

4. General Terms and Conditions of Maintenance and Use of Payment Cards

(no 01.10.2020. jauni Kartes līgumi netiks noslēgti)

Specific Terms:

Application - Customer's written application as per Bank's approved sample for opening the Card Account / issuing of the Card in the name of the Card User.

Card Contract - a contract on opening and maintenance of the Card Account and on granting the Card Credit Limit (if applicable). The Card Contract consists of the Customer Application, Regulations (General Regulations for Transactions of the Bank) and the Pricelist.

Card - an international payment card issued by the Bank and deemed the Bank's property. The Card shall also refer to the Additional card linked to the Card Account.

Virtual Card - a block of data equal to data of the Card issued by the Bank, which shall be transferred to the Card User for execution of Transactions without using a real payment Card.

Card User - the Customer or another individual, in whose name the Card is issued and who is authorised by the Customer to receive and use the Card in accordance with the Regulations. The Card User shall also refer to user of the Additional card.

Card Account - the Customer's Account with the Bank, which the Card is linked to.

Card Transaction - any Transaction, which may be performed with the Card, or using the Card data.

Card Credit Limit - the funds determined by the Bank and available to the Customer, which the Bank granted to the Customer in addition to the funds on Customer's Card Account, according to the Customer's application. The Card Credit Limit shall create negative balance on the Card Account in the abovementioned amount.

Prohibited Negative Balance - the Bank's funds that make up a negative Card Account balance, provided the Card Credit Limit is not granted to the Customer. A Prohibited Negative Balance may occur when the Bank charges amounts from the Customer's account, which are associated with rendering Financial Services of the Bank, and which are due to the Bank according to these Regulations and Pricelist, provided Customer's fund balance on the Card Account is insufficient.

Prohibited Negative Balance Interest - an amount specified in the Pricelist, which the Customer is obliged to pay to the Bank for having a Prohibited Negative Account Balance, as per Card Contract.

Card Credit Limit Overdraft - an increase of a debit (negative) Card Account balance for the amount that exceeds the Card Account Limit set for the Customer.

Card Credit Limit Interest - an amount paid by the Customer to the Bank in accordance with the Regulations and Pricelist for Card Credit Limit funds, which are actually spent.

Card Credit Limit Repayment Term - the date until which the Customer should repay, in part or in full, the spent, yet, outstanding, Card Credit funds in accordance with the Card Contract.

Available Balance - the amount of funds on the Card Account available for Transactions. The Available Balance consists of funds on the Card Account, which are not booked for debiting from the Card Account, and the unused Card Credit Limit, if the Bank provided such Card Credit Limit.

Fee for Failure to Perform Card Contract - the amount the Customer should pay to the Bank for maintenance of the Card Account where the Card Credit Limit Overdraft occurred, or a fee for delayed settlement of other liabilities towards the Bank under the Card Contract; the fee shall be set according to the Regulations and the Pricelist.

Spending Limit - limitations of Card Transactions defined by the Bank, including maximum amount of Card Transactions within a determined period of time (, number and / or amount of Card Transactions per day / month, etc.).

Collateral - Customer's funds placed on a Collateral account and used as a financial pledge to guarantee the fulfilment of Customer's liabilities specified in the Card Contract and in the Collateral (security deposit) Contract.

PIN - a personal identification number (a combination of digits) issued by the Bank to the Card User alongside with the Card. The PIN shall be known to the Card User only and used for the Card User Identification when executing particular Card Transactions.

CVV2 Code - a personal identification number consisting of three digits used for Identification of the Card User when executing Card Transactions with Card data (without using a real payment Card); the code is printed on the reverse side of the Card.

Base Account Currency - an account currency, which is a priority when selecting the currency for debiting Bank's fees, amounts of Card Transactions and other payments from Customer's Card Account.

Card "Stop List" - a list of Cards, the validity of which is suspended.

Verified by Visa (VbV) - a data solution for safe online Card transactions based on application of Card User Authorisation tools with the Remote account management system (Internet-bank), in addition to the Card identification data (card number, validity period and CVV2 Code).

VISA International Payment System (VISA IPS) - The "VISA Inc." international payment card system.

Other terms used in Section 4 of these Regulations correspond to the terms defined in Paragraphs 1.1 and 2.2 of the Regulations, unless section 4 of the Regulations states otherwise.

4.1. General provisions:

4.1.1. The Terms and Conditions of Maintenance and Use of Payment Cards shall regulate legal relations between the Bank and the Customer. Legal relations between the Bank and the Customer not covered herein shall be regulated by regulatory enactments of the Republic of Latvia and VISA IPS regulations. VISA IPS regulations are available on the official web-site www.visaeurope.com.

