreed upon with the *Bank*. A special *Charge* can be applied to payments made via the *Bank's* correspondent accounts not stated in the *List of Main Correspondent Accounts*.
- The *Bank* shall be entitled not to credit the *Client's* account with the funds credited to the *Bank's* correspondent account not stated in the *List of Main Correspondent Accounts* until those funds are credited to the correspondent account included in the *List of Main Correspondent Accounts*.
- B6.6.4. The *Client* assumes all risks for the *Client's* funds credited to any correspondent account of the *Bank*, including the risk of insolvency of correspondent banks.
- B6.6.5. The *Client* assumes all risk arising from currency exchange limitations, taxes, duties and other payments valid in the respective country, as well as from amendments to legal acts of the respective country, court awards, and resolutions of other administrative institutions and decisions of the central bank that may cause losses or additional expenses to the *Bank*, *Client* or third parties.

B6.7. Terms of Payment processing and execution

- B6.7.1. The moment of receiving the payment order shall be that when the *Bank* receives a payment order complying with the form and procedures stipulated by the *Bank*, meeting the *Bank* requirements and submitted in accordance with the cut-off times stated in the *Bank's Rates and Charges*.
- Receipt of a payment order shall not guarantee its execution. A condition precedent for executing a payment order is compliance of the same with all requirements set forth herein and in other legal enactments that regulate payments.
- B6.7.2. Terms of executing payment orders submitted by the *Client* shall depend on payment types stated in the *Rates and Charges* and cut-off times.
- The *Client* shall state the preferred payment type in its payment order. If the *Client* has not stated the preferred payment type, such payment shall be executed as a standard payment. The *Bank* shall be entitled to unilaterally change the type of the payment order submitted by the *Client* from "urgent" to "standard".
- B6.7.3. The *Bank* shall not be responsible for the *Client's* losses and other additional expenses of the *Client* sustained thereby as a result of non-execution or undue execution of a payment, in case such non-execution or undue execution occurred through the fault of third parties, including the *Bank's* correspondent banks and other intermediary banks, involved in execution of the payment, or on other instances stipulated in these *Terms*.

B6.8. Processing of payments made by the Client to other bank

- B6.8.1. The *Client's* payments made to other bank shall be processed by the *Bank* on the *Bank* days, taking into account the cut-off time and payment value date stated in the *Rates and Charges*.
- B6.8.2. Under execution of a payment order, the *Bank* as an expert executes the payment order without additional negotiation with the *Client*, by choosing the most appropriate execution route and settlement systems. The *Client's* instructions regarding the intermediary bank shall not be binding upon the *Bank*.
- B6.8.3. If payment order submitted by the *Client* is received in the *Bank* before the cut-off time set forth in the *Rates and Charges*, the *Bank* shall execute the payment with the value date stated in the *Rates and Charges*. On the said value date, the *Bank* shall pass the payment amount to the beneficiary or the beneficiary bank or the intermediary bank.
- B6.8.4. If payment order submitted by the *Client* is received in the *Bank* after the cut-off time set forth in the *Rates and Charges*, the *Bank* shall process the same on the next *Bank* day. The *Bank* shall be entitled, without obligation, to process the *Client's* payment order submitted after the cut-off time stated in the *Rates and Charges* on the same *Bank* day, adding one more *Bank* day to the payment value date.
- B6.8.5. If value date stated in the *Rates and Charges* appears to be a holiday of the correspondent bank, intermediary bank, beneficiary bank, or settlement system via which the payment is to be executed or the day proclaimed to be a holiday in the country of issue of the payment currency, the *Bank* may execute the *Client's* submitted payment order on the next working day of the *Bank*, correspondent bank, intermediary bank, beneficiary bank, settlement system via which the payment is to be executed, or the country of issue of the payment currency.

If the correspondent bank, intermediary bank, beneficiary bank, or settlement system via which the *Client's* payment to other bank is to be executed is located in a different time zone, the *Bank* is unable to guarantee execution of the same in accordance with the provisions of the *Rates and Charges*.

- B6.8.6. In case of payments made by the *Client* to other bank, the *Bank* is unable to guarantee passing the payment amount to the beneficiary bank and crediting of the same to the beneficiary's account within the specified time if one or several intermediary banks are involved in the payment execution.

B6.9. Processing of intrabank payments made by the Client

- B6.9.1. Intrabank payments submitted by the *Client* shall be processed by the *Bank* on the *Bank* days, taking into account the cut-off time and payment value date stated in the *Rates and Charges*. If payment order submitted by the *Client* is received in the *Bank* after the cut-off time set forth in the *Rates and Charges*, the *Bank* shall process the same on the next *Bank* day.
- B6.9.2. The payment orders submitted by the *Client* via the *Internetbank* for payments between the *Client's* accounts with the *Bank* (except payments from the *Client's Cash Accounts*) and the *Client's* payment orders for payments to other client's account with the *Bank*, provided the payment order amount does not exceed EUR 10 000 (or equivalent amount in other currency), shall be processed by the *Bank* on holidays and celebration days as well, taking into account the cut-off time and payment value date stated in the *Rates and Charges*. If a payment mentioned in this paragraph is received after the cut-off time set forth in the *Rates and Charges*, the same shall be processed on the next calendar day. If there are no sufficient funds for execution of a payment mentioned in this paragraph, the *Bank* shall accept such payment order for processing on the next *Bank* day.

B6.10. Payments Addressed to the Client

- B6.10.1. A payment from other bank addressed to the *Client* shall be credited by the *Bank* to the *Client's* account on the *Bank* days before the time stated in the *Rates and Charges* following receipt of a notice from the payment originator's bank regarding the payment addressed to the *Client* and provided the *Bank* has all information necessary for the payment execution in accordance with the *Bank's* requirements.

The *Bank* shall be entitled not to credit the payment from other bank addressed to the *Client* to the *Client's* account until the *Bank* receives a relevant confirmation pursuant to the *Bank's* requirements that the payment amount has been credited to the *Bank's* correspondent account.

When crediting the payment from other bank addressed to the *Client* to the *Client's* account, the *Bank* shall determine the payment value date according to the value date stated in the payment order. Where the value date stated in the payment order precedes the date of the payment processing in the *Bank*, the *Bank* shall be entitled to set the *Bank* day preceding the payment processing date as the value date.

The payment amount shall be passed to the *Client* on the payment value date determined by the *Bank*. The *Bank* shall supply the *Client* with information on the value date of the payment credited to the *Client* in the *Client's* account statement.

- B6.10.2. Payments made between the *Client's* accounts with the *Bank* and payments from other client's account with the *Bank* shall be credited by the *Bank* to the *Client* on the *Bank* days before the time stated in the *Rates and Charges*.

The payments between the *Client's* accounts with the *Bank* (except payments from the *Client's Cash Accounts*) and payments from other client's account with the *Bank* addressed to the *Client* via the *Internetbank*, provided the payment amount does not exceed EUR 10 000 (or equivalent amount in other currency), shall be credited by the *Bank* to the *Client's* account on each calendar day.

- B6.10.3. A payment addressed to the *Client* shall be deemed executed correctly provided that the same has been executed in accordance with the *Client's* account number in IBAN format stated in the payment order.
- In some cases, the *Bank* shall be entitled, without obligation, to check whether account number stated in the payment order conforms to the *Client's* name, and in case of the respective nonconformity – to deny execution of the payment or request details to be amended.
- B6.10.4. In case the *Client's* account has been credited with funds through the *Bank's* error, the *Bank* shall be entitled to debit the account with such funds without acceptance, notifying the *Client* accordingly in its account statement / report.
- B6.10.5. The funds credited to the *Client* can be debited by the *Bank* from the account without acceptance in case the correspondent bank involved in the payment execution as a beneficiary bank or intermediary bank defaults on its obligations to the *Bank*, i.e., the payment amount addressed to the *Client* is not actually passed to the *Bank*.
- B6.10.6. In case *Client's* account has been credited with funds through the beneficiary's error, *Client* undertakes to cooperate with *Bank* in settlement of consequences of such error. In this connection *Client* undertakes to supply *Bank* with requested information and documents related to funds credited by error within terms stated by *Bank*. Unless *Client* observes its obligation of such cooperation, *Bank* shall be entitled to block funds credited by error until elucidation of circumstances.

- B6.10.7. The *Bank* shall be entitled not to credit a payment addressed to the *Client* or return the payment to the remitting bank, where:
- a. the payment comes from a state that is included in the list of states suspected of money laundering or supporting terrorism, or where international sanctions apply to this state, or where the transfer comes from an intermediary outside those states, but having its parent company registered in a state included in the list of such states, and also where the transfer comes from a remitter included in the list of subjects suspected of money laundering and terrorism financing, or
 - b. the remitter has not been sufficiently identified, or
 - c. in other cases, incl. those where the *Bank* pursuant to the *Terms* is entitled to refuse execution of, suspend or terminate any *Transaction* or the contractual relations with the *Client*, unless it is specially prohibited by the Republic of Latvia legal enactments.

On such instances, the *Bank* shall not be liable for losses or additional expenses that might be directly or indirectly incurred by the *Client* due to non-execution of the payment. On instances stipulated in the Republic of Latvia legal enactments or other legislation, the *Bank* shall be entitled not to explain the reasons for non-crediting.

B6.11. Regular Payments

- B6.11.1. These *Terms* of Regular Payments shall apply, where in accordance with the *Terms* the *Parties* have entered into the agreement (hereinafter in this paragraph B6.11 referred to as the *Agreement*) on the following:
- B6.11.1.1. execution of fixed-amount payments – regular payments from *Client's Current Account* to another *Current Account, Card Account, Savings Account, Cash Account* of *Client* with *Bank*, or to a *Current, Card, Savings Account* of another *Client*, or any account with another bank, and/or
 - B6.11.1.2. account balance management – execution of regular payments from *Client's Current Account* to another *Current Account, Card Account, Savings Account, Cash Account* of *Client* or to a *Current, Card* or *Savings Account* of another *Client* with *Bank* to maintain the maximum or minimum balance in the respective account, and/or
 - B6.11.1.3. automatic *Card* credit repayment – execution of regular payments from the *Client's Current Account* to the *Card Account* of the *Client* or another *Client* (provided the another *Client's* consent is received) equal to the *Minimum Payment* amount
- (hereinafter in this paragraph B6.11 each severally referred to as the *Service*).
- B6.11.2. To enter into the *Agreement*, the *Client* shall submit a respective order for receipt of the *Service* (hereinafter in this paragraph B6.11 referred to as the *Order*) to the *Bank* in accordance with the form and procedure prescribed by the *Bank*.
- B6.11.3. The *Agreement* shall be deemed entered into upon rendering of the respective *Service* is started.
- B6.11.4. Pursuant to the *Agreement*, *Client* continuously authorises *Bank* to effect regular payments. *Bank* shall render the respective *Service* only if conditions of the *Order* execution are in place.
- B6.11.5. *Bank* shall make sure that conditions of the *Agreement* are in place at times stated in the *Agreement*. Unless funds are available in the account specified in the *Agreement* in the currency and amount required to effect the payment on the day of effecting the payment:
- B6.11.5.1. in case of execution of fixed-amount regular payments – the *Client* shall ensure required funds within eight calendar days after the regular payment execution day, otherwise the payment shall not be executed;
 - B6.11.5.2. in case of account balance management – minimum balance maintenance every week or every set month – the *Client* shall ensure funds within eight calendar days after the regular payment execution day, otherwise the payment shall not be executed;
 - B6.11.5.3. in case of account balance management – minimum balance maintenance every day – the payment shall not be executed;
 - B6.11.5.4. in case of automatic *Card* credit repayment – execution of the *Minimum Payment* – the payment shall not be executed;
 - B6.11.5.5. in case of automatic repayment of the *Card* credit with zero interest rate – execution of the *Minimum Payment*, i.e., the one equal to the used *Card* credit amount – the payment shall be executed to the amount available in the specified account.
- B6.11.6. The first payment execution date stated in the *Order* may not be earlier than one calendar day after the date when such *Order* is submitted.

In cases where the payment execution date falls on a *Bank* holiday, an intrabank payment shall be executed on the execution date stated in the *Order*, whereas payment to another bank shall be executed on the following calendar day.

- B6.11.7. The *Agreement* shall be terminated in cases mentioned in the *Terms*, as well as in cases,
- a. where *Bank* receives *Client's* notice on the *Order* cancellation;
 - b. upon expiry of the *Order* validity period;
 - c. where *Client's* account with *Bank*, from which the regular payment has to be effected, is closed, and/or an account to which the regular payment has to be effected is closed.
- B6.11.8. *Client* shall not be entitled to correct his / her *Order* submitted thereby; however *Client* shall be entitled to cancel the *Order* submitted and to submit another one. Should the *Client* make a notice on the *Order* cancellation, only non-executed payments shall be cancelled thereby.

B6.12. Correction, Cancellation, Investigation, and Refund of Payments

- B6.12.1. The *Client* shall be entitled to apply to the *Bank* for corrections in the payment order submitted to the *Bank*, submitting a respective application in the form and according to the procedure required by the *Bank*. Nevertheless, the *Bank* shall not guarantee correction of the payment order.
- The *Bank* shall ensure correction of the *Client's* payment order that has not been executed yet as requested by the *Client*.
- Where the *Client* applies for correcting an already executed payment order, the *Bank* shall, to the extent possible, contact the beneficiary's or intermediary bank to request corrections in the executed payment order, as applied for by the *Client*.
- B6.12.2. The *Client* shall be entitled to apply to the *Bank* for cancellation of a submitted payment order, submitting a respective application in the form and according to the procedure set by the *Bank* to the same. Nevertheless, the *Bank* shall not guarantee cancellation of the payment order.
- Where the *Client* applies for cancelling an already executed payment order:
- a. in case of a payment to other bank – the *Bank* shall, to the extent possible, contact the beneficiary's or intermediary bank to get back the funds transferred. The *Bank* shall refund funds to the *Client's* account only upon the *Bank* ascertains that the payment order has not been executed on any stage of the payment order execution and after the *Bank* gets the funds back from the beneficiary or intermediary bank;
 - b. in case of an intrabank payment – the *Bank* shall, to the extent possible, try to contact the beneficiary *Client* to obtain its consent to the payment refund. The payment shall be refunded to the remitting *Client* only after the beneficiary *Client* consents to the same.
- B6.12.3. *Bank* shall investigate funds transferred by the *Client* or addressed to the *Client* and not received by the *Bank* according to the application which is submitted by the *Client* and meets the requirements set by the *Bank*.
- B6.12.4. The *Bank* shall be entitled to withhold *Charges* for correction, cancellation, investigation and refund of the payment from the *Client* in accordance with the *Rates and Charges*, and also other charges withheld by the banks involved in the payment execution.

B7. Overdraft Terms

B7.1. Application

The present Overdraft *Terms* shall apply to relations between *Bank* and *Client* having applied for receipt of overdraft with *Bank* or having received an overdraft from *Bank*.

B7.2. Overdraft Types

- B7.2.1. Overdraft is a short-term loan issued within the set limit at the request for the sake of execution of the *Client's* payment or other order, or pursuant to the *Terms*, exceeding balance of the *Current Account* or *Card* account.
- B7.2.2. The *Bank* issues the following overdrafts to the *Client*:
- overdraft issued according to the *Client's* application (hereinafter – *Overdraft applied for*);
 - overdraft line (hereinafter – *Overdraft Line*), under which overdraft is granted pursuant to the *Client's* application (hereinafter – *Overdraft* under the *Overdraft Line*);
 - overdraft issued according to the *Client's* telephone application (hereinafter – *Bonus Overdraft*);
 - overdraft issued for discharging the *Client's* payment obligations to the *Bank* set forth in the *Terms* that are due (in these *Terms* referred to as *Technical overdraft* and *Technical Overdraft on Card Account*).
- B7.2.3. *Overdraft applied for*, *Overdraft* under the *Overdraft Line*, and *Bonus Overdraft* shall be granted in the form of a revolving overdraft limit, i.e., the *Bank* shall be entitled to grant the overdraft within the limit and term applied for by the *Client*, and the *Client* shall be entitled to use the overdraft again within its limit and term, after the overdraft, or a part of it, is repaid.
- B7.2.4. Where granted overdraft limit is used by the *Client* in full and no funds necessary for discharging the obligations are available in the *Client's* account, the *Bank* shall be entitled to grant *Technical overdraft* without specifically agreeing upon the same with the *Client*, i.e., the *Bank* shall be entitled to grant non-revolving overdraft on the *Client's Current Account* for the sake of discharging the *Client's* obligations to the *Bank* set in the *Terms*, the overdraft amount being equal to the amount deficient in the *Current Account* for discharging these particular obligations, and the *Bank* shall be entitled to apply it towards repayment of the *Client's* debt. The *Client* shall not be entitled to receive once again the amount of the *Technical Overdraft* used.
- B7.2.5. The procedure for granting and repayment of the *Technical Overdraft on Card Account* is regulated by section B3.9 of the *Terms* above.

B7.3. Procedure of granting, receiving and issuing an Overdraft

- B7.3.1. In order to receive an *Overdraft applied for*, the *Client* shall agree with the *Client's* private banker on the overdraft purpose, amount, procedures of repayment, interest rate on the capital use, security, preferable term of the *Overdraft applied for*, which may not exceed three months, and other conditions and shall submit its application to the *Bank*. The *Bank* shall either satisfy the *Client's* application in full by granting an overdraft to the *Client*, or decline its application. The *Client* shall be informed about granting of the applied *Overdraft* in the *Internetbank* section 'Loans'.
- B7.3.2. To obtain the *Overdraft Line*, the *Client* shall agree with the *Client's* private banker on the *Overdraft Line* purpose, maximum amount, repayment procedure, interest rate on the capital use, security, preferable term of the *Overdraft Line*, which may not exceed twelve months, and other conditions and shall submit the application for *Overdraft Line* in the *Internetbank*. If the conditions stated in the *Client's* application are acceptable to the *Bank*, the *Bank* shall change the status of the *Client's* respective application in the *Internetbank* to 'Done'. From the day on which the status of the *Client's* application for the *Overdraft Line* is changed to 'Done', the *Client* shall be entitled to submit the application for the overdraft limit to be granted under the *Overdraft Line* to the *Bank*. If the *Bank* approves the *Client's* application for granting of the overdraft limit, the *Client* shall be granted the overdraft limit till the day in the following month that is the same as the respective application date (if there is no same day in the following month, the limit shall be granted till the last day of the following month). The information on granting the overdraft limit shall be provided in the 'Loans' section in the *Internetbank*. After the overdraft is repaid, the *Client* shall be entitled to apply for the following *Overdraft* under the *Overdraft Line*.
- B7.3.3. The *Client* shall be entitled to apply for a *Bonus Overdraft* over the telephone, authenticating himself / herself by the *Current Account* password and stating the required *Bonus Overdraft* amount or apply for the *Bonus Overdraft* via the *Internetbank*. The following conditions shall apply to the *Bonus Overdraft*:
- the agreement term shall not exceed one month. The overdraft repayment term shall be the last day of the agreement term;
 - the interest rate on the capital use/overdue interest rate is stated in the *Rates and Charges*;
 - the purpose is execution of urgent transactions by means of the *Card*.

The amount of issued *Bonus Overdraft* shall be equal to the amount issued to the *Client* for the *Card* payments in accordance with the telephone application.

