

## **Part A**

### **GENERAL PROVISIONS**

#### Part 1

##### Terms used in the Regulations:

- 1.1. **Bank** – AS “PrivatBank”, unified registration No. 50003086271.
- 1.2. **Customer** – a private individual or legal entity or an incorporation of such individuals or entities, which are associated with the Bank by means of at least one financial service or which have applied for financial services in the Bank. In the present Regulations the representative of the Customer (authorised person) is a legal entity or private individual, which is entitled to act on behalf of the Customer in relations with the Bank.
- 1.3. **Transaction** – an establishment, alteration or termination of legal (business) relations, connected with providing of **financial services**, i.e. performing of cash and non-cash payments; attracting of deposits and other repayable funds; crediting (according to the regulations of financial leasing), fiduciary operations (trust); trading with foreign currency; issuing of guarantees; safekeeping of valuables; safekeeping and managing of securities; transactions, similar in their essence to the aforementioned financial services and other transactions.
- 1.4. **Transaction Document** – an agreement between the Bank and the Customer concluded in writing (on paper or electronically) about concluding, performing, amending and terminating of a certain Transaction (contract, agreement, accordingly compiled Bank’s form and other).
- 1.5. **Card** – an international payment card.
- 1.6. **Checking Account** – a multi-currency on-demand deposit account of the Customer in the Bank for a non-fixed term with the Bank’s obligation of payment the deposited funds upon Customer’s request.
- 1.7. **Card Account** – a Checking Account of the Customer with the Bank, to which the Card is attached.
- 1.8. **Account** – a Checking Account or a Card Account.
- 1.9. **Notification** – any document of the Customer or the Bank (including Payment Orders) compiled on paper or electronically, which is associated with the present Regulations.
- 1.10. **Account Statement** – a Notification, issued to the Customer by the Bank, which reflects all cash flow on the Customer’s Account over a fixed period of time and indicates balance of Account in the beginning and the end of the period.
- 1.11. **Actual Beneficiary** – a private individual:
  - 1.11.1. who directly or indirectly controls at least 25% of a merchant’s equity capital or voting shares, or who otherwise controls the merchant’s activities,
  - 1.11.2. who possesses direct or indirect rights for the property or who directly or indirectly controls at least 25% of a legal entity that is not a merchant. The actual beneficiary of a foundation is a person or a group of persons for the benefit of which the foundation is made. The actual beneficiary of a political party, union or cooperative company is considered the relevant political party, union or cooperative company,
  - 1.11.3. in whose favour or interests business relations are established,
  - 1.11.4. in whose favour or interests a specific transaction is made without establishing business relations as treated in this law.
- 1.12. **Laundering of Proceeds Derived from Criminal Activity** – actions in order to conceal or disguise the illegal origin of funds , or to assist another person involved in an illegal actions to avoid legal liability if criminal responsibility is provided for it, irrespective of the location of performance of criminal act.
- 1.13. **Shell Bank** – a credit institution, the management, staff or the location of providing financial services of which are not located in the country of its registration and which has no supervisory institution. A person that provides services similar to those of credit institutions by conducting non-cash transfers in the instruction of third parties and that has no supervisory and controlling institution for its operations except for cases where such transfers are performed by

an electronic money institution or they are performed between commercial entities of one group, as provided for by the Law on Financial Conglomerates, who have the same actual beneficiary, is also considered a shell bank.

1.14. **Identification** – actions performed by the Bank to verify legal capacity and capability of the Customer and/ or his representative/ the authorised person/ the Actual Beneficiary.

1.15. **Personal Identity Document** – a document issued by the legally authorised state institution, which verifies the identification data of its holder.

1.16. **Remote Account Management Systems** – remote electronic data transmission channels and/ or tools between the Bank and the Customer.

1.17. **Bank Working Day** – a day when the Bank is open for the Customers in order to provide financial services.

1.18. **Fee** – a compensatory fee to the Bank, paid by the Customer for the services, provided by the Bank.

1.19. **Bank's Fees** – Fees on the services approved by the Board of the Bank.

1.20. **Regulations** – General Regulations on Transactions.

1.21. **Latvia** – The Republic of Latvia.

## Part 2

### Application and Validity of Regulations

2.1. The present Regulations regulate the mutual legal (business) relations between the Bank and the Customer, associated with concluding, performing and terminating of Transactions, unless provided otherwise in the Transaction Documents, concluded between the Bank and the Customer.

2.2. The Regulations were approved on 5 April 2006 and take effect on 24 April 2006.

2.3. The Customer is entitled to apply for providing solely those services from the Bank, which are specified in the Bank's Fees, Transaction Documents or upon providing of which the Bank and the Customer have entered into a separate agreement, complying to the regulatory enactments of the Republic of Latvia.

2.4. The Regulations shall be applicable and binding for all planned, initiated or performed Transactions between the Bank and the Customer, and shall be their integral part including the cases, when one of the norms included in the present Regulations is not included in the Transaction Document, concluded with the Customer.

2.5. The Regulations shall be applicable as a general document, regulating the relations between the Bank and the Customer, which determines general provisions on concluding, performing and terminating of Transactions between the Bank and the Customer. Certain regulations on concluding, performing and terminating of Transactions between the Bank and the Customer are provided for in the regulatory documents, as well as Transaction Documents, concluded between the Bank and the Customer.

2.6. Every constituent part of the present Regulations shall be interpreted as a separate valid and binding for the parties, however, if one of the parts of the present Regulations (paragraph, article) becomes void or not valid and in condition it derives from the amendments to the regulatory enactments of the Republic of Latvia, this part (paragraph, article) of the Regulations shall not be valid only in the frames of this prohibition and it shall not diminish the binding force of other parts (paragraph, article) of the Regulations.