4.1.2. The Bank offers different types of Cards to Customers. The Card description is available on the Bank's web-site. The Bank is entitled to determine and change the functionality of a particular Card type.

4.1.3. The relations between the Bank and the Customer regarding opening, maintenance, blocking, closing of the Card Account and receipt of Card Account statements are also regulated by Paragraph 2.1 "Terms and Conditions of Account Maintenance" of the Regulations.

4.1.4. Conclusion of Card Contract and Issue of Card

4.1.4.1. The Bank shall consider an Application submitted by the Customer within 5 (five) Bank working days, unless conditions for issue of a particular Card type state otherwise.

4.1.4.2. Based on the submitted Customer's Application, the Bank shall open the Card Account in Customer's name and determine the Base Account Currency.

4.1.4.3. the Card Contract between the Bank and the Customer shall be deemed concluded as from opening the Card Account. The Bank shall inform the Customer about opening of the Card Account, by using communication tools specified in the Customer's application.

4.1.4.4. The Bank is allowed to refuse Card issue and to conclude the Card Contract to the Customer without explaining reasons thereof.

4.1.4.5. Upon taking a decision to open the Card Account, the Bank shall issue the Card and PIN (in a special sealed envelope, if issue of a PIN is applicable to a particular Card type) to the Card User in a manner specified in the Application. Should the Card User applied for a Virtual Card, the Bank shall provide the number, expiry date and CVV2 Code of the Virtual Card.

4.1.4.5.1. If the Customer orders the Bank to send the Card and / or PIN by mail and / or hand them over to a User through intermediary of third parties, the Customer shall be aware of and undertake all risks related to sending the Card and / or PIN, including those concerning safety and delivery time of postal items.

The Bank is allowed to use services of third parties to execute Customer's order to deliver the Card and / or PIN. The Bank is not liable for losses or other expenses of the Customer or third parties, which may occur in case of Card issue delay, loss or misuse of the Card, a shortage at the Card Account, Card damage, disclosure of confidential information, or any other circumstances beyond the Bank's control.

4.1.4.6. the Card User shall confirm the Card receipt by activating it in any of the following ways:

- via a Remote Account Management System (Internet-bank) (see Paragraph 2.2 of the Regulations "Terms and Conditions of Remote Account Management Systems");
- by calling the Contact center department of the Bank at number 8515 (see Paragraph 1.4 of the Regulations "Regulations on Providing and Receiving Information and Services via Telephone and Online Chat");
- in other manner specified by the Bank.

4.1.4.7. the Card issued to the Card User by the Bank is deemed Bank's property. The Card may be used by the Card User only.

In order to prevent or terminate illegal operations with the Card, the Bank is entitled to require the Card User to submit the Card to the Bank, and the Card User is obliged to immediately fulfil such requirement of the Bank.

4.1.4.8. The Customer should acquaint the Card User with the Regulations and Pricelist regarding services, as well as ensure that the Card User complies therewith.

4.1.5. Use of Card and PIN and Authorisation of Card Transactions

4.1.5.1. the Card may be used at all places, which accept Cards and which are labelled with the corresponding type of the Customer's Card (VISA, VISA Electron) for the following purposes:

- making payments for goods and services at points of sale accepting Cards,
- making payments for goods and services on the Internet,
- receiving other services.

4.1.5.2. the Customer agrees that the Card Transaction is deemed confirmed (authorised) by the Card User in the following cases:

4.1.5.2.1. when executing the Card Transaction the Card User personally signs a document justifying the Transaction,

4.1.5.2.2. The name and surname of the Card user, the Card number, the date of its expiry and CVV2 Code are entered or indicated;

4.1.5.2.3. The Card user executed the Card transaction on the web-page of the corresponding service provider, regarding which, the Card user issued a Payment order to the

service provider, including a Payment order for regular payments / for subscribed services, and which was authorized by entering or indicating the name and surname of the Card user, the Card number, the date of its expiry and the CVV2 Code;