- B7.3.4. At any moment, the *Bank* shall be entitled to unilaterally refuse issue of any type of overdraft or to reduce the amount of the granted overdraft without notice to the *Client* and without giving reasons.
- B7.3.5. In case of granting an *Overdraft applied for*, the *Bank* shall grant the *Overdraft applied for* by means of executing the *Client's* payment order(s), with the amount stated therein exceeding the *Client's Current Account* balance with the *Bank*, within the granted overdraft. This being the case, the overdraft shall be deemed used at the moment of executing the first *Client's* order, counting from the moment of granting the overdraft.
- B7.3.6. If overdraft limit is granted under the *Overdraft Line* (clause B7.3.2 of the *Terms* above), the *Bank* shall execute the *Client's* payment order(s) within the granted limit where the amount necessary to execute such payment order(s) exceeds the balance of the *Client's Current Account* with the *Bank*. This being the case, the overdraft shall be deemed used at the moment of executing the first *Client's* order, counting from the moment of granting the overdraft. The *Bank* shall inform the *Client* about granting the *Overdraft* under the *Overdraft Line*, its term, interest rate on the capital use, and amount by providing this information in the 'Loans' section of the *Internetbank*.
- B7.3.7. The *Bank* shall grant a *Bonus Overdraft* by making it possible for the *Client* to make the *Card* payments within the *Bonus Overdraft* amount. The *Bonus Overdraft* shall be considered to have been used from the moment when the *Client* starts making the *Card* payments within the *Bonus Overdraft* amount. The *Bank* shall inform the *Client* about the term and amount of the granted (provided) *Bonus Overdraft* and the interest rate on the capital use by means of a specific *Notice*.
- B7.3.8. In case of granting *Technical Overdraft*, the *Bank*, without an order from the *Client*, shall use the *Technical Overdraft* by discharging the *Client's* obligations arising out of the *Terms* where the amount required for discharging those exceeds the balance of the *Client's Current Account* with the *Bank*. This being the case, the overdraft shall be deemed used at the moment of discharging the obligations mentioned in the foregoing sentence, the overdraft amount being equal to the amount deficient for discharging the obligations. The *Bank* shall inform the *Client* about the term and amount of the granted (provided) *Technical Overdraft* and the interest rate on the capital use by means of a specific *Notice*.

B7.4. Changing Conditions of the Granted Overdraft

- B7.4.1. Before the repayment date of the overdraft applied for, the *Client* shall be entitled to request the *Bank* to change the overdraft conditions, submitting a free-form application to the *Bank*.
- B7.4.2. The *Bank* shall review the *Client's* application and make a decision on changing the conditions of the overdraft applied for.
- B7.4.3. Should the *Bank* agree to changing the overdraft conditions pursuant to the *Client's* application, the *Bank* shall notify the *Client* of the new overdraft conditions by stating those in *Internetbank*. New overdraft conditions shall be effective upon being stated by the *Bank* in *Internetbank*.

B7.5. Overdraft Repayment

- B7.5.1. *Overdraft applied for* and *Bonus Overdraft* shall be granted for the period until the repayment date stated in the *Notice* (paragraph B7.3.7 of the *Terms*). The *Client* shall repay the used overdraft amount until the repayment date specified in the *Notice* (paragraph B7.3.7 of the *Terms*). The *Client* shall repay the *Technical Overdraft* on the last day of the current month.
- B7.5.2. The *Overdraft applied for* shall be completely repaid by the *Client* to the *Bank* within the term stated in the respective application for the *Overdraft applied for* (clause B7.3.1 of the *Terms* above) and displayed in the 'Loans' section in the *Internetbank*.
- B7.5.3. The *Overdraft* under the *Overdraft Line* shall be completely repaid by the *Client* to the *Bank* within the term stated in the respective application for granting of the overdraft limit under the *Overdraft Line* (clause B7.3.2 of the *Terms* above) and displayed in the 'Loans' section in the *Internetbank*. Regardless the repayment term of each *Overdraft* under the *Overdraft Line*, the *Client* shall completely repay the overdraft granted under the *Overdraft Line* till the end of the *Overdraft Line* term at the latest, which is stated in the *Client's* application for the *Overdraft Line*.
- B7.5.4. The *Parties* agree that, regardless of the overdraft repayment period, funds in the overdraft currency credited to the *Current Account* shall be applied towards repayment of the overdraft and discharge of the obligations under the overdraft on the day of crediting the funds, without special order from the *Client* and request from the *Bank*. The *Bank* shall be entitled, without obligation, to exchange required amount of funds available in the *Current Account* into the overdraft currency at the general currency exchange rate set by the *Bank* and to apply such exchanged funds towards repayment of the overdraft and discharge of obligations under the overdraft, also before the date of the overdraft repayment.
- B7.5.5. *Bank* shall be entitled to request that *Client* repay its overdraft at any moment. *Client* shall be obliged to repay its overdraft and make related payments to *Bank* on the date of receipt of such request, by crediting *Client's Current Account* with the required amount. This being the case, the *Bank* shall be entitled, without obligation, to exchange required amount of funds available in the *Current Account* into the overdraft currency at the

general currency exchange rate set by the *Bank* and to apply such exchanged funds towards repayment of the overdraft and payments under the overdraft.

B7.6. Charges and interest payments

- B7.6.1. The *Client* shall pay a *Charge* for the overdraft granting and the interest on the capital use for using the overdraft to the *Bank* according to the *Rates and Charges*, unless the *Parties* have agreed otherwise.
- B7.6.2. Interest on the capital use shall be calculated on the actually used overdraft amount, and the term of paying the interest shall be the last day of each month, unless the *Parties* have agreed otherwise. The accrued interest on the capital use and other payments under the overdraft use shall be withheld from the *Current Account* without specific order by the *Client*, using the granted overdraft or granting the *Technical Overdraft* to the respective amount where the *Current Account* and overdraft limit balance is not sufficient for making respective payments.
- B7.6.3. The overdraft granted shall be repaid by the *Client* to the *Bank* on the overdraft repayment term stated in these *Terms*. Should the *Client* delay the repayment, provisions of the *Technical Overdraft* shall be applied to the full debit (negative) balance of the *Current Account*.
- B7.6.4. The interest on the capital use for using the overdraft for one day shall be calculated assuming that a year is comprised of 360 days, and the same shall be accrued for each calendar day of using the overdraft (*Actual / 360*).
- The days when the overdraft is granted (issued) and repaid shall be considered to be a single day. If the *Client* receives the overdraft and repays it on the same day, the *Bank* shall be entitled to withhold the interest on the capital use for using the overdraft for one day on the maximum overdraft amount used during the respective day.
- B7.6.5. The *Client* recognizes that the *Bank* shall be entitled to unilaterally grant the *Overdraft* under the *Overdraft Line* to the *Client* applying lower interest rate on the capital use than that stated in the *Client's* application, and the *Client* shall be informed of the same in the 'Loans' section in the *Internetbank*.

B7.7. Security of an Overdraft

- B7.7.1. All the *Client's* funds shall serve as financial collateral for the performance of the *Client's* obligations under the overdraft in accordance with section A11 of the *Terms*.
- B7.7.2. *Bank* shall be entitled to limit use by *Client* and its closely related *Clients* (paragraph A11.3 of the *Terms* above) of any financial instruments and funds of *Client* in any account with *Bank* and in any currency until the overdraft issued to *Client* is repaid.
- B7.7.3. In case *Bank* requests that an overdraft be repaid prematurely, *Bank* shall be entitled to use *Financial Pledge* immediately (paragraphs A11.1 – A11.3 of the *Terms* above).

B8. Terms of Short-term Loans

B8.1. Application

- B8.1.1. These terms of *Short-term Loans* shall apply to relations between *Bank* and *Client*, when *Client* has applied for receiving or has received a *Short-term Loan* from the *Bank*.
- B8.1.2. A *Short-term Loan* shall be granted following the *Client's* request for the sake of executing the *Client's* payment or other order, in accordance with procedures set forth herein, by crediting granted funds to the *Client's Current Account*.

B8.2. Procedure of receiving and issuing a Short-term Loan

- B8.2.1. In order to receive a *Short-term Loan*, the *Client* shall agree on the purpose, amount, repayment procedure, interest rate on the loan use, security and other conditions of the *Short-term Loan* with the *Bank* and shall submit its application to the *Bank*.
- B8.2.2. The *Bank* shall be entitled to unilaterally refuse issue of a *Short-term Loan* at any time without notice to the *Client*.
- B8.2.3. The *Bank* shall issue a *Short-term Loan* by transferring its amount to the *Client's Current Account*. The *Short-term Loan* shall be deemed received upon being credited to the *Client's Current Account*.
- B8.2.4. The *Bank* shall notify the *Client* of the amount of issued *Short-term Loan*, stating the same in the *Client's Current Account* statement. The *Bank* shall notify the *Client* of the period and interest rate on the loan use of the granted (issued) *Short-term Loan* by a special *Notice*.

B8.3. Repayment of a Short-term Loan

- B8.3.1. The *Client* shall repay the *Short-term Loan* and make related payments within the period set in the *Application*.
- B8.3.2. The *Parties* agree that, regardless of the *Short-term Loan* period, the *Bank* shall be entitled to debit the *Client's Current Account* with the *Bank* with funds for repaying the *Short-term Loan* every working day without acceptance.
- B8.3.3. The *Bank* shall be entitled to request the *Short-term Loan* to be repaid by the *Client* at any moment. The *Client* shall repay the *Short-term Loan* and make related payments to the *Bank* on the date of receipt of such request, by crediting the respective amount to the *Client's Current Account*.

B8.4. Charges and interest payments

- B8.4.1. The *Client* shall pay the *Bank* the *Charge* for granting the *Short-term Loan* and interest for using the *Short-term Loan* according to the *Rates and Charges*, unless the *Parties* have agreed on a different interest rate. The interest on the loan use shall be accrued on the whole amount of the granted *Short-term Loan*, and the term of paying the interest shall be the day of repaying the *Short-term Loan*. The interest for using the *Short-term Loan* for one day shall be calculated assuming that a year is comprised of 360 days, and the interest shall be charged for each calendar day of using the *Short-term Loan* (*Actual / 360*).
- B8.4.2. For accrual of the *Short-term Loan* interest, the days when the *Short-term Loan* is issued and repaid shall be considered to be a single day.
- B8.4.3. For each delayed payment (of the *Short-term Loan* principal) the *Client* shall pay the *Bank* the overdue interest of the amount stated in the *Rates and Charges*. The overdue interest shall be accrued on the whole amount of the delayed payment under the *Short-term Loan*, and the term of paying the interest shall be the last day of the month. The overdue interest for one day of delaying a payment under the *Short-term Loan* shall be calculated assuming that a year is comprised of 360 days, and the overdue interest shall be withheld for each calendar day of delaying a payment under the *Short-term Loan* (*Actual / 360*).

B8.5. Security of a Short-term Loan

- B8.5.1. A deposit may be used as security of a *Short-term Loan*, as well as limitations may be set on use of the *Client's* funds and financial instruments. The *Bank's* rights mentioned in the previous sentence shall not cancel or limit the *Financial Pledge* established by the *Client* in favour of the *Bank* in accordance with section A11 of the *Terms* above, and the *Bank's* ensuing rights.
- B8.5.2. The *Bank* shall be entitled to limit use by the *Client* and its closely related *Clients* (paragraph A11.3 of the *Terms* above) of any financial instruments and funds of the *Client* in any account with the *Bank* and in any currency until the *Short-term Loan* issued to the *Client* is repaid.
- B8.5.3. In case the *Bank* requests premature repayment of the *Short-term Loan*, the *Bank* shall be entitled to use the *Financial Pledge* immediately (paragraphs A11.1 – A11.3 of the *Terms* above).

B9. Forex Terms

B9.1. General Forex Terms

B9.1.1. Application

The present Currency Exchange *Terms* shall apply to relations between the *Client* and the *Bank*, in case the *Client* has applied for a forex *Transaction* with the *Bank*.

The *Bank* shall execute forex *Transactions* in accordance with the list of convertible currencies set by the *Bank* that is published at the *Bank's* website **www.ablv.com**.

The *Bank* shall be entitled to deny execution of a forex *Transaction*. This being the case, the *Bank* shall not be obliged to explain the reason for denial to the *Client*.

The *Client* may apply for a forex *Transaction* in the *Client's Current Account, Cash Account, or Forward Transaction Collateral Account*.

The *Bank* shall execute the forex *Transaction* on the value date. The value date shall be determined depending on the type of the forex *Transaction* and shall be agreed upon by the *Client* and the *Bank* at the moment of concluding the forex *Transaction*.

B9.1.2. The terms mentioned in clause B9.1 of the *Terms* shall have the following meaning:

Spot Transaction – a forex *Transaction* the terms of executing which are as follows:

- a. *TOD* – the value date is the day of concluding the *Transaction*;
- b. *TOM* – the value date is the following *Bank* day after the day of concluding the *Transaction*;
- c. *Spot* – the value date is the second *Bank* day after the day of concluding the *Transaction*.

B9.1.3. General and Special Currency Exchange Rate

B9.1.3.1. A forex *Transaction* shall be executed at the general currency exchange rate of the *Bank*. The *Bank* shall be entitled to apply different currency exchange rates to the *Transactions* in cash and non-cash form.

B9.1.3.2. In case the amount of a forex *Transaction* exceeds the amount stated in the *Rates and Charges*, the *Client* shall be entitled to apply for a special currency exchange rate for such *Transaction*.

B9.1.3.3. A *Transaction* at a special currency exchange rate shall be considered concluded when the *Parties* have agreed on the currency to be bought and sold, the amounts, the currency exchange rate, the value date of the *Transaction* (by default, the term of execution *TOD* shall be applied to such *Transaction*).

B9.1.3.4. In case the *Parties* have agreed, the special currency exchange rate shall be stated in the forex order, otherwise the *Transaction* shall be executed at the general currency exchange rate of the *Bank*.

B9.1.4. Application for a forex *Transaction*, conclusion, and execution of the same

B9.1.4.1. Should the *Client* submit a forex order with the *Transaction* conditions not being previously agreed upon with the *Bank*, the *Transaction* shall be deemed concluded only after the *Bank* confirms the conditions stated in the forex order.

B9.1.4.2. The *Client* shall be entitled to apply for the *Transaction* by submitting a forex order to the *Bank*. Unless the *Bank* denies execution of such forex order, the *Client* shall ensure that the amount necessary for executing the *Transaction* is available in the *Client's* account on the following *Bank* day after the *Transaction* value date at the latest.

B9.1.4.3. Having performed the *Client* authentication on the basis of the *Client's* name, surname, or company name, the number assigned to the *Client*, the *Bank* shall be entitled to accept the forex order submitted by the *Client* over the phone (paragraph B12.3 of the *Terms* below), to agree upon the *Transaction* conditions with the *Client*, and to conclude the *Transaction*. This being the case, the *Client* shall:

- a. on the same *Bank* day, submit a written *Notice* containing the conditions of the forex order and
- b. ensure that the amount necessary for executing the *Transaction* is available in the *Client's* account on the following *Bank* day after the *Transaction* value date at the latest.

B9.1.4.4. Having performed the *Client* authentication on the basis of the *Current Account* password (paragraph B12.2 of the *Terms* below), besides the authentication data mentioned in paragraph B9.1.4.3 of the *Terms* above, the *Bank* shall be entitled to accept the forex order submitted by the *Client* over the phone (paragraph B12.3 of the *Terms* below), to agree upon the respective forex *Transaction* conditions with the *Client*, and to execute the *Transaction* within the limit of the *Client's* account balance.

- B9.1.4.5. Should the *Client* fail to submit a written *Notice* (paragraph B9.1.4.3.a of the *Terms* above) to the *Bank* or to ensure the amount necessary for the *Transaction* execution, the *Transaction* shall be considered terminated, and the *Client* shall reimburse the *Bank* for all expenses and losses sustained by the *Bank* due to the same.
- B9.1.4.6. If the *Bank* sustains losses due to the same, the *Bank* shall execute the forex transaction according to the conditions of the concluded *Transaction* and an opposite forex transaction at the current market rate.
- B9.1.4.7. If the *Bank* does not sustain losses due to the same, the *Bank* shall terminate the *Transaction* applied for by the *Client*, without taking the actions mentioned in paragraph B9.1.4.6 above.

B9.2. Terms of Limit Order Forex Transactions

B9.2.1. Application

- B9.2.1.1. Paragraph B9.2 of the *Terms* shall apply to relations between the *Client* and the *Bank* where the *Client* has applied for concluding a *Limit Order Transaction* to the *Bank*.
- B9.2.1.2. The *Bank* shall execute *Limit Order Transactions* in accordance with the list of convertible currencies set by the *Bank* that is published at the *Bank's* website **www.ablv.com**, applying the provisions set forth in the *Rates and Charges*, including those on the maximum term and minimum amount of a *Limit Order Transaction*.
- B9.2.1.3. The *Bank* shall be entitled to deny conclusion of the *Limit Order Transaction* if the *Client* submits an order for the *Limit Order Transaction* to the *Bank* without agreeing upon the same with the *Bank* in advance.

B9.2.2. The term *Limit Order Transaction* mentioned in paragraph B9.2 of the *Terms* shall have the following meaning: a forex *Transaction* with regard to which the *Client* submits a limit order to the *Bank* requesting the *Transaction* to be performed at the special rate agreed upon with the *Bank*, and the *Transaction* is performed by the *Bank* upon the currency exchange rate at the currency market available to the *Bank* reaches the level agreed upon with the *Client*.

B9.2.3. Procedure for concluding the *Limit Order Transactions*

- B9.2.3.1. In order to conclude a *Limit Order Transaction*, the *Client* shall agree on the following conditions of the respective *Transaction* with the *Bank* by phone: currency exchange rate to be reached at the currency market available to the *Bank* for the *Transaction* to be executed, currency exchange rate at which the *Transaction* will be executed, *Transaction* amount, and *Transaction* term.
- B9.2.3.2. The *Bank* and the *Client* may agree on the following validity terms of a *Limit Order Transaction*: valid until a particular date (good till date) or until revocation (good till cancelled). This being the case, the *Transaction* term may not exceed 60 (sixty) calendar days after the *Transaction* conditions are agreed upon. If the *Client* does not state the *Transaction* term, the *Transaction* shall be deemed valid until revocation (good till cancelled), observing the limitation of 60 (sixty) calendar days.
- B9.2.3.3. After the conditions of the *Limit Order Transaction* are agreed upon, the *Client* shall submit the *Transaction* order to the *Bank*, stating the *Transaction* conditions agreed upon with the *Bank* therein.

B9.2.4. Execution of the *Limit Order Transactions*

- B9.2.4.1. The *Bank* shall execute the *Limit Order Transaction* at the moment the currency exchange rate at the currency market available to the *Bank* reaches the level agreed upon by the *Bank* and the *Client* when concluding the respective *Limit Order Transaction*.
- B9.2.4.2. The *Client* shall ensure that the amount required for execution of the *Limit Order Transaction* is available in the *Client's* account on the following *Bank* day after the currency exchange rate at the currency market available to the *Bank* reaches the level agreed upon with the *Client* at the latest.

