

Part G

REGULATIONS ON NON-CASH TRANSFERS

Terms used in the Regulations

Transfer – the succession of payments, initiated by the payer of funds, with the aim of transferring the funds to the beneficiary.

Payment Order – a conditional order, compiled in the form of a paper document or electronically and submitted with the order to execute the Transfer.

Correspondent Bank – a bank, registered in the Republic of Latvia or abroad, where the Bank has opened a Correspondent Account and which performs its servicing, providing the mutual settlements between its customers.

Correspondent Account – an account, opened by the Bank, registered in the Republic of Latvia or abroad, in order to receive or provide financial services.

IBAN – *International Bank Account Number* – an account number, generated in compliance with international standards.

Value Date – the Bank Working Day, within which the funds on the Account acquire actual value.

19.1. Regulations on Non-cash Transfers are applicable if the Customer has submitted to the Bank and the Bank has received a Payment Order for the Non-cash Transfer.

19.2. Regulations on Non-cash Transfers are related both to internal Transfers (payer's bank and beneficiary's bank is AS "PrivatBank"), and external Transfers (payer's bank, Correspondent Bank, interbank and beneficiary's bank are different banks) in Latvian lats and other currency.

Correspondent Banks and Correspondent Accounts

19.3. The Customer understands and agrees that performing Transfer in the Customer's instructions or receiving the Transfers, directed to the Customer (excluding internal Transfers), the Bank utilises the services of Correspondent Banks. Correspondent Banks and Correspondent Accounts are indicated in the list of Correspondent Accounts of the Bank. It is possible to familiarise oneself with the list of Correspondent Accounts (amendments, additions) at the Bank within the Bank's office hours and on the Bank's Internet homepage – www.privatbank.lv.

19.4. The Bank is entitled to unilaterally make amendments and additions to the list of Correspondent Accounts at its discretion without the Customer's consent not informing the Customer in advance. The amendments and additions to the list of Correspondent Banks take effect upon their placement at the Bank's premises or upon of publishing on the Bank's Internet homepage – www.privatbank.lv.

19.5. The Customer is entitled to use the Correspondent Accounts of the Bank, which are not indicated in the list of Correspondent Banks, only in compliance with a special agreement between the Customer and the Bank. In this case a special Fee may be applicable to the Transfer.

19.6. The Bank is entitled not to transfer funds to the Customer's account, transferred for the Bank to the Correspondent Account, which is not included into the list of Correspondent Banks of the Bank until the moment, when such funds are transferred to the Correspondent Account of the Bank, which is included into the List of Correspondent Accounts. In this case a special Fee may be applicable to the Transfer.

19.7. The Customer shall undertake all the risks in connection with the Customer's funds, transferred to the Correspondent Accounts, not included in the List of Correspondent Accounts of the Bank, including the insolvency risk of Correspondent Banks.

19.8. The Customer shall undertake all the risk, which arises from limitations on currency exchange, taxes, duties and other payments, which are valid in the relevant country as well as in connection with the changes in legislation of the relevant country, court verdicts, decisions of

other administrative institutions and central banks due to which the Bank and/ or the Customer may suffer losses.

Transfers, Directed to Customer

19.9. The Bank is obliged to transfer funds to the Customer's Account, which are due to the Customer as the beneficiary of the Transfer funds.

19.10. The Funds are transferred to the Customer's account without the Customer's approval. This right is revoked only when closing the Account.

19.11. It is considered that the Customer has received the funds, when they are transferred to the Customer's Account.

19.12. The funds, received at the Bank and directed to the Customer shall be transferred to the Customer's Account, indicated in the Payment Order, as well as following the Customer's written request and upon agreement with the Bank, to another Customer's account with the Bank.

19.13. The Funds of internal Transfer are transferred to the Customer's Account on the date when the Payment Order is accepted for execution at the Bank.

19.14. The funds of external Transfer in Latvian lats are transferred to the Customer's Account on the date when the Bank receives relevant Notification from the Bank of Latvia.

19.15. The funds of external Transfers in foreign currency are transferred to the Customer's Account on the day when the Bank receives the relevant credit note from the Correspondent Account, but not earlier than the Value Date, indicated in the credit note.