- 4.1.5.2.4. the Card Transaction is authorised by name, surname of the Card User, the Card number, expiry date, CVV2 Code, and authorisation tools.
- 4.1.5.2.5. Card transaction is authorized by connecting the Card / bringing it close to a reading device which allows processing Card data either by entering the PIN, or without it, when making payment for goods and/or services offered at service (trading) venues.
- 4.1.5.3.** Card User's authorisation under Clauses 4.1.5.2.2. - 4.1.5.2.6. hereof shall have legal force equal to a signed document, which is personally signed by the Card User, which substantiates the Card Transaction and which is sufficient evidence for settlement of possible disputes between the Bank and the Card User.
- 4.1.5.4.** The Card User cannot cancel the Card Transaction authorised as per Clause 4.1.5.2 hereof.
- 4.1.5.5.** When performing online card transactions on the websites of merchants who use Verified by Visa technology, the Card User shall use own Authorisation Tools to confirm its identity for the purposes of identification.
The Card User cannot perform online card transactions without Authorisation Tools on the websites of merchants who use Verified by Visa technology.
- 4.1.5.6.** A PIN is deemed to be confidential information which shall only be known to the Card User; during authorization of Card Transactions, it shall also be equated to the signature of the Card User. It is not allowed to disclose the PIN to third parties, to write it down on the Card, as well as to store it together with the Card. The PIN shall be stored in a safe place not accessible to third parties.
- 4.1.5.7.** the Card User should comply with the following requirements regarding the Card use:
 - 4.1.5.7.1. to sign on the signature stripe on the reverse side of the Card, provided the Card is not a Virtual Card,
 - 4.1.5.7.2. to store the Card as carefully as money and to check / ensure the Card presence on a daily basis,
 - 4.1.5.7.3. to protect the Card against high temperature, electromagnetic fields and mechanical damages,
 - 4.1.5.7.4. to treat the Card, its PIN, CVV2 Code, Authorisation Tools and Card number carefully, in order to prevent disclosure of the Card, PIN Code, Authorisation Tools or Card data to unauthorised parties / third parties,
 - 4.1.5.7.5. not to provide third parties with the Card, the Card number or with other information related to the Card, except when this is allowed by regulations on trade operations (transactions),
 - 4.1.5.7.6. to ensure that a seller activates the Card as a payment tool only in presence of the Card User,
 - 4.1.5.7.7. not to exceed the Card Credit Limit (if granted),
 - 4.1.5.7.8. not to allow a Prohibited Negative Balance,
 - 4.1.5.7.9. to ensure that the specified Card Transaction amount matches the actual Card Transaction amount, prior to signing a document justifying the Card Transaction or entering the PIN, CVV2 or data of Authorisation Tools,
 - 4.1.5.7.10. when making Card Operations, the Card User shall control actions made with the Card; the Card User shall bear full responsibility for any risk occurring during the Card servicing in absence of the Card User or as a result of the Card (including

- Card data) being at the disposal of third parties,
- 4.1.5.7.11. to personally sign a document justifying the Card Transaction; the signature on the document shall match the signature put on the reverse side of the Card,
 - 4.1.5.7.12. to store documents justifying the Card Transaction until expiry of the term for claim submission, which is specified in Clause 4.1.13 hereof,
 - 4.1.5.7.13. to present the identity document of the Card User, if required by the beneficiary or by its authorised person while executing the Card Transaction,
 - 4.1.5.7.14. not to use the Card after its expiry date or when the Card validity is terminated or suspended (the Card is blocked) for any reason whatsoever,
 - 4.1.5.7.15. to immediately return the Card to the Bank at the Bank's request,
 - 4.1.5.7.16. to destroy Cards which are not valid for execution of Transactions,
 - 4.1.5.7.17. to immediately inform the Bank on the loss / theft of the Card or in the event of suspected disclosure of the Card PIN and data to third parties, as well as to act according to Clause 4.1.8 hereof.
- 4.1.5.8.** the Card should not be used for any illegal purposes whatsoever, including for purchasing goods / services prohibited by regulatory enactments of the Republic of Latvia, VISA IPS regulations and regulatory enactments of the country where goods / services are intended to be purchased.
- 4.1.5.9.** It is forbidden to the Card User to damage the Card, to reproduce it, as well as to allow its damage, transformation or reproduction. Should the Card be damaged, the Customer is entitled to order a new Card at the Bank instead of the damaged one.
- 4.1.5.10.** In order to increase the safety of Customer's funds on the Card Account, the Bank shall set Spending Limit for the Card, which is determined by the Bank's Pricelist. The Customer may get acquainted with information on the Spending Limit at the Bank, via a Remote Account Management System, by calling the Contact center department of the Bank at 8515 or +37167041368, as well as on the Bank's Web-Page.
- The Customer is entitled to reduction / increase of the Spending Limits set in the Pricelist by submitting a corresponding written application to the Bank. Based on Customer's application, the Bank may change the Spending Limit, and the Customer should inform the Card User about the Spending Limit set for the Card.
- 4.1.5.11.** The Bank or a third party, which accepts the Card for settlements is entitled to withhold the Card if the Card PIN is entered incorrectly three times in a row, the signature on the reverse side of the Card differs from the signature in the Card Transaction confirmation document, as well as in the event of suspected unauthorised use of the Card. The withheld Cards shall not be returned to Card Users.
- 4.1.5.12.** the Card User is allowed to make Card Transactions within the Card Account balance (including Fees) and Card Credit Limit (if granted).
- 4.1.5.13.** the Customer shall reimburse the Bank for all expenses and losses occurred due to Customer's violation of Clause 4.1.5.12 hereof.