B9.2.5. Termination of the *Limit Order Transactions*

- B9.2.5.1. If the *Client* fails to submit the order containing agreed conditions of the *Limit Order Transaction* to the *Bank* or fails to ensure the amount required for execution of the *Transaction*, the *Transaction* shall be deemed terminated and the *Client* shall reimburse the *Bank* for all expenses and losses sustained by the *Bank* due to the same.
- B9.2.5.2. If the *Bank* sustains losses due to the same, the *Bank* shall execute the forex transaction in the *Client's* account according to the conditions of the concluded *Transaction* and an opposite forex transaction at the current market rate.
- B9.2.5.3. If the *Bank* does not sustain losses due to the same, the *Bank* shall terminate the *Transaction* applied for by the *Client*, without taking the actions mentioned in paragraph B9.2.5.2 above.

- B9.2.5.4. Any time before the *Limit Order Transaction* is executed, the *Client* shall be entitled to terminate such *Transaction*, notifying the *Bank* of the same by phone.

B9.3. Terms of Forward Forex Transactions

B9.3.1. Application

- B9.3.1.1. Paragraph B9.3 of the *Terms* shall apply to relations between the *Client* and the *Bank* where the *Client* has applied for concluding a *Forward Transaction* to the *Bank*.
- B9.3.1.2. The *Bank* shall execute *Forward Transactions* in accordance with the list of convertible currencies set by the *Bank* that is published at the *Bank's* website www.ablv.com, applying the provisions set forth in the *Rates and Charges*.
- B9.3.1.3. The *Bank* shall be entitled to deny conclusion of the *Forward Transaction* in the currencies not mentioned in the *Bank's* list of convertible currencies and/or *Rates and Charges*.
- B9.3.1.4. The *Client* represents that the *Forward Transactions* will be concluded by the *Client* for commercial purposes only, in order to hedge the risks associated with the *Client's* economic activity.

B9.3.2. The terms mentioned in clause B9.3 of the *Terms* shall have the following meaning:

Forward Transaction – a forex *Transaction* the term of executing which is a particular future date, however not preceding the third *Bank* day after the date of concluding the *Transaction* at the rate determined at the moment of concluding this *Transaction*;

Forward Transaction Collateral Account – the *Client's* account with the *Bank* the funds held in which are used as collateral of the *Forward Transactions* concluded by the *Client*;

Forward Transaction Portfolio – an aggregate of entries linked to the *Forward Transaction Collateral Account* in the *Bank's* accounting system to which all *Forward Transactions* concluded by the *Client* are posted;

Initial Margin – the level of minimum margin requirements to the collateral, set forth in the *Rates and Charges*, that is necessary for concluding the *Forward Transaction* and is calculated according to the total amount of all *Forward Transactions* concluded by the *Client* at the current exchange rate;

Maintenance Margin – the level of margin requirements, set forth in the *Rates and Charges*, that, upon being reached, entitles the *Bank* to request the collateral of the concluded *Forward Transactions* to be increased by the *Client*;

Stop Loss – the level of margin requirements, set forth in the *Rates and Charges*, that, upon being reached, entitles the *Bank* to initiate the termination of the *Client's* concluded *Forward Transaction* unilaterally and without acceptance;

Uncompleted Transaction – a *Forward Transaction* concluded by the *Client* is deemed uncompleted before its value date has come or where the same has not been terminated prior to the value date. Until the value date or the moment of the *Transaction* termination, the *Bank* shall include the revaluation of the *Uncompleted Transaction* and the result of the same at the current exchange rate in calculation of the *Forward Transaction* collateral;

Completed Transaction – a *Forward Transaction* concluded by the *Client* is deemed completed where its value date has come or where the same has been terminated prior to the value date pursuant to the *Client's* order or in case of *Stop Loss* occurrence. From the moment of the *Transaction* termination till the *Transaction* value date, the *Bank* shall not include the revaluation of the *Completed Transaction* and the result of the same at the current exchange rate in calculation of the *Forward Transaction* collateral.

Forward Transaction Collateral – the total of the funds in the *Forward Transaction Collateral Account* and the revaluation result of all the *Client's* *Uncompleted Transactions*.

B9.3.3. Procedure for concluding the *Forward Transactions*

- B9.3.3.1. Before concluding the *Forward Transaction*, the *Client* shall open the *Forward Transaction Collateral Account* and the *Forward Transaction Portfolio*, submitting the application to the *Bank* for this sake.
- B9.3.3.2. In order to conclude a *Forward Transaction*, the *Client* shall agree on the conditions of the respective *Transaction*: exchange rate, amount, and value date of the *Transaction*, and shall submit the *Transaction* order to the *Bank*, stating the *Transaction* conditions approved by the *Bank* therein. The *Bank* and the *Client* may agree upon any value date of a *Forward Transaction*, provided this date is not more than 6 (six) months after entering into the *Forward Transaction*.
- B9.3.3.3. Before submitting a *Forward Transaction* order, the *Client* shall ensure that the balance of the *Forward Transaction Collateral Account* is not below the level of the *Initial Margin*.

- B9.3.4. Procedure for using the *Forward Transaction Collateral Account*
- B9.3.4.1. The interest on the balance of funds in the *Forward Transaction Collateral Account* shall be accrued and paid if the same is stipulated in the *Rates and Charges*. The interest on the balance of funds held in the *Forward Transaction Collateral Account* for one day shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly) and shall be paid for each day on the amount of funds in the *Forward Transaction Collateral Account* as at the end of the respective day (*Actual / Actual*).
- B9.3.4.2. The interest on the balance of funds held in the *Forward Transaction Collateral Account* shall be paid to the *Client* by the *Bank* once per month by crediting the interest to the *Client's Forward Transaction Collateral Account*.
- B9.3.4.3. If as a result of the *Client's Transactions* the funds in the applied currency of the *Forward Transaction* in the *Forward Transaction Collateral Account* are insufficient for discharge of the *Client's* obligations to the *Bank*, the *Bank* for the sake of discharge of the said obligations shall be entitled to grant the *Technical Overdraft* equal to the amount necessary for discharge of the *Client's* obligations in the respective currency and shall apply the same towards payment of the *Client's* debt. The *Client* shall not be entitled to receive once again the amount of the *Technical Overdraft* used. The *Bank* shall calculate the interest on the capital use on the *Technical Overdraft* in accordance with provisions of the *Rates and Charges*.
- B9.3.4.4. In case of *Technical Overdraft* granted, the *Bank*, without specific order of the *Client*, shall apply the *Technical Overdraft* towards discharge of the *Client's* obligations arising out of the *Terms* the amount required for discharging which exceeds the balance in the applied currency of the *Client's Forward Transaction Collateral Account* with the *Bank*. This being the case, the overdraft shall be deemed used to the amount deficient for the discharge of obligations at the moment of discharging the obligations mentioned in the foregoing sentence. The *Bank* shall inform the *Client* of the granted (provided) *Technical Overdraft* term, interest rate on the capital use, and amount by means of a specific *Notice*.
- B9.3.4.5. The *Client* shall repay the *Technical Overdraft* on the last day of the current month. The day of granting the *Technical Overdraft* and the day of repayment of the same shall be considered to be a single day. Should the *Client* receive and repay the *Technical Overdraft* on the same day, the *Bank* shall be entitled to withhold the interest on the capital use, charging the same on the maximum amount of the overdraft used on the respective day. All funds that are held or will be held in the *Client's* accounts with the *Bank* shall serve as financial collateral of the overdraft granted to the *Client* and the performance of obligations under the same in accordance with section A11 of the *Terms*.
- B9.3.4.6. The *Client* represents that the same is informed of the *Bank's* obligation to provide information on the *Client* to the Bank of Latvia and right to receive information from the Bank of Latvia on instances stipulated by the Regulation for the Credit Register. The *Client* is informed of individuals' and legal entities' rights to receive information regarding themselves that is included in the Credit Register of the Bank of Latvia.
- B9.3.4.7. The *Client* shall control the compliance of the balance of funds held in the *Forward Transaction Collateral Account* with the requirements set forth in the *Rates and Charges* regarding the collateral of the *Forward Transactions*.
- B9.3.4.8. The *Bank* shall be entitled, without obligation, to notify the *Client* about incompliance with the requirements set forth in the *Rates and Charges* regarding the level of the collateral of the *Forward Transactions*.
- B9.3.4.9. The *Client* shall be entitled to submit a payment order on the funds transfer from the *Forward Transaction Collateral Account* to the *Client's Current Account* with the *Bank* only. The *Bank* shall be entitled to deny execution of such order if the balance of the *Forward Transaction Collateral Account* declines below the *Initial Margin* as a result of executing such payment order.
- B9.3.5. Execution of the *Forward Transactions*
- The *Bank* shall execute the *Forward Transactions* concluded by the *Client* on the value date of those *Transactions*, and the *Bank* shall perform necessary settlement in the *Forward Transaction Collateral Account* according to the conditions of the respective *Transaction*.
- B9.3.6. Termination of the *Forward Transactions*
- B9.3.6.1. Termination of the *Forward Transaction* following the *Client's* initiative
- Any time before the *Forward Transaction* value date, the *Client* shall be entitled to terminate the *Uncompleted Transaction* having agreed upon the conditions of terminating such *Transaction* with the *Bank*.
- Following the *Client's* initiative, the *Forward Transactions* shall be terminated in one of the following ways:

- a. In case of the *Forward Transaction* execution refused by the *Client* – the *Bank* shall conclude an opposite *Forward Transaction* with the *Client* at the special exchange rate. On the value date, the *Bank* shall execute the *Client's* initially concluded *Forward Transaction* and the *Forward Transaction* concluded on the *Transaction* termination day, and the *Bank* shall post the respective entries to the *Forward Transaction Collateral Account* according to the conditions of both these *Transactions*.
- b. In case of premature execution of the *Forward Transaction* concluded by the *Client* – the *Bank* shall conclude a *Spot Transaction* with the *Client*, applying the conditions equal to those of the *Forward Transaction* being terminated, however at the special exchange rate, including the *Bank's* expenses on the acquisition of necessary funds in the exchange rate calculation, and the *Bank* shall post the respective entries to the *Forward Transaction Collateral Account*. Besides the said *Spot Transaction*, the *Bank* shall conclude an opposite *Forward Transaction* with the *Client*, applying the conditions equal to those of the *Forward Transaction* being terminated. On the value date, the *Bank* shall execute both *Forward Transactions*, posting the respective entries to the *Forward Transaction Collateral Account* according to the conditions of both these *Transactions*.

B9.3.6.2. Termination of the *Forward Transaction* in case of *Stop Loss*

Upon occurrence of the *Stop Loss* situation, the *Bank* shall conclude the *Spot Transaction* with the *Client*, applying the conditions equal to those of the *Forward Transaction* being terminated without acceptance, but such *Spot Transaction* shall be opposite to the *Forward Transaction* being terminated at the special exchange rate, and the *Bank* shall include the *Bank's* expenses on the acquisition of necessary funds in the exchange rate calculation and shall post the respective entries to the *Forward Transaction Collateral Account*. On the value date, the *Bank* shall execute the *Client's* initially concluded *Forward Transaction*, posting the respective entries to the *Forward Transaction Collateral Account* according to the conditions of this *Transaction*.

B9.4. Special requirements under EMIR

- B9.4.1. The *Bank* shall confirm conclusion of the *Forward Transactions* by displaying the *Transaction* in the *Client's Internetbank*. In case the *Client*, upon receiving the confirmation on conclusion of the *Forward Transaction*, has not within one *Bank* day after receipt of the notice submitted objections regarding it to the *Bank*, it shall be deemed that the *Client* consents to the confirmation sent by the *Bank*.
- B9.4.2. The *Bank* shall assign a unique transaction identifier (*UTI*) and inform the *Client* of the same in the confirmation on conclusion of the *Forward Transaction*.
- B9.4.3. For reconciliation of the *Forward Transaction Portfolio*, the *Bank* shall supply the *Client* with information on assessment of non-executed *Forward Transactions*, pursuant to requirements of Regulation (EU) No 648/2012 of the European Parliament and of the Council (hereinafter referred to as the EMIR). Should the *Client* fail to submit its objections regarding the same to the *Bank* within five days, the assessment sent by the *Bank* shall be deemed reconciled by the *Client*.
- B9.4.4. The *Client*–legal entity shall be obliged to inform the *Bank* in case of achieving or exceeding the clearing threshold stated in the EMIR.
- B9.4.5. The *Bank* shall report concluded *Forward Transactions* to the trade repositories chosen by the *Bank* at its discretion and to other persons pursuant to the EMIR requirements.
- B9.4.6. The *Client* can find additional information on the EMIR requirements and duties thereunder at the *Bank's* website <http://www.ablv.com/en/legal/EMIR>.

B10. Terms of Documentary Transactions

B10.1. Application

These *Terms* shall apply to relations between the *Parties* under documentary transactions, with regard to the use of the letters of credit, bank guarantees, and collection services.

The respective uniform rules of the International Chamber of Commerce shall apply to documentary transactions:

- a. Uniform Customs and Practice for Documentary Credits,
- b. International Standard Banking Practice for the Examination of Documents under UCP 600,
- c. Uniform Rules for Demand Guarantees,
- d. International Standby Practices,
- e. Uniform Rules for Collections.

Unless stated otherwise in the guarantee, letter of credit, or collection, the latest revision/edition of the said rules effective as at the date of issuing the guarantee, letter of credit, collection shall be applied to the documentary transactions.

The *Client's Current Account* with the *Bank* shall be a precondition for using the documentary transactions services.

B10.2. Charges

The *Client* shall pay the *Charges* to the *Bank* for execution of documentary transactions according to the *Rates and Charges*.

B10.3. General Terms of Documentary Transactions

- B10.3.1. In connection with execution of documentary transactions, the *Bank* is entitled to require the *Client* to submit any documents to the *Bank*, including without limitation contracts that justify the transaction, trade and transport documents, etc. Unless the *Client* submits the requested documents, the *Bank* may suspend fulfilment of its liabilities related to execution of the respective documentary transactions until such moment as the *Client* submits the requested documents to the *Bank*.
- B10.3.2. The *Bank* shall send all documents related to execution of documentary transactions by means of express mail service chosen by the *Bank*. The *Bank* shall not be responsible for damage or loss of documents sent by express mail or delay in their delivery to the addressee. The *Bank* shall not be responsible for losses incurred by the *Client* and/or third persons, where documents sent by express mail are damaged, lost or fail to be delivered to the addressee on time.
- B10.3.3. The *Bank* shall independently choose banks to be used for advising and confirmation of the letter of credit or guarantee. The *Bank* undertakes to observe as much caution as possible in choosing banks to advise and confirm the letter of credit or guarantee, however the *Bank* shall not be responsible for the actions of such banks. At the *Client's* request the *Bank* may ask a specific bank to confirm the letter of credit or guarantee.
- B10.3.4. The *Bank* shall issue a guarantee (hereinafter in this section B10 of the *Terms* referred to as the *Guarantee*) in favour of the *Guarantee* beneficiary (hereinafter in this section B10 of the *Terms* referred to as the *Guarantee Beneficiary*) pursuant to the agreement on issuing the *Guarantee* made between the *Parties* (hereinafter in section B10.5 of the *Terms* referred to as the *Guarantee Agreement*), which is constituted by the *Client's* application for the issue of the *Guarantee* (hereinafter in this section B10 of the *Terms* referred to as the *Guarantee Application*) acceptable to the *Bank* in terms of its form and content, the *Terms*, and the Uniform Rules for Demand Guarantees of the International Chamber of Commerce.
- B10.3.5. The *Bank* shall issue a letter of credit (hereinafter in this section B10 of the *Terms* referred to as the *Letter of Credit*) in favour of the *Letter of Credit* beneficiary (hereinafter in this section B10 of the *Terms* referred to as the *Letter of Credit Beneficiary*) pursuant to the agreement on issuing the *Letter of Credit* made between the *Parties* (hereinafter in this section B10 of the *Terms* referred to as the *Letter of Credit Agreement*), which is constituted by the *Client's* application for the issue of the *Letter of Credit* (hereinafter in this section B10 of the *Terms* referred to as the *Letter of Credit Application*) acceptable to the *Bank* in terms of its form and content, the *Terms*, and the following rules of the International Chamber of Commerce: Uniform Customs and Practice for Documentary Credits and International Standard Banking Practice for the Examination of Documents under UCP600.
- B10.3.6. If the *Letter of Credit* or *Guarantee* beneficiary bank or confirming bank requests cash cover, the *Bank* may deposit the cash cover with the confirming bank or beneficiary bank, following the *Client's* written order. In such case the *Client* assumes all risks related to such payment, as well as with safety and refund of the said funds. Such funds shall be held by the confirming bank or the beneficiary bank according to the conditions of the same.
- B10.3.7. If the *Bank* is appointed the nominated bank without the need to confirm the letter of credit in accordance with conditions of the export letter of credit, and the *Bank* agrees to execute the letter of credit without confirming it, then the *Bank* shall only credit to the *Client* the funds payable against the documents submitted under the letter of credit after the *Bank* receives such funds from the issuing bank or the paying bank.

- B10.3.8. Immediately upon the *Bank's* request, the *Client* shall reimburse the *Bank* for all payments made by the *Bank* under the *Letter of Credit* and/or the *Guarantee*, as well as for all expenses and losses incurred by the *Bank* with regard to the *Letter of Credit* and/or the *Guarantee*, including compensation of the cash cover deposited by the *Bank* with the confirming bank or beneficiary bank following the *Client's* order.
- B10.3.9. Validity period of the *Guarantee Application* or the *Letter of Credit Application* shall be 60 (sixty) *Bank* days after the same is submitted to the *Bank*.