19.16. The funds in foreign currency may be transferred to the Customer's Account, upon the Customer's request or a separate agreement with the Bank, on the date, when the Bank has received the Correspondent Account Statement, but prior to the Value Date of the funds on the Correspondent Account, indicated therein. In this case the Customer shall pay the Fee to the Bank for express transfer of the funds to the Customer's Account in accordance with the Bank's Fees.

19.17. The following details shall be indicated in the credit note, which the Bank verifies prior to transferring the funds to the Customer's Account:

19.17.1. The Beneficiary's (Customer's) Account Number – IBAN. IBAN Account number shall be indicated precisely.

19.17.2. Information about the beneficiary (Customer):

- private individual's name, surname;
- legal entity's full name;
- payment goal where the Transfer essence and goods or services paid for should be described clearly. The title, number and drafting date of the voucher used as grounds for the Transfer should be indicated. If the payment is made for the benefit of another (third) party the name, surname, personal code (identity code, birth date – for RL non-residents), address of this third party should be stated if it is an individual, or the title, registration number (if any) and legal (registration) address – if this third party is a legal entity.

19.18. When performing the internal Transfers or external Transfers in Latvia, the Bank is entitled to transfer the funds to the Customer's account also solely on the basis of the Customer's IBAN Account number, indicated in the Payment Order without verifying other Customer's details (see Paragraph 19.17.2.). When performing international Transfers up to EUR 5000 (or equivalent in other currency), the Bank is entitled to enter the funds into the Customer's Account also only on the basis of IBAN Account number, indicated by the Customer, not verifying other Customer's details (see Paragraph 19.17.2.). In these cases the Bank does not perform the clarification of non-compliance reasons and the Customer undertakes all responsibility for non-compliance of the details. The Bank reserves the rights not to fulfil the Payment Order, if it has

suspicious about the non-compliance of the beneficiary's name, surname or company name and beneficiary's IBAN Account number.

19.19. If the details, mentioned in the credit note in Paragraph 19.17. are not indicated in the Payment Order, or they do not correspond to the Customer's (beneficiary's) data at the Bank's disposal, the funds are not transferred to the Customer's Account until the clarification of the correct details. In this case the Bank sends the inquiry to the payer's bank to clarify the beneficiary's (Customer's) details. If the Bank within three weeks of sending the inquiry has not received the clarified beneficiary's details, the Bank is entitled to return the funds to the payer's bank, charging the Fee.

19.20. The Bank performs the investigation of the performed Transfer and non-received funds, directed to the Customer on the basis of the Customer's application.

19.21. The Bank is entitled not to transfer the directed funds to the Customer's Account in the cases and procedure, stipulated in the regulatory enactments of the Republic of Latvia and Regulations.

19.22. The Fee for the transfer of funds to the Customer's Account, when performing a transfer, is specified in the Bank's Fees.

19.23. In case the funds are transferred to the Customer's Account by mistake, the Customer is obliged to cooperate with the Bank to regulate the consequences of such mistake. In this connection the Customer undertakes in terms, determined by the Bank, to submit to the Bank the requested information and documents, connected with the erroneously transferred funds, and to repay these funds to the Bank. In case the Customer does not observe this obligation of the cooperation, the Bank is entitled to block the erroneously transferred funds until clarification of all the circumstances.

19.24. In case the funds are transferred to the Customer's account due to the Bank's mistake (delusion, error, inattention) or due to the lack of any other legal basis, the Bank is entitled at any time to write off such funds from the Customer's Account on a no contestation basis without prior notification to the Customer. The mentioned actions of the Bank are reflected in the Customer's Account Statement.

19.25. The Customer is entitled within 5 (five) Bank Working Days of the day of receiving Account Statement to inform the Bank about the funds, erroneously transferred to the Account and return these funds of the Bank. In case the Customer does not fulfil this obligation or does not repay erroneously transferred funds within the term set by the Bank the Bank is entitled to calculate and the Customer is obliged to pay to the Bank a forfeit of 30 % (thirty per cent) from the utilised amount for the ungrounded utilisation of foreign funds, which the Bank has erroneously transferred to the Customer's Account, and forfeit according to the rate of 30 % (thirty per cent) annually for every day of unreasonably utilised amount.