2.7. The Bank is entitled to perform amendments and additions in the Regulations unilaterally at its discretion without the Customer's consent and prior notification. Amendments and additions in the Regulations take effect upon approval on the date, determined by the Bank. The Bank shall place the amendments and additions to the Regulations prior to the date of their entry into effect in the place available for the Customers at the Bank and/ or publishes them on the Bank's Internet homepage – [www.privatbank.lv](http://www.privatbank.lv). The Regulations and their amendments (additions) shall not be applicable to Transactions, which had been completely performed and terminated before the date the Regulations and their amendments took effect.

2.8. The Customer is obliged to familiarise himself with the Regulations, their amendments and additions at the Bank within its office hours or on the Bank's Internet homepage – [www.privatbank.lv](http://www.privatbank.lv). The Bank bears no responsibility for Customer's losses and other additional Customer's costs in case the Customer has not familiarised himself with the Regulations or their amendments and additions.

2.9. The present Regulations shall be binding and applicable not only for the Customer, but also for each successor of the Customer's legal rights and obligations, irrespective of any changes in the Customer's personnel (functionaries), due to any reason, or the changes of the Customer's authorised persons.

2.10. In case of linguistic or interpreting disputes, controversy, disagreement or claim the advantage shall be given to the text of the Regulations and Transaction Documents in the Latvian language.

### Part 3

#### Attestation and Liability

3.1. By signing the Transaction Document or the Notification the Customer shall attest the following:

3.1.1. the Customer has a full legal capacity and capability to conclude, perform and terminate the Transactions;

3.1.2. the Customer possesses all rights, permits, licences and powers of attorney necessary to conclude, perform and terminate the Transactions;

3.1.3. the Transaction and all its consequences are binding for the Customer and do not cause any violation of regulatory enactments of the Republic of Latvia and the location of signing and performance of the Transaction;

3.1.4. the Customer is not a Shell Bank;

3.1.5. the Customer himself is the Actual Beneficiary of funds or securities, unless the Customer has informed the Bank about a third party in written, which is the Actual Beneficiary of funds or securities;

3.1.6. the Customer himself is the Actual Beneficiary of Transactions being performed with the Bank, unless the Customer has informed the Bank in written that he acts in the instructions and in favour of third parties, including the Actual Beneficiaries;

3.1.7. all information which the Customer has submitted to the Bank, including that of the Actual Beneficiary, his private or commercial activity, financial standing, location and other information is comprehensive, true and is not deceptive. All documents and Notifications, which the Customer submits (deposits for safekeeping) to the Bank, are true and valid;

3.1.8. the Customer has not directly or indirectly affected any employee of the Bank, as well as has not offered, promised or given any thing, right or advantage to the Bank's employee to make him/her act or refrain from acting thus violating his/her duties;

3.1.9. the Customer does not conduct terrorism financing, Laundering of Proceeds Derived from Criminal Activity and the Customer's funds at the Bank's disposal have not been proceeded by means of criminal activity and they have legal origin;

3.1.10. the Customer will not employ the financial services, provided by the Bank, criminally, including with the aim of Laundering of Proceeds Derived from Criminal Activity/ terrorism financing;

3.1.11. the Customer has familiarised himself, fully understands and undertakes to observe the obligations, included in the present Regulations, Fees, other Bank's regulatory documents, which regulate the relations between the Bank and the Customer and about which the Bank has informed the Customer or to which the Customer should have familiarised himself;

3.1.12. the Customer will unreservedly submit (deposit for safekeeping) all the requested information (documents) on identification, origin of funds, the Actual Beneficiary,

executed transactions, commercial, private activity, financial standing, any changes in the submitted information (documents), as well as other information (documents), which the Bank may consider necessary to request, within the term, determined by the Bank.

3.2. Prior to conclusion of Transactions, as well as during its execution the Bank shall verify the documents, attestations and other information, submitted (handed in) by the Customer. During the verification the Bank is entitled to refrain from conclusion or execution of Transactions without accountability or liability.

3.3. In case it has been stated, that the Customer's attestations as indicated in Paragraph 3.1.1. – 3.1.10. do not correspond to the actual and true situation, the Bank is entitled to terminate the Transaction and claim the pre-term fulfilment of obligations without accountability or liability. In this case Customer's duty is to indemnify all costs and losses to the Bank, which have arisen in connection with the false attestations, submitted by the Customer, and the termination of the Transaction.

3.4. The representative of the Customer, who concludes the Transaction on behalf of the Customer, shall attest, that he is duly authorised, including that he is entitled to conclude the Transaction, sign Transaction Documents and perform other actions, necessary to execute a Transaction or related to it. If the person, who has signed the documents or concluded the Transaction on behalf of the Customer (Customer's representative), as of the moment of performing these actions was not duly authorised to represent the Customer, this person shall undertake all liabilities, arising from these actions, including those in relation to the present Regulations.

3.5. The Bank is obliged to provide services, perform Transactions and/ or fulfil the Customer's Notifications with the care of good and solicitous owner and protect the Customer's interests, so far as the Bank is capable and obliged to do so.

3.6. The Bank shall bear responsibility solely for those actions of its employees, which they perform within the Bank's office hours, exercising their responsibilities, as well as in the frames of the Bank's management instructions and authorisation.

3.7. The Bank bears no responsibility for the Customer's direct or indirect losses, arising in connection with the Transaction between the Customer and the Bank, unless the cause of losses is the Bank's evil intention. In case of the Bank's evil intention the Bank shall indemnify solely direct and arisen losses to the Customer.

3.8. In case of non-observance of any payment term the culprit (the Bank or the Customer) shall pay to the second Party (the Bank or the Customer) a forfeit of 0,1 % (one-tenth of per cent) of unpaid amount for every day delayed, unless a different forfeit interest amount or penalty fee is set in the Tariffs or the Transaction document for violating the payment term. In case the Customer's breach was the basis for bringing a claim to arbitration court (court), the Bank is entitled to claim payment of forfeit of 10 % (ten per cent) of the claimed amount, unless a different forfeit interest amount or penalty fee is set in the Tariffs or the Transaction document. The payment of the forfeit does not release the Customer from fulfilment of obligations.

