



OP Corporate Bank plc Latvia Branch

## GENERAL TERMS AND CONDITIONS

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## DEFINITIONS

The terms below shall have the following meaning:

**Account** means a current account opened with the Bank in the name of the Customer.

**Account Agreement** means an agreement for the opening and servicing of the Account concluded between the Customer and the Bank.

**Authorised Representative** means a natural person, for which the authority to act and to sign on behalf of the Customer as regards the Account, the Customer shall specify in the Specimen Signature Card.

**Bank** means OP Corporate Bank plc (number: 0199920-7; legal address: Gebhardinaukio 1, 00510, Helsinki, Finland), which is represented in Latvia by OP Corporate Bank plc Latvia Branch (unified registration number: 40103212230; registered address: Muižas iela 1, Rīga, LV-1010, Latvia).

**Bank Currency Exchange Rate** means the exchange rate that is defined in the Bank during the respective day for each of the currencies served by the Bank.

**Bank Group** shall mean companies in the same group with OP Pohjola. Information about the Bank Group is available on the Website.

**Banking Day** means any working day in Latvia, when the Bank provides financial services. For currency exchange Transactions and other Transactions with currency exchange, the Banking Day shall mean any working day in Latvia and Finland, when the Bank provides financial services.

**Base Rate** means €STR, EURIBOR or USD SOFR for the relevant period.

**Beneficial Owner** means a natural person,

- who owns or directly or indirectly controls more than 25 per cent of the merchant's fixed capital or of the total amount of voting shares, or who controls the merchant's activity in any other way; who directly or indirectly has the right to property or who directly or indirectly controls more than 25 per cent of a legal entity other than a merchant (a person or a group of persons for whose benefit an establishment has been set up is considered the Beneficial Owner of the establishment);
- for whose benefit or in whose interests the Transaction relationship is being established;
- for whose benefit or in whose interests an individual Transaction is being executed without establishing a Transaction relationship.

**Beneficiary** means a natural or a legal person (or other legal entity) specified in the Payment Order, which is the intended beneficiary of the funds.

**Cross-border Payment** means the Payment to the foreign bank as well as the Payment in foreign currency to the beneficiary's bank located in Latvia, or Group Payment.

**Customer** means a corporate entity, a partnership or other analogue entity to whom the Bank is providing services in accordance with the Transaction or having applied for receipt of services in the Bank; if the Transaction refers to the branch or representative office, the Customer to which the concluded Transactions are binding shall be deemed to be the principal company of the appropriate branch or representative office.

**Customer Information** means any information that is related to the contractual relationship between the Customer and the Bank, data on the Account of the Customer and the Payments made by the Customer.

**Deposit Agreement** means term deposit agreement entered into by and between the Parties.

**Deposit Amount and Currency** means an amount and currency indicated in the Deposit Agreement.

**Deposit Interest Rate** means an annual interest rate of the Term Deposit indicated in the Deposit Agreement.

**Deposit Maturity Date** means a date indicated in the Deposit Agreement when the Term Deposit expires.

**Deposit Starting Date** means a date indicated in the Deposit Agreement when the Term Deposit starts.

**EEA** means the European Economic Area, which consists of the European Union member states, Norway, Liechtenstein and Iceland.

**EURIBOR** means the annual interest rate in euros at which banks borrow money on the interbank market of the European Union member states for a given period and fixed by the European Banking Federation.

**General Terms and Conditions** mean these general terms and conditions.

**Group Payment** means the Payment within the Bank Group (between the banks belonging to the Bank Group in Finland, Estonia, Lithuania and Latvia).

**IBAN** (International Bank Account Number) means the customer's account number assigned in accordance with international standard (ISO13616) in banks and other financial institutions.

**Instant Payment** means a payment (an instant credit transfer) made in euro, executed immediately according to the Single Euro Payments Area (SEPA) Instant Credit Transfer (SCT Inst) scheme.

**Intermediary Bank/Correspondent Bank** means a bank, which is involved in the execution of a Payment that is neither the Bank nor the Beneficiary's bank.

**Intra-bank Payment** means the Payment in any currency between different Accounts of one Customer or between accounts of different Customers within the Bank.

**Law** means the law of the Republic of Latvia "On Payment Services and Electronic Money" or other law, or normative act replacing it.

**Money Laundering** means actions carried out for the purpose of concealing or disguising the illicit origin of funds or assisting any person who is involved in committing a criminal offence in evading the legal liability, i.e., conversion of proceeds from crime into other valuables, transfer of their location or ownership; concealment or disguise of the true nature, origin, location, disposition, movement, ownership of proceeds of crime; acquisition, possession or use of proceeds of crime, if at the time of acquisition of such rights it is known that these are proceeds of crime; or participation in any of these activities.

**NetBank** means a remote control system of current account, which is available to the Customer via the Internet.

**Party** means the Customer or the Bank, each individually, and the **Parties** shall mean the Customer and the Bank collectively.

**Payer** means the Customer commencing the transfer of funds by submitting a Payment Order to the Bank.

**Payment** means an activity commenced by the Payer or the Beneficiary with the aim to transfer funds, carry out a transfer or to draw out funds regardless of the obligations underlying the legal relationship of the Payer or Beneficiary.

**Payment Order** means an order to the Bank to execute a Payment submitted by the Customer in writing or electronically.

**Payment Services Provider** means a bank or other authority empowered to provide payment services in terms of the Law.

**Personal Data** means any information relating to the Authorised Representative, the Beneficial Owner and any other natural persons directly or indirectly related to the Customer, identified by the Bank and Personal Data whereof is processed when providing services to the Customer.

**Price List** means a price list established by the Bank, and amended by the Bank from time to time, setting out the prices charged by the Bank for certain services offered by the Bank.

**Quotation Day** means: in the case of €STR - the previous Banking Day; in the case of EURIBOR and USD SOFR - the first day of the respective Base Rate period.

**Sanctions** mean economic or financial sanctions, trade embargoes or other restrictive measures imposed, administered or enforced from time to time by the Republic of Latvia, the Republic of Finland, the United Nations, the European Union, the United States or the United Kingdom or any agency or any other governmental institution of any of the foregoing.

**SEPA Payment** means the Payment that conforms to the following conditions: payment currency is EUR; the Beneficiary's bank is established in SEPA payment area: the European Union member states, Norway, Iceland, Liechtenstein, Monaco or Switzerland; the Beneficiary's account number is in IBAN format; the Payment contains the Beneficiary's bank SWIFT/BIC code; type of Payment is Standard or Express Payment within SEPA payment area (in NetBank SEPA Express payment) and type of the Payment Commission is the SHA (shared). SEPA Payments within Latvia are processed with same day value and SEPA Payments to other countries are processed with value next Banking Day.

**Specimen Signature Card** means a card that contains the signatures of the Authorised Representatives, authorisation to represent the Customer in Transactions, except the credit risk related Transactions, if applicable - the imprint of the Customer's seal, and other information required by the Bank included into the Specimen Signature Card.

**SWIFT/BIC Code** means the code allocated by ISO (International Standard Organisation) for identification of financial institutions. SWIFT/BIC is 8 or 11 characters long and a combination of letters and numbers that is unique for each financial institution/bank.

**Temporary Account** means the Account which is opened to a newly established capital company before its registration with the Register of Enterprises of the Republic of Latvia, to which share capital of the capital company established by its founding documents is paid. Dealing with funds paid in the Temporary Account is blocked.

**Term Deposit** means a term deposit for fixed period of time in accordance with the Deposit Agreement.

**Transaction** means any transaction between the Bank and the Customer.

**Unique Identifier** means an account number in the IBAN format or account number and SWIFT/BIC Code for the Payment Services Provider, which expressly allows identifying the Beneficiary.

**USD SOFR** is the secured overnight financing rate in U.S. dollars, published by the Federal Reserve Bank of New York, based on transactions collateralized by U.S. Treasury securities.

**Verification of a Beneficiary (verification of payee)** means a service ensuring verification of the payee to whom the Customer intends to send a SEPA Payment or Instant Payment whether the name of the payee matches with the bank account number (IBAN).

**Website** means the Bank's website [www.opbank.lv](http://www.opbank.lv).

**€STR** (euro short-term rate) means a reference interest rate that reflects overnight borrowing costs of banks within the eurozone and is administered by the European Central Bank.

## 1. APPLICATION

- 1.1. These General Terms and Conditions shall govern relations between the Bank and the Customer.
- 1.2. On entry into the relationship of the Transaction with the Bank, the Customer declares that he has become acquainted with these General Terms and Conditions, provisions of the relevant agreements to be concluded with the Bank, as well as the Price List, Bank Currency Exchange Rates and interest rates of the Bank, agrees with them and recognises them as binding in respect of all the Transactions.
- General Terms and Conditions shall form an integral part of all the Transactions and agreements to be concluded between the Parties. General Terms and Conditions shall have the same legal force as other agreements to be concluded between the Parties. In the event of a conflict between the provisions of the General Terms and Conditions and the terms of the agreement to be concluded between the Parties, the terms of the agreement to be concluded between the Parties shall apply.
- 1.3. The Customer can become acquainted with General Terms and Conditions, Price List, Bank Currency Exchange Rates and interest rates, at the premises of the Bank during the Bank's working hours and at its Website, as well as receive advice on any Transaction of interest and its conditions by calling phone +371 67 777 007.
- 1.4. The Parties may enter into Transactions in electronic form, in accordance with the Electronic Services Agreement.