Transfers from Customer's Account or Account, Belonging to the Bank

19.26. The Customer is entitled to perform non-cash Transfers:

19.26.1. from the Customer's Account with the Bank;

19.26.2. from the Account, belonging to the Bank, if the Customer does not have an opened Account with the Bank and the Customer has performed a cash payment to the Bank.

19.27. The Customer is entitled to perform non-cash Transfers:

19.27.1. to another Account of Customer/to Account of another Customer, or upon the agreement with the Bank to other account with the Bank (internal Transfer);

19.27.2. to any account with other bank (external Transfer).

19.28. The Bank performs the transfer from the Customer's Account or the account, belonging to the Bank, in compliance with the Payment Order, submitted by the Bank.

19.29. When performing the internal Transfer, the Bank has completed its obligations, arising from the Payment Order, submitted by the Customer starting with the moment, when the funds have been transferred to the recipient's Account in the Bank.

19.30. Performing the external Transfer, the Bank has completed its obligations, arising from the Payment Orders, submitted by the Customer at the moment when the relevant Transfer amount is transferred to the Correspondent Account of the beneficiary.

19.31. The Bank shall bear no responsibility for the transfer of the amount, indicated in the Payment Order, to the beneficiary's account, when performing external Transfer.

19.32. To perform the Transfer, the Customer shall submit the Payment Order to the Bank in the form, determined by the Bank, completing it precisely and completely and indicating all the requested information.

19.33. The following information shall be indicated in the Payment Order (mandatory details):

19.33.1. Payment Order number;

19.33.2. Date of completing and signing of Payment Order;

19.33.3. Customer's (payer's):

– private individual's name, surname, personal identity number (residents of the Republic of Latvia) or passport number, if the person has not been granted personal identity number, address;

– legal entity's name, registration number (residents of the Republic of Latvia), legal (registration) address.

19.33.4. The Customer's (payer's) IBAN account number or number of account, belonging to the Bank;

19.33.5. amount in ciphers and words;

19.33.6. currency in words;

19.33.7. beneficiary's bank name, address and code (S.W.I.F.T., BLZ, ABA, Sort Code and others);

19.33.8. It is preferable to indicate the Correspondent Bank of the beneficiary's bank in the relevant foreign currency – its name and code. In case the Customer has not indicated this information, the Bank is entitled to choose the Correspondent Bank of the beneficiary's bank at its discretion without agreement with the Customer.

19.33.9. beneficiary's:

– private individual's name, surname, address, personal identity number (residents of the Republic of Latvia);

– legal entity's name, legal (registration) address, registration number (residents of the Republic of Latvia);

19.33.10. beneficiary's account number. Beneficiary's account number shall be indicated completely precisely, due to the fact that the relevant beneficiary's bank may transfer the received funds to the beneficiary's account solely according to the beneficiary's account number, indicated in the Payment Order;

19.33.11. The Transfer type shall be marked for Transfers in compliance with the Bank's Regulations on Payments;

19.33.12. the code of external Transfer, if the Transfer is performed by the resident of the Republic of Latvia in favour of the non-resident of the Republic of Latvia in the amount exceeding LVL 1000 (one thousand Latvian lats) and the beneficiary state code;

19.33.13. The aim the of Transfer, which has to describe the essence of Transactions and goods and services, for which the payment is performed, precisely. The Customer shall indicate the name, the number and the date of compiling of the justification document, on the basis of which the Customer perform the Transfer. If the Customer performs the Transfer on behalf of a third party, then it is necessary to indicate the name, surname, personal identity number (identification code, date of birth for non-residents of Latvia), address or the name of this legal entity, registration number (if any) and the legal (registration) address;

19.33.14. The types of bank Fee payment:

– OUR – the banks' fees are paid by the Customer (payer)

The Bank's Fee is charged at the moment of performing the Payment Order apart from the Transfer amount from the Customer's Account with the Bank or the Customer submits it in cash. In case other interbanks are involved in the transfer or a beneficiary's bank demands to cover its fees, the Bank on a no contestation basis shall write off the relevant fees from the Customer's Account in the Bank;

- FULL OUR - the Customer (payer) pays the bank's commission fee

The Bank's Commission fee is deducted at the payment Order execution moment separately from the Transfer Amount from the Customer's Account at the Bank, or the Customer pays it at the Bank in cash. The Bank pays the commission of the correspondent bank. The commission remuneration for third banks is included in the Bank's commission fee.