3.9. The payment of the forfeit does not comprise indemnification of the Bank's losses.

3.10. The Bank and the Customer shall not bear any responsibility for complete or partial or improper fulfilment of their obligations, if such non-fulfilment has arisen due to any circumstances beyond the Bank's control (*force majeure*), including, but not only, terrorism, war actions, fires, explosions, civil disorders, strikes, natural disasters, enactments of state/municipal institutions, illegal actions of third parties, damage of computers or other communications, interruptions or errors, non-fulfilment of obligations or errors by the payment processing centre. The Bank shall bear no responsibility for delays in execution of Transactions and/or the Customer's Notification, sending of correspondence, transmission errors and corruptions, arising due to the lack and/ or damage of communication equipment, time zone differences, fluctuations of Exchange rate and other circumstances beyond the Bank's will and control.

Part 4

Customer Identification. Empowerment.

4.1. The Bank shall provide financial services solely to those Customers who have been fully identified. The Bank performs Customer's Identification in conformity with the requirements of regulatory enactments of the Republic of Latvia and the Bank's regulatory documents.

4.2. When performing the Identification, the Bank verifies the Customer's legal capacity and capability.

4.3. In order to implement the Customer's Identification, prevention of Laundering of Proceeds Derived from Criminal Activity, terrorism financing of and other cases, the Bank is entitled to request at any moment the information (documents) from the Customer and the Customer is obliged to submit the requested information (documents) to the Bank in relation to the Customer, his representative, his Actual Beneficiary, the declared Customer's commercial and private activity, financial standing, explanations on the purpose of the Transaction concluded between the Customer and the Bank, origin of funds, as well as other information (documents), which the Bank considers necessary to request.

4.4. If the Customer does not submit this information (documents) to the Bank within the term, determined by the Bank, or the Bank has suspicions or it is stated that the information (documents) submitted by the Customer is forged and does not correspond to the actual circumstances, or the Customer is associated with Laundering of Proceeds Derived from Criminal Activity/ financing of terrorism, the Bank is entitled not to enter cooperation with the potential Customer, to refrain from execution of the Transaction, to suspend execution of the Transaction, not accept and/ or not fulfil the Customer's Notifications to the Bank, request the Customer to fulfil his obligations or to terminate Transactions prior to the expiry, without explaining the reason of rejection to the Customer (potential Customer) and without liability; in addition to the aforementioned, the Bank is entitled to decide on continuing cooperation with related customers of such Customer where the relation is defined as per the Actual Beneficiary. In the cases mentioned herein, the Customer is obliged to indemnify all costs and losses to the Bank, which have arisen in connection with refraining from execution of the Transaction, its suspension or termination.

4.5. When providing information to the Customer via telephone or Online Chat the Bank performs Identification of the Customer by using the Password, indicated by the Customer. The procedure for use of the Password is regulated by Part B of the Regulations on Providing and Receiving Information and services via Telephone and Online Chat.

4.6. The Bank is entitled at any moment to change or additionally introduce new requirements for Customer's Identification unilaterally at its discretion without the Customer's consent and prior notification. In case of necessity the Bank takes measures to insure the receipt of additional identification information from the Customers, as well as from publicly available reliable and independent and from other financial or credit institutions. Upon receipt of an appropriate request, the Customer should give its consent to such financial or credit institution regarding disclosure of the information available to this financial or credit institution to the Bank.

4.7. The Bank is entitled to request from the Customer and the Customer's obligation is to submit (to provide for keeping) to the Bank samples of his own and the persons', authorised to represent the Customer in his relations with the Bank, signature and the seal imprint if any (if the Customer wishes to use the seal), in conformity with the Bank's requirements. The Bank is entitled to make copies of the Personal Identity Documents submitted by the Customer, to attest such copies and to keep them in compliance with the regulatory enactments of the Republic of Latvia.

4.8. The Bank is not obliged to detect and state the forgery or other incompliance of the Customer's documents, signature, seal, if forgery or incompliance is not evident and the Bank's employee is not able to detect it in the regular order. Performing Transactions with the Customer, the Bank visually compares the signature and seal imprint specimens of the Customer and/or his representative in the Notification and signature and seal imprint specimens of the Customer and/or his representative, submitted to the Bank. Performing the comparison the Bank is not

obliged to take into account the colour of seal imprint specimen. When comparing the data and signature of the Customer and/or his representative with the data and signature specimen, indicated in the Personal Identity Document, the Bank bears responsibility solely for gross inattention.

4.9. The Customer undertakes full responsibility for the losses, which have arisen for the Bank, by the Customer's intended deception of the Bank, or due to the Customer's inattention. The Customer shall undertake responsibility for the losses, arisen as a result of activities, performed by third parties.

4.10. The Bank shall use for the Customer's Identification the Customer's/Customer representative's identity document, the signature specimen/seal imprint submitted to the Bank, and/or the picture taken at the Bank by written consent of the Customer/Customer's Representative. If the Remote Account Management Systems are being used for conclusion and execution of Transactions, the Bank performs the Identification of the Customer by the access parameters and/or authorisation tools issued to the Customer. The aforementioned identification tools are considered equate with the Customers' and/or Customer representative's signature (seal).

4.11. The Customer shall bear responsibility for safety and secrecy of the access parameters/authorisation tools issued to the Customer. The Customer is responsible for all consequences and losses, arising for the Bank and the Customer, if the Customer's identification tools become known or available for third parties until the incident is reported to the Bank.