## 2. AMENDMENTS TO GENERAL TERMS AND CONDITIONS

- 2.2. The Bank shall be entitled to amend the General Terms and Conditions unilaterally. The Bank shall notify the Customer of the amendments to the General Terms and Conditions by placing the relevant notification in the NetBank as well as on its Website. The Bank shall place the amended General Terms and Conditions on its Website.
- 2.3. Amendments to the General Terms and Conditions shall enter into force and become binding to the Customer not earlier than one month after the relevant notification is placed in the NetBank and on Website, unless amendments to the General Terms and Conditions or law of the Republic of Latvia set forth another term for the date of entry into force of the amendments to the General Terms and Conditions. The Bank is not responsible for losses and other additional expenses incurred by the Customer if the Customer has not become acquainted with amendments to the General Terms and Conditions.
- 2.4. General Terms and Conditions and amendments thereof shall not apply to Transactions that are fully executed and completed before the date of entry into force of the General Terms and Conditions and amendments thereof.
- 2.5. If the Customer before the date of entry into force of the amendments to General Terms and Conditions has not submitted its objections to the Bank, it is considered that the Customer has agreed to the amendment of legal relationship between the Parties in accordance with provisions of the amendments.
- If the Customer does not agree with amendments to the General Terms and Conditions, it shall be entitled to terminate the Transactional relationship with the Bank in the part to which amendments to the General Terms and Conditions apply immediately before the date of entry into force of the amendments without application of penalty sanctions.
- In the event of termination of a relationship the Customer shall submit to the Bank all the necessary documents and carry out all the necessary activities for settlement of the obligations deriving from the legal relationship between the Parties.

## 3. REPRESENTATIONS

- 3.1. The Customer represents that:
- the Customer has full legal ability and capacity for conclusion and for execution of the Transactions;
  - the Customer has all the necessary rights, permits, licences and authorisations for the conclusion and execution of the Transaction;
  - the Transaction and all the effects thereof are binding to the Customer and do not result in infringement of the law of the Republic of Latvia and the law of the place of execution of the Transaction;

- d. all the information that the Customer has provided to the Bank, including on activities of its Beneficial Owner, financial situation, location, is true and not misleading. All the documents and notifications submitted by the Customer to the Bank, are true and valid. The Customer is aware of the criminal liability for the supplying of false information to the Bank;
  - e. the Customer has not directly or indirectly offered, promised or given any asset or priority to an employee of the Bank for the latter to act or refrain from action, in violation of his/her duties;
  - f. The Customer represents that it is not engaged in Money Laundering, i.e., concealing or disguising the illicit origin of funds and other property acquired as a result of criminal offences, or in terrorism financing, and that the Customer's funds present in the Bank have not been obtained in a criminal way;
  - g. the Customer confirms that it complies with the applicable Sanctions, is not a subject of the Sanctions, nor acts on behalf of any person (natural, legal or other entity) that is subject of the Sanctions, as well as does not directly or indirectly use the services provided by the Bank for carrying out business operations that are subject to the Sanctions.
- 3.2. The Authorised Representative entering into the Transaction on behalf of the Customer, shall represent that he is duly authorised, including he is entitled to conclude the Transaction, to sign the Transaction documents and to carry out other actions necessary for the performance of the Transaction or related thereto. If this representation proves false, the Authorised Representative entering into the Transaction on behalf of the Customer shall undertake all of the Customer's obligations to the Bank.
- 3.3. The Bank may, but it is not obliged to, at its own discretion, accept advanced electronic signatures (in the meaning of EU Regulation No 910/2014) of the Customer or its representative on agreements with the Bank or on Payment Orders or any other documents submitted to the Bank. The Bank initiates signing with an advanced electronic signature on a platform and in cases of its own choosing. In such a case the advanced electronic signature is deemed to be equivalent to the handwritten signature of the signatory and shall have legally binding effect.
- 3.4. When opening the Customer's Account, the Bank shall check representations and other information provided by the Customer within 2 Banking Days from the moment of opening of the Account. The Bank shall be entitled to refrain from execution of Transactions with the Customer in this Account.

#### **4. IDENTIFICATION OF THE CUSTOMER AND AUTHORISED REPRESENTATIVES. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING**

- 4.1. The Bank shall perform identification of the Customer and of Authorised Representatives in accordance with the requirements of the laws of the Republic of Latvia and of the Bank. The Customer shall submit to the Bank the requested information and documents confirming the accuracy of the information supplied.

The Customer shall ensure that the documents confirming authority of the Customer's representatives to act on behalf of the Customer and identification of the Customers' representatives in accordance with the requirements of the Bank are always at the disposal of the Bank. If the Customer fails to submit to the Bank such documents, the Bank shall be entitled to immediately refuse the execution of the Transaction fully or partially.

- 4.2. When entering into Transactions with the Customer, the Bank compares the signature of the Customer or Authorised Representative and the stamp imprint sample with samples of the signatures and the seal imprint samples in the Specimen Signature Card. For the purpose of comparison, the Bank shall not take into account the colour of the seal imprint.

Upon examination of compliance of the signature of the Customer or Authorised Representative and the seal imprint sample with the signature and the seal imprint sample present in the Specimen Signature Card, the Bank shall be responsible solely for bad faith of the Bank.

If the Bank has issued the code calculator to the Customer, the Customer acknowledges that a code from the code calculator correctly entered by the Customer is considered as equal to the signature of the Customer and Authorised Representatives and seal.

The information specified by the Bank may be provided to the Customer remotely, by the Bank identifying the Customer in accordance with the procedure laid down in the Electronic Services Agreement.

If any third party becomes aware of the Customer's means of identification that are used to access the NetBank and/or Phone Bank, the Customer shall be responsible for any consequences until the event is notified to the Bank under the procedure and in the form prescribed by the Bank.

- 4.3. For prevention of Money Laundering and terrorism financing the Bank is entitled to request from the Customer information and documents regarding the Customer, Beneficial Owners of the Customer, activity and the origin of the funds of Customer, explanation of the purpose of the Transactions concluded and applied for by the Parties et al. Until the receipt of the requested information, the Bank shall be entitled to impose any restrictions on the execution of the Customer's Transactions, that are not in contradiction with the Law. The Customer shall provide the information (documents) requested by the Bank within the time limit set by the Bank. If the Customer fails to provide to the Bank such information (documents) or the Bank suspects non-compliance of it to the actual conditions or Money Laundering or terrorism financing, the Bank shall be entitled to immediately refuse the execution of the Transaction fully or partially or to terminate the Transaction.

## 5. CONFIDENTIALITY

- 5.1. The Bank acknowledges that all the information related to the Customer, Transactions and relations of the Customer with third parties that the Customer has notified to the Bank shall be confidential and not to be disclosed to third parties without the permission of the Customer, other than the information that:
- a. is publicly available, or
  - b. shall be submitted to the Credit Register of the Bank of Latvia in respect of the Customer's debt commitment, or
  - c. shall be submitted for debt collection purposes regarding the existence, amount, basis of the Customer's debt commitment or reinforcement of obligations, or
  - d. shall be submitted to the assignee on the assignable right of claim, or to third parties in relation with the conclusion of share or other forms of fund raising agreements, or
  - e. is required by financial institutions involved in the execution of the Transaction applied for by the Customer upon their request, or
  - f. is submitted to companies of the Bank Group, or
  - g. may present evidence of the committing of a criminal offence or the Customer's violations in Transactions, or is required for investigation and finding of such facts, or
  - h. shall be provided to the third parties monitoring and auditing the Bank, or
  - i. shall be submitted to the competent authorities of the Republic of Latvia, of the European Union member states or of the other countries for performance of their functions in accordance with the law, or
  - j. shall be submitted to the Bank's Personal Data operators and other co-operation partners or intermediate companies providing services to the Bank or having other cooperation with the Bank in order to execute the Customer's orders or proposed Transactions, the Bank's operations or functions, or requirements defined by the applicable law.
- 5.2. Confidential information is kept secret by the Bank and shall be non-disclosable. Confidential information may be disclosed only in accordance with laws of the Republic of Latvia and General Terms and Conditions. The Parties agree that in accordance with the requirements of the laws and regulations and counterparties, information regarding the Customer may be delivered to the competent national authorities of the European Union member states and other countries, for performance of their functions.
- 5.3. The Customer agrees that the Bank shall be entitled to record and to save all the mutual communication and to select unilaterally the technical means for the recording of mutual communication, without prior notification. The Customer agrees that the Bank shall be entitled to use the records of mutual communication as evidence in dispute resolution, and in court, for protection of its interests. The Bank has no obligation to keep the records of mutual communication for the benefit of the Customer.

## 6. PERSONAL DATA

- 6.1. The Bank processes the Personal Data received from the Customer, for the purpose of compliance with the legal obligation to perform the Customer's due diligence provided for by the legal acts of the Republic of Latvia to which the Bank is subject, as well as requests and receives from third persons data necessary for verification and supplementation of the information provided by the Customer. More detailed information about Personal Data processing, its purposes and legal basis, as well as about rights of the data subject can be found in the Privacy Notice in the Website.

## 7. NOTIFICATIONS AND EXCHANGE OF INFORMATION

- 7.1. All the orders, applications, tasks, messages, recommendations and complaints resulting from existing Transaction relations between the Parties, are sent in writing by post, upon prior agreement with the Bank also by fax or e-mail, and by electronic means using NetBank.

Terms of use of NetBank are defined by the Electronic Services Agreement.

Notifications to the Bank may also be given verbally in cases specifically provided for in the General Terms and Conditions or in cases imperatively provided for in the laws and regulations of the Republic of Latvia.

All the notifications to be presented to the Bank should be completed without amendments, crossed-out phrases, deletions or scribal errors, in a clearly readable text and executed in accordance with the requirements of the General Terms and Conditions.

- 7.2. Notifications to the Bank, which are sent by post, should be sent to the Bank's legal address. The Customer's notifications sent by post are considered to be received by the Bank at the moment they are recorded in the Bank's documentation registers. The Customer's notifications sent by fax or e-mail are considered to be received by the Bank at the moment the Bank has confirmed receipt thereof.