B10.4. Terms of the Security Account

- B10.4.1. *Security Account* is the account opened with the *Bank* to which the necessary amount of funds is transferred by the *Bank* from the source of funds stated in the *Guarantee / Letter of Credit Application* in order to secure the *Client's* obligations arising out of the *Guarantee/Letter of Credit Agreement*.
- B10.4.2. Where incoming payment from the *Guarantee Beneficiary* is stated in the *Guarantee Application* as the source of funds for the *Guarantee* security account (for advance payment guarantees and maintenance guarantees), the *Current Account* with the *Bank* to which the advance payment or the released retention money should be credited by the *Guarantee Beneficiary* according to the *Guarantee* provisions shall be blocked by the *Bank* for the period between the moment of issuing the *Guarantee* and the moment of opening the *Guarantee* security account.
- B10.4.3. The funds in the *Security Account* shall be pledged in favour of the *Bank* as financial pledge to secure the *Client's* obligations arising out of the *Guarantee* and/or the *Letter of Credit Agreement*. Where the *Bank* has to make a payment under the respective *Guarantee* and/or *Letter of Credit*, the *Bank*, without particular order from the *Client* and without prior notice, shall apply the funds held in the *Security Account* towards making such payment according to the provisions of the *Guarantee* and/or the *Letter of Credit*.
- B10.4.4. Where the *Client's* obligations to the *Bank* arising out of the *Guarantee / Letter of Credit Agreement* are secured by the funds in the *Security Account* of the *Guarantee / Letter of Credit*, the *Guarantee/Letter of Credit Application* shall also include the application for opening the security account of the *Guarantee/Letter of Credit*. The provisions of the *Guarantee / Letter of Credit* security account agreement (hereinafter in section B10 of the *Terms* referred to as the *Security Account Agreement*) shall be constituted by the provisions contained in the *Guarantee / Letter of Credit Application* and the *Terms*. The *Bank* shall be entitled, at its own discretion, to enter into specific agreement on the *Security Account* with the *Client* the funds of which are used for forming the *Security Account*.
- B10.4.5. The amount of funds in the *Security Account* shall be equal to the amount of the *Guarantee/Letter of Credit* being issued if the currency of the *Guarantee/Letter of Credit* accordingly matches the *Security Account* currency.
- B10.4.6. If the currency of the *Guarantee / Letter of Credit* does not match the *Security Account* currency, the *Bank* may unilaterally determine the amount by which the *Security Account* amount should exceed the amount of the *Guarantee / Letter of Credit* being issued. In order to determine the *Security Account* amount in accordance with this clause, the respective currency exchange rate set by the *Bank* as at the day of opening the *Security Account* shall be applied.
- B10.4.7. Interest on the amount of funds held in the *Security Account* shall be accrued and paid in accordance with the *Rates and Charges*. The interest on the funds held in the *Security Account* shall be accrued daily, on the amount of funds in the *Security Account* as at the end of the respective day, and the same shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly) according to the interest rate effective as at the respective day (Actual / Actual).
- B10.4.8. The *Security Account* shall be opened for a period until the *Bank* day following the day of termination of all the *Bank's* obligations under the *Guarantee* or the *Letter of Credit* for the purpose of which the respective *Security Account* is opened, provided the *Guarantee / Letter of Credit* cash cover deposited by the *Bank* with the *Guarantee/Letter of Credit* confirming bank or beneficiary bank is returned by the same to the *Bank* and all the *Client's* obligations arising out of the respective *Guarantee* or *Letter of Credit Agreement* are discharged. The *Client* shall not be entitled to unilaterally terminate the *Security Account Agreement* prematurely and to demand payment of the amount deposited in the *Security Account* and the accrued outstanding *Security Account* interest.
- B10.4.9. Where the *Bank* has to pay the *Guarantee / Letter of Credit* in full according to the provisions of the *Guarantee/Letter of Credit* issued by the *Bank* pursuant to the *Guarantee/Letter of Credit Agreement*, the *Bank* shall be entitled to unilaterally terminate the *Security Account Agreement* prematurely and to transfer the necessary amount available in the *Security Account* to the *Guarantee Beneficiary/Letter of Credit Beneficiary*.
- B10.4.10. Where the *Bank* has to pay the *Guarantee / Letter of Credit* partly according to the provisions of the *Guarantee / Letter of Credit* issued by the *Bank* pursuant to the *Guarantee / Letter of Credit Agreement*, the *Bank* shall be entitled to unilaterally decrease the amount available in the *Security Account* by the amount of the *Guarantee / Letter of Credit* payment to be performed and shall transfer the same to the *Guarantee Beneficiary / Letter of Credit Beneficiary*.
- B10.4.11. Where the *Bank* has to pay the *Guarantee/Letter of Credit* in full or partly according to the provisions of the *Guarantee/Letter of Credit* issued by the *Bank* pursuant to the *Guarantee / Letter of Credit Agreement*, and the

Security Account currency is different from the *Guarantee/Letter of Credit* currency, then on the day of the *Guarantee/Letter of Credit* payment the *Bank*, following the provisions of clauses B10.4.9 and B10.4.10 of the *Terms* above, shall exchange the funds held in the *Security Account* applying the respective currency exchange rate set by the *Bank*, as is necessary to obtain the amount required to perform the *Guarantee/Letter of Credit* payment, and shall transfer the amount resulting from the currency exchange to the *Guarantee Beneficiary/Letter of Credit Beneficiary*.

- B10.4.12. Upon expiration of the *Security Account* period (clause B10.4.8 of the *Terms* above), the *Bank* shall unilaterally close the *Security Account* and shall transfer the funds available in the *Security Account* and the accrued outstanding *Security Account* interest to the *Client's Current Account* with the *Bank*.
- B10.4.13. If the other bank does not accept the *Guarantee* or the *Letter of Credit* issued by the *Bank*, the *Bank* shall transfer the amount available in the *Security Account* to the *Client*, where the obligations under the respective *Guarantee* or *Letter of Credit* are secured by the funds in the *Security Account*, and shall withhold the *Bank's Charges* for the services rendered to the *Client* in accordance with the *Rates and Charges*.

B10.5. Terms of Guarantee Issue

- B10.5.1. The *Bank* shall issue a *Guarantee* within 1 (one) *Bank* day after the following conditions are fulfilled:
- the *Guarantee Application* is submitted to the *Bank* and its validity period has not expired;
 - necessary amount of funds is credited to the *Security Account* and it is free of third-party claims (except where the source of funds for the *Guarantee* security account is the incoming payment (for advance payment guarantees and maintenance guarantees) from the *Guarantee Beneficiary* and where no *Security Account* is used for discharge of the *Client's* obligations arising out of the *Guarantee Agreement*);
 - the *Charge* related to issuing the *Guarantee* is paid to the *Bank*, except where the *Charge* is to be paid by the *Guarantee Beneficiary*;
 - the *Client* has confirmed the *Guarantee* text to the *Bank*.
- B10.5.2. By issuing the *Guarantee*, the *Bank* undertakes to pay an amount up to that specified in the *Guarantee* to the *Guarantee Beneficiary* after the first demand for payment is received from the *Guarantee Beneficiary*, provided the *Guarantee* is valid and conditions of payment under the *Guarantee* are fulfilled. The *Guarantee* is an appendix to the *Guarantee Agreement* and an integral part thereof.
- B10.5.3. After the demand for payment is received from the *Guarantee Beneficiary*, the *Bank* shall check compliance of the submitted documents with conditions of the *Guarantee*. The *Bank* shall not be responsible for the form, sufficiency, authenticity, precision, validity, falsification of the submitted documents, for the content of such document, statements contained therein, or the quantity, quality or availability of the goods and services (where they are specified in the submitted documents).
- B10.5.4. In cases where in accordance with the *Guarantee Agreement* the *Bank* issues the *Guarantee* through a bank confirming the *Guarantee*, such confirming bank shall undertake the guarantee liabilities against the *Guarantee Beneficiary* at the *Bank's* request and issue the respective guarantee (hereinafter in clause B10.5 of the *Terms* referred to as the *Indirect Guarantee*). In such cases the *Bank* shall issue the respective *Guarantee* in favour of the confirming bank (hereinafter referred to as the *Counter Guarantee*) and undertake liabilities for the respective payment under the *Guarantee* to the confirming bank in cases where the *Guarantee Beneficiary* requests payment from the confirming bank in accordance with the *Indirect Guarantee* issued thereby to the *Guarantee Beneficiary*.
- B10.5.5. In cases where the *Bank* issues a *Counter Guarantee*, the term of the *Guarantee* specified in the *Guarantee Agreement* shall be the term of the *Indirect Guarantee* issued by the confirming bank in favour of the *Guarantee Beneficiary*. In its turn, the term of the *Counter Guarantee* issued by the *Bank* shall be the term determined by the *Bank* unilaterally and specified in the text of the *Counter Guarantee*. The term of the *Counter Guarantee* shall exceed that of the *Indirect Guarantee* by at least fifteen calendar days.
- B10.5.6. The liabilities under the *Guarantee*, the *Indirect Guarantee* and the *Counter Guarantee* shall be regulated by the laws and conditions mentioned in the text of the *Guarantee*, the *Indirect Guarantee* and the *Counter Guarantee* accordingly.
- B10.5.7. The *Guarantee Agreement* and the *Guarantee Security Account Agreement* shall be entered into and become effective at the moment when the *Client* confirms the *Guarantee* text in the form and way acceptable to the *Bank*.
- B10.5.8. The *Client* shall be entitled to ask the *Bank* to amend the terms of the *Guarantee* and/or cancel the *Guarantee* by submitting to the *Bank* an application for amendment of the terms of the *Guarantee* in accordance with *Bank's* requirements.
- B10.5.9. If in accordance with the *Client's* application for the amendment of the terms of the *Guarantee* the *Client* asks the *Bank* to increase the amount of the *Guarantee*, then the *Bank* shall make a decision to increase the amount of the *Guarantee* only after the amount of the *Guarantee* security account is increased by the respective amount, where obligations under the *Guarantee Agreement* are covered by the *Guarantee* security account, or credit amount is increased or the *Guarantee* security account is opened, in case where obligations

under the *Guarantee Agreement* are set off against the credit, or respective amendments are made in the separate agreement on issuing the *Guarantee*, in case the *Guarantee* is issued without security.

- B10.5.10. If the *Bank* in accordance with the *Client's* application for amendment of the *Guarantee* terms decides to increase the amount of the *Guarantee* and/or to prolong the term of the *Guarantee*, and/or to amend other terms of the *Guarantee*, that improve the position of the *Guarantee Beneficiary*, then the *Bank* shall assume that amendments to the *Guarantee* take effect from the moment when the *Bank* issues respective amendments.
- B10.5.11. If the *Bank* in accordance with the *Client's* application for amendment of the *Guarantee* terms decides to reduce the amount of the *Guarantee* and/or the term of the *Guarantee* and/or amend other terms of the *Guarantee*, that jeopardize the position of the *Guarantee Beneficiary*, then amendments shall take effect from the moment when the *Bank* receives respective confirmation of consent / acceptance of the amendments from the *Guarantee Beneficiary* in accordance with *Bank's* requirements.
- B10.5.12. Where the *Bank*, following the *Client's* application for amendment of the *Guarantee* terms, makes the decision to cancel the *Guarantee*, then the *Guarantee* shall be considered cancelled from the moment the *Bank* receives confirmation of (consent to) cancellation of the *Guarantee* from the *Guarantee Beneficiary* in accordance with *Bank's* requirements, and the date of receiving the said confirmation from the *Guarantee Beneficiary* shall be the date of the termination of the *Guarantee* in the terms of paragraph B10.5 of the *Terms*.
- B10.5.13. All amendments to the *Guarantee* after they duly take effect shall constitute an integral part of the *Guarantee Agreement*.
- B10.5.14. In connection with entering into the *Guarantee Agreement* and issue of the *Guarantee*, and amendment of the terms of the *Guarantee* in accordance with conditions of the *Guarantee Agreement* the *Client* or the *Guarantee Beneficiary* accordingly shall pay the *Charges* pursuant to the *Rates and Charges* to the *Bank*, and shall pay charges to the bank confirming the *Guarantee* and/or the bank of the *Guarantee Beneficiary* in such amount and in accordance with procedures as set by such banks. In cases where in accordance with conditions of the *Guarantee Agreement* the *Guarantee Beneficiary* shall pay charges of the *Bank* and/or the bank confirming the *Guarantee* and/or the bank of the *Guarantee Beneficiary*, and the *Guarantee Beneficiary* fails to pay the respective charges at the request of the respective bank, the obligation to pay the respective charges shall be imposed upon the *Client*. Immediately upon the *Bank's* request, the *Client* shall also cover any other costs and losses of the *Bank* related to entering into the *Guarantee Agreement* and issuance of the *Guarantee*, as well as shall reimburse the *Bank* for cash cover deposited by the latter with the confirming bank or beneficiary bank following the *Client's* order.
- B10.5.15. The *Guarantee Beneficiary* may pay the *Bank's Charges*, only where the *Bank* sends the *Guarantee* to the *Guarantee Beneficiary* by means of an electronic message (SWIFT).

B10.6. Terms of Issue of Letters of Credit by Bank

- B10.6.1. The terms used in paragraph B10.6 of the *Terms* shall have the following meaning:
- Letter of credit amount means the maximum possible amount of liabilities under the *Bank's Letter of Credit*. In cases where allowed fluctuations of the *Letter of Credit* amount are specified in the *Letter of Credit Application*, the *Letter of Credit* amount for the purposes of paragraph B10.6 of the *Terms* shall be the amount formed by increasing the *Letter of Credit* amount specified in the *Letter of Credit Application* by the amount of allowed fluctuations specified in the *Letter of Credit Application*;
 - Date of expiry of the *Letter of Credit* means a date specified in the *Letter of Credit Application*. Date of expiry of the *Letter of Credit* is the final date until which the *Letter of Credit Beneficiary* shall submit the documents to the executing bank. Upon expiry of the *Letter of Credit*, the *Bank's* liabilities under the *Letter of Credit* shall continue, provided the *Letter of Credit Beneficiary* has submitted the documents in accordance with conditions of the *Letter of Credit*;
 - Maturity date of the *Letter of Credit* means a date when the *Bank* shall make payment in accordance with the conditions of the *Letter of Credit*, which may be later than the date of expiry of the *Letter of Credit*.
- B10.6.2. The *Bank* shall issue a *Letter of Credit* within 1 (one) *Bank* day after the following conditions are fulfilled:
- a. the *Letter of Credit Application* is submitted to the *Bank* and its validity period has not expired;
 - b. necessary amount of funds is credited to the *Security Account* and it is free of third-party claims (where the *Security Account* is used for discharge of the *Client's* obligations arising out of the *Letter of Credit Agreement*);
 - c. the *Charge* related to issuing the *Letter of Credit* is paid to the *Bank*, except where the *Charge* is to be paid by the *Letter of Credit Beneficiary*;
 - d. the *Client* has confirmed the *Letter of Credit* text to the *Bank*.
- B10.6.3. By issuing the *Letter of Credit*, the *Bank* undertakes to pay an amount up to the *Letter of Credit* amount to the *Letter of Credit Beneficiary* within the term specified in the *Letter of Credit*, upon receipt of the documents specified in the *Letter of Credit* that comply in full with the conditions of the *Letter of Credit*, Uniform Customs

and Practice for Documentary Credits and International Standard Banking Practice for the Examination of Documents under UCP600. The *Letter of Credit* text shall be an appendix to the *Letter of Credit Agreement* and an integral part thereof.

- B10.6.4. After the documents are received from the *Letter of Credit Beneficiary*, the *Bank* shall check compliance of the submitted documents with conditions of the *Letter of Credit*, Uniform Customs and Practice for Documentary Credits and International Standard Banking Practice for the Examination of Documents under UCP600. The *Bank* shall not be responsible for the form, sufficiency, authenticity, precision, validity, falsification of the submitted documents, for the content of such document, statements contained therein, or the quantity, quality or availability of the goods and services (where such are specified in the submitted documents). The *Bank* shall not be responsible for implementation of the agreement between the *Client* and the *Letter of Credit Beneficiary*, and such agreement shall not be binding upon the *Bank*, even if the *Letter of Credit Agreement* and/or the *Letter of Credit* contain a reference to same.
- B10.6.5. Where in accordance with the *Letter of Credit Agreement* the *Bank* shall issue a *Letter of Credit* through a bank confirming the *Letter of Credit*, such confirming bank shall undertake at the *Bank's* request, in addition to the *Bank's* liabilities, to pay an amount up to the *Letter of Credit* amount to the *Letter of Credit Beneficiary* within the term specified in the *Letter of Credit*, upon receipt of the documents specified in the letter of credit that comply in full with the conditions of the letter of credit, Uniform Customs and Practice for Documentary Credits and International Standard Banking Practice for the Examination of Documents under UCP600.
- B10.6.6. The *Letter of Credit Agreement* and the *Letter of Credit Security Account Agreement* shall be entered into and become effective at the moment when the *Client* confirms the *Letter of Credit* text in the form and way acceptable to the *Bank*.
- B10.6.7. The *Client* shall be entitled to ask the *Bank* to amend the terms of the *Letter of Credit* and/or cancel the *Letter of Credit*, by submitting to the *Bank* an application for amendment of the terms of the *Letter of Credit* in accordance with *Bank's* requirements.
- B10.6.8. If in accordance with the *Client's* application for the amendment of the terms of the *Letter of Credit* the *Client* asks the *Bank* to increase the amount of the *Letter of Credit*, then the *Bank* shall make a decision to increase the amount of the *Letter of Credit* only after the amount of the *Letter of Credit* security account is increased by the respective amount, in case where the obligations under the *Letter of Credit Agreement* are covered by the *Letter of Credit* security account, or credit amount is increased or the *Letter of Credit* security account is opened, in case where obligations under the *Agreement* are set off against the credit.
- B10.6.9. Where the *Bank*, pursuant to the *Client's* application for the amendment of the terms of the *Letter of Credit*, makes the decision to increase the amount of the *Letter of Credit* and/or prolong the term of the *Letter of Credit*, and/or amend other conditions of the *Letter of Credit* so that changes are favourable for the *Letter of Credit Beneficiary*, then for accounting purposes the *Bank* shall assume that amendments to the *Letter of Credit* take effect from the moment when the *Bank* issues the respective amendments.
- B10.6.10. Where the *Bank*, pursuant to the *Client's* application for the amendment of the terms of the *Letter of Credit*, makes the decision to decrease the amount of the *Letter of Credit* and/or shorten the term of the *Letter of Credit*, and/or amend other conditions of the *Letter of Credit* so that changes are unfavourable for the *Letter of Credit Beneficiary*, then the amendments to the *Letter of Credit* shall take effect from the moment when the *Bank* receives the respective confirmation of (consent to) accepting such amendments from the *Letter of Credit Beneficiary* in the form acceptable to the *Bank*.
- B10.6.11. Where the *Bank*, pursuant to the *Client's* application for the amendment of the terms of the *Letter of Credit*, makes the decision to cancel the *Letter of Credit*, then the *Letter of Credit* shall be considered cancelled from the moment when the *Bank* receives a confirmation of (consent to) cancellation of the *Letter of Credit* from the *Letter of Credit Beneficiary* in accordance with *Bank's* requirements, and the date of receipt of the relevant confirmation from the *Letter of Credit Beneficiary* shall be considered the date of termination of obligations under the *Letter of Credit* in the terms of paragraph B10.6 of the *Terms*.
- B10.6.12. All amendments to the *Letter of Credit* after they duly take effect shall form an integral part of the *Letter of Credit Agreement*.
- B10.6.13. In connection with entering into the *Letter of Credit Agreement* and issue of the *Letter of Credit*, in accordance with conditions of the *Letter of Credit Agreement* the *Client* or the *Letter of Credit Beneficiary* accordingly shall pay the *Charges* pursuant to the *Rates and Charges* to the *Bank*, and shall pay charges to the bank confirming the *Letter of Credit* and/or the bank of the *Letter of Credit Beneficiary* to the amount and in accordance with procedures set by such bank. In cases where in accordance with conditions of the *Letter of Credit Agreement* the *Letter of Credit Beneficiary* shall pay charges of the *Bank* and/or the bank confirming the *Letter of Credit* and/or the bank of the *Letter of Credit Beneficiary*, and the *Letter of Credit Beneficiary* fails to pay the respective charges at the request of the respective bank, the obligation to pay the respective charges shall be imposed upon the *Client*. Immediately upon the *Bank's* request, the *Client* shall also cover any other costs and losses of the *Bank* related to entering into the *Letter of Credit Agreement* and issue of the *Letter of Credit*, as well as shall reimburse the *Bank* for cash cover deposited by the latter with the confirming bank or the *Letter of Credit Beneficiary* bank following the *Client's* order.