## Part 5

### Authorisation

5.1. The Customer is entitled to authorise a third party to conclude, execute and terminate a Transaction on behalf of the Customer. Such authorisation is to be prepared in writing with the Customer granting the authorisation in compliance with requirements of the regulatory enactments of the authorisation issuance state and the Bank. The Bank is entitled to refrain from concluding the Transaction with the Customer if the authorisation is executed without observing the requirements of the regulatory enactments of the authorisation issuance state and the Bank, the authorised person's identification data are not included in the authorisation or the Bank has suspicions of nullity of the authorisation.

5.2. The Bank is not obliged to verify the validity of the Customer's authorisation. It also refers to the power of attorney, registered in public registers. The Bank bears no responsibility for the validity provisions of the power of attorney.

5.3. The power of attorney submitted to the Bank shall be considered valid in the Customer's relations with the Bank until the power of attorney has expired or from the next Bank Working Day following the day when the Bank has received the Customer's written cancellation of the power of attorney. The Bank shall bear no responsibility for losses and other Customer's additional expenses if the power of attorney is cancelled and the Bank has not been informed about that in written.

5.4. The Customer is obliged to provide that the Bank always has the documents, which according to the Bank's requirements attest the Customer's representatives' authorisation to act on behalf of the Customer, and Customer's representatives' identification at its disposal. If the Customer does not submit such documents to the Bank, the Bank is entitled immediately in full or partially to refrain from execution of the Transaction or terminate the Transactions.

5.5. If on behalf of the Customer the Transaction is concluded, executed or terminated by a person, which is not entitled to represent the Customer as of the moment of conclusion/execution/termination of the Transaction, whose representative he sets himself to be, then s/he himself as a private individual shall undertake all the obligations, arising from the concluded/executed/terminated Transaction in full.

5.6. The Customer is obliged to immediately, but not later than within 5 (five) calendar days to inform the Bank in written about all changes in essential circumstances (facts) of his

Transactions with the Bank, especially changes in relation to name, surname or company name, actual address, legal (registration) address or locations, other contact information, seal imprint, person authorised to sign (or his signature), legal capacity and capability, financial standing or status (reorganisation, privatisation, insolvency, liquidation, imposition of suspension on property etc.), amendments or expiry of the submitted powers of attorney. The obligation of such report is existent as well when the changes in the information, submitted by the Customer, are incorporated in the public registers. When informing about the changes the Customer is obliged to attach the attesting documents. The Customer shall indemnify all the losses, arising for the Bank, if the Customer or his representatives during the conclusion or execution of Transaction are incapable persons or their capacity is limited.

## Part 6

### Personal Data and Confidentiality

6.1. If the Customer, the Customer's representative or the Actual Beneficiary are private individuals, then the Customer, the Customer's representative or the Actual Beneficiary entering into legal (business) relations with the Bank, shall consent and attest, that the Bank is entitled to process all personal data of the Customer, the Customer's representative and the Actual Beneficiary. The justification and the aim of processing of personal data and its application in establishing legal (business) relations to provide the fulfilment of obligations by the Customer, Customer's identification, for the needs of providing the Bank's financial services and ensuring safety, as well as to enable the due performance of Bank's activities. The Bank is entitled to request, receive and process the personal data of the Customer, the Customer's representative and the Actual Beneficiary from other sources, too, including data processing systems (registers, data bases), created by the state or local governance institutions.

6.2. The personal data, information about the Customer, his accounts, deposits as well as Transactions may be submitted to third parties which provide services to the Bank or represent the Bank's interests in the relations with the Customer and whom the Bank assigns in written to fulfil any of the obligations as enacted in the present Regulations or with whom the Bank otherwise cooperates to enable the performance of its activities, providing the services and performing the functions.

6.3. In accordance with regulatory enactments and requests of business partners information about the Customer may be passed to appropriate state authorities of the EU and other countries for implementation of their functions.

6.4. When submitting a written application to the Bank a private individual is entitled to familiarise himself with the data at the Bank's disposal, to request introducing additions or amendments to them if this does not contradict active legislation of the RL.

6.5. The Bank is entitled to use personal data of the Customer and the Customer's representative at the Bank's disposal to provide the Customer with information about the products and services, offered by the Bank and third parties in oral or written (via fax, telephone, Online Chat, post, electronic mail and/or by means of Remote Account Management Systems). The Bank seizes to use personal data for providing information about services (products) offered by the Bank or third parties if the relevant person submitted to the Bank a notification with such request (in person, sending it by mail, by electronic mail, or by using Remote Account Management Systems).

6.6. The Bank acknowledges, and the Customer agrees, that all information about the Customer, his accounts, deposits, Transactions and Customer's relations with third parties, about which the Customer has informed the Bank, is confidential (Bank secrecy) and shall not to be divulged to third parties, excluding the following cases:

6.6.1. the information is publicly available;

6.6.2. the information about the Customer's debt liabilities, their amount, justification and accretion of liabilities is divulged with the aim of debts collection;

6.6.3. the information is divulged to an assignee when ceding the Bank's right to demand against the Customer;

6.6.4. the information is divulged to third parties, performing supervision and audit over the Bank's activity;

6.6.5. the information is divulged in compliance with the regulatory enactments of the Republic of Latvia and only to the persons, in cases and procedure, enacted therein;

6.6.6. the information is submitted to the persons, authorised by the Bank, to perform the identification of the Customer and opening of Account, execution of separate instructions, related to the Customer and his activity;

6.6.7. if the Customer has given its consent for such actions.

6.7. The Bank is entitled to submit information to the Bank of Latvia and to receive information from the Bank of Latvia in cases and procedure, enacted in the Credit Register. The Customer is entitled to receive information about himself, which is included in the Credit Register of the Bank of Latvia, in procedure, enacted in the Credit Register of the Bank of Latvia. The Regulations of the Credit Register of the Bank of Latvia are available on the Internet homepage of the Bank of Latvia – [www.bank.lv](http://www.bank.lv).