Notifications to the Customer are sent by post to the Customer's legal address or to other last Customer's address notified to the Bank. The Bank shall bear no responsibility for the damages or expenses incurred by the Customer or third parties, if the Customer has failed to notify the Bank on the change of address for sending notifications or has specified the address for sending incorrectly, inaccurately or wrongly, as a result, has not received notifications from the Bank or has not received notifications from the Bank in good time.

The Bank shall be entitled to send notifications to the Customer also under another procedure laid down by the Bank, including by electronic means of communication and verbally.

- 7.3. If the notification is sent to the Customer to its postal address, it shall be deemed to be received on the third day following delivery to the post office, irrespective of the actual receipt. If the notification is sent to the Customer by electronic means of communication, it shall be deemed to be received at the time of dispatch, irrespective of the actual receipt. The Bank is not responsible for damages and other additional costs to the Customer that may be incurred by the Customer due to information transmission problems, delay or its abuse. The Customer empowers all its Authorised Representatives, as well as other persons present at the address for the sending of notification to receive notifications. If a notification is received by any Authorised Representative, it is considered that the Customer has received the notification.

The Bank shall be entitled to make records of verbal notifications. The Customer accepts such records by the Bank as equal to the received written notifications.

- 7.4. The Bank's stamp and signature of the Bank's employee on the notification submitted by the Customer shall confirm acceptance of the notification for processing and shall not impose on the Bank obligations relating to execution of the notification.

The only proof for execution of the Transaction is entry of the Transaction into the Account or confirmation of execution prepared by the Bank.

- 7.5. The Bank accepts notifications from the Customer drawn up in Latvian, Russian or English. The Customer agrees that the language selected by the Customer for receipt of the notifications shall be the language specified by the Customer for receipt of the Account statement. In the case if the Customer has not applied for receipt of the Account statement, the Bank shall be entitled to send notifications to the Customer in the language in which the Customer's notification submitted to the Bank is executed. The Customer is responsible for expressing notification clearly and definitely. The Bank shall be entitled, at its sole discretion, to decline execution of unclear notifications wholly or partly. If the numbers in the

notification at the same time are written in both in words and figures, then in the event of any conflict numbers written in words are effective.

- 7.6. If the Bank suspects deficiencies of the Customer's notification, including authenticity or legal force, or there are any doubts about the content of the document, the Bank shall be entitled to request the Customer to repeat the notification in a certain form or to request a Latvian translation and legalisation of the notification. The Bank shall be entitled to refuse execution of the notification until the repeated notification is received.
- 7.7. If the Bank has not specified otherwise, the Bank processes notifications on Banking Days during the Bank's normal working hours. If the Bank has accepted the notification at another time, the day for acceptance of the notification shall be considered to be the next Banking Day.
- 7.8. The Bank shall hand over the Customer's notifications addressed to one of the banks or companies of Bank Group, and notifications from a company of Bank Group addressed to the Customer respectively to the company of Bank Group or to the Customer. The Bank at its discretion elects the form and the manner in which notifications of the Bank Group are delivered.
- 7.9. The Bank confirms that banks or companies in Bank Group have agreed to the provisions of Section 7 of the General Terms and Conditions, therefore:
  - a. notifications of the bank or company of Bank Group shall be binding to the company of Bank Group and to the Customer as notifications received in writing;
  - b. if the agreements between a bank or a company of Bank Group and the Customer specify the Account, it is considered that the agreement includes the Customer identification data and the address being at the disposal of the Bank.
- 7.10. The Bank is not responsible for the transaction concluded, implemented or terminated by a third party and the Customer, due to or on the basis of notification from a bank or a company in Bank Group, as well as the Bank is not responsible for other consequences of these notifications.

## **8. CUSTOMER'S OBLIGATION TO COOPERATE**

- 8.1. For proper conduct of Transactions between the Bank and the Customer, the Customer shall promptly report to the Bank on changes in personal and registration data, passport details, addresses, and other contact information of the Customer and the Authorised Representatives, legal capacity and capacity to act, important changes in the financial condition, as well as on amendments or expiry of the powers of attorney submitted to the Bank, and the Beneficial Owners from the Transaction. This notification obligation exists even if changes in the Customer's information submitted to the Bank are included in the public registers. The Customer having entered into Transactions with the Bank related to borrowing of its funds (credit, overdraft), as well as the related security and reinforcement Transactions (pledge, mortgage agreement, other security agreements, guarantee) undertakes to submit to the Bank the documents confirming income, debt liabilities and financial situation of the Customer, guarantor and other persons participating in repayment of the borrowed funds within the period, in the form and under the procedure prescribed by the request of the Bank.
- 8.2. Complete information on the Transactions registered in the Account shall be made available by the Bank to the Customer by electronic means in the NetBank in the form of the Account statement. The Customer shall be entitled to receive another type of Account statement upon individual request in accordance with the commission specified in the Price List.

The Customer shall follow a display of Transactions on the Account and to check its conformity with what was actually carried out not less than once a month. The Customer agrees that in terms of General Terms and Conditions the Account statement is considered to be the primary evidence of Transactions carried out by the Customer that constitute sufficient basis for the establishment of appropriate fact. The Customer agrees that, unless General Terms and Conditions specify otherwise, if the Customer without delay, and no later than within five Banking Days from the date of receipt of the Account statement has not notified the deficiencies to the Bank, the accuracy and completeness of the Account statement is considered to be confirmed by the Customer.

The Customer shall, at the Bank's request, without delay provide to the latter all the documented evidence and information that may be indicative of non-conformance of the Transactions reflected on the Account with those actually carried out or the Transactions not approved (unauthorised) by the Customer.

- 8.3. If the funds have been accrued to the Account by mistake made by the Bank, the Bank shall be entitled to debit such funds from the Account without acceptance.
- 8.4. The Parties agree that the Customer is not entitled to assign its claims against the Bank to third parties without the Bank's written consent.
- 8.5. The Customer shall notify the Bank of any facts and events known to the Customer that could be indicative of and/or cause an unjust enrichment for the Customer and/or cause damage to the Bank.

## 9. COMMISSIONS. PAYMENTS TO THE BANK

- 9.1. The Customer pays to the Bank remuneration (commission) for services rendered, under the procedure and in the amounts specified by the General Terms and Conditions and the Price List.

Amount and procedure for payment of the commission shall be determined by the Price List effective at the time for provision of the service. The Bank shall be entitled to amend the Price List unilaterally. Such amendments shall enter into force one month after notification of amendments to the Price List, unless amendments to the Price List or laws of the Republic of Latvia have set another term for entry into force of the amendments. The Bank shall notify the Customer of amendments to the Price List by publishing them on the Website, or if the Bank and the Customer have agreed separately thereon, the Bank shall notify the Customer of amendments to the Price List on an individual basis.

If the Customer has not submitted its objections to the Bank before the date of entry into force of the amendments to the Price List, it is considered that the Customer has agreed to them.

If the Customer does not accept amendments to the Price List, it shall be entitled immediately but not later than at the date of entry into force of the amendments, without the application of penalty sanctions, to refuse receipt of the appropriate service from the Bank and to terminate the Transaction relationship with the Bank in the part for which the notified amendments to the Price List have entered into force.

In case of termination of the Transaction relationship, the Customer shall submit to the Bank all the necessary documents and to carry out all the necessary activities for settlement of all the obligations derived from the legal relationship existing between the Parties.

- 9.2. The Bank's interest rates (if the Parties have agreed on the calculation of interest for the Account balance) are published on the Website, unless another agreement on interest rates is concluded between the Parties. The Bank shall be entitled to amend unilaterally the Bank's interest rate at any time without prior notice, i.a. during the Banking Day, taking into account the interest rate fluctuations on financial markets, unless agreements concluded between the Parties provide otherwise. Such amendments shall enter into force with the time of their notification to the Customers, i.e. at the time of publication of new Bank interest rates on the Website, or if the Bank and the Customer have agreed separately thereon, the Bank shall notify the Customer about changes in the interest rates on an individual basis.
- 9.3. Bank Currency Exchange Rates are specified in the NetBank. Unless agreements concluded between the Parties provide otherwise, the Bank shall be entitled to amend unilaterally the Bank Currency Exchange Rates at any time without prior notice, i.a. during the Banking Day, taking into account the exchange rate fluctuations on the financial markets. Such amendments shall enter into force with the time of their notification to the Customers, i.e. at the time of publication of new Bank Currency Exchange Rates in the NetBank.

The Customer agrees that the published Bank Currency Exchange Rate may differ from the currency exchange rate applied for the particular Transaction, which the Bank shall be entitled to notify to the Customer of only after execution of the Transaction in the form of Account statement.

- 9.4. The Customer shall familiarise itself with the Price List, the Bank Currency Exchange Rates and interest rates before applying for the service in the Bank.

The Bank shall be entitled to determine the commission for services which are not included in the Price List, at its sole discretion. Such commission shall be effective from the date when the Customer has received notification thereof.

- 9.5. The commission shall be paid before the execution of service, unless the Bank has set any other procedure for payment of the commission. If the Customer has not paid to the Bank the commission for the Bank's services, the Bank shall be entitled to suspend rendering that service to the Customer without previous notice or to refuse rendering the service. If the Bank suspends or refuses rendering

the service to the Customer for the reasons referred to in the previous sentence, the Bank is not responsible for damages and other additional expenses incurred by the Customer. The Bank shall be entitled at its discretion to continue provision of the service, if the Customer has not paid the commission for the Bank's services, resulting in the Bank having obtained appropriate right of claim against the Customer in the amount of the outstanding commission.

- 9.6. If the commission is subject to taxes, duties or payments considered as equal to these, the Bank shall be entitled to deduct these payments from the Customer, with a corresponding increase in the amount of commission.
- 9.7. The Bank has the right to debit without acceptance from any Account any claims arising from Transactions proposed by the Customer (including the amounts of Payments proposed by the Customer, commissions, conversions, taxes, duties etc.) that the Customer has committed to perform and/or to which the Bank shall be entitled in accordance with the General Terms and Conditions.