- BEN – the banks' fees are paid by the beneficiary.

The Bank's fees shall be charged from the Transfer amount from the Customer's Account with the Bank or the Customer submits it in cash. The fees of the Correspondent Bank, the beneficiary's bank as well as the fees of other interbanks shall be charged from the Transfer Amount.

- SHA – the banks' fees are paid by shares.

The Bank's Fee shall be charged at the moment of performing the Payment apart from the Transfer amount from the Customer's Account with the Bank. The fee of the Correspondent Bank shall be paid by the Bank. The fee of the beneficiary's bank and the fees of other interbanks shall be charged from the Transfer Amount.

The Customer, who has not opened the Account with the Bank, and whose Transfer is performed from the account, belonging to the Bank, the Transfer being in Latvian lats, is entitled to use solely "OUR" regulations on payment of banks' fees, but performing Transfers in foreign currency – only "BEN" and "SHA" regulations on payment of banks' fee.

In case the Customer has not indicated the type of fee payment in the Payment Order, "BEN" regulations on fee payment are applicable.

Solely "OUR" banks' fee payment type is applicable to the internal Transfers (excluding internal transfers to accounts of other banks with the Bank) and Transfers in Latvian lats.

The Banks may determine additional regulations for the Fees for Credit Transfers, specified in the Bank's Fees, as well as the exceptions of these regulations as of Subparagraph 19.33.14.

19.33.15. the signature of the Customer (payer) and the seal imprint (if present for the legal entity);

19.33.16. other details, necessary for transfer of funds, if requested by the Bank, banks involved in the Payment and/or the regulatory enactments of the countries where such banks are located.

19.34. The Customer is entitled to consult the Bank on completing Payment Order and/ or clarify all the necessary details and information for performing the Transfer at the Bank. The Bank shall undertake within the limits of its capacities to provide the Customer with all the necessary assistance and information.

19.35. The fact that the Bank has accepted the Customer's Payment Order for execution does not create any liabilities for the Bank to third parties and beneficiary of the Transfer, until the Transfer amount is transferred to the beneficiary's account.

19.36. In case currency exchange is necessary for the execution of Transfer, a general relevant currency exchange rate, determined by the Bank, is applicable on the date of execution of the relevant Transfer.

19.37. The Customer is obliged to provide the amount on his Account with the Bank, which is sufficient for executing his Payment Order, i.e. the Transfer amount and the Fees amount.

19.38. The Customer is obliged to make cash payment to the account, belonging to the Bank, in the amount, which is sufficient for execution of the Customer's Payment Orders, i.e. Transfer amount and the Fees amount.

19.39. If the Customer has submitted several Payment Orders to the Bank for total amount exceeding the total amount on the Customer's Account and the amount of the granted Overdraft, and the Customer has not determined the succession of execution of Payment Orders, the Bank is entitled to execute them at its discretion.

19.40. The Customer shall provide the Transfer Amount in the Transfer currency or give an instruction to the Bank to exchange the funds in other currency into the Transfer currency. In case the Customer's Account balance in the Transfer currency is not sufficient for execution of Transfer or the payment of the Fee for execution of this Transfer, the Bank is entitled without a separate Customer's order to convert the funds on the Customer's Account in other currency into the currency of the Transfer and the Fee in accordance with the exchange rate of relevant currency exchange rate, which the Bank has determined at the day of Transfer execution, and use the funds for writing off the Fee.

19.41. In case the funds on the Customer's Account are not sufficient or an insufficient amount is transferred to the account, belonging to the Bank, to execute the Payment Order, as well as the funds are insufficient for the Fees payment to the Bank and the Correspondent Bank, then solely the Payment Order, submitted to the Bank on paper, is considered to be valid and is executed within 10 (ten) days of the date, which was indicated by the Customer in the Payment Order.

19.42. In case the Customer has not indicated all the mandatory details in the Payment Order (Paragraph 19.33.), and/ or the information in the Payment Order is not clear and unambiguous, the Bank is entitled, but not obliged, to ask the Customer to submit additional information.

19.43. The Bank is entitled not to accept Payment Orders for execution, if the Bank has not identified the Customer and/ or the Payment Order is not compiled in compliance with the present Regulations.