## Part 7

### Inheritance

7.1 In case of the Customer's death the persons lodging claims for the Customer's property are obliged to submit all the document that attest their rights for the property left by the Customer and the form and essence of these documents should be in compliance with requirements of the regulatory enactments of the property location and Personal Identity Documents of these persons.

7.2 The Bank is entitled to verify the authenticity, validity and completeness of the submitted documents on the account of persons indicated therein.

## Part 8

### Preparation of Notifications

8.1. The Customer bears responsibility to the Bank for the genuineness, completeness, preciseness and timeliness of submission of all the information. In case of non-fulfilment of the aforementioned, the Customer shall indemnify all the losses, arising for the Bank.

8.2. The Customer's Notifications and other documents can be prepared and submitted to the Bank in Latvian, Russian, German, English, Ukrainian, Italian, Portuguese, and in the languages of other countries where the branches and representative offices of the Bank are opened.

8.3. All the submitted and sent Notifications on paper to the Bank shall be readable, duly completed and signed. The Customer bears responsibility for all costs resulting from the Customer's submission of unreadable or not duly completed Notifications. The Bank is entitled to reject and/ or not process erroneously, incompletely completed, unreadable Notifications, as well as Notifications with crossings or other corrections.

8.4. If the Bank has suspicion about the imperfections of the Customer's Notification, including the authenticity and legal validity or, in case of doubts in relation to the document's content, the Bank is entitled to require to repeat the Notification in a certain form or to require the Notification's notarially attested translation into the language required by the Bank for its acceptance/execution from the Customer (an its legalisation [with apostille]). The Bank is entitled to reject processing of the Notification until the receipt of the repeated Notification. In this case the Bank bears no responsibility for losses, arisen for the Customer in connection with the dilatory execution of the Notification.

8.5. Executing payments on the basis of a letter of credit, a documentary collection, a writ of execution or other claim or writ, as well as if notarially attested (and legalised [with apostille]) documents are submitted to the Bank, the Bank is obliged to examine their formal compliance with a standard or a common form, if such has been determined. In this case the Bank bears

responsibility only for gross inattentiveness during the verification of the document, but is not responsible for its content or translation.

8.6. If any action during the execution of the Transaction is to be performed within a certain period, the Customer is obliged to indicate the due date on a case-by-case basis. The due date is to indicate in written, unless otherwise enacted in the Transaction Document concluded between the Bank and the Customer. The Bank reserves the rights not to observe the due date indicated in the Customer's Notification, if its execution in compliance with existing good banking practice cannot be processed within this term. In these cases the Bank bears no responsibility for the losses, arisen for the Customer in relation to the dilatory execution of the order, indicated in the Customer's Notification. If the Customer does not indicate the due date in the relevant Notification, the Bank bears no responsibility for the losses, arisen for the Customer due to the dilatory execution of the relevant order.

8.7. Notification/ Transaction Documents between the Bank and the Customer shall be sent in written, i.e. by post, in condition of prior agreement with the Bank by means of fax, electronic mail or by means of the Remote Account Management System. Notifications/ Transaction Documents, sent upon prior agreement with the Bank via fax or e-mail, are valid and binding for the Bank only if they are signed with the Password generated with the Digipass Device (Digipass Device is an electronic device, issued by Bank, which calculates (generates) signature passwords).

8.8. The Customer's Notifications/ Transaction Documents that are sent to the Bank in writing, i.e. by mail, should be sent to the legal address of the Bank. The Customer's Notifications/ Transaction Documents are considered received at the Bank at the moment, when they are registered in the Business Correspondence registers of the Bank, unless provided otherwise by the relevant Regulations on Transactions of the Bank.

8.9. In case of no particular agreement between the Bank and the Customer, the Bank can choose the means of sending the Notifications/ Transaction Documents taking account the interests of the Customer to the extent possible.

8.10. The Notifications/ Transaction Documents are sent to the legal address indicated by the Customer (for legal entities) or to the declared address (for private individuals) or other address indicated by the Customer. The Bank shall bear no responsibility for the losses, arisen for the Customer or third parties, in case the Customer has indicated erroneous, imprecise or incorrect mailing address or has not informed the Bank about the changes in address and as a result has not received or has not received in due term the Notifications/ Transactions documents from the Bank.

8.11. In case Notifications/ Transaction Documents are sent to the Customer to his legal address, declared address or other address indicated, they are considered received on the 7<sup>th</sup> (seventh) day upon submitting them to the post office irrespective from their actual date of their receipt.

8.12. The Bank bears no responsibility for delays in submitting and loss of the Notifications/ Transaction Documents, transmission errors or distortion, arisen due to interruption, delay, misuse, lack or damage of communication equipment, data transmission channels or means of transmission or any other circumstances beyond the Bank's competence. The Bank shall bear no responsibility for losses or other extra expenses of the Customer or third parties, which may arise for the Customer in the aforementioned case.

8.13. The Bank employee's signature and seal on the Notification submitted (handed in) by the Customer attest the acceptance of the Notification for processing and shall not impose any liabilities on the Bank in relation to processing of the Notification. The only attestation of the Transaction executed in the Customer's Account is the Account Statement, issued by the Bank.

8.14. The Bank accepts Notifications for processing within the Bank Working Days, if the Bank has not determined otherwise. If the Bank has accepted the Notification within other term, the first following Bank Working Day shall be considered the day of accepting the Notification for processing.

## Part 9

### Transaction Currency

9.1. Transactions concluded between the Customer and the Bank shall be executed in the currency, which the Bank and the Customer have agreed to accept as a basic currency in the relevant Transaction Documents.