B10.7. Terms of Collection

- B10.7.1. The *Bank's* action in execution of collection transactions shall be regulated by the *Terms* and Uniform Rules for Collections of the International Chamber of Commerce.
- B10.7.2. In cases of import collection the *Bank* shall act in accordance with instructions of the issuing bank of such collection. The *Bank* shall make collection payment and deliver the documents in accordance with the *Client's* respective written application submitted to the *Bank* that is acceptable to the *Bank* in terms of its form and content.
- B10.7.3. The *Bank* shall issue an export collection in accordance with the *Client's* respective written application submitted to the *Bank* that is acceptable to the *Bank* in terms of its form and content. An export collection may only be cancelled in cases where the collecting bank fails to deliver the documents to the beneficiary.
- B10.7.4. The *Charges* for execution of the collection transactions shall be paid by the *Client* to the *Bank* in accordance with the *Rates and Charges*. Immediately upon the *Bank's* request, the *Client* shall also cover any other expenses and losses sustained by the *Bank* under execution of the collection transactions.

B11. Terms of Cheques

B11.1. Application

The present *Terms of Cheques* shall apply to relations between the *Parties*, in case the *Client* has applied for receipt of a service related to the cheque from the *Bank* and the *Bank* has agreed to render such service to the *Client*.

B11.2. Services in Cheque Honouring

B11.2.1. *Bank* shall honour cheques of other banks submitted by *Client* to *Bank* for honouring, by crediting *Client's Current Account with Bank* with the cheque amount.

Accepting a cheque submitted by *Client* for honouring, *Bank* shall verify whether *Client* conforms to the beneficiary stated in such cheque. A cheque submitted to *Bank* for honouring shall have no damages, contain no corrections, the same shall be filled in in the Latvian or Russian or English language, in clearly legible letters and figures written by means of a pen of one colour only (black or blue), with its text being preserved for an indefinite time, and which cannot be erased otherwise but by obviously damaging the material of the cheque.

Bank shall accept a cheque with unexpired validity. Where no validity is stated, the cheque shall be deemed valid during 180 days after being issued.

Bank shall only accept cheques of other banks from *Client* in whose name such cheque is issued and who has a *Current Account with Bank*.

Bank shall be entitled to refuse to accept a cheque or to honour a cheque without explaining reasons of such refusal.

B11.2.2. Charge for Honouring Cheques

The *Bank* shall inform the *Client* of the *Charge* for the cheque honouring. In addition to the *Charge* stated in the previous sentence, charges of foreign banks, if arising in honouring such cheque, shall be withheld from the *Client*. The *Client's Current Account with the Bank* shall be debited with the *Charges* without acceptance. Submitting a cheque to the *Bank* for honouring, the *Client* shall be obliged to ensure that the amount conforming to the amount of the *Charge* is available in its *Current Account with the Bank*. From the moment of submitting the cheque to the *Bank* for honouring until debiting the *Charge*, the *Client* shall be obliged to ensure that the amount conforming to the amount of the *Charge* stated in the previous sentence is available in its *Current Account with the Bank*.

B11.2.3. Term of a Cheque

The term of a cheque of another bank submitted to *Bank* for honouring shall be sixty calendar days. In case reasons making honouring of such cheque impossible are stated in honouring the cheque, *Bank* shall not honour such cheque and return the same to *Client*, provided such return is possible. In case cheque honouring has been refused or *Client* revoked its cheque honouring, the *Charge* shall apply to such cheque.

B11.2.4. Bank's Losses

In case *Bank* is requested to refund the amount paid out to *Client*, or *Bank* otherwise sustains losses related to a cheque honoured after honouring such cheque due to shortages of the cheque stated or due to other reasons related to the cheque, *Bank* shall be entitled to debit any account of *Client with Bank* with the cheque amount paid out and/or the amount of losses sustained by *Bank* in relation to such cheque without acceptance. Unless the necessary amount is available in *Client's account*, *Client* shall be obliged immediately, however within three working days of *Bank* upon receipt of *Bank's Notice*, to ensure that the necessary amount is available in its *Current Account with Bank*.

B12. Terms of Rendering Information and Services Over the Telephone

B12.1. Application

The present terms shall be applicable, where the *Bank* renders information or services to the *Client* over the telephone.

B12.2. Password

B12.2.1. Concept, Meaning and Types of the Password

B12.2.1.1. A password is a code consisting of Arabic figures and/or letters of the Latin alphabet that *Client* has applied for and that denotes *Client*.

B12.2.1.2. The *Parties* agree for the password together with other data requested by the *Bank* from the *Client* (the first name and the surname / the name of the company, the account number / client code, the identity number / the registration number, passport data or other *Client* identification details) to be considered as sufficient means of the *Client* authentication in communication of the *Parties* over the telephone.

B12.2.1.3. Password types:

- a. payment card password;
- b. *Current Account* password.

B12.2.2. Ordering a Password

B12.2.2.1. *Client* shall be entitled to order a payment card, *Current Account* password from *Bank*, submitting an application to the *Bank* in accordance with the form and procedure set by the *Bank*.

B12.2.3. Keeping the Password

B12.2.3.1. *Client* recognizes that any third party can access the *Client's* account using the *Client's* password. The *Client* undertakes to keep its password secret without disclosing the same to third persons. In case the password is lost, stolen, reproduced or otherwise comes to the disposal of a third person, or unauthorized use of the password takes place, the *Client* shall immediately, as soon as possible, inform the *Bank* of the same within the *Bank's* working hours, calling at +371 6777 5555. After being informed, the *Bank* shall immediately stop providing services to the *Client* by phone, where the same requires the *Client* authentication using the password and shall notify the *Client* accordingly within the term set by the *Bank*. The *Client* shall assume all risks of incurring losses and expenses due to the *Client's* password becoming available to third parties.

Immediately following the *Bank's* request, the *Client* shall supply the *Bank* with information on conditions of the password being lost, stolen, reproduced, or possessed by third parties.

The *Bank* shall resume providing services to the *Client* by phone, where the same requires the *Client* authentication using the password only after a new password is ordered from the *Bank* in accordance with the procedure set by the *Bank*. The *Client* shall be obliged to order a new password from the *Bank*, and the *Client* hereby agrees that the *Bank* shall bear no responsibility for possible expenses or losses that might be incurred by the *Client* due to remote account management by phone being unavailable.

B12.2.3.2. *Client* shall be entitled to order a new password from *Bank* at any time.

B12.2.4. Information and services available over the telephone

Authenticating the *Client* over the telephone:

- a. by its payment card password, the *Bank* shall be entitled to activate the *Client's Card*, to block the *Client's Card*, to supply the *Client* with information on balances and transactions in the *Client's Card Account* with the *Bank* and on validity of the *Client's Card*;
- b. by its payment card password, the *Bank* shall be entitled to execute the *Client's* order for increasing the *Card* 24-hour ATM cash withdrawal limit, unblocking the *Card* PIN-code and/or blocked *Card*;
- c. by its *Current Account* password, the *Bank* shall be entitled to supply the *Client* with information on balances and transactions in the *Client's* current accounts and other accounts with the *Bank*, as well as, following a *Client's* request submitted over the telephone, produce a certified account statement or reference containing the said information, and supply information on the *Client's* credit and deposit payments, other information related to the *Client*;
- d. by its *Current Account* password, the *Bank* shall be entitled to supply the *Client* with information on the *Client's Financial Instruments' Account* and related *Cash Account*, details of particular transaction in financial instruments, and the amount of withheld charges, as well as the amount of used financing;
- e. by its *Current Account* password, *Bank* shall be entitled to effect *Client's* applications for *Bonus Overdraft* in its *Card Account* submitted over the telephone and *Client's* / other *Client's* relevant applications for

establishment of *Financial Pledge* for *Bonus Overdrafts* issued this way, in accordance with conditions and limitations stated in Section B7;

- f. by its *Current Account* password, provided the *Client* and the *Bank* entered into the agreement on remote account management over the telephone, *Bank* shall be entitled to effect *Client's* orders given over the telephone for action with his / its *Current Account*, *Card Account*, *Cash Account*, *Savings Account* and telephone applications for depositing a *Deposit*, receiving / use of *Short-term Loan* in accordance with conditions and limitations stated in *Client's* application (paragraph B12.4 of the *Terms* below);
- g. by its *Current Account* password, the *Bank* shall be entitled to block and unblock the *Client's Internetbank* and *authentication means*, as well as accept the *Client's* applications for change and activation of the *authentication means*;
- h. by the *Current Account* password, the *Bank* shall be entitled to accept and execute the forex orders submitted by the *Client*;
- i. by its *Current Account* password, the *Bank* shall be entitled to accept and satisfy the *Client's* application for subscribing to *Short Messaging* service and for alterations thereof (paragraph B15 of the *Terms* below).

To enhance security of the funds held in the *Client's* account, the *Client* shall be entitled to apply for limits on the *Transactions* over the telephone to be set, by submitting an application to the *Bank* in accordance with the form and procedure set by the *Bank*.

B12.2.5. Without performing the *Client* authentication by its password, the *Bank* shall be entitled:

- a. to supply the *Client* with general information on the *Bank's* products and services over the telephone;
- b. to accept the *Client's* propositions and complaints;
- c. to block the *Client's Cards* and *authentication means*, authenticating the *Client* by other *Client* data.

B12.3. Remote Account management over the telephone

B12.3.1. In accordance with the form and procedures set by *Bank*, *Client* shall be entitled to submit an application for remote *Account* management over the telephone to the *Bank*.

B12.3.2. In cases where *Bank* makes positive decision on providing the service of remote *Account* management over the telephone to the *Client*, the relevant agreement on such service shall be considered to be entered into from the moment when *Bank* begins to effect *Client's* orders given over the telephone. The agreement on the remote *Account* management over the telephone shall incorporate *Client's* application and these *Terms*.

B12.3.3. Remote *Account* management over the telephone enables the *Client* to perform the following:

- a. payments from the *Client's Current Account* to another *Current*, *Card*, *Cash*, or *Savings Account* held by the *Client* with the *Bank*;
- b. payments from the *Client's Current Account* to a *Current* or *Card Account* held by a third party with the *Bank*;
- c. payments from the *Client's Current Account* to any other account with another bank;
- d. payments from the *Client's Card*, *Cash*, or *Savings Account* (paragraph B13.5.4 of the *Terms* below) to a *Current Account* held by the *Client* with the *Bank*;
- e. place a *Deposit*;
- f. open a *Savings Account*.

B12.3.4. The *Client's* payment orders for making payments from the *Client's Accounts* to accounts held by third parties with the *Bank* or to any other accounts with other banks which are submitted to the *Bank* over the telephone shall be executed by the *Bank* only using the beneficiary details stated in the *Client's* application for remote *Account* management over the telephone.

B12.3.5. To improve security of the funds in the *Client's Accounts*, the *Client* shall be entitled to apply to the *Bank* for setting payment limits.

B12.3.6. The *Client* receiving *Bank's* services of remote *Account* management over the telephone shall be bound by the conditions of the respective sections of the *Terms* for the respective financial service for which *Client* applied over the telephone (B1 "Terms of the Current Account"; B2 – "Deposit Terms and Conditions", B6 – "Terms of Payments"; B7 – "Overdraft Terms"), unless stated otherwise in this section B12.

B12.4. The *Client* shall pay *Charges* for use of services of remote *Account* management over the telephone to the *Bank* according to the *Rates and Charges*.

B12.5. The *Bank* shall be entitled to refuse execution of the *Client's* orders for *Account* operations submitted over the telephone on the following instances:

- a. in cases where *Bank* suspects that any third or unauthorised person acts on behalf of *Client*;

b. at any moment at *Bank's* discretion.

The *Bank* shall bear no responsibility for the *Client's* losses and other additional expenses arising out of exercising of the *Bank's* rights pursuant to this clause.

B13. Savings Account Terms and Conditions

B13.1. Application

These *Savings Account* terms and conditions shall be applicable in cases where *Client* has filed a *Savings Account* application with *Bank* or a *Savings Account* (hereinafter referred to as the *Savings Account*) is opened for *Client* with *Bank*.

B13.2. Opening a Savings Account and execution of a Savings Account agreement

Bank opens a *Savings Account* for *Client*, provided a *Current Account* has already been opened for *Client* with *Bank*, according to *Client's Savings Account* application executed in keeping with *Bank's* requirements. A *Savings Account* agreement shall be considered concluded from the moment when *Bank* opens a *Savings Account* for *Client*. The terms of *Savings Account* agreement shall consist of the *Terms* and a *Client's Savings Account* application.

B13.3. Funds in the Savings Account

- B13.3.1. Funds in *Client's Savings Account* are *Client's* demand deposits.
- B13.3.2. *Client* may deposit funds in its *Savings Account* only by making payment from *Client's* or other clients' *Current Account* with *Bank*.
- B13.3.3. *Client* may only deposit funds in its *Savings Account* in one currency stated in the *Savings Account* agreement.

B13.4. Interest

- B13.4.1. Interest shall be accrued on funds deposited in the *Savings Account* and paid out to the *Client* pursuant to the *Rates and Charges*.
- B13.4.2. Interest on funds deposited in the *Savings Account* for one day shall be calculated based on the actual number of days in the year (365 days or 366 days in a leap year accordingly) and shall be paid for each day on the amount of funds available in the *Savings Account* at the end of the respective day, in accordance with the *Savings Account* interest rate effective as at the respective day (*Actual/Actual*).
- B13.4.3. The *Bank* shall pay out interest accrued on funds deposited in the *Savings Account* to the *Client* by crediting its *Savings Account* with the same once a month or pursuant to the conditions of the *Savings Account* agreement. In case the *Client* chooses 31st day of the month as a day of paying the interest, the interest shall be paid out on the 30th day of this month (should the *Client* state 28th or 29th of February as a day of paying the interest, the interest shall be paid out on the 1st of March).
- B13.4.4. When the *Bank* pays out the interest, taxes and duties shall be withheld from funds payable to the *Client* in accordance with procedures pursuant to legal enactments of the Republic of Latvia.

B13.5. Using funds deposited in the Savings Account

- B13.5.1. *Client* may only use funds deposited in its *Savings Account* by transfer of such funds to its *Current Account* with *Bank*.
- B13.5.2. Funds available in the *Savings Account* may be transferred pursuant to *Client's* payment order executed in keeping with *Bank's* requirements (hereinafter in this section B13 referred to as the *Order*).
- B13.5.3. *Bank* shall transfer funds available in the *Savings Account* on the seventh day after the *Order* is received for the execution, excluding the day when the *Order* is received for the execution. In cases where *Client* has filed an application for an EXTRA *Savings Account* with *Bank*, and *Bank* has opened it for *Client* pursuant to the *Terms*, *Bank* shall transfer funds available in such *Savings Account* on the 33rd day after the *Order* is received for the execution, excluding the day when such *Order* is received for the execution. In cases where a payment is made from the *Savings Account* to *Client's Current Account* pursuant to the *Savings Account* Agreement and the *Order*, and *Bank* is to credit *Client's Current Account* with funds available in the *Savings Account* on a day that is not *Bank's* working day, *Bank* shall credit *Client's Current Account* with funds available in the *Savings Account* on the following working day of *Bank*.
- B13.5.4. In cases where *Client* wishes to transfer funds available in its *Savings Account* before expiry of the term pursuant to the previous paragraph or the *Savings Account* with funds deposited therein is closed, *Client* shall pay to *Bank* *Charge* for funds withdrawal from the *Savings Account* without notice pursuant to the *Rates and Charges*. *Orders* for funds premature withdrawal from the *Savings Account* submitted over the telephone shall not be accepted by the *Bank*.
- B13.5.5. The *Terms* of Payments of the *Terms* shall be applicable to payments of funds available in the *Savings Account*, unless stated otherwise in the *Savings Account* agreement. In cases where the payment terms and conditions pursuant to the *Savings Account* agreement are different from The *Terms* of Payments of the *Terms*, the terms and conditions pursuant to the *Savings Account* agreement shall be applicable accordingly.

B13.6. Report

The *Client* shall be entitled to apply for receiving the *Savings Account* report at the *Bank*.

B13.7. Closing the savings account

- B13.7.1. *Client* shall be entitled to file an application for termination of *Savings Account* agreement and closing its *Savings Account* at any time.
- B13.7.2. *Bank* shall be entitled to terminate the *Savings Account* agreement and to close *Client's Savings Account* in cases where *Client's Current Account* is closed, as well as on other instances stated in the *Terms*.
- B13.7.3. *Client* shall pay *Charge* to *Bank* for closing its *Savings Account* pursuant to the *Rates and Charges*.
- B13.7.4. *Bank* shall transfer funds available in the *Savings Account* at the moment when the same is closed to *Client's Current Account*.

B13.8. Opening a Savings Account for a minor Client

- B13.8.1. The *Bank* shall open a *Savings Account* for a minor *Client*, without opening a *Current Account*, on the basis of the application made in accordance with the *Bank's* requirements, and completed and signed by both parents (or one parent where the same is entitled to act as the sole representative of a minor *Client*) or the guardian of the minor *Client* in the capacity of the minor *Client's* lawful representatives.
- B13.8.2. When entering into the *Savings Account* agreement, the lawful representatives of the minor *Client* shall present the identity documents, as well as the minor *Client's* birth certificate and passport (if any). If the minor *Client* is represented by a guardian, the latter shall also present the decision on establishing the guardianship issued by the Republic of Latvia or foreign guardianship authorities.
- B13.8.3. A *Savings Account* agreement shall be deemed made upon the *Bank* opens a *Savings Account* for the minor *Client*. The terms of *Savings Account* agreement shall consist of the *Terms*, the application made in accordance with the *Bank's* requirements, and the *Rates and Charges*.
- B13.8.4. Funds may be deposited to the minor *Client's Savings Account* by the lawful representatives of the minor *Client* only. Subject to prior arrangement between the *Client's* lawful representatives and the *Bank*, the funds may be also deposited to the minor *Client's Savings Account* by the persons related to the *Client*.
- B13.8.5. The funds and financial instruments credited to the *Savings Account* shall be deemed the property of the minor *Client*, and the *Client* shall be entitled to freely manage this property upon reaching the age of majority.
- B13.8.6. The interest on the *Savings Account* opened for the minor *Client* shall be accrued and paid in accordance with the procedure set forth in paragraphs B13.3 and B13.4 of the *Terms*.
- B13.8.7. Lawful representatives of the minor *Client* shall be entitled to request the *Savings Account* report from the *Bank*.
- B13.8.8. Until the *Client* reaches the age of majority, lawful representatives of the minor *Client* shall be entitled to unilaterally withdraw the funds from the *Savings Account* opened for the minor *Client* in full or partially, submitting a respective application to the *Bank*. The application shall be submitted together with the written permission to manage the funds held in the *Savings Account* opened for the minor *Client* issued by the Republic of Latvia or foreign guardianship authorities and meeting the *Bank's* requirements.
- B13.8.9. The minor *Client's* lawful representatives confirm that they are informed about their obligation to independently inform the state guardianship authority and, if necessary, other state authorities about opening the *Savings Account* for the minor person, inter alia, about the funds deposited to the *Savings Account*, about management of the funds held in the *Savings Account*, as well as to supply other required information in accordance with the provisions of the Republic of Latvia or foreign legal acts. The *Bank* shall not be liable for the losses that may be sustained by the lawful representatives of the minor *Client* because of the failure to fulfil their obligations or undue fulfilment of those.
- B13.8.10. Upon reaching the age of majority, the *Client* shall submit the application for *Current Account* opening to the *Bank* in accordance with the provisions of section B1 of the *Terms*. The funds available in the *Savings Account* at the moment of closing the same shall be transferred by the *Bank* to the *Current Account* opened for the *Client*.