4.1.6. Validity of Card and Issue of New Card

- 4.1.6.1.** The validity term of the Card is indicated on the Card.
- 4.1.6.2.** the Card shall be valid up to and including the last calendar day of the month of the year indicated on the Card. Upon expiry of the Card, as well as in case the Card is blocked, the Card must not be used. the Card User must destroy an expired Card (for example, by cutting it in half).
- 4.1.6.3.** Upon the Card expiry, the Bank is allowed to issue a new Card to the Card User, provided the Customer has not refused the issue of the new Card at least 30 (thirty)

calendar days prior to the expiry date of the current Card, the Card Account has a sufficient balance for paying of a Fee, and the Bank has not informed the Customer on the refusal to issue the new Card.

- 4.1.6.4.** the Customer may order a new Card prior to the expiry date of its current Card by submitting a written application to the Bank.
- 4.1.6.5.** The Bank shall debit Customer's Card Account with the Fee for the issue and maintenance of a new Card, as specified in the Pricelist, without acceptance of the Customer, on an uncontested basis.
- 4.1.6.6.** Cards ordered by the Customer, including renewed Cards, shall be stored at the Bank until they are issued / sent to the Card User.
 - 4.1.6.6.1.** Non-received Cards shall be stored at the Bank during six (6) months. Should the Card remain not received during six (6) months, it shall be annulled and destroyed in a manner prescribed by International payment systems. The Bank shall not repay the Fee for Card issue to the Customer.
- 4.1.6.7.** The Bank shall issue a new Card to the Card User according to the provisions of Clause 4.1.4.5 hereof.
- 4.1.6.8.** the Customer may submit a written application on Card validity termination to the Bank.

4.1.7. Obligations of the Customer

4.1.7.1. The Customer undertakes the following:

- 4.1.7.1.1.** to acquaint the Card User with the Regulations and with amendments thereof, if any,
 - 4.1.7.1.2.** to comply with and fulfil all liabilities under the Card Contract in good faith, as well as ensure that the Card User follows the Regulations,
 - 4.1.7.1.3.** to control the use of the Card Account and Card,
 - 4.1.7.1.4.** to allow the Card use only by the Card User specified in the Application,
 - 4.1.7.1.5.** to make all payments arising from the Card Contract to the Bank, in a manner and within the time period specified in the Card Contract, as well as to ensure a corresponding balance at the Card Account for that purpose.
- 4.1.7.2.** the Customer must destroy the Card in the following cases:
- upon expiry of the Card,
 - in the event of technical malfunctions of the Card,
 - if the Card previously declared as lost /stolen is found,
 - when submitting an application to close the Card Account,
 - in other cases as per request of the Bank.
- 4.1.7.3.** the Card User undertakes not to perform Transactions using the Card or its data in the following cases:
- upon return of the Card to the Bank,
 - upon expiry of the Card,
 - upon reporting a lost / stolen Card to the Bank,
 - upon submitting an application for closing the Card Account,
 - upon receiving a Bank's order on suspending validity of the Card or on closing the Card Account at the initiative of the Bank and / or of another person authorised thereby.

4.1.8. Actions of the Card User in Case of Loss / Theft of Card

- 4.1.8.1.** Should the Card be lost or stolen, or the Card User has reasonable grounds for believing that the PIN, CVV2 Code or Card data became available to an

unauthorised / third party, or the Card was used without authorisation, the Card User must act as follows:

- 4.1.8.1.1. to immediately inform the Bank thereof by calling the Contact center department of the Bank at 8515 or at +371 67041368, or
- 4.1.8.1.2. to immediately block the Card in person via the Remote Account Management System (Internet-bank) (see Paragraph 2.2 "Terms and Conditions of Remote Account Management Systems" of the Regulations) (in case the Remote Account Management System is connected for Customer), and
- 4.1.8.1.3. to immediately inform the Bank in the event of finding the lost Card by calling the Contact center department of the Bank at 8515 or +371 67041368, or by submitting a corresponding application to the Bank. In this case, the Bank shall activate the previously blocked Card.
- 4.1.8.2.** The Bank shall immediately, upon receiving information specified in Clauses 4.1.8.1.1, 4.1.8.1.2 and 4.1.8.1.3 hereof, block the Card (suspend the Card validity) by putting it in the Card "Stop List". The Bank is entitled to block the Card by putting it on the Card "Stop List" if the Card User does not comply with the Card Contract, with the Regulations and / or in order to prevent illegal actions with the Card.
- 4.1.8.3.** Should the Card User fail to provide the Card number or any other specifying information, the Bank shall block all Cards linked to a particular Card Account.
- 4.1.8.4.** The Bank shall provide a new Card and PIN (if applicable) to the Card User based on a written application of the Customer submitted personally by the Customer at a Bank branch or via Privat24 Remote Account Management System. The Bank shall issue a new Card to the Card User under provisions of Clause 4.1.4.5 hereof.