In the case the Account, at the time when payment due to the Bank has to be made, has insufficient balance of the currency in which the payment has to be made, the Bank shall be entitled to debit the amount of its claims in another currency at the Bank Currency Exchange Rate in force at the time of debiting the amount of the claim.

In the case the Account, at the time when payment due to the Bank has to be made, has insufficient balance to make payment, the Bank shall be entitled to debit the amount of its claims immediately at the time when the balance of the Account will be sufficient to make payment. In this case, the Bank shall be entitled to debit the amount of claims according to the Price List in force at the time of debiting the amount of the claim.

If the amount paid in by the Customer is not sufficient to satisfy the entire Bank claims, the claims are satisfied in the order at the discretion of the Bank, including satisfying the less reinforced claims at first.

- 9.8. If the Customer fails to fulfil its obligations to the Bank in whole or in part, as well as if the Customer's insolvency process is declared or the Customer's legal protection or winding-up proceedings are implemented, the Bank shall be entitled to use without any restrictions the existing funds of the Customer placed at the Bank to reduce the extent of the obligations of the Customer or completely fulfil these obligations.

## 10. SECURITY FOR THE BANK'S CLAIMS AGAINST THE CUSTOMER

- 10.1. All the Customer's funds that presently are or hereafter will be deposited on the Accounts serve as financial collateral for obligations of the Customer and of the Customers closely related therewith against the Bank and are pledged to the Bank as financial pledge. Financial pledge shall secure obligations of the Customer and the Customers closely related therewith against the Bank, including future obligations. The Bank is responsible only for damages incurred by financial pledge due to the Bank's bad faith. The Bank shall be entitled to use financial pledge and its future components. The Bank pays compensation for use where this is provided for in the Price List.
- 10.2. The Bank shall be entitled to satisfy all the Bank's claims against the Customer by enforcement of the financial pledge, without prior notification to the Customer. The Bank shall be entitled to debit (transfer) the amount due from any Account or funds to which the Customer otherwise is entitled to. Financial pledge being in the Bank's actual possession is considered to be delivered to the Bank in respect of all the Bank's claims against the Customer, the Customer's debt to the Bank and further Customer's debts to the Bank shall be paid from financial pledge, and the Bank shall be entitled to direct recovery against the financial pledge and to use it without prior notification or special reminder to the Customer. The Bank shall be entitled to use the detainer rights in regard to the financial pledge if the debt payment term is due. The Bank shall be entitled to use the financial pledge by replacing it with an equivalent collateral.
- 10.3. The Customer shall be held solidary liable for all the obligations against the Bank of Customers closely related to the Customer in lieu of the principal debtor.

Within the meaning of General Terms and Conditions as closely related Customers shall be deemed to be persons for whom one or several of the following conditions are valid:

- a. one of those persons directly or indirectly controls the other person due to their decisive influence based on the participation, holding group contract or analogous relations;
- b. the persons have a common related person in accordance with the conditions referred to in (a) hereby;

- c. the persons have a joint Beneficial Owner.

The Customer shall be responsible for the commitments of closely related Customers, if the Customers have been closely related at any time since the obligations have come into existence or are present.

## 11. LIABILITY

- 11.1. For any failure to comply with the payment date, at the request of the other Party the Party causing the failure shall pay to the other Party a contractual penalty in the amount of 0.1% (one tenth of per cent) per day of the outstanding sum for each day of delay, but not more than five per cent of the unpaid amount unless otherwise provided for by the Price List, another section of General Terms and Conditions for a specific financial service or contract/agreement concluded between the Parties. Payment of the contractual penalty shall not relieve the Party from fulfilment of its obligations.
- 11.2. Payment of the contractual penalty shall include indemnification of all the Customer's interests, damages and expenses.
- The Bank shall be held responsible for damages incurred by the Customer due to the Transaction between the Parties, only in the event if the damages are caused by the Bank's bad faith. In the case of the Bank's bad faith, the Bank shall indemnify to the Customer only direct and incurred damages.
- 11.3. The Bank is not responsible for full or partial failure to comply with its obligations, if such a default has occurred due to any circumstances outside the control of the Bank, including terrorism, warfare, fires, explosions, civil disturbances, strikes, natural disasters, acts issued by the public authorities, actions of third parties, computer or other communications disorders or defects, or errors.

## 12. TERMINATION OF TRANSACTION

- 12.1. Unless otherwise specified by the agreement between the Parties or General Terms and Conditions, it is considered that any agreement concluded between the Parties is of unlimited duration.
- 12.2. Each Party shall be entitled to unilaterally terminate all or individual contractual relations existing between the Parties, by giving notice to the other Party on the termination of the contractual relations specified therein not later than by 30 (thirty) calendar days before the date of termination of the contractual relationship, unless otherwise prescribed by the law of the Republic of Latvia or the agreement concluded between the Parties.
- 12.3. The Bank shall be entitled to suspend or to terminate any Transaction and any contractual relations with the Customer unilaterally, without indemnification to the Customer of any damages or additional expenses, and without prior notice immediately in the following cases:
- if the Customer is in breach of the General Terms and Conditions or representation stipulated by Clause 3.1 of the General Terms and Conditions turns out to be false;
  - if there is a suspicion that the person acting on behalf of a Customer is not identified or duly authorised;
  - if there is a suspicion of the Customer's relationship with Money Laundering, terrorism financing or attempt thereof;
  - if the Customer commits legally punishable, unfair or unethical action or the Bank has a basis to consider future cooperation with the Customer to be offensive to the Bank's honour, dignity or reputation;
  - if the Customer or any person, directly or indirectly related to it, including the Beneficial Owner, is subject of the Sanctions;
  - in the cases referred to in Clause 4.3 of the General Terms and Conditions.
- 12.4. In the event of termination of the Transaction, all the Payments resulting from the Transaction to be terminated, become due. For any delay by the Customer to make Payment, the Customer shall pay to the Bank a contractual penalty in accordance with the General Terms and Conditions, even after termination of the Transaction.
- 12.5. The Customer shall fulfil all the obligations arising from the contractual relationship with the Bank not later than on the date of termination of the contractual relationship.

### 13. APPLICABLE LAW AND PROCEEDINGS FOR DISPUTE RESOLUTION

- 13.1. Laws of the Republic of Latvia, international banking practices and customs shall apply to the Transaction relationship between the Parties, unless the Parties have agreed otherwise in writing.
- 13.2. The Parties shall be entitled to resolve all differences between the Customer and the Bank through mutual negotiations.
- 13.3. The Parties agree that before the dispute is referred for adjudication to the Court, the Customer shall submit the recommendation, claim or complaint against the Bank in writing and the Bank shall examine the same within the time limit prescribed subject to the procedure for handling recommendations and complaints, which is placed on the Website.
- 13.4. If the Customer's claim against the Bank falls within the competence of the ombudsman of the Finance Latvia Association, in accordance with the ombudsman's rules of procedure, the Customer shall be entitled to refer the claim for examination to the ombudsman.
- 13.5. Any dispute, disagreement or claim resulting from the Transaction relationship between the Parties, breach thereof, termination, legality, validity or interpretation, shall be settled in court of the Republic of Latvia pursuant to the effective order established by Law.
- 13.6. In the event of conflict between the text of the General Terms and Conditions in Latvian and the text of the General Terms and Conditions in another language, the text of the General Terms and Conditions in Latvian shall be applied.

### 14. TERMS AND CONDITIONS OF ACCOUNT

#### 14.1. Application

These terms and conditions of Account are applicable if the Customer has applied for opening of the Account to the Bank or the Customer has an Account opened with the Bank.

#### 14.2. Account opening

The Bank opens for the Customer a multi-currency Account on the basis of the Customer's application for opening of an Account. The Account Agreement shall be deemed to have been concluded from the Account opening date. The time for opening of the Account is considered to be the time when the Bank has signed the Account Agreement.

The Bank shall be entitled to refuse the Customer to open an Account on the basis of the confidential information at its disposal or due to any other reason. In this case, the Bank does not have to explain to the Customer the reason for refusal. In case the Bank has refused to open an Account, the Bank shall keep all the documents submitted by the Customer for opening of an Account.

The Bank shall be entitled to determine the currencies that the Customer will be able to use in the Account.

#### 14.3. Transactions in the Account

- 14.3.1. If the Customer finds that the Transactions reflected in the Account do not correspond to those actually carried out or there are Transactions that are not approved (unauthorised) by the Customer, it shall notify the Bank thereof without delay, but not later than within five Banking Days from the date when the Transaction is recorded (or the date when the Transaction had to be recorded). The Customer shall be entitled to receive indemnification for damages from the Bank in accordance with the Law, by submitting to the Bank claim in the form and under the procedure prescribed by the Bank (procedure for examination of recommendations and claims is available on the Website) not later than within ten Banking Days after the funds have been debited from the Account, unless the Parties have agreed otherwise in writing.
- 14.3.2. The Bank shall not refund damages to the Customer if the Customer has acted unlawfully or on purpose (intentionally) or due to serious negligence has failed to comply with one or more requirements of the General Terms and Conditions, as well as in cases when the Customer could have or should have anticipate damages, but it has failed to provide for the safety of funds on the Account, including by setting of limits to the Transactions or by requesting blocking of Transactions on the Account.
- 14.3.3. The Bank shall be entitled to require special approval of the Customer for Transaction in the Account, which has not been declared to the Bank by the Customer or its Authorised

Representative in person and doubts have emerged for the Bank about the Customer's approval (authorisation) to the Transaction. The Bank shall be entitled not to execute this Transaction until the Bank obtains the Customer's special approval of this Transaction compliant with requirements of the Bank. In this case, the Bank is not responsible for damages or additional costs that the Customer may incur in connection with a delayed execution of the Transaction.