B14. Financing against Pledge of Investment Portfolio

B14.1. Application

- B14.1.1. These *Terms* of financing against pledge of investment portfolio shall apply to relations between *Bank* and *Client* who has filed an application for receipt of investment (brokerage) services, for whom a *Financial Instruments' Account*, *Cash Account* and/or *Precious Metals' Account* has been opened with *Bank* and who has received a *Loan* pursuant to these *Terms*.
- B14.1.2. These *Terms*, *Client's* Application for Receipt of Investment (Brokerage) Services (and on particular instances – the application for receipt of *Special Financing*), conclusive actions of the *Bank* and *Client* comprise the *Loan Agreement*. The *Loan Agreement* shall be deemed made as of the moment of disbursing the *Loan*.
- B14.1.3. The *Loan Agreement* shall be deemed terminated after the *Client* completely repays the *Loan* granted and makes all payments due under the *Loan*.

B14.2. Basic terms. Authorizations

- B14.2.1. Financing against pledge of investment portfolio (hereinafter in this section B14 – the *Loan*) is a loan issued by the *Bank* to the *Client* against pledge of all assets (financial instruments, *Precious Metals*, and funds) available in the *Financial Instruments' Account*, *Cash Account*, *Precious Metals' Account*, and, in case of *Special Financing*, also in *Financial Instruments' Account for Special Financing* and *Cash Account for Special Financing*.
- B14.2.2. *Bank* shall make the *Loan* to *Client* without *Client's* special request in cases pursuant to these *Terms*. In case of *Special Financing*, the *Loan* shall be granted pursuant to provisions of section B14.6 below.
- B14.2.3. The *Client* recognizes that the he might lack the knowledge necessary to realize the risks pertaining to the financing against pledge of investment portfolio if the *Client* has not used such financing before. Additional information about the financing against pledge of investment portfolio can be found at the *Bank's* website <https://www.ablv.com/en/services/investments/securities-financing>.
- B14.2.4. The *Client* confirms that it is informed of the *Bank's* obligation to provide information on the *Client* to the Bank of Latvia and right to receive information from the Bank of Latvia on instances stipulated by the Regulation for the Credit Register. The *Client* is informed of individuals' and corporate entities' rights to receive information regarding themselves that is included in the Credit Register of the Bank of Latvia.

B14.3. Issuing a Loan

- B14.3.1. The *Client* agrees that the *Bank* may make to the *Client* the *Loan* in the following cases:
- where the *Client* submits an order to the *Bank* for the purchase of financial instruments or *Precious Metals*, and funds available in the *Client's Cash Account* or *Cash Account for Special Financing* are insufficient for execution of such order. In this case the *Loan* shall be made for the purposes of purchase of financial instruments or *Precious Metals*;
 - where the *Client* submits the order to the *Bank* for making a payment from the *Client's Cash Account* to its *Current Account* or from *Cash Account for Special Financing* to *Cash Account* and funds available in the *Client's Cash Account* or *Cash Account for Special Financing* are insufficient for execution of such order. In this case the *Loan* shall be made for the purposes of refinancing the *Client's* funds invested in transactions with financial instruments;
 - in case where as a result of the *Client's* transactions funds available in the *Client's Cash Account* or *Cash Account for Special Financing* are insufficient to fulfil the *Client's* liabilities under the relevant transaction, including fulfilment of liabilities against the *Bank*, except payment of the interest on the capital use for using the *Loan* for a period exceeding 6 months. In this case the *Loan* shall be issued for the purposes of fulfilment of the terms of or liabilities under the respective transactions.
- B14.3.2. The *Loan* shall be issued by executing the *Client's* order or performing the *Client's* transaction, for executing which the amount exceeding the *Client's Cash Account* or *Cash Account for Special Financing* balance with the *Bank* is required. In the case mentioned in clause B14.3.1.a above, the *Loan* shall be deemed received on the day of performing settlement under the *Client's* transaction, and the *Loan* amount shall be deemed equal to the amount deficient for executing the respective order. On instances mentioned in clauses B14.3.1.b and B14.3.1.c above, the *Loan* shall be deemed received at the moment of executing the *Client's* order, and the *Loan* amount shall be deemed equal to the amount deficient for executing the respective order.
- B14.3.3. The *Client's Cash Account* or *Cash Account for Special Financing* statement shall serve as evidence of the *Loan* made. The *Bank* shall notify the *Client* of the interest rate of the issued *Loan* (interest rate on the capital use and overdue interest rate), disbursed amount and the *Loan* limit calculated in accordance with clause B14.5 below as of the moment of the *Loan* disbursement, stating the same in the *Cash Account* or *Cash Account for Special Financing* report in the *Internetbank* or in a special *Notice*.
- B14.3.4. The *Bank* shall be under no obligation to make the *Loan* and may reject to make the *Loan* to the *Client* at any time, without explaining the reasons of such rejection.

B14.4. Loan collateral

- B14.4.1. All financial instruments in the *Financial Instruments' Account* and the *Financial Instruments' Account for Special Financing* (if any), all *Precious Metals* in the *Client's Precious Metals' Accounts* with the *Bank*, and all funds in the *Client's* accounts with the *Bank* (Section A11 of the *Terms*) shall serve as collateral in the *Bank's* favour for the *Loan*.
- B14.4.2. *Client* agrees that *Bank* shall be entitled to use financial instruments owned by *Client*, including pledging them to any third party.

B14.5. Loan limit

- B14.5.1. The *Loan* limit is a proportional limitation on the available amount of the *Loan* that may be made by the *Bank* to the *Client* in accordance with the type of assets available in the *Financial Instruments' Account*, *Precious Metals' Account*, *Cash Account* and, in case of *Special Financing*, *Financial Instruments Account for Special Financing* and *Cash Account for Special Financing* pursuant to the *Rates and Charges* or, in case of *Special Financing*, the provisions of the *Application* and the *Special Financing* rates and charges. The allowed limit for every type of assets shall be calculated in accordance with the following formula:

$$KL = \sum_{i=1}^M \frac{TC_i \times (100\% - INITL)}{100\%}$$

where:

KL – *Loan* limit;

TC_i - market value of the *i*th asset type that relates to a specific type of financial instruments or the amount of the funds balance in the *Cash Account* or *Cash Account for Special Financing*;

INITL - initial margin amount in percentage terms, determined for a specific type of assets;

M – number of asset types that serve as the *Loan* collateral.

For the purposes of calculating the *Loan* limit, the *Parties* by market value of financial instruments and *Precious Metals* understand market value of financial instruments and *Precious Metals* as of the current *Bank* day. In case the *Client* holds several asset types (financial instruments, *Precious Metals*, or funds), overall *Loan* limit shall be equal to the total of limits allowed for each asset type.

In case of *Special Financing*, for the *Loan* limit calculation only financial instruments held in the *Financial Instruments' Account for Special Financing* and funds held in the *Cash Account for Special Financing* shall be taken into account.

- B14.5.2. The *Client* acknowledges and agrees that due to changes in the market value of financial instruments and/or *Precious Metals*, as well as due to currency rate fluctuations, the ratio of the *Loan* made and financial instruments, *Precious Metals*, or funds pledged for its collateral may vary. If due to changes in the market value of financial instruments and/or *Precious Metals*, as well as due to currency rate fluctuations, the *Loan* amount (incl. accrued interest on the capital use) exceeds the *Loan* limit determined by the *Bank*, the *Client* is obliged to repay the *Loan* immediately (paragraph B14.8 of the *Terms*) or increase the *Loan* collateral upon approval of the type and amount of such collateral by the *Bank*.
- B14.5.3. The *Client* is obliged to follow the market situation and monitor compliance of the *Loan* made thereto with the *Loan* limit determined by the *Bank*.
- B14.5.4. Should the *Client's* collateral appear to be insufficient, i.e., the *Loan* limit be exceeded due to the *Client's* transactions in financial instruments or *Precious Metals*, changes in the financial instruments' or *Precious Metals'* market value, as well as due to currency rate fluctuations, or default of the *Client's* obligations, as long as the above situation is present (paragraph B14.5.2 of the *Terms* above) the *Bank* shall calculate the overdue interest on the *Loan* amount above the *Loan* limit, applying the overdue interest rate in accordance with the *Rates and Charges* and the *Special Financing* rates and charges, and the total interest rate under the *Loan* shall be calculated pursuant to paragraph B14.7.3 of the *Terms* below.
- B14.5.5. Without prejudice to provisions of paragraph B14.8 of the *Terms* below, where the *Client's* collateral appears to be insufficient and reaches Stop Loss level in accordance with the *Rates and Charges* or, in case of *Special Financing*, in accordance with provisions of the same due to the *Client's* transactions in financial instruments or *Precious Metals*, changes in the financial instruments' or *Precious Metals'* market value, as well as due to currency rate fluctuations, or default of the *Client's* obligations, the *Bank* shall be entitled to unilaterally and without acceptance begin selling financial instruments or *Precious Metals* from any account of the *Client* with the *Bank* so that the *Loan* amount is reduced to the *Loan* limit amount, observing the current market practice meanwhile (e.g. in terms of minimum number of financial instruments or *Precious Metals* to be sold / purchased in the financial market). Until the *Loan* is reduced to the *Loan* limit, the *Client* may not give orders to the *Bank*, and the *Bank* shall be entitled not to execute the *Client's* orders for any operations with the *Client's* financial instruments.

- B14.5.6. The *Bank* may, but shall not be obliged to, notify the *Client* about non-compliance with the *Loan* limit. The *Bank* shall notify the *Client* about the *Loan* limit and its changes by the *Notice* through *Internetbank*.
- B14.5.7. In calculation of the *Loan* limit, *Bank* shall not take into account financial instruments owned by *Client* and transferred to asset management joint stock company ABLV Asset Management, IPAS for management.

B14.6. Special Financing

- B14.6.1. The *Bank* may consider the *Client's* request for obtaining the financing against pledge of financial instruments that are not mentioned in the *Rates and Charges* or under the conditions differing from those stated in the *Rates and Charges* (in this section B14 referred to as *Special Financing*). The *Bank* shall inform the *Client* on the decision made. If the decision is positive, the *Client* shall submit the application for receipt of the *Special Financing* (in section B14 referred to as the *Application*) to the *Bank* complying with the procedure and form set by the *Bank*. All material conditions of the *Special Financing*, including, without limitation, the conditions of calculating the *Loan* limit, the interest rate on the capital use for using the *Loan*, the amount of overdue interest rate to be applied in case of exceeding the *Loan* limit, the Stop Loss situation level, etc., shall be stated in the *Application* and the *Special Financing* rates and charges. The *Bank* shall be entitled to unilaterally amend the financing conditions set forth in the *Application* and the *Special Financing* rates and charges, stating those in specific notice to the *Client*.
- B14.6.2. The *Client* shall submit the order for transferring the respective financial instruments to the financial instruments' account for special financing (in these *Terms* referred to as the *Financial Instruments' Account for Special Financing*). Besides the *Financial Instruments' Account for Special Financing*, cash account (in these *Terms* referred to as the *Cash Account for Special Financing*) shall be opened for the *Client*. The payments for the *Special Financing* financial instruments (dividends, interest and other payments calculated by the issuer) shall be credited to the *Cash Account for Special Financing*. The *Bank* shall be entitled to withhold all *Charges* related to financial instruments held in the *Financial Instruments' Account for Special Financing* from any account of the *Client* without acceptance, but shall first withhold those from the *Cash Account for Special Financing*, increasing the *Loan* limit.
- B14.6.3. In case of any discrepancy between provisions of these *Terms* and provisions stated in the *Application*, the latter shall prevail.
- B14.6.4. The *Bank* shall be entitled to set charges for considering the *Application*.

B14.7. Interest

- B14.7.1. The *Client* shall pay interest (on the capital use and overdue interest) for use of the *Loan* to the *Bank*.
- B14.7.2. The *Bank* shall state minimum interest rates on the capital use in its *Rates and Charges* and in the *Special Financing* rates and charges. The minimum interest rate on the capital use shall be valid on the date of the *Loan* disbursement and on the following *Bank* day, and the interest rate on the capital use for the subsequent period shall be set in accordance with the following conditions. In case the granted *Loan* is secured only with the *Client's* future funds, the collateral amount being equal to or exceeding the *Loan* made, the minimum interest rate on the capital use shall be effective throughout the whole period of using the *Loan* before respective funds are credited to the cash account or *Cash Account for Special Financing*.
- B14.7.3. For the purposes of setting the *Loan* interest rate on the capital use, it is assumed that as the *Loan* collateral shall serve assets (financial instruments, *Precious Metals*, or funds) of such type whose interest rate is most beneficial for the *Client*, i.e.:
- first of all, the *Client* shall be issued the allowed *Loan* limit against the pledge of financial instruments of the type with the lowest interest rate on the capital use set;
 - secondly – against the pledge of *Precious Metals* (following the provision that the respective type of the *Precious Metals* is chosen based on the market value of the same, in descending order, from the highest to the lowest);
 - thirdly – against the pledge of funds available in the *Cash Account* and *Cash Account for Special Financing*.

Should the actual *Loan* amount exceed the *Loan* limit determined in accordance with paragraph B14.5 of the *Terms* above, the fixed overdue interest rate set in the *Rates and Charges* and the *Special Financing* rates and charges shall be applied to the amount above the total *Loan* limit, without evaluating the types of assets that are used as the *Loan* collateral. The total *Loan* interest rate, consisting of the interest rate on the capital use and the overdue interest rate, shall be calculated as the average weighted rate of the abovementioned asset types according to the following formula:

$$L = \frac{\sum_{i=1}^N (Lm_i \times KL_i)}{KFK}$$

where:

L – total *Loan* interest rate (%);

Lm_i – *Loan* interest rate on the capital use for i^{th} type of assets or the fixed overdue interest rate in case actual *Loan* amount exceeds the *Loan* limit, which is stated in the *Rates and Charges* or, in case of *Special Financing*, in the *Application* and the *Special Financing* rates and charges;

KL_i – *Loan* limit or the *Loan* amount exceeding the *Loan* limit (pursuant to paragraph B14.5 of the *Terms* above) for i^{th} type of assets. In case where the actual *Loan* amount for the i^{th} type of assets is less than the *Loan* limit, the actual *Loan* amount shall be applied instead of the *Loan* limit;

KFK – total actual *Loan* amount;

N – number of types of assets that serve as the *Loan* collateral (sentence 1 of paragraph B14.7.3 of the *Terms*).

For the purposes of calculating the total *Loan* interest rate, the *Parties* shall treat the market value of financial instruments as at the current *Bank* day as the market value of financial instruments and *Precious Metals*.

- B14.7.4. Due to the changes in the market value of financial instruments and/or value of *Precious Metals*, as well as due to currency rate fluctuations, the ratio of the *Loan* made and assets pledged for its collateral may vary, and at the same time in case of changes in the market value of financial instruments and/or value of *Precious Metals*, as well as due to currency rate fluctuations, the total *Loan* interest rate may change as well. The *Bank* shall notify the *Client* about gross margin of the *Loan* interest rate on the capital use and its changes by *Notice* through the *Internetbank*. The *Client* shall be obliged to follow changes in the variable rate of the *Loan* interest rate on the capital use independently and make the relevant individual enquiries with the *Bank*. The total *Loan* interest rate calculated on the relevant date shall apply in cases where it differs from the total *Loan* interest rate applied on the previous *Bank* day by at least 0.1 percentage point.
- B14.7.5. In calculation of the total *Loan* interest rate, the *Bank* shall not take into account financial instruments owned by the *Client* and transferred to asset management joint stock company ABLV Asset Management, IPAS for management.
- B14.7.6. Total *Loan* interest shall be accrued on the *Loan* amount actually used, and the term of paying the interest shall be the last day of each month.
- B14.7.7. Total *Loan* interest for using the *Loan* for one day shall be calculated assuming that a year is comprised of 360 days, and this interest shall be charged for each calendar day of using the *Loan* (*Actual/360*). The days when the *Loan* is granted (issued) and repaid shall be considered as one day.
- B14.7.8. Amendments to the *Rates and Charges* or the *Special Financing* rates and charges regarding financing against pledge of investment portfolio shall take effect from the moment of notice, unless stated otherwise in the *Bank's Notice*.

B14.8. Loan period and repayment

- B14.8.1. The *Client* shall repay the *Loan* and make all payments due under it:
- upon the first demand of *Bank*, or
 - when the *Loan* amount made to *Client* exceeds the *Loan* limit set by *Bank*, unless *Client* has increased the *Loan* collateral (paragraph B14.5.5 of the *Terms*).

Additionally, in case of *Special Financing*, the *Client* shall repay the *Loan* in accordance with the payment terms stated in the *Application*.

The *Parties* agree that, regardless of the *Loan* repayment period, funds in the *Loan* currency credited to the *Cash Account* and *Cash Account for Special Financing* shall be applied towards repayment of the *Loan* on the day of crediting the funds, without special order from the *Client* and request from the *Bank*. The *Bank* shall be entitled, without obligation, to exchange required amount of funds available in the *Cash Account* and *Cash Account for Special Financing* into the *Loan* currency at the exchange rate set by the *Bank* and to apply such exchanged funds towards repayment of the *Loan*, also before the day of the *Loan* repayment.

- B14.8.2. Upon expiration of the *Loan* period or occurrence of any event mentioned in paragraph B14.8.1 of the *Terms*, *Client* shall repay the amount of the received *Loan* and all related payments (interest, *Charges*) until the close of the current *Bank* day.
- B14.8.3. The *Client* shall be entitled to completely repay the *Loan* and all payments due under it at any time before expiration of the *Loan* period or occurrence of any event mentioned in clause B14.8.1 above.

B15. Terms of the Short Messaging

B15.1. Application

These terms of the *Short Messaging* shall apply to relations between the *Parties*, where the *Client* has filed its application for *the Bank's* service according to which *the Bank* sends the following notices to the *Client*:

- a. by means of short messages (SMS) to the mobile phone number provided by the *Client*, or
- b. by means of electronic messages to the mobile phone e-mail address provided by the *Client*, or
- c. by means of electronic messages to the e-mail address provided by the *Client*

(hereinafter all foregoing messages either jointly or individually referred to as the *Short Message*).

To apply for the *Short Message* service *the Client* shall submit an application in a form provided by *the Bank*.

B15.2. Charges

The Client shall pay the *Bank* a *Charge* for the *Short Message* service according to the *Rates and Charges*.

B15.3. Procedure of sending the Short Message

B15.3.1. The *Bank* sends off the *Short Messages* from the phone number or e-mail address, which are indicated on *the Bank's* website **www.ablv.com** under Payment Cards section. The *Client* may change its mobile phone number or its mobile phone e-mail address designated for sending the *Short Message* or refuse the respective service by notifying the *Bank* in accordance with the form and procedure set by the *Bank*.

B15.3.2. By sending *Short Messages* *the Bank* informs *the Client* about the following events:

- a. the funds crediting to or debiting from the *Card* account, as well as authorizations of *Transactions*, which were made by the *Client's* / *Cardholder's Card* (paragraph B3 of the *Terms* above);
- b. the funds crediting to or debiting from the *Current Account*.