19.44. If the Customer has not indicated a Correspondent Bank of the beneficiary's bank, and the choice of the Bank's Correspondent Bank has been inconsiderate and the Transfer has been returned to the Bank, the Transfer Amount is transferred back to the Customer's Account or the account, belonging to the Bank.

19.45. The Bank bears no responsibility in case the Correspondent Bank, interbank or beneficiary's Bank does not fulfil the Bank's instructions, or the Transfer has not been received in full due to reasons, independent from the Bank.

19.46. If the Customer has indicated all the Transfer details in the Payment Order, necessary for its execution, but the Payment has not reached the beneficiary's bank as a result of the Bank's mistake or due to any other circumstances, the Bank is responsible only in the cases, procedure and volume, enacted in the "Regulations on Credit Transfers" of the Bank of Latvia.

19.47. The Bank by means of Account Statement informs the Customer about the executed Transfer Payment Order in compliance with the procedure, determined by the Bank. The Customer agrees that the Bank may refrain from submitting information to the Customer about the executed Transfers, if the Customer has waived his rights to receive it.

19.48. The terms of Transfers depend on Transfer types and Transfer currency, determined in the Provisions of Payments. The Customer indicates the preferable Transfer type in the Payment Order. In case the Customer has not indicated the type of the Transfer, the Transfer is executed as the regular Transfer.

19.49. The beginning of execution of the Transfer at the Bank, i.e. maximum term, within which the Bank sends the Customer's Payment Order to the beneficiary's bank or Correspondent Bank with the relevant Value Date is indicated in the Conditions on Payment Execution of the Bank. The Conditions on Payment Execution of the Bank (their amendments, additions) are available at the Bank within the Bank's office hours and on the Bank's Internet homepage – www.privatbank.lv. The Bank is entitled to unilaterally amend or make additions in the Conditions on Payment Execution of the Bank. The Bank is entitled to make these amendments and additions unilaterally at its discretion without the Customer's consent and without informing the Customer in advance. The amendments and additions in the Conditions on Payment

Execution of the Bank take effect from the moment of their placement in the Bank's premises or publishing on the Bank's Internet homepage – www.privatbank.lv.

19.50. If the Transfer beneficiary's Bank is not a Correspondent Bank of the Bank and there are several foreign interbanks, involved in the Transfer, the Bank cannot determine a precise time period, during which the Transfer funds will be transferred to the beneficiary's account.

19.51. The Bank bears no responsibility for the Customer's losses and the Customer's other additional expenses, which have arisen for the Customer as a result of Transfer delay, if such a delay has arisen through the fault of third parties, participating in the execution of Transfer. It shall not be applicable in relation to the Correspondent Bank, included in the List of Correspondent Accounts, for which the Bank is responsible, excluding *force majeure* circumstances.

19.52. The Customer is entitled to submit a revocation of the Payment Order to the Bank, as well as to apply for amendments in the type of Transfer payment Fee or the term of execution of Transfer until the funds, indicated in the Customer's Payment Order, are completely written off from the Customer's Account in the Bank or from the account, belonging to the Bank.

19.53. In case the cancellation is submitted after the amount, indicated in the Customer's Payment Order, has been written off from the Customer's Account with the Bank or the account, belonging to the Bank, the Bank directs the Account balance amounts to the relevant beneficiary's Bank or the Correspondent Bank, involved in the Transfer. In this case the Bank does not guarantee the return of funds. In case the amount, indicated in the Payment Order, is transferred to the beneficiary's account, its return is possible only upon the beneficiary's consent.

19.54. The Bank transfers the amount, indicated in the Payment Order, back to Customer's Account or pays to the Customer in cash only after the Bank has received it from the beneficiary, beneficiary's bank or Correspondent Bank.

19.55. The Bank performs the correction of Payment Order, the investigation of the Customer's transferred funds on the basis of Customer's written application.

19.56. The Customer pays the Fees of the Bank and third parties for correcting the Payment Order, cancellation of Transfer and investigation in accordance with the Bank's Fees.

19.57. The procedure of submitting the Customer's claims and complaints in relation to the Transfers of non-cash funds in the Bank and their consideration is provided for in Section 13 of Part A General Provisions.