9.2. The Bank is entitled to determine the execution of Transaction in other currency, in case the due execution in the relevant currency cannot be performed due to the circumstances, for which the Bank bears no responsibility and of the occurrence of which the Bank is not guilty.

9.3. The Bank shall not execute the Transactions, if the Transaction Documents or the Notification, submitted by the Customer, do not determine the currency of the execution of Transaction or the providing of financial services.

## Part 10

### Payments to the Bank

10.1. The Customer shall pay the Fee to the Bank for each provided service in the amount specified in the Bank's Fees, excluding the cases, when the amount and procedure or the services, provided to the Customers, are stipulated in Transaction Documents.

10.2. The Bank's Fees are available at the Customer service premises within the Bank's office hours and on the Bank's Internet homepage – [www.privatbank.lv](http://www.privatbank.lv).

10.3. The Bank is entitled to amend and supplement the Bank's Fees unilaterally at its discretion without the Customer's content and without advance notice to the Customer. The amendments and additions to the Bank's Fees take effect upon their approval, on the date set by the Bank. The Bank places the amendments and supplements to the Bank's Fees, before them coming into force, in a visually available place at the Bank or its publication on the Bank's Internet homepage – [www.privatbank.lv](http://www.privatbank.lv).

10.4. The Customer is obliged to familiarise himself with the Bank's Fees, their amendments and additions and exchange rates before applying for services at the Bank within the Bank's office hours or on the Bank's Internet homepage – [www.privatbank.lv](http://www.privatbank.lv). The Bank bears no responsibility for the Customer's losses and other Customer's extra expenses, if the Customer has not familiarise himself with the Bank's Fees or their amendments or additions.

10.5. The Banks is entitled to unilaterally determine and cancel discounts for the Fees, which are specified in the Bank's Fees.

10.6. The Bank is entitled to determine the Fee for the Bank's services, which were not included in the Bank's Fees, but were necessary to fulfil the Customer's Notifications, at its discretion. If the Bank has agreed with the Customer upon the provided service and the Fee payable to the Bank already prior to the providing of the relevant service, the Customer is no longer entitled to contest the amount of this Fee.

10.7. The Fee shall be paid before providing each service, unless the Bank has determined other payment procedure for the Fee. If the Customer has not paid the due Fee to the Bank, the Bank is entitled to refrain, suspend or terminate of the Transaction without notifying the Customer, and the Bank bears no responsibility for the Customer's losses or other Customer's extra expenses.

10.8. If the Fee in compliance with the regulatory enactments of the Republic of Latvia is liable to taxes, duties or similar compulsory payments, then these payments shall be made by the Customer on his own expense, by relevantly increasing the amount of the Fee.

10.9. The Bank is entitled to use the services, provided by third parties (notaries, translators etc.), which are necessary for execution of the Customer's Notification reporting it to the Customer in advance, and the Customer is obliged to indemnify all the expenses to the Bank, arising in this respect, in the amount provided for in the documents, attesting the expenses.

10.10. The Bank is entitled, on the expense of the Customer upon prior Customer's consent, to obtain the necessary information, documents and other evidence, necessary to execute the Transaction, receive information about the Customer, inspect the information and documents,

submitted by the Customer, examine the guarantee, provided by the Customer, manage or alienate, as well as obtain the extracts from the registers, attestations of institutions, insurance documents, exhibits etc.

10.11. The Bank is entitled to right off any payments of the Customer (Fees and related mandatory payments, expenses, losses, forfeit etc. payments), to which the Bank has the right to in compliance with the present Regulations or with Notifications/ Transaction Documents from any accounts of the Customer with the Bank. In case at the moment, when the payment is to be executed, the balance on the Customer's Account in the currency, in which the payment is due, is not sufficient, the Bank is entitled to write off its claim amount in another currency exchanging it into the necessary currency, applying general relevant currency exchange rate on the day of payment execution. In addition, the Bank charges all the currency exchange expenses from the Customer. If the amount paid by the Customer is not sufficient to satisfy all claims of the Bank the claims shall be satisfied as stipulated at the Bank's discretion, including prior execution of the less intensified liabilities.

10.12. The Customer's signing of a Notification/ Transaction Document shall be considered the Customer's consent to perform actions mentioned in Paragraph 10.11..

## Part 11

### Guarantee of the fulfilment of Customers' liabilities to the Bank

11.1. The Customer is obliged to take all the necessary measures to secure the Bank from responsibility in relation to the fulfilment of the Notification, submitted to the Bank by the Customer, and shall indemnify all the losses, expenses, debts and liabilities to the Bank, arising from the Customer's gross inattentiveness, misuse or non-fulfilment of liabilities.

11.2. The Customer's property in the Bank's possession, hold or use, including funds, securities, deposits and future components of the pool is considered to be submitted to the Bank as a mortgage with the prospective that it should serve as a guarantee for Customer's financial liabilities to the Bank. This guarantees all the Customer's liabilities to the Bank, including future liabilities.

11.3. The Bank is entitled (if considers it necessary) to request submission of a guarantee to the Bank or (if the guarantee of liabilities has been already submitted) increasing of guarantee from the Customer, including cases, if the guarantee is conditional or a third party bears responsibility alongside with the Customer.

11.4. The Customer agrees that the Bank has the right of detention for any Customer's thing, which has come legally the Bank's possession, hold or use, so far as it is necessary to guarantee the fulfilment of Customer's liabilities to the Bank.

11.5. The Bank is entitled to use the object of the guarantee, as well as to receive and consume the benefits of the object of guarantee.

11.6. The Bank is entitled to use Customer's funds at the Bank and/or any other Customer's funds in the Bank's possession for the fulfilment of Customer's liabilities to the Bank without any restrictions by uncontested procedure.