B15.4. Responsibility

B15.4.1. The *Short Message* shall be deemed as received by *the Client* when *the Bank* sends it off to *the Client*, regardless of its actual receipt on *the Client's* mobile phone or e-mail address. *The Bank* shall not be responsible for the actions of any third party, which may be involved in the process of sending or transferring of *Short Messages*, including for the errors and delays caused by any third party, nor for illegal abuse of *Short Messages*.

B15.4.2. *The Client* shall be obliged to read and review the *Short Message* sent by *the Bank* immediately upon its receipt. If within 24 hours after *the Client* has received the *Short Message* *the Bank* does not receive a notice from *the Client* regarding any errors in the *Short Message*, the correctness and completeness of the received *Short Message* shall be deemed as approved by *the Client*.

B15.4.3. By sending *Short Messages* to *the Client* *the Bank* shall not be liable for any loss or any additional expenses suffered by *the Client* due to transferring errors, delays or illegal abuse of the information sent by *the Bank*, if:

- a. they are caused as a result of the activity of *the Client* or third parties or as a result of *the Client's* or third parties' negligence;
- b. *the Client* has submitted an incorrect or deficient mobile phone number or e-mail address, or has not reported about their changes;
- c. *the Client* has not adjusted its mobile phone settings as may be required by its mobile service provider;
- d. *the Client's* mobile phone is either switched off or out of coverage;
- e. *the Client's* mobile service provider does not provide short messaging service (SMS).

B16. Terms of Performing Cash Operations

B16.1. Application

These terms of performing cash operations shall apply to relations between the *Parties*, when the *Client* makes the cash operations set forth in the *Rates and Charges* in the *Bank*.

B16.2. Procedure for performing the cash operations

- B16.2.1. The *Bank* shall execute cash operations according to the *Client's* request. The *Client* shall pay the *Charge* for cash operations to the *Bank* according to the amount set forth in the *Rates and Charges*. The *Bank* shall perform cash operations with the *Clients* aged 18 years at least.
- B16.2.2. Before performing the cash operations, the *Bank* shall verify identity of the *Client* or the *Client's* representative on the basis of the identity document presented by the *Client* or the *Client's* representative and in accordance with the procedure set by the *Bank*.
- B16.2.3. Under execution of cash operations, the *Bank*, complying with the requirements set forth in the normative acts, shall be entitled to request, and the *Client* shall provide, the documents supporting the particular operation, as well as any other clarifications on the nature, grounds, and purpose of the operations. The *Bank* shall be entitled to refuse the cash operation applied for by the *Client* if the operation bears the markers of a suspicious or unusual transaction.
- B16.2.4. A withdrawal order submitted to the *Bank* shall be valid until execution or cancellation.
- B16.2.5. The *Bank* shall document the cash operations in accordance with the requirements of the normative acts regulating the cash operations, i.e., a respective cash operation order shall be made. The order bearing the signature and seal of the *Bank's* employee and the *Client's* signature shall constitute the evidence of the cash operation and shall prove the execution of such operation.
- B16.2.6. The received amount of funds shall be checked by the *Client* before the *Bank's* employee at cash desk. If the *Client* did not raise a complaint after the check or the *Client* refused to perform the check, the *Bank* shall not be obliged to consider the *Client's* later objections regarding the performed cash operation.

B16.3. Currency of the cash operations, Banknotes, Coins

- B16.3.1. *Bank* shall execute *Client* cash operations in currencies stated in the *Rates and Charges* only.
Bank shall execute cash operations in coins in EUR only.
- B16.3.2. The *Client* shall be entitled to apply for cash withdrawal in banknotes of USD, EUR currencies with the *Bank* without restrictions, whereas withdrawal in banknotes of other currencies may be applied for following prior arrangement with the *Bank* only.
- B16.3.3. Operations with damaged banknotes, banknotes with notes or stamps shall be possible by prior agreement between the *Client* and the *Bank*.
- B16.3.4. The *Bank* shall be entitled to refuse performance of operations with specific banknotes or coins whose processing by the *Bank* is limited, or apply a special *Charge* to such operations.
- B16.3.5. In case the *Client* has applied for cash withdrawal at the *Bank* and then cancelled the same, the *Bank* shall be entitled to debit full amount of the *Charge* for such non-performed operation from any account of the *Client*.

B16.4. Forgery

- B16.4.1. The *Bank* shall be entitled to verify authenticity of the cash received. In case of stating signs of cash forgery, the *Bank* shall seize such cash of *Client* to submit the same to the competent authorities.

B17. Terms of Rental of Individual Safe Deposit Boxes

B17.1. Application

- B17.1.1. These terms of rental of individual safe deposit boxes shall apply to relations between the *Parties* where the *Client* has entered into an individual safe deposit box rental agreement with *Bank*.
- B17.1.2. The *Client's* individual safe deposit box rental application (hereinafter in this section B17 referred to as the *Application*) and the *Terms* shall constitute an individual safe deposit box rental agreement (hereinafter in this section B17 referred to as the *Agreement*).
- B17.1.3. The *Agreement* shall take effect from the moment when, in accordance with the *Client's Application*, the *Bank* gives an individual safe deposit box to the *Client* for use.
- B17.1.4. The *Bank* may only enter into the *Agreement* with the *Client* with a *Current Account* opened with the *Bank*.

B17.2. Subject of the Agreement, entering into the Agreement and its validity

- B17.2.1. Pursuant to the *Agreement*, the *Bank* rents an individual safe deposit box to the *Client* in the *Bank's* premises, and the *Client* shall use the individual safe deposit box in accordance with the *Agreement* provisions.
- B17.2.2. The *Agreement* shall be entered into for an indefinite period of time. The *Client* represents that the content of his individual safe deposit box belongs to him.
- B17.2.3. *Client's* rights to use the individual safe deposit box shall terminate:
 - B17.2.3.1. on the date specified in *Client's* application (if no date is specified – the date when the application is received);
 - B17.2.3.2. on the third *Bank* day after the *Bank's Notice* is sent, if the *Client* fails to fulfil the liabilities under the *Agreement* (incl. delaying payment of the *Charges* for the safe deposit box rental for more than three months) or fails to comply with other undertaken obligations to the *Bank*;
 - B17.2.3.3. in one month from the date when the *Bank's Notice* on termination of usage rights is sent;
 - B17.2.3.4. on the date specified in a special arrangement between the *Bank* and the *Client*;
 - B17.2.3.5. on the day of forced opening of the *Client's* individual safe deposit box where closing of the *Client's Current Account* is initiated pursuant to clauses A13.3 and A13.4 of these *Terms*.
- B17.2.4. Regardless of the *Client's* rights to use the individual safe deposit box, the norms under the *Agreement* regarding the following shall continue:
 - a. *Bank's* rights to dispose of the content of the individual safe deposit box in cases pursuant to the *Agreement*;
 - b. *Bank's* responsibility ensuing from renting the individual safe deposit box and withdrawal of the content of the individual safe deposit box;
 - c. *Bank's* rights to receive charges;
 - d. procedures of notification and dispute resolution.

B17.3. Procedures of using individual safe deposit boxes

- B17.3.1. The safe deposit box keys shall be issued to the *Client* at the *Client's* first request after the *Agreement* takes effect.
- B17.3.2. The *Client* may specify a user of the individual safe deposit box in the *Application* who has access to the individual safe deposit box and is entitled to use it, incl. receiving the safe deposit box keys, as well as entitled to terminate the *Agreement* on behalf of the *Client*.
- B17.3.3. The *Bank* shall ensure:
 - a. compliance of the technical condition of the individual safe deposit box with the provisions of the *Agreement*;
 - b. free access of the *Client* and users of the individual safe deposit box specified in the *Application* to the *Client's* individual safe deposit box during the *Clients* and creditors servicing time.
- B17.3.4. Before visiting the individual safe deposit vault, *Client* shall present his identity document, as well as allow *Bank's* officers to check *Client* and his belongings by means of technical appliances, in order to prevent bringing or use of any objects (substances) that undermine *Bank's* or third persons' security.
- B17.3.5. *Client* shall be entitled to keep objects (substances) that do not require special temperature or humidity, in his individual safe deposit box. *Client* undertakes not to keep any objects (substances) that require a special permission or that may not be circulated under legal enactments of the Republic of Latvia or are hazardous to people or may damage *Bank's* property or its reputation, in his individual safe deposit box.

- B17.3.6. *Client* shall be entitled to apply for change of the type of the rented individual safe deposit box, provided individual safe deposit box of another type is available.
- B17.3.7. The *Client* undertakes:
- a. upon discovering any damages to the individual safe deposit box, to report to the *Bank* immediately;
 - b. to ensure preservation of the keys and to keep from duplicating the keys, and to report to the *Bank* immediately if the keys are lost;
 - c. to come to the *Bank* on the date specified thereby.
- B17.3.8. If *Client* wishes to cease using his individual safe deposit box or *Bank* terminates *Client's* rights to use the individual safe deposit box, *Client* shall pick up his belongings kept in the individual safe deposit box and return the keys to the safe deposit box to *Bank* on the last day of use of his individual safe deposit box at the latest (paragraph B17.2.3 of the *Terms* above). Otherwise *Bank* shall collect a penalty in accordance with the *Rates and Charges*.

B17.4. Disposal of the content of the individual safe deposit box by Bank

- B17.4.1. The *Bank* shall be entitled:
- B17.4.1.1. to deny the *Client* rights of access to the individual safe deposit box and its usage, in cases where the *Client* fails to fulfil his liabilities under the *Agreement* or fails to comply with other undertaken obligations to the *Bank*;
 - B17.4.1.2. not to issue the content of his individual safe deposit box to the *Client* until the *Client* fulfils his liabilities under the *Agreement* or discharges other undertaken obligations to the *Bank*;
 - B17.4.1.3. invite persons at its own discretion to open the individual safe deposit box and to withdraw its content in cases under the *Agreement*.
- B17.4.2. The *Bank* shall be entitled to open the individual safe deposit box in the absence of the *Client* and to withdraw its content in accordance with procedures set by the *Bank*, involving specialists and witnesses at its own discretion, in the following exceptional cases only:
- B17.4.2.1. in cases pursuant to legal enactments at the request of institutions and persons pursuant to legal enactments;
 - B17.4.2.2. in cases it is suspected that the content of the individual safe deposit box may threaten security of *Bank* or third persons, with subsequent transfer of the content of the individual safe deposit box to the competent authorities;
 - B17.4.2.3. upon expiry of the rights to use the individual safe deposit box, unless *Client* has picked up the content of his individual safe deposit box on the last day of use of his individual safe deposit box (paragraph B17.2.3 of the *Terms* above);
 - B17.4.2.4. the *Bank* has initiated closing of the *Client's* accounts pursuant to clauses A13.3 and A13.4 of these *Terms*.
- B17.4.3. In the case pursuant to paragraph B17.4.2.3 and B17.4.2.4 of the *Terms* above, the *Bank* shall keep the content of the individual safe deposit box in the *Bank's* common vault for not more than three years. The *Bank* shall not be responsible for keeping of the *Client's* belongings in the *Bank's* vault.
- B17.4.4. Unless the *Client* picks up the belongings that have been kept in the individual safe deposit box by the *Client* or the user specified in the *Application* from the *Bank's* common vault within three years upon termination of the rights to use the individual safe deposit box (paragraph B17.2.3 of the *Terms* above), the *Parties* shall consider that the *Client* has abandoned his belongings and terminated his title in accordance with Section 1032 of the Civil Law of the Republic of Latvia, and the *Bank* shall be entitled:
- a. to sell the belongings in order to cover the *Client's* liabilities against the *Bank* or
 - b. to destroy the belongings as they have been abandoned by the *Client*.
- B17.4.5. The *Bank* shall open the individual safe deposit box at the *Client's* request, if the keys to the individual safe deposit box have been lost or the individual safe deposit box is damaged.

B17.5. Bank's charges

- B17.5.1. *Client* shall pay a charge for rental of the safe deposit box and related services to *Bank* in accordance with the *Rates and Charges*. *Client* authorises *Bank* to debit *Client's* accounts with *Bank* with the charge for the safe deposit box rental and related services under the *Agreement*.
- B17.5.2. *Bank* shall be entitled to revise the amount of its charges unilaterally in accordance with procedures pursuant to the *Terms*.

B17.6. Responsibility

- B17.6.1. *Bank* shall not be responsible for the content of the individual safe deposit box as a bailee as defined in the Civil Law of the Republic of Latvia, but shall only be responsible for rental of the individual safe deposit box as a lessor as defined in the Civil Law of the Republic of Latvia.
- B17.6.2. *Bank* undertakes no liability for any damage to the content of the individual safe deposit box, unless such damage is due to gross negligence of *Bank* as a lessor of the individual safe deposit box.
- B17.6.3. *Client* undertakes liability consequences of keeping any objects or substances that are forbidden under legal enactments of Latvia (objects / substances of limited circulation) in his individual safe deposit box unlawfully.
- B17.6.4. *Client* shall be responsible for actions of the user of the individual safe deposit box specified thereby, incl. those regarding the individual safe deposit box and its keys.
- B17.6.5. *Bank* undertakes no liability for the origin or lawfulness of keeping any content of the individual safe deposit box. *Bank* shall not be entitled to check the content of the individual safe deposit box, except in cases explicitly specified in the *Agreement*.
- B17.6.6. *Client* shall pay to *Bank* a *Charge* for opening his individual safe deposit box in accordance with procedures pursuant to the *Rates and Charges* in cases pursuant to paragraphs B17.4.2.2 – B17.4.2.3, B17.4.5 of the *Terms* above.

B18. Terms of Escrow Account

B18.1. Application

These terms of escrow account shall apply to relations between the *Parties*, where the *Clients* have applied to the *Bank* for opening an escrow account (hereinafter referred to as the *Escrow Account*) in order to guarantee execution of payments under the transaction between the *Clients*.

B18.2. Charges

The *Clients* shall pay the *Bank* the *Charge* for opening and maintaining the *Escrow Account* in accordance with the *Rates and Charges*.

B18.3. Procedure of entering into Escrow Account agreement

- B18.3.1. In order to enter into the *Escrow Account* agreement, the *Clients* shall submit an *Escrow Account* application completed in compliance with the *Bank* requirements to the *Bank*, stating the *Transaction* amount and currency, the time limit of executing the *Transaction*, the remitter of the *Transaction* amount, the beneficiary of the *Transaction* amount, and other information necessary for entering into the *Escrow Account* agreement in the application. The *Bank* shall consider the *Escrow Account* application submitted by the *Clients* and decide on entering into the *Escrow Account* agreement.
- B18.3.2. The *Escrow Account* agreement shall be entered into by the *Bank* and the *Clients* that have signed the *Escrow Account* application.
- B18.3.3. The *Escrow Account* agreement shall be deemed entered into upon the *Bank* has opened the *Escrow Account* and the *Transaction* amount has been credited to the *Escrow Account*. The *Terms* and the *Escrow Account* application shall constitute the provisions of the *Escrow Account* agreement.

B18.4. Procedure of depositing (crediting) the transaction amount

- B18.4.1. In case having received the *Clients' Escrow Account* application the *Bank* agrees to enter into the *Escrow Account* agreement, the *Bank* shall open the *Escrow Account* for the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application and shall transfer the amount of funds equal to the *Transaction* amount from the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application. Opening the *Escrow Account*, the *Bank* shall withhold the *Charge* from the *Client's Current Account* in accordance with the *Escrow Account* application.
- B18.4.2. Immediately after the *Transaction* amount has been credited to the *Escrow Account*, the *Bank* shall block the credited funds until the provisions stipulated in paragraph B18.6.1 herein are fulfilled or until conditions specified in paragraph B18.6.2 herein occur.
- B18.4.3. After entering into the *Escrow Account* agreement, the *Bank* shall send the confirmation of the *Transaction* execution (hereinafter referred to as the *Confirmation*) to the remitter of the *Transaction* amount, with corresponding sections completed by the *Bank*, where the *Bank* shall provide the information on the *Escrow Account* agreement, and this *Confirmation* shall be signed by the remitter of the *Transaction* amount and the beneficiary of the *Transaction* amount and shall be submitted to the *Bank* in accordance with paragraph B18.5 of the *Terms*. The *Confirmation* filled in by the *Bank* shall be deemed the confirmation of entering into the *Escrow Account* agreement.
- B18.4.4. The *Escrow Account* agreement can be entered into by the *Bank* provided that the *Clients* hold *Current Accounts* with the *Bank*. The funds equal to the *Transaction* amount can be transferred to the *Escrow Account* only from the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application.
- B18.4.5. The *Bank* shall not transfer funds from the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application to the *Escrow Account* in case having received the *Clients' Escrow Account* application the *Bank* agrees to enter into the *Escrow Account* agreement, but the funds available in the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application are less than the *Transaction* amount.
- B18.4.6. On the instance specified in paragraph B18.4.5 herein, the *Escrow Account* agreement shall be entered into and the *Bank* shall transfer funds equal to the *Transaction* amount from the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application to the *Escrow Account* provided that:
- within six *Bank* days after the day of submitting the *Clients' Escrow Account* application to the *Bank*, the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application has credited the required amount to its *Current Account*, and consequently the funds available in the *Client's Current Account* are equal to or exceed the *Transaction* amount specified in the *Escrow Account* application;
 - the *Bank* agrees to enter into the *Escrow Account* agreement based on the corresponding *Escrow Account* application.

- B18.4.7. Following the *Clients'* request, the *Bank* shall issue the *Escrow Account* report to the *Clients*.
- B18.4.8. Having entered into the *Escrow Account* agreement, the *Bank* shall extend the time limit of executing the *Transaction*, following the corresponding application by both the remitter of the *Transaction* amount and the beneficiary of the *Transaction* amount.
- B18.4.9. In case having entered into the *Escrow Account* agreement the *Bank* receives an application from the *Client* (the remitter of the *Transaction* amount or the beneficiary of the *Transaction* amount) requesting the *Transaction* to be suspended, the *Bank* shall be entitled to suspend withdrawal of funds from the *Escrow Account* for the period not longer than forty five days or until the day when conditions specified in paragraph B18.6.1 or in the first sub-paragraph of the paragraph B18.6.2 herein occur.

B18.5. Submission of confirmation to the Bank

After the *Transaction* is executed, the *Clients* shall submit the *Confirmation* signed by them to the *Bank* before the time limit of the *Transaction* execution expires.

B18.6. Withdrawal of funds from the escrow account and closing the escrow account

- B18.6.1. Within three *Bank* days after the *Confirmation* has been submitted, the *Bank* shall transfer the *Transaction* amount to the *Current Account* held by the *Client* appearing as the beneficiary of the *Transaction* amount in the *Escrow Account* application and shall close the *Escrow Account*.
- B18.6.2. The *Bank* shall transfer the funds available in the *Escrow Account* to the *Current Account* held by the *Client* appearing as the remitter of the *Transaction* amount in the *Escrow Account* application and shall close the *Escrow Account* within three *Bank* days after any of the following conditions occurs:
- a. the *Clients* submit an application for terminating the *Escrow Account* agreement to the *Bank*;
 - b. the *Clients* fail to submit the *Confirmation* to the *Bank* before the time limit of the *Transaction* execution expires.