14.3.4. When providing to the Bank its special approval of the Transaction, the Customer shall waive the right of claim in respect of this Transaction or to claim damages.

#### 14.4. **The funds on the Account. Interest**

14.4.1. The funds on the Account are demand deposits, and the Customer shall be entitled to deal with these funds by transfer thereof.

14.4.2. The Bank shall pay interest to the Customer on the balance of Account, where this is provided for in the Account Agreement or subject to individual arrangement between the Parties. The Bank shall calculate interest on the Account balance specified in the Account Agreement column "Interest calculation basis", but which shall not be less than the minimum amount specified in the Account Agreement column "Starting Balance" by application of the interest rate specified in the Account Agreement columns "Base rate" and "Margin", presuming that the year and month has the number of days specified in the Account Agreement column "Calculation basis".

14.4.3. Bases for calculation of the interest rate (Account Agreement column "Interest calculation basis") are as follows:

- a. the monthly average balance on the Account, which means that interest shall be calculated by summing up the Account balance of each particular day for the current month and dividing the result by the number of days of the appropriate month;
- b. the monthly minimum balance on the Account, which shall mean that interest is calculated on the basis that the smallest Account balance at any day of the month is considered to be the balance of the Account for each day of appropriate month;
- c. actual balance day by day on the Account, which shall mean that interest is calculated on the actual balance of the Account for each day, if it is positive.

14.4.4. For each of the above interest rate calculation bases the Bank shall apply one of the following versions:

- a. "Flat" - the interest rate specified by the Account Agreement columns "Base rate" and "Margin" shall be applied to entire calculated balance on the Account, irrespective of the amount of the balance on the Account, if it is greater than zero;
- b. "Stair" the interest rate applied depends on the amount of balance on the Account, but is applied to the entire calculated balance on the Account;
- c. "Ladder" - different interest rates shall be applied for each calculated interval of balance on the Account. There are no more than five intervals.

14.4.5. If the base rate specified by the Account Agreement (Account Agreement column "Base Rate") is fixed, the interest rate that is equal to the additional rate (Account Agreement column "Margin") shall be applied for calculation of interest. If the base rate specified by the Account Agreement (Account Agreement column "Base rate") is variable, the interest rate that is comprised of the sum total of the Base Rate and additional rate (Account Agreement column "Margin") shall be applied for calculation of interest.

14.4.6. The additional rate specified by the Account Agreement (Account Agreement column "Margin") shall be valid from the day of conclusion of the Account Agreement until entry into force of a new interest rate, in accordance with Clause 9.2 of the General Terms and Conditions.

14.4.7. In the case when the Quotation Day is not a working day in Finland, the Base Rate for the previous working day in Finland is used for the interest calculation.

14.4.8. The accrued interest shall be credited by the Bank to the Account every month on the last day of the month.

#### 14.5. **Closing of the Account**

- 14.5.1. Each of the Parties shall be entitled at any time to initiate closure of the Account, without explaining the reasons.

The Account is closed within five Banking Days of receipt of the respective notification of the Customer. The Account shall not be closed if it is necessary for the purposes of execution of other Transactions concluded with the Customer or it has a negative balance.

In addition to the cases laid down in Clause 12.3 of the General Terms and Conditions, the Bank shall be entitled to close the Account unilaterally and without prior notification to the Customer, if the Customer has not carried out Transactions with the Account for 6 (six) consecutive months.

- 14.5.2. The Customer shall pay a commission for closing of the Account to the Bank, if it is prescribed by the Price List.
- 14.5.3. If the Customer, when requesting the closing of the Account, has indicated another account for transfer of the balance of funds under the procedure specified by the Bank, then the Bank, when closing the Account, shall transfer the balance in accordance with the Payment Order submitted by the Customer. The Bank shall be entitled to determine the type of the Payment by which the balance is being transferred (standard, urgent or express) and to debit the corresponding commission according to the Price List.
- 14.5.4. If the Account is closed by the Bank, the Customer shall, at the request of the Bank, declare to the Bank another account for transfer of the funds balance. If the Customer has failed to notify another account for transfer of funds, the Account balance is kept by the Bank, no interest is calculated thereon and the balance, subject to the General Terms and Conditions, is paid at the request of the Customer, on the basis of a relevant application executed in accordance with the requirements of the Bank. Prior to the transfer of funds the Bank shall be entitled to carry out the Customer's identification under the procedure laid down in Section 4 of the General Terms and Conditions, as well as to deduct the commission in accordance with the Price List from the amounts to be transferred for the retention period of relevant funds.
- 14.5.5. When closing the Account:
- a. the Customer shall indemnify the Bank against all of its costs and losses and, where necessary, submit appropriate security before closure of the Account;
  - b. documents submitted by the Customer for opening of the Account and performance of Transactions, shall not be returned to the Customer.

#### **14.6. Temporary Account**

- 14.6.1. Capital company, which is incorporated in the Republic of Latvia, before registration with the Register of Enterprises of the Republic of Latvia can open a Temporary Account for the payment of equity capital set forth by the capital company's documents of incorporation.

Terms and conditions of Account (Section 14 of the General Terms and Conditions) shall be applied for opening and servicing the Temporary Account, as far as they are not contrary to the provisions of this Clause 14.6.

- 14.6.2. Disposal of funds on the Temporary Account shall be prohibited before registration of the newly established capital company with the Register of Enterprises of the Republic of Latvia or the termination of incorporation without registration of the capital company. The Bank shall be entitled to debit commissions from the Temporary Account in accordance with the Price List.
- 14.6.3. After registration of a capital company with the Commercial Register, the capital company should repeatedly declare the opening of the Account (Clause 14.2 of General Terms and Conditions), with a notification to the Bank about the Authorised Representatives of the capital company. Upon the opening of the Account the provisions of Clause 14.6 of the General Terms and Conditions shall not apply.
- 14.6.4. In the case when incorporation of a capital company is terminated without registration, the money paid into the Temporary Account of the capital company shall be transferred by the Bank in accordance with instructions from founders of the capital company who have paid equity capital into the Temporary Account.

## 15. TERMS AND CONDITIONS OF PAYMENTS

### 15.1. Application

- 15.1.1. These terms and conditions of Payments are applied if the Customer has submitted a Payment Order to the Bank or when the Bank receives funds addressed to the Customer. The relationship between the Parties arising from Payments and not covered by these terms and conditions of Payments, are negotiable in accordance with the Civil Law provisions on the contract for work-performance, the Commercial Law provisions on commercial transactions, the Law, legislation of the Bank of Latvia, as well as in accordance with international banking practices and the Bank's common customs.
- 15.1.2. The Parties agree that the Bank does not apply the provisions of paragraph one of Section 77, paragraph three of Section 80, as well as of Section 85, 87, 92 and 99 of the Law.

### 15.2. Execution of the Payment Orders and Authorisation of Payments

- 15.2.1. In order to make the Payment, the Customer shall submit to the Bank the Payment Order in the form and under the procedure prescribed by the Bank, accurately and completely filling it out and providing all the information requested.
- 15.2.2. In the Payment Order for making a Cross-border Payment, the Customer may also specify accurate and full name, address (at least town/city and country), as well as information about the correspondent account of Intermediary Bank/Correspondent Bank and the code of Intermediary Bank/Correspondent Bank known to the Customer - SWIFT Code, BLZ (Germany), Sort Code (England), ABA or FW (US). If in the Payment Order the Customer has not specified the Intermediary Bank/Correspondent Bank for corresponding Payment, the Bank shall be entitled to select the Intermediary Bank/Correspondent Bank at its discretion, without the agreement thereon with the Customer. The Customer is not entitled to define the Intermediary Bank/Correspondent Bank that the Bank should use for the performance of Payment.
- 15.2.3. The Customer can also specify additional data in the Payment Order for making SEPA Payment where the type of Payment is Standard. The Bank shall be entitled to define a maximum amount for such SEPA Payments for which specifying the additional data is possible.

For SEPA Payments SWIFT code of the Beneficiary's bank is defined based on the Beneficiary's account number that should be in IBAN format. In case the Customer has provided SWIFT code of the Beneficiary's bank that does not correspond to the Beneficiary's IBAN, it will be replaced by the SWIFT code corresponding to the Beneficiary's IBAN provided by the Customer.

- 15.2.4. The Payment Orders have to be filled in Latin letters in Latvian or another language acceptable to the Bank. The Bank has no obligation to translate the information specified in the Payment Order.
- 15.2.5. The Customer may submit the Payment Order in euro and foreign currencies, except for Instant Payment, in which the Bank makes Payments. Information about the currencies in which the Bank makes Payments is available to the Customer in the premises of the Bank or the Website.
- 15.2.6. If the Customer has not specified all the required details in the Payment Order, except for Instant Payment, the Bank shall be entitled, but not obliged to ask for additional information from the Customer. If the Bank fails to clarify the data of the Payment Order until the end of the following Banking Day after the acceptance of the Payment Order for processing, it shall be entitled to refuse execution of the Payment.

The Bank shall be entitled to refuse execution of the Payment, except for Instant Payment, in the event of failure to comply with the provisions stipulated by General Terms and Conditions or if the laws or other regulatory requirements applicable to the Bank, requirements of the Correspondent Banks or those applicable by the Bank Group prohibit the execution of Payment.

Refusal to execute the Payment shall be notified by the Bank to the Customer, by placing a notification on the NetBank, unless prohibition of such information is prescribed in the laws

applicable to the Bank. The Bank shall be entitled to collect the commission for the said notification.

The Bank is not responsible for damages or other additional expenses incurred by the Customer as a result of refusals referred to in the present Clause.