11.7. If the Customer does not fulfil or improperly fulfils his liabilities to the Bank, the Bank is entitled to bring recovery in connection with any mortgaged Customer's thing, as well as other object of guarantee, offered by the Customer and acceptable for the Bank (objects or rights), taking them into possession, and alienate or use them without prior notification or separate reminder of the Customer, unless otherwise agreed between the Customer and the Bank. The Bank is entitled to claim recovery for the guarantee before ceding the maturity of the guaranteed term of fulfilment of obligation, if the Customer does not fulfil the Bank's demand to submit or increase the guarantee for the Customer's fulfilment of liabilities in term and procedure, indicated by the Bank.

11.8. the Customer confers the Bank with the right to alienate the object of guarantee and order the Bank to sell the relevant guarantee object at free price upon signing the relevant Notification/ Transaction Document; the guarantee is alienated on the basis of the liability, the fulfilment of

which arises from this Notification/ Transaction Document. If the Bank exercises the aforementioned rights, conferred by the Customers, claiming the recovery of guarantee thing (objects or rights) without the mediation of court of justice and auction, the Bank acts as the Customer's authorised person. The Bank is entitled to choose the sequence of alienation.

11.9. Income which is received from the alienation or utilisation of the guarantee, is divided by the Bank observing the following order: first, all expenses, related to safekeeping, managing, publishing of announcement of an object(s), alienated from the Customer (if such are necessary), commission for experts and utilising the right of alienation of an object(s); second, fine penalty and/ or other obligation to the Bank, which arise as a result of delay in fulfilment and/ or non-fulfilment of liabilities (delay fee, forfeit payment); third, to redeem the interest unpaid by the Customer to the Bank; forth, payment of principal amount.

11.10. After the alienation of an object or utilisation of rights or division of income, as well as upon the maturity of liability rights, the Bank transfers the remaining funds or a collateral object to the Customer, notifying him in written. If the Customer, the successors or heirs of his rights and obligations cannot be found, the funds/objects are kept with the Bank. The Bank charges the Customer for safekeeping of these funds/objects, charging it from the amount, deposited by the Customer with the Bank.

## Part 12

### Termination of Legal (Business) Relations or Demand for Pre-term Fulfilment of Obligations

12.1. The Customer is entitled to unilaterally terminate all or separate legal (business) relations, established between the Bank and the Customer, submitting the Notification about the termination of legal (business) relations, stipulated in this documents, in procedure and terms, enacted in these Regulations or Transaction Documents, to the Bank in written.

12.2. The Bank without legal accountability or liability not indemnifying any losses to the Customer, is entitled to unilaterally refrain from execution of the Transaction, to terminate legal (business) relations with the Customer or request early fulfilment of all his liabilities from the Customer and close all the Customer's accounts (except for Card Accounts) with the Bank, notifying of it the Customer in written within 10 (ten) days upon sending a written notification to the Customer, in the following cases:

12.2.1. the Customer's attestations submitted to the Bank are false;

12.2.2. the Customer does not submit, refuses to submit or does not submit in due term, determined by the Bank, the information (documents), requested by the Bank or submits false, imprecise or incomplete information (documents);

12.2.3. the Bank has suspicion or it is stated that the documents, submitted by the Customer are forged and/ or the information (documents) does not correspond to the actual circumstances;

12.2.4. the Bank has suspicion or it is stated that, a person not identified or duly authorised acts on behalf of the Customer;

12.2.5. the Bank has suspicion or it is stated that the Actual Beneficiary, indicated by the Customer is other person;

12.2.6. the Bank has suspicion or it is stated that the Customer is a Shell-bank;

12.2.7. the Bank has suspicion or it is stated that the Customer has attempted to perform or performs or is engaged in financing of terrorism or Laundering of Proceeds Derived from Criminal Activity;

12.2.8. the Bank has suspicion or it is stated that the Customer has attempted to use or uses the services, provided by the Bank, for illegal purposes – fraud or other illegal actions;

12.2.9. the Bank has a reason to consider further cooperation with the Customer to be (potentially) undesirable;

12.2.10. the Customer has not fulfilled justified demand of the Bank to submit or increase the guarantee for fulfilment of liabilities of the Customer to the Bank in term and procedure, determined by the Bank;

12.2.11. the Bank has a ground to consider further cooperation with the Customer as (potentially) disrespectful, inexpedient, discrediting and even undermining the Bank's name, honour, respect, fame or reputation;

12.2.12. the Customer allows legally penal, dishonest or unethical actions in connection with the Bank or actions, infringing the Bank's interests and reputation;

12.2.13. the Customer discredits the Bank in any way, allowing infringing, offensive or slanderous actions against the Bank or its employees;

12.2.14. the Bank has information that an insolvency, liquidation and/or out-of-court remedy procedure (remedy procedure) has been initiated against the Customer;

12.2.15. the Bank suspects that the Customer (individual) is dead;

12.2.16. the Customer has violated present Regulation;

12.2.17. the Customer does not fulfil his liabilities to the Bank;

12.2.18. in cases and procedures, enacted in the regulatory enactments of the Republic of Latvia;

12.2.19. in other cases, enacted in the provisions on a certain Transaction with the Customer.

12.3. If the Bank terminates legal (business) relations with the Customers on the basis of the regulations of Paragraph 12.2.1 - 12.2.188., the Bank is entitled to terminate legal (business) relations or claim the pre-term fulfilment of liabilities against other Customers of the Bank, which have the same Actual Beneficiaries or which execute transactions in the instructions of the same third parties. In this case the Bank is not legally responsible for termination of legal (business) relations or the demand for pre-term fulfilment of liabilities.

12.4. If the Bank takes decision about the termination of legal (business) relations with the Customer or about the demand of pre-term fulfilment of obligations of the Customer in cases, provided for in Subparagraphs 12.2.1.-12.2.199. of the present Regulations all funds on the Customer's Accounts may be returned to the Customer, according to its directive, to an account of this Customer in another credit institution or to the account from which the funds had been received. On the other hand, when the Bank closes the Customer's financial instruments account it sells the financial instruments available on the account at the market value and processes the proceeds in the same way as the funds on the Customer's Account should be processed as per this Paragraph.