B18.7. The *Bank* shall not pay interest on the funds held in the *Escrow Account*.

B18.8. The *Bank* shall not repay to the *Clients* the *Charge* withheld under the *Escrow Account* agreement.

B19. Terms of Transactions in Precious Metals

B19.1. Application

B19.1.1. These terms shall be applied to relations between the *Client* and the *Bank*, provided the *Client* has applied for receiving investment (brokerage) services from the *Bank* and, following the provisions of these *Terms*, applied for account used for performing transactions in unallocated precious metals and accounting of those to be opened with the *Bank*, in these *Terms* referred to as the *Precious Metals' Account*, and after the *Precious Metals' Account* with the *Bank* is opened for the *Client*.

These terms establish the provisions of opening and closing the *Precious Metals' Accounts*, of performing transactions in unallocated precious metals held and accounted in the *Precious Metals' Accounts*, i.e. respective unallocated precious metals in respective weight in troy ounces, in these *Terms* referred to as the *Precious Metals* or the *Precious Metal* accordingly.

B19.1.2. These terms shall apply to the transactions the object of which is the *Precious Metals*, including their purchase, sale and transfer.

B19.1.3. These *Terms* and the *Client's* application for opening a *Precious Metals' Account* or the *Client's* orders for transactions in *Precious Metals* accepted by the *Bank* for execution and in such case deemed equal to the *Client's* application for opening a *Precious Metals' Account* for the purposes of these *Terms*, as well as the *Bank* and the *Client* acting upon shall constitute an agreement on transactions in *Precious Metals*.

B19.2. Basic Terms. Authorization of the Brokerage Company

B19.2.1. The types of *Precious Metals* for performing operations with which *Precious Metals' Accounts* may be opened with the *Bank*, as well as minimum amounts of *Precious Metals* in troy ounces required for performing transactions in the *Precious Metals' Accounts* are stated in the *Rates and Charges* and/or the *Brokerage Company's* rates and charges.

B19.2.2. The *Precious Metals* held in the *Precious Metals' Accounts* shall not be physically delivered to the *Client*.

B19.2.3. The *Client* instructs and authorizes the *Brokerage Company* to conclude all kinds of transactions in *Precious Metals* available in the *Precious Metals' Account*, following the procedures set forth herein and those stated in the orders, including purchase, sale and transfers of *Precious Metals* in accordance with terms of the *Bank*, *Brokerage Company* and *Agency Companies*.

B19.2.4. The *Client* recognizes all transactions, orders and instructions given by the *Brokerage Company* to the *Bank* or executed with the *Bank* on the *Client's* behalf as binding upon itself.

B19.2.5. The *Client* agrees that the *Brokerage Company* receives information on the *Client* and the *Client's* transactions with the *Bank* from the *Bank*. The *Bank* ensures access of the *Brokerage Company* to information on condition of the *Precious Metals' Account* and transactions in the *Precious Metals' Account*, as well as the opportunity to receive *Precious Metals' Account* statements.

B19.2.6. Revocation of the authorization pursuant to this section B19 shall only be binding upon the *Bank* and the *Brokerage Company* in cases where such revocation is received by the *Bank* and the *Brokerage Company*.

B19.2.7. The *Client* agrees to be bound by the *Brokerage Company* General Terms of Business.

B19.3. Precious Metals' Accounts

B19.3.1. *Precious Metals' Account* is opened after the *Client* submits an application for opening *Precious Metals' Account* to the *Bank* following the procedure set by the *Bank* or submits an order for transactions in *Precious Metals* to the *Bank* following the procedure set by the *Bank*, and the order is accepted for execution by the *Bank*. The *Bank* shall be entitled to refuse opening *Precious Metals' Account* for the *Client* without explaining reasons of such refusal to the *Client*.

B19.3.2. A *Precious Metals' Account* is opened for executing transactions in one type of *Precious Metals* only.

B19.3.3. The following operations are performed in *Precious Metals' Account*:

B19.3.3.1. crediting of *Precious Metals* to the *Client's Precious Metals' Account*;

B19.3.3.2. transferring of *Precious Metals* from the *Client's Precious Metals' Account* with the *Bank* to other *Client's* or third party's *Precious Metals' Account* with the *Bank*, or to other *Client's* or third party's precious metals' account with another bank included in the *List of Main Correspondent Accounts*;

B19.3.3.3. selling of *Precious Metals*;

B19.3.3.4. purchasing of *Precious Metals*.

B19.3.4. The *Bank* shall be entitled to refuse accepting documents submitted by the *Client* and/or refuse executing orders for transactions in *Precious Metals* at the *Bank's* discretion in case contents or form of those documents fail to comply with normative acts and/or internal rules of the *Bank* or the *Brokerage Company*.

- B19.3.5. The *Brokerage Company* shall transfer the *Client's* order to the *Bank* for execution. Upon executing the *Client's* order, transactions in *Precious Metals* shall be posted to the *Client's Precious Metals' Account* and the *Cash Account*, as well as collectively to the *Client's Investment Portfolio*.
- B19.3.6. The *Bank* shall be entitled to refuse performing actions in *Precious Metals' Accounts* without explaining reasons on the following instances:
- B19.3.6.1. balance of *Precious Metals* in the *Precious Metals' Account* is less than the amount of *Precious Metals* stated by the *Client* in the order for transactions in *Precious Metals* (regarding sale and transfer transactions in *Precious Metals*);
- B19.3.6.2. in case of purchase of *Precious Metals* the *Client* has failed to ensure funds required for executing orders for transactions in *Precious Metals* to be available in the *Cash Account* in due time;
- B19.3.6.3. performance of the operation or execution of the order of the *Client* contradicts applicable legal normative acts, the agreement on transactions in *Precious Metals* entered into or internal rules of the *Bank* and/or the *Brokerage Company*.
- B19.3.7. The *Bank* shall be entitled to credit the *Client's Precious Metals' Account* with *Precious Metals* without the *Client's* consent, where a corresponding transfer order is received from a third party.
- B19.3.8. For processing an order or performing an operation in the *Precious Metals' Account*, the *Bank* shall be entitled to request additional information or confirmation to be provided by the *Client* and to process the order or perform the operation only after such information or confirmation is received. Should the *Client* fail to provide the information or where such information is impossible to be submitted and/or received, the *Bank* shall retain the right to deny execution of the *Client's* order or performance of operation in the *Precious Metals' Account*, informing the *Client* of the same in oral and/or written form.
- B19.3.9. The *Client* shall be entitled to receive statement on the *Precious Metals' Account* upon separate request or in the *Internetbank*.
- B19.3.10. The *Client* shall be entitled to request closing of the *Precious Metals' Account* at any time. *Precious Metals' Account* shall be closed within five *Bank* days after receiving the *Client's* request. *Precious Metals' Account* shall not be closed where it is required for executing the *Client's Transactions* or applicable charges of the *Bank* or the *Brokerage Company* are not paid.
- B19.3.11. The *Client* shall pay the *Bank* and/or the *Brokerage Company* the charge for closing the *Accounts* in accordance with the *Rates and Charges* and/or the *Brokerage Company's* rates and charges.
- B19.3.12. The *Bank* shall be entitled to close the *Client's Precious Metals' Account* unilaterally and without notifying the *Client* in advance in case the *Client* revokes authorization given to the *Brokerage Company*, the *Brokerage Company* terminates business relations with the *Client*, and in other cases stipulated in these *Terms*.
- B19.3.13. If *Precious Metals' Account* is closed, the amount of *Precious Metals* held in the *Precious Metals' Account* shall be paid out to the *Client's Cash Account* applying the respective *Precious Metal's* purchase rate set by the *Bank* as at the transaction date or, pursuant to the corresponding *Client's* order, shall be transferred to a third party's *Precious Metals' Account* with the *Bank*, or the *Client's* or a third party's precious metals' account with other banks.

B19.4. Settlement Procedure

- B19.4.1. The *Client* shall perform purchase transactions in *Precious Metals* using the funds available in the *Client's Cash Account* opened with the *Bank*. Performing the *Client's* sale transactions in *Precious Metals*, the sale transaction amount is credited to the *Client's Cash Account* with the *Bank*.
- B19.4.2. The *Client* shall pay the *Bank* and/or the *Brokerage Company* the *Charge* for opening and maintenance of the *Precious Metals' Account* and for executing transactions in *Precious Metals* and related transactions in accordance with the *Rates and Charges* and/or the *Brokerage Company's* rates and charges.
- B19.4.3. Provisions applicable to the *Bank's Charges* shall apply to the *Brokerage Company's Charges* by analogy. The *Bank* informs the *Client* on behalf of the *Brokerage Company* that the *Brokerage Company* joins these *Terms* and is entitled to demand remuneration.
- B19.4.4. The *Bank* and the *Brokerage Company* shall pay all taxes, duties and other compulsory payments that are payable by the *Bank* or the *Brokerage Company* pursuant to the legal acts of the Republic of Latvia or other countries, instead of the *Client*, without the *Client's* special consent and at the *Client's* expense. The *Bank* and the *Brokerage Company* shall not be responsible for payment of taxes and duties payable by the *Client*.
- B19.4.5. The *Bank* shall be entitled to debit any *Client's* account with the *Bank* with amounts of any payments or claims due to the *Bank* and/or the *Brokerage Company* pursuant to these *Terms* or agreements made between the *Brokerage Company* and the *Client*, or payable by the *Client* under made transactions in *Precious Metals*, including the *Charges*, taxes and duties, other compulsory payments, and amounts of ensuing claims, without acceptance and without notifying the *Client* for the sake of execution of such transactions, with payments being made from the *Cash Account* first. Should the *Precious Metals' Account* be debited with the above amounts, the amount of *Precious Metals* available in the *Precious Metals' Account* shall be decreased by the

amount of *Precious Metals* equal to the amount of the payment due, applying the *Bank's* rate of purchasing *Precious Metals* as at the day of making the payment.

- B19.4.6. Should the *Client* have any obligations to the *Brokerage Company*, the balance of *Precious Metals* available in the *Client's Precious Metals' Account* shall be deemed to be considered transferred to the *Bank* as a pledge to serve as a *Financial Pledge* and security of the *Client's* obligations to the *Brokerage Company*, in accordance with the *Brokerage Company's* General Terms of Business. Should the *Client* have obligations to both the *Bank* and the *Brokerage Company* at the same time, the *Bank* shall be considered to have first priority pledge and the *Brokerage Company* to have second priority pledge.
- B19.4.7. The *Bank* and/or the *Brokerage Company* shall be entitled to unilaterally set the *Charges*, set additional *Charges* and/or change the *Charges* applicable to opening of *Precious Metals' Accounts* and performance of transactions in those.

B19.5. Liability

- B19.5.1. The *Client* recognizes that monetary value of *Precious Metals* may change as a result of fluctuations in market value of the respective *Precious Metal*. The *Bank* shall not be liable for the *Client's* losses or any additional expenses incurred due to fluctuations in market value of the *Precious Metal*.
- B19.5.2. The *Bank* shall not be liable for the *Client's* losses or any additional expenses incurred by the *Client* through the following:
- B19.5.2.1. action or inaction of the *Agency Companies*, also where the *Agency Company* denies execution of the *Client's* order for transaction in *Precious Metals* due to any reason;
 - B19.5.2.2. the *Client's* order for transferring *Precious Metals* from the *Precious Metals' Account* with the *Bank* to the *Client's* or third party's account with other bank (beneficiary bank) is denied by the beneficiary bank due to any reason;
 - B19.5.2.3. the *Client's* order for transaction in *Precious Metals* is denied by the *Bank* or is not executed in due time through the *Client's* fault;
 - B19.5.2.4. the *Bank* exercises its right to deny the order execution or performance of operations in the *Precious Metals' Account* due to any reason.
- B19.5.3. The *Client* shall cover all expenses, losses, penalties or any other payments incurred by the *Bank* while executing the *Client's* orders for transactions in *Precious Metals*.

B20. Terms of Investment Gold Transactions

B20.1. Application

- B20.1.1. These terms of investment gold transactions shall be applicable to relations between the *Parties* where the *Client* and the *Bank* have entered into the agreement on investment gold transfer to the *Bank's* custody.
- B20.1.2. The *Agreement* on investment gold transfer to the *Bank's* custody (hereinafter in this section B20 referred to as the *Agreement*) shall be constituted by the *Client's* order for investment gold transfer to the *Bank's* custody (hereinafter in this section B20 referred to as the *Application*) and the *Terms*.
- B20.1.3. The *Agreement* shall become effective after the *Bank* accepts the *Client's Application*, making a corresponding entry in the *Client's Precious Metals' Account* and the *Client's Investment Portfolio* section of investment gold under the *Bank's* custody.
- B20.1.4. The *Bank* may enter into the *Agreement* with the *Client* only provided the latter has the *Current Account* and *Precious Metals' Account* opened with the *Bank*.

B20.2. Basic Terms. Authorization of the Brokerage Company

- B20.2.1. By submitting the *Application* the *Client* transfers the amount of investment gold stated in the *Application* in troy ounces to the *Bank's* custody.
- B20.2.2. The *Parties* agree that for the purposes of the *Agreement* investment gold shall be considered to be the gold in bars or plates, provided the gold fineness is 995 or higher and the gold manufacturer is certified by the London Bullion Market Association.
- B20.2.3. The *Client* instructs and authorizes the *Brokerage Company* to conclude all kinds of investment gold transactions, including exchange and investment gold transfer to the *Bank's* custody, in accordance with the terms of the *Bank, Brokerage Company, and Agency Companies*.
- B20.2.4. The *Client* recognizes all transactions, orders, and instructions regarding investment gold given by the *Brokerage Company* to the *Bank* or made with the *Bank* on the *Client's* behalf as binding upon the *Client*.
- B20.2.5. The *Client* may not give the *Bank* orders for any actions involving investment gold without intermediation and consent of the *Brokerage Company*, unless the *Bank* has previously consented to executing other orders of the *Client* as well.
- B20.2.6. The *Client* agrees that the *Brokerage Company* receives information on the *Client* and the *Client's* investment gold transactions from the *Bank*. The *Bank* ensures access of the *Brokerage Company* to the information on the *Client's* investment gold transactions. The *Client* commits to obtain the said information from the *Brokerage Company*.
- B20.2.7. Revocation of the authorization mentioned in this section B20 shall be binding upon the *Bank* and the *Brokerage Company* only in cases where such revocation is received by the *Bank* and the *Brokerage Company*.
- B20.2.8. The *Client* agrees to be bound by the *Brokerage Company's* General Terms of Business.

B20.3. Settlement Procedure

- B20.3.1. For the sake of executing the *Client's Application* for investment gold transfer to the *Bank's* custody, the *Client*, through the intermediary of the *Brokerage Company*, shall exchange the required amount of unallocated *Precious Metals* held in the *Client's Precious Metals' Account* with the *Bank*.
- B20.3.2. After investment gold is accepted into the *Bank's* custody, the *Bank* shall supply the *Client* with unique numbers of the gold bars or plates, which are used for identification of the *Client's* investment gold transferred to the *Bank's* custody.
- B20.3.3. The amount of investment gold transferred by the *Client* to the *Bank's* custody shall be accounted in troy ounces (net weight) in the *Client's Investment Portfolio* section of investment gold under the *Bank's* custody.
- B20.3.4. The *Bank* shall be entitled to engage the *Agency Company* chosen by the *Bank* in ensuring custody of the *Client's* investment gold, as well as to change the initially chosen *Agency Company* to other one, subject to the condition that the *Agency Company* chosen by the *Bank* may engage third parties in ensuring custody of the *Client's* investment gold.
- B20.3.5. An order for exchanging the *Client's* investment gold held under the *Bank's* custody may be submitted to the *Bank* by the *Client* through the intermediary of the *Brokerage Company*, and the *Client* shall consequently obtain the same amount of unallocated *Precious Metals* in the *Client's Precious Metals' Account* with the *Bank*.
- B20.3.6. An order for delivery of the *Client's* investment gold held under the *Bank's* custody to the *Client* may be submitted to the *Bank* by the *Client* through the intermediary of the *Brokerage Company*, and the *Client* shall separately agree with the *Bank* upon the procedure of the investment gold delivery.

- B20.3.7. The *Bank*, at its own discretion, may deny execution of the *Client's* orders for investment gold transactions, in cases where contents or form of those orders fails to comply with the normative acts and/or internal rules of the *Bank* or *Brokerage Company*. The *Bank* shall be entitled, without obligation, to execute the *Client's* order that cannot be executed immediately.
- B20.3.8. The *Client* shall pay the *Bank* and/or the *Brokerage Company* the *Charge* for investment gold transactions, including investment gold custody, in accordance with the *Rates and Charges* and/or the *Brokerage Company's* rates and charges.
- B20.3.9. Provisions applicable to the *Bank's Charges* shall apply to the *Brokerage Company's Charges* by analogy. The *Bank* informs the *Client* on behalf of the *Brokerage Company* that the *Brokerage Company* joins these *Terms* and is entitled to demand remuneration.
- B20.3.10. The *Bank* and the *Brokerage Company* shall pay all taxes, duties and other compulsory payments that are payable by the *Bank* or the *Brokerage Company* under the *Client's* investment gold transactions instead of the *Client* pursuant to the legal acts of the Republic of Latvia or other countries, at the *Client's* expense and without requesting the *Client's* special consent. The *Bank* and the *Brokerage Company* shall not be liable for payment of taxes and duties payable by the *Client*.

B20.4. Liability

- B20.4.1. The *Client* recognizes that monetary value of investment gold may change as a result of fluctuations in market value of the respective *Precious Metal*. The *Bank* shall not be liable for the *Client's* losses or any additional expenses incurred due to fluctuations in market value of the *Precious Metal*.
- B20.4.2. The *Bank* shall not be liable for accidental damage or loss of the *Client's* investment gold, unless such damage is caused by gross negligence of the *Bank* as the custodian.
- B20.4.3. Where the *Bank* engages the *Agency Company* in ensuring custody of the *Client's* investment gold, the normative acts of the *Agency Company's* country of registration and customary practices established in that country might apply to investment gold custody.
- B20.4.4. The *Client* recognizes and assumes the risks of default and insolvency of the *Agency Company* engaged by the *Bank* in ensuring custody of the *Client's* investment gold and of the third parties engaged by the *Agency Company* in ensuring custody of the *Client's* investment gold. The *Brokerage Company* and the *Bank* shall not be liable for losses incurred by the *Client* through action (inaction) of the *Agency Company*.
- B20.4.5. In case of default or insolvency of the *Agency Company* (as well as third parties engaged by the *Agency Company* in ensuring custody of the *Client's* investment gold), the only condition of assigning (ceding) the *Bank's* rights of claim on the *Agency Company* arising out of the investment gold custody agreement made between the *Bank* and the *Agency Company* to the *Client* in full shall be sending of the *Bank's* respective notice to the *Client*.
- B20.4.6. The *Bank* shall not be liable for the *Client's* losses or any additional expenses incurred because of the *Bank* exercising its right to deny execution of the order for the *Client's* investment gold transactions due to any reasons.
- B20.4.7. The *Client* shall cover all expenses, losses, penalties, or any other payments incurred by the *Bank* under execution of the *Client's* orders for investment gold transactions.