- 15.2.7. The Bank shall not execute the Payment Orders if the Account balance is not sufficient. The Payment Order in paper form submitted by the Customer in person for execution of which the Account balance is not sufficient, is valid for execution for six Banking Days. The Payment Order submitted by the Customer via the NetBank for the execution of which the Account balance is not sufficient, shall be void at the cut-off time for submission of appropriate Payment specified on the Website. If the Customer's account has insufficient funds at the time of receipt of the Payment Order, the time of receipt of Payment Order is the moment when required funds are credited to the account.
- 15.2.8. The Bank is not responsible for damages or additional expenses incurred by the Customer that may result from the failure to execute or improper execution of the Payment Order, if the Beneficiary's account number specified in the Customer's Payment Order in the IBAN or another format is invalid or inaccurate, does not correspond to other Payment data being specified, as well as if the data specified in the Customer's Payment Order are inaccurate or incomplete.
- 15.2.9. If the Customer has specified in the Payment Order inaccurate information identifying the banks participating in the Payment, except for Instant Payments, the Bank shall define it unilaterally. In the execution of the Payment Order the Bank as an expert, shall execute the Payment Order without a separate agreement with the Customer by selection of the most efficient ways for execution.
- 15.2.10. The Customer agrees that the Bank has fulfilled its obligations relating to the Payment Order, except for Instant Payment, at the moment when the Payment amount is transferred at the disposal of the Beneficiary's bank or Intermediary Bank/Correspondent Bank within the terms specified by the Price List. After receipt of the delivered Payment amount the Beneficiary's bank or Intermediary Bank/Correspondent Bank is responsible to the Customer or the Beneficiary for proper execution of the Payment.
- 15.2.11. The Bank is not responsible for non-executed or inappropriately executed Payment Order, if its proper execution is delayed by laws or other regulatory requirements applicable to the Bank. The Bank is not responsible against the Customer for non-execution or delayed execution of the Payment Order, if such a failure or delayed execution is caused by an error of the system of payments, error of data processing and data communication or any other program or system used by the Bank to execute the Payment Order.
- 15.2.12. The Customer agrees that the Payment is considered to be approved (authorised) by the Customer if:
- a. the Payment Order is submitted in paper form and signed in accordance with the signature and / or seal imprint samples submitted to the Bank in the Specimen Signature Card;
  - b. the Payment Order is submitted via the NetBank, and authorised in accordance with the provisions of the Electronic Services Agreement.
- The Customer agrees that the Bank may consider approval of the Transaction under the procedure specified in the sub-clauses of this Clause being the Customer's irrevocable approval / consent to the amount and other details specified in the Payment Order.
- 15.2.13. The Bank communicates the outcome of the Verification of Beneficiary to the Customer, indicating whether the result is a match, close (almost) match, or no match. If there is no match, the Bank warns the Customer that proceeding with the payment may result in funds being sent to an account not owned by the intended payee. If there is a partial match, the Bank provides the Customer with the name linked to the account number (IBAN) specified. The Customer then decides whether to proceed with or cancel the payment. If the Customer authorizes a Payment after being informed of a mismatch or close (almost) match, they accept full responsibility for any consequences, including the possibility that the funds may be sent to an unintended recipient. The Bank will not reimburse any such resulting losses.

### 15.3. Commissions

- 15.3.1. The Bank offers to the Customer the following types of payment of the commissions:
- a. "SHA" (shared) - the Beneficiary and the Payer pays for each of their own bank's commission. If the Customer in the Payment Order has specified the type of payment of the commission as "SHA", the Customer shall ensure the Payment amount in the Bank and additionally pay to the Bank commission in accordance with the Price List. The Bank delivers the Customer's Payment Order to the Beneficiary's bank or Intermediary Bank/Correspondent Bank by indicating the "SHA" option in an appropriate Payment message field. With this it is considered that the Bank has fulfilled its obligations regarding execution of the Payment in accordance with "SHA" rules. All the banks involved in the Payment, excluding the Bank, shall be entitled to deduct commissions from the Payment amount. In addition, in the case of Payments in national currencies of the EEA member states, including EUR, within EEA only the Beneficiary's bank shall be entitled to deduct the commission from the transferred amount of money before their accrual to the Beneficiary's account, if required by an agreement between the Beneficiary and its serving bank;
  - b. "OUR" (Payer) – the Payer shall pay all the commissions. If the Customer in the Payment Order has specified the type of commission payment "OUR", the Customer shall ensure in the Bank the Payment amount and in addition to that shall pay to the Bank the commission in accordance with the Price List. The Bank shall hand over the Customer's Payment Order to the Beneficiary's bank or Intermediary Bank/Correspondent Bank indicating in the appropriate Payment message field "OUR" option, therewith by instructing the Intermediary Bank/Correspondent Bank to pay out to the Payment Beneficiary the full amount of the Payment. With this it is considered that the Bank has fulfilled its obligations as regards execution of the Payment in accordance with the "OUR" rules. If the banks involved in the Payment require the commissions, the Bank shall debit these commissions from the Account without prior approval of the Customer.
- 15.3.2. If the Customer has not specified the type of payment of commissions in the Payment Order, the "SHA" terms for payment of commission are applied.
- 15.3.3. For SEPA Payments the "SHA" type of payment of commissions shall be specified. If the Customer fails to comply with the obligation referred to in the previous sentence and specifies the "OUR" type of payment of commissions, the Bank shall be entitled to change the method of payment to "SHA" or to reject the Payment.
- 15.3.4. For the Payments where the Beneficiary's bank is registered in the European Union member states, Norway, Iceland, Liechtenstein, Monaco or Switzerland, the "OUR" commission is only possible if the Payment includes currency exchange or if the Payment currency is not currency of any of the countries mentioned in this Clause.
- 15.3.5. The Bank shall be entitled to deduct commission from the Beneficiary's Account, if such is provided in the Price List regarding the incoming Payments containing an indication that the commission shall be covered by the Beneficiary ("BEN"/"SHA").
- 15.3.6. The Bank may lay down additional conditions for the Payment commissions listed in the Price List, as well as exceptions to this Clause 15.3.

#### 15.4. **Currency of the Payment and of the commission**

- 15.4.1. The Customer shall ensure on its Account the amount of money which is sufficient for the purpose of the execution of Payment and payment of the Bank's commissions. The Customer shall ensure the Payment Amount in the Payment currency or else shall give to the Bank instructions to convert funds in another currency to the Payment currency. In this case, the Bank shall apply the Bank Exchange Rate, if the Parties have not agreed on another currency exchange rate in any particular case.

If the Customer uses the NetBank, information about the Bank Currency Exchange Rates is available for the Customer in the NetBank.

If the Customer does not use the NetBank, information about the Bank Currency Exchange Rate which was applied to a specific Transaction, is available for the Customer in the form of an Account statement, or, at the request of the Customer, the Bank provides it to the Customer separately.

- 15.4.2. If the Customer has submitted the Payment Order for making of Payment with the currency exchange and has specified the type of commission "OUR", the entire Payment amount is

converted from the cover currency. In this case, the Account balance in the Payment currency is not taken into consideration.

If the Customer has submitted the Payment Order for making of Payment with the currency exchange and has specified the type of commission "SHA", the Account balance in the Payment currency is taken into consideration and only the missing amount is converted to the Payment currency for making of the Payment.

- 15.4.3. The Customer's commissions to the Bank are calculated and paid in euro except when an agreement concluded between the Parties or Price List specifies otherwise. Other amounts to be paid by the Customer to the Bank are paid in the currency agreed between the Parties. If the Account has insufficient balance for payment of the commission or other amount to be paid to the Bank in the specified currency, the Bank shall convert the necessary currency from any currency available at the Account at discretion of the Bank, by the application of the Bank Currency Exchange Rate.
  - 15.4.4. If the Customer has submitted to the Bank several Payment Orders for a total amount that exceeds the Account balance, the Bank shall determine the sequence for execution of those Payment Orders at its own discretion.
  - 15.4.5. The Customer shall be entitled to transfer to and/or to keep on the Account any currency in which the Bank normally executes Transactions. Payments in other currencies are not accepted and not processed by the Bank. A list of currencies serviced by the Bank is available on the Website. If the Bank ceases to serve any currency or begins to serve a currency that has not previously been serviced, the Bank shall publish this information on the Website.
  - 15.4.6. The Bank shall be entitled to set any conditions and/or restrictions on Payments in foreign currency, if such are defined in the country of origin of the appropriate currency and are affecting the Bank when making Payment in the respective currency.
- 15.5. **Intermediary Bank/Correspondent Bank and correspondent accounts**
- 15.5.1. When executing all the Payments addressed to the Customer or made by the Customer (with the exception of SEPA Payments and Intra-bank Payments), the Bank uses the correspondent accounts indicated in the list of correspondent accounts approved by the Bank, as well as local and cross-border payment and settlement systems. The actual list of the Bank's correspondent accounts is published on the Website. The Bank shall be entitled to amend the list of correspondent accounts unilaterally. Such amendments shall enter into force at the time of publication of the amendments on the Website, unless the latest date of entry into force has been specified in the amendments.
  - 15.5.2. If the Customer has not specified in the Payment Order the Beneficiary's bank's Intermediary Bank/Correspondent Bank in the relevant currency, the Bank shall be entitled, without the agreement of the Customer, to select the Beneficiary's bank's Intermediary Bank/Correspondent Bank, on the basis of the information contained in the Payment Order. If such a transfer is returned to the Bank, the Bank shall carry out repeated Payment on its own account. If repeated Payment is returned to the Bank, the Payment amount is returned to the Customer's Account, without returning the commission for the Payment.  