12.5. The Bank, without bearing any responsibility and indemnifying to the Customer any losses, is entitled to unilaterally refrain from carrying out Transactions, terminate legal (business) relations with the Customer or request early fulfilment of all of the Customer's liabilities, and close all the Customer's Card accounts with the Bank in cases provided for in Paragraph 12.2., notifying of it the Customer in written within 40 (forty) days upon sending a written notification to the Customer.

12.6. In case of termination of legal (business) relations, if all the Customer's payments, arising from Transactions to be terminated, becomes payable. In case of any Customer's delays in payment the Customer shall pay the forfeit to the Bank according to the present Regulations as well after the termination of legal (business) relations.

12.7. In case of the death of the Customer or the Actual Beneficiary the Bank is entitled to refrain from execution of Notification of the Customer (his representatives') and/ or execution of Transactions in favour of protection of the inheritance.

12.8. The Bank leaves all the documents (information), which the Customer has submitted to the Bank when opening/ closing accounts and concluding/executing/terminating the Transactions for safekeeping in accordance with the requirements of the legislation regulatory enactments of the Republic of Latvia or the location where Transactions are concluded and executed.

12.9. The Bank is entitled not to conclude the Transaction, to refrain from the execution of the Transaction, to suspend the execution of the Transaction or terminate the Transaction, as well as not to accept and/ or not to fulfil the Notification, submitted by the Customer without accountability or liability and the Customer is obliged to indemnify to the Bank all the expenses

and losses, arising in connection with the fact that the Customer (his representative) is under alcoholic, toxic or drug intoxication, as well as in cases, when the Customer (his representative) is not capable of fully understanding his actions or the Customer's (his representative's) behaviour is improper and disturbs the Bank's performance.

12.10. The Bank is entitled to transfer the claims towards the Customer arising from the Transaction Documents and these Regulations, as well as to pass the rights or obligations arising from the Transaction Documents and these Regulations to third parties.

## Part 13

### Applicable Legislation and Procedure for Administration of Complaints

13.1. Regulatory enactments of the Republic of Latvia and the good banking practice are applicable for all legal (business) relations between the Bank and the Customer.

13.2. Any disagreements arising between the Customer and the Bank are primarily settled by means of mutual negotiations.

13.3. The Customer is obliged to immediately report to the Bank about the payment, delivery, statement or other document, which has not been received. The Bank accepts complains (claims) in relation to cash payments, attested by the Customer's or the Customer representative's signature on the Payment Order.

13.4. If the funds are transferred to the Customers account with the Bank due to the Bank's mistake (delusion, oversight, inattentiveness) or due to lack of any other legal ground, the Bank is entitled at any time to write-off such funds from the Customer's Account on no-contestation basis without prior notification to the Customer.

13.5. The following mandatory procedure for the preliminary out-of-court administration has been provided for of the Customer's complaints (claims) against the Bank:

13.5.1. The Customer shall submit to the Bank or to any structural unit of the Bank the complaints (claims) addressed to the Bank in writing in relation to non-cash transfers and transactions with electronic payment means, as well as complaints of financial nature and claims in relation to other Transactions. The Customer may also submit other complaints (claims) and suggestions to the Bank orally, electronically or via telephone.

13.5.2. The Bank shall consider the Customer's complaint (claim) in relation to the facts and circumstances, indicated in the complaint (claim) within 14 (fourteen) calendar days of receiving the complaint (claim) and the documents, inquired by the Bank.

13.6. The Customer is obliged upon receipt of the documents from the Bank to immediately verify the accuracy and completeness of the documents, issued by the Bank (Account Statements, invoices and other documents). Complaints (claims) in relation to the content of the received documents are to pursue immediately or within 10 (ten) calendar days of the day of sending the relevant document, except the documents, connected with the Card accounts.

13.7. If the Customer has complaints (claims) in relation to Transactions with the Card, then they shall be submitted immediately after the receipt of the Card Account Statement or within 60 (sixty) calendar days of the day of executing the Transaction.

13.8. Raising of no claims within the terms, provided for in Paragraphs 13.6. and 13.7., shall be considered the Customer's consent, given by default. The Customer's claims against the Bank on the regulatory enactment basis, as well as any of his claims against third parties remain effective upon the maturity of the mentioned term.

13.9. The Customer is entitled to submit a complaint in written to the Latvian Banks Association ombudsman 9/11 Perses, Riga, LV-1011. The ombudsman competence comprises settlement of the claims in the following cases:

13.9.1. the claim concerns cashless transfers of funds;

13.9.2. the amount of Transaction does not exceed 50 000 EUR;

13.9.3. the claim does not concern the questions of forging of documents, validity of the Bank's Fees, granting the credit limit, cancellation and amendment, about the conditions or credit limit and other questions, similar to them;

13.9.4. the Customer has previously contacted the Bank with the complaint of the same nature, but has not received any answer, satisfying his claim;

13.9.5. the Customer has brought a claim to court, arbitrary court or directed his claim to the Consumer Protection Centre.

13.10. Any dispute, nonconformity or claim, arising from the mutual legal (business) relations of the Bank and the Customer, which concerns them, or their violation, termination, legality, validity or interpretation, shall be settled, at the claimant's request, in the Court of the Republic of Latvia or in the arbitration court "Rīgas Apvienotā šķīrējtiesa" (Reg. No. 40003940446, Riga) in compliance with arbitration court regulations by one arbitrary which is appointed by the chief justice. The verdict of arbitration court is final, cannot be appealed and is binding for the Bank and the Customer.

13.11. The Bank is supervised by the Financial and Capital Market Commission.