4.1.9. Liability of Customer and Card User

- 4.1.9.1.** the Customer is fully liable for all Card Transactions, including for the loss / theft of the Card, or for any illegal actions with the Card until informing the Bank in writing, in accordance with Clause 4.1.8 hereof, as well as shall reimburse the Bank for losses arising as a result of any Transaction executed with the Card issued to the Card User.
- 4.1.9.2.** Should the Card User give its consent for Transactions with the Card or Card data out of its sight, the Card User is fully liable for possible future misuse of the Card or its data.
- 4.1.9.3.** Should the Card User allow illegal use of the Card or use thereof not in compliance with the Card Contract, the Customer shall be held liable for all undertaken liabilities towards the Bank.
- 4.1.9.4.** the Customer shall bear responsibility for failure to meet the provisions under the Card Contract or improper fulfilment thereof in accordance with the Card Contract, Regulations, VISA IPS regulations, and effective regulatory enactments of the Republic of Latvia.

4.1.10. Rights of Bank

- 4.1.10.1.** Should the Card User violate the Card Contract, these Regulations, VISA IPS regulations and / or effective regulatory enactments of the Republic of Latvia, the Bank is entitled to unilaterally suspend the Card validity and put all Cards linked to the Card Account in the Card "Stop List" notifying the Customer thereof in advance or right after the Card validity is suspended. As soon as the Card User eliminates such violations, the Bank is entitled to resume the validity of the Card by excluding it from the Card "Stop List".

- 4.1.10.2.** If the Bank identifies Card Transactions which are not typical for a particular Card User, in order to protect Card User's interests, the Bank is entitled to unilaterally suspend the validity of the Card notifying the Customer thereof in advance or right after the validity of the Card is suspended. Should the Card User confirm to the Bank that these non-typical Card Transactions were performed by the Card User itself, the Bank shall resume the validity of the Card. The Bank shall not be held liable for Customer's losses or for other additional expenses, if the Bank exercises its rights specified herein.
- 4.1.10.3.** The correspondence between the bank and the Customer, which is mentioned in Clauses 4.1.10.1 and 4.1.10.2 hereof, shall take place via communication channels specified by the Customer.
- 4.1.10.4.** In order to prevent or terminate illegal operations with the Card, the Bank is entitled to require the Card User to submit the Card to the Bank, and the Card User is obliged to immediately fulfil such requirement of the Bank.
- 4.1.10.5.** Bank's Notifications and other information shall be delivered to the Customer in the Remote Account Management System (Internet-bank) (see Paragraph 2.2 "Terms and Conditions of Remote Account Management Systems" of the Regulations), sent by mail to the Customer's address specified in the contract or handed over personally to the Customer against the Customer's signature. The Customer agrees to receive information about Bank's services sent by the Bank or legal entities associated with the Bank to the actual residence address / legal address of the Customer, or to Customer's e-mail address, if requested so, unless the Customer refuses to receive the above-mentioned information.
- 4.1.10.6.** The Bank is entitled to use its hardware and software to record telephone conversations / dialogues held between the Bank and the Customer. The Bank shall record, process and store any information provided by the Customer, which may be used in future in order to substantiate and prove the Customer's order given over the phone. The Bank and the Customer agree that conversation records are deemed sufficient evidences of telephone communication between the Bank and the Customer in the event of disputes and may be used as evidence in court.
- 4.1.10.7.** The Bank is entitled to unilaterally set Card use limitations. The Bank shall place / publish the set Card use limitations and amendments / additions thereto prior to their coming into effect at a place available for Customers in Bank's premises, on the Bank's webpage, as well as in the Remote Account Management System (Internet-bank).
- 4.1.10.8.** The Bank is entitled to give an order to withhold the Card to any member of International payment systems at any time without concluding any additional agreements.
- 4.1.11. Liability of the Bank**
- 4.1.11.1.** The Customer is aware