If the Customer has specified the Intermediary Bank/Correspondent Bank in the Payment Order, the Bank shall be entitled, without the agreement of the Customer, to use another Intermediary Bank/Correspondent Bank.
  - 15.5.3. The Bank shall be entitled not to accrue to the Customer's Account the funds that are credited to the Bank to correspondent account which is not included in the list of the Bank's correspondent accounts until the time when such funds are paid in the correspondent account included in the list of the Bank's correspondent accounts. In this case, special Bank's commission can be applied to the Payment.
  - 15.5.4. The Customer shall undertake all the risks of the Customer funds, which are credited to correspondent accounts not included in the list of correspondent accounts.
  - 15.5.5. The Customer shall bear all risks arising from currency exchange restrictions, taxes, duties and other payments in force in the appropriate country, as well as from changes to the national law of the appropriate country, judgments of the court of justice, decisions of other administrative bodies and central bank, due to which the Bank, the Customer or third parties could incur damages or additional costs.

## 15.6. Deadlines for execution of Payments

- 15.6.1. The time when the Payment Order is received is to be when the Bank receives the Payment Order in the form and under the procedure in compliance with the requirements of the Bank and submitted meeting the submission cut-off times specified on the Website.

Receipt of the Payment Order does not guarantee its execution. An essential prerequisite for execution of the Payment Order shall be compliance with all the requirements laid down in General Terms and Conditions and other laws governing the scope of payments.

- 15.6.2. Deadlines for execution of Payments made by the Customer depend on the types of Payments and the cut-off times for submission of the Payment Order specified in the Price List and on the Website. The type of Payment shall be indicated by the Customer in the Payment Order.

- 15.6.3. If the Customer's Payment Order has been received by the Bank before the cut-off time specified on the Website, the Bank hands over the amount of the Payment Order to the Beneficiary, Beneficiary's bank or Intermediary Bank/Correspondent Bank not later than on the date specified on the Website. If the date specified on the Website falls on a day off for the Beneficiary's bank or Intermediary Bank/Correspondent Bank, other banks or payment system involved in the execution of Payment, or on the date, which in the country of issuer of the Payment currency is determined as a holiday, the Bank shall execute the Payment Order on the first following Banking Day or working day of the Beneficiary's bank or Intermediary Bank/Correspondent Bank.

If a holiday(s) in Latvia or country of Intermediary Bank/Correspondent Bank fall(s) between the date of submission of the Payment and the date of execution of the Payment, the date of execution of the Payment shall be postponed forward by the corresponding number of days.

- 15.6.4. If the date of execution of the SEPA Payment which is executed using any of payment systems (SEPA, TARGET, EBA), falls on the holiday in Latvia or day off of the payment system using which the Payment is executed, the Payment shall be executed on the first next Banking Day or working day of the payment system.

- 15.6.5. As regards Cross-border Payments, the Bank cannot guarantee crediting of the Payment to the Beneficiary's account within the defined time limit, if the Beneficiary's bank is not the Bank's Intermediary Bank/Correspondent Bank or one or several Intermediary Banks/Correspondent Banks participate in the execution of Payment.

If the Payment addressed to the Customer is in one of the currencies of EEA member states and is enforceable in any of the EEA member states, the Bank shall credit the amount of such a Payment to the Account not later than the Banking Day, when the Payment amount addressed to the Customer has accrued to the Bank.

- 15.6.6. If the Payment addressed to the Customer is in a currency other than the currency of an EEA member state, or is enforceable in another country, that is not an EEA member state, the Bank shall be entitled not to accrue the Payment amount to the Account until the Bank makes sure that the Payment amount is accrued to the Bank's Intermediary Bank/Correspondent Bank account.

- 15.6.7. The Bank is not responsible for the Customer's damages and other additional expenses incurred by the Customer resulting from the failure to perform or improper performance of the Payment, if such a default or improper performance has occurred due to the fault of third parties participating in the execution of Payments. Conditions of the preceding sentence shall not apply in respect of failure to perform or improper performance of the Payment of the Intermediary Bank/Correspondent Bank contained in the list of the Bank's correspondent accounts, for which the Bank is responsible, except in the case when the Intermediary Bank/Correspondent Bank's allowed the delay resulting from circumstances specified by Clause 11.3 of the General Terms and Conditions.

## 15.7. Payments addressed to the Customer

- 15.7.1. The Payment is considered to be executed correctly, if it is executed according to the Customer's Account number in the IBAN format specified in the Payment Order.

The Bank shall be entitled to execute the Payment addressed to the Customer based on the Unique Identifier specified in the Payment Order for making of the Payment addressed to the Customer. The Bank has no obligation to verify compliance of the Unique Identifier specified in the Payment Order with other information set forth in the Payment Order addressed to the

Customer and received by the Bank. However, the Bank has the right, but is not obliged, in some cases, to verify compliance of the Account number indicated in the Payment Order with the Customer's name, and in the case of any discrepancies to refuse execution of the Payment or to request clarification of the data.

- 15.7.2. If funds have been accrued to the Customer's Account incorrectly due to an error of the Bank, the Bank shall be entitled to debit such funds from the Account without acceptance, notifying the Customer thereof in the Account statement.
- 15.7.3. If funds have been accrued to the Customer's Account incorrectly due to an error and the Bank has received the relevant request, the Customer agrees to cooperate with the Bank for settlement of the consequences of error. In this regard the Customer undertakes to provide to the Bank the information requested and the documents related to the incorrectly accrued funds within the time limits set by the Bank. If the Customer fails to comply with this obligation to cooperate, the Bank shall be entitled to block incorrectly accrued funds until clarification of the circumstances.
- 15.7.4. The Bank shall be entitled not to execute the Payment addressed to the Customer or the Payment initiated by the Customer if:
  - a. Payment has been received from a country which is included in lists of the countries that are suspected of support to Money Laundering or terrorism, or in respect of which the Sanctions have been applied, as well as in cases where one of the parties involved in the Payment is included in the lists of the persons suspected in involvement in the terrorist activities or in the manufacture, possession, transfer, use or distribution of weapons of mass destruction drawn up by the countries and international organisations recognised by the Republic of Latvia or is a subject to Sanctions;
  - b. Payer has not been properly identified, or
  - c. in other cases, if it is not specifically prohibited by the laws of the Republic of Latvia.

In these cases, the Bank is not responsible for damages or additional costs that may be directly or indirectly incurred by the Customer due to failure to execute the Payment. In the cases provided for in laws of the Republic of Latvia or other laws and regulations, the Bank shall be entitled not to explain reasons for non-accrual.

## 15.8. **Correction, cancellation, investigation and refunding of the Payment**

- 15.8.1. By submission of an application to the Bank in the form and under the procedure prescribed by it, the Customer shall be entitled to notify to the Bank amendments in the submitted Payment Order as follows:
  - a. the Beneficiary;
  - b. Beneficiary's account number;
  - c. purpose of the Payment.

However, the Bank does not guarantee that the Payment Order will be corrected.

If the Payment Order has not yet been executed, the Bank ensures correction of the Payment Order according to corrections notified by the Customer.

If the Customer has notified on correction of an already executed Payment Order, the Bank within the limits of its possibilities communicates with the Beneficiary's bank or Intermediary/Correspondent Banks in order to notify of the corrections in the executed Payment Order according to the Customer's instructions.

- 15.8.2. The Customer shall be entitled to notify the Bank of cancellation of the Payment Order submitted to the Bank, by submitting an application to the Bank in the form and under the procedure prescribed by the latter. However, the Bank does not guarantee that the Payment Order will be returned.

If the Payment Order has not yet been executed, the Bank shall take all the necessary measures to prevent the execution of such a Payment Order. In the case of return of the Payment Order the commission collected for such a Payment Order shall not be returned. If, when submitting the Payment Order to the Bank, at the same time currency exchange has been notified in order to ensure funds in the Payment currency, in the case of return of the Payment Order the currency exchange Transaction shall not be cancelled.

If the Customer has notified on cancellation of the Payment Order having been already executed, the Bank, within the limits of its possibilities, communicates with the Customer – Beneficiary, Beneficiary's bank or Intermediary/Correspondent Banks in order to recover the money transferred. The Bank refunds the money to the Customer's Account only after the Bank is satisfied that the Payment Order will not be executed in any Payment Order execution stage and after the Bank has recovered money from the Beneficiary's bank or Intermediary/Correspondent Bank. In case of Intra-bank Payment, the Payment shall be refunded to the Customer-Payer only after consent has been received from the Customer-Beneficiary for refunding of the Payment.

The Bank shall be entitled to refuse accepting an application for the cancellation of the Payment Order in case the rules of the payment system, which has been used in execution of the Payment Order do not allow a cancellation of the Payment Orders processed.

15.8.3. The Bank shall carry out an investigation of the funds transferred by the Customer or addressed to the Customer and not received in the Bank, on the basis of an application submitted by the Customer, which should comply with the requirements specified by the Bank.

15.8.4. The Bank shall be entitled to collect from the Customer the commission for correction, cancellation, investigation and refunding of the Payment in accordance with the Price List, as well as other commissions charged by the banks involved in the execution of Payment.

## 16. TERMS AND CONDITIONS OF STANDING ORDERS

16.1. These terms and conditions of Standing orders shall apply if the Parties in accordance with the General Terms and Conditions have concluded an agreement on Standing order to execute the Payment of fixed amount - regular Payment from the Customer's Account to other Customer's Account or to an Account of another Customer or to any account in another bank.

16.1.1. The provisions of Section 15 (Terms and conditions of Payment) of the General Terms and Conditions shall apply to the Standing orders, as long as they are not contrary to the provisions of this Section 16.

16.2. In order to conclude the Standing order agreement the Customer submits to the Bank a relevant application in the form and under the procedure prescribed by the latter. The Customer may complete the application for execution of the Standing order in person by submission of the relevant application in paper form or via the NetBank.

16.3. In accordance with the Standing order agreement the Customer assigns to the Bank execution of regular Payments on a continuous basis. The Bank shall provide the relevant service only in the event that the conditions for execution of the order have been met.

16.4. The Customer pays to the Bank commissions for conclusion, amending, termination of the Standing order agreement, execution of regular Payments in accordance with the Price List.

16.5. The Bank shall check whether the conditions for execution of the Standing order agreement have been met at the times specified by the agreement. If on the day for execution of the Payment the Account specified in the Standing order agreement has insufficient balance in the currency and to the extent required for execution of the Payment and payment of the related commissions, the Payment shall not be executed.

16.6. Start date for execution of the Standing order indicated in the application for execution of the regular Payment may be the date of submission of relevant application.

If the Payment execution date happens to be the Bank holiday, the Payment shall be executed on the first following Banking Day.

16.7. Standing order agreement shall be terminated in the cases referred to in General Terms and Conditions as well as in the cases,

- a. when the Bank receives the Customer's notification on cancellation of the application for execution of Standing order;
- b. upon expiration of the term of validity specified in the application for the execution of Standing order ("End date");
- c. upon closure of the Account of the Customer opened with the Bank, from which the Standing order should be made, and/or if the Account to which the Standing order should be made is closed.

- 16.8. The Customer shall be entitled to amend the application submitted for execution of the Standing order at any time by changing the Beneficiary's account number or name, amount of the Standing order and other details of the Standing order. The Customer can make the said corrections via the NetBank or in person. In the event of corrections to the application for the execution of the Standing order via the NetBank an approval of the amendments to be carried out shall be available for the Customer, but a new Standing order agreement or amendments to the Standing order agreement shall not be signed.
- 16.9. If the particular Standing order cannot be executed as an Instant Payment, the Bank executes it as a SEPA Payment or a Payment.

## 17. TERMS AND CONDITIONS OF SWEEPING ORDERS

- 17.1. These terms and conditions of sweeping orders shall apply if the Parties in accordance with the General Terms and Conditions have concluded a sweeping agreement.
- 17.2. For conclusion of a sweeping agreement the Customer shall submit the relevant application to the Bank in the form and under the procedure prescribed by the latter. The Customer may conclude the agreement for the execution of the Account balance sweeping in person by submitting the appropriate application in paper form.
- 17.3. In accordance with the sweeping agreement the Customer assigns to the Bank transferring of funds from the Customer's Account to another account of the Customer or to a third party's account with a certain regularity specified in the sweeping agreement (daily, weekly, monthly, or with other intervals defined by the Price List).
- 17.4. The types of Payments specified in the Price List may be made within the framework of the Account balance sweeping. The provisions of Section 15 (Terms and conditions of Payment) of the General Terms and Conditions shall be applicable to the Account balance sweeping, as long as they are not contrary to the provisions of this Section 17.
- 17.5. If the Customer has specified the date in its application for the Account balance sweeping ("End date"), the Bank shall execute the Account balance sweeping until that date. If the final date for the execution of the Account balance sweeping is not specified, the Bank shall make the sweeping while the sweeping agreement is in force.
- 17.6. Beneficiary of the Account balance sweeping may be the Customer itself or any other person indicated by the sweeping agreement.
- 17.7. Types of the Account balance sweeping are as follows:
- a. zero balancing (available Account balance is transferred to the account of the beneficiary of the Account balance); and
  - b. Target balancing (the Account minimum balance amount referred to in the sweeping agreement shall be left to the Account, while the amount exceeding the minimum balance is transferred to the account of the beneficiary of the Account balance).

For each type of the above Account balance sweeping the Customer can define the minimum Payment amount. If the Account balance sweeping amount is less than the minimum Payment amount specified by the Customer, the Account balance sweeping shall not be carried out.

- 17.8. The available Account balance shall be determined and the Account balance sweeping shall be executed at the time specified in the sweeping agreement ("Execution time"). The first Account balance sweeping is made at the date of execution of the first Payment, and subsequently, pursuant to regularity of the Payment. When determining the available Account balance, the Bank shall not take into account funds that were accrued to the Account after the Payment execution time, and the Bank shall not reserve the funds required for the execution of any Customer's obligations (if any) becoming due following the Payment execution time.
- 17.9. If an overdraft is made available to the Account, the Account balance sweeping may not be made from the overdraft resources. When determining the available Account balance for the execution of the sweeping, the overdraft limit shall not be taken into account.
- 17.10. The Customer shall be entitled to apply for several Account balance sweepings at the same time. In this case, the Bank shall execute the Account balance sweepings according to the sequence specified by the Customer.

- 17.11. The Customer shall pay commission to the Bank for execution of the Account balance sweeping for each transfer or a monthly fee, in accordance with the Price List. The Customer shall pay to the Bank commissions for conclusion, amending, termination of the sweeping agreement in accordance with the Price List.
- 17.12. If the particular sweeping order cannot be executed as an Instant Payment, the Bank executes it as a SEPA Payment or a Payment.

## **18. TERMS AND CONDITIONS OF CURRENCY EXCHANGE**

- 18.1. These terms and conditions of currency exchange are applied to relations between the Customer and the Bank if the Customer has applied for a currency exchange Transaction at the Bank. The currency exchange order is irrevocable.
- 18.2. The Bank shall perform the currency exchange Transactions in accordance with the list of currencies to be converted specified by the Bank and being published on the Website.
- 18.3. The Bank shall be entitled to refuse execution of the currency exchange Transaction. In this case, the Bank does not have to explain to the Customer reason for the refusal. The Bank shall be entitled to determine the time of Banking Day at which it is possible to make the currency exchange Transactions by placing information on the NetBank and/or Website.
- 18.4. Transaction on a special currency exchange rate is considered to be concluded when the Parties have agreed by telephone on the Transaction currency to be purchased and sold, the amounts and currency exchange rate.
- 18.5. If the Customer submits a currency exchange order and the terms of Transaction have not been previously agreed with the Bank, the Transaction is considered to be concluded only after approval by the Bank of the conditions specified in the currency exchange order.
- 18.6. The currency exchange Transaction limits in the Netbank shall be indicated on the Website and in the Netbank.
- 18.7. If the Parties have entered into the currency exchange Transaction over the telephone, the Bank shall be entitled to require that the Customer submits the relevant currency exchange order in paper form or confirms the executed currency exchange Transaction in the NetBank on the same Banking Day. If the Parties have entered into a currency exchange Transaction over the phone, the Customer shall check compliance of the Transaction recorded in the Account with the currency exchange Transaction made by telephone, on the same Banking Day. If the Customer fails to notify to the Bank the claims thereof until the end of the Banking Day, it is considered that the Transaction recorded in the Account complies with the currency exchange Transaction made by telephone.

## **19. TERMS AND CONDITIONS OF TERM DEPOSIT**

- 19.1. These terms and conditions of Term Deposit shall apply to relations between the Parties, where the Customer has entered into the Deposit Agreement with the Bank.
- 19.2. The Bank shall debit the Deposit Amount from the Account on the Deposit Starting Date and shall deposit it in favour of the Customer in accordance to the provisions of the Deposit Agreement and the General Terms and Conditions. The Customer shall ensure the Deposit Amount on the Account latest by 16.00 Riga, Latvia time on the Deposit Starting Date.
- 19.3. If the Customer fails to ensure the Deposit Amount on the Account latest by 16.00 Riga, Latvia time on the Deposit Starting Date, the Term Deposit shall be regarded as not made and the Deposit Agreement shall terminate. The Deposit Amount (or its part) received (if any) on the Account from the Customer after 16.00 Riga, Latvia time on the Deposit Starting Date shall remain on the Account, unless the Bank and the Customer agree otherwise. The Bank shall not pay any interest on such funds, unless otherwise agreed in the Account Agreement between the Parties.
- 19.4. From the Deposit Starting Date (including) until Deposit Maturity Date (excluding) the Bank shall calculate interest on the Deposit Amount by applying Deposit Interest Rate on the basis of the actual number of days in the Term Deposit period and a year of 360 days (actual/360).
- 19.5. The Deposit Agreement shall expire on the Deposit Maturity Date (if not terminated prematurely according to the General Terms and Conditions) and the Deposit Amount jointly with the accrued interest shall be credited to the Account.

- 19.6. The Customer shall be solely liable for any taxes (if any), including but not limited to withholding tax or other duties under any jurisdiction (together with any consequences for delay and tax rate increases and any new taxes), in relation to the Deposit Agreement. Should the Bank be obliged to pay such duties or taxes, the Customer hereby authorizes and agrees that the Bank may do so and withhold respective funds (including currency conversion). The Customer undertakes to reimburse the Bank on demand for the amount incurred or sustained.
- 19.7. The Customer shall be entitled to terminate the Deposit Agreement before the Deposit Maturity Date by giving the Bank at least 3 (three) Banking Days' prior notice in writing. In such case the Bank shall not pay accrued interest relating the Deposit Amount and the Customer shall pay to the Bank the penalty in amount of 1 % from the Deposit Amount which shall be withheld by the Bank from the Deposit Amount. The Bank shall return remaining Deposit Amount to the Customer by transferring it to the Account. The Bank shall be entitled to refuse to pay out the Deposit Amount prematurely where such Term Deposit serves as security for any liabilities of the Customer or another Customer towards the Bank.
- 19.8. The Bank shall be entitled to terminate the Deposit Agreement unilaterally before the Deposit Maturity Date with immediate effect and without prior notice, if the recovery has been directed against the Customer's monies according to the laws in force (from the recovery moment) and also in other Transaction termination cases stated in Section 12.3 hereof. In such case accrued interest shall not be paid and the Bank shall deduct termination penalty stated in Clause 19.7 hereof.
- 19.9. Deposit Amount and related interest are pledged with the Bank as a financial pledge and serve as a security for any claims the Bank may have. In the event a claim by the Bank against the Customer arises, the Bank shall have the right, without any prior notice to the Customer thereof, to terminate the Deposit Agreement and use the Deposit Amount in order to satisfy its claims against the Customer or another Customer. In such case accrued interest shall not be paid and the Bank shall deduct termination penalty stated in Clause 19.7 hereof (see also Section 10 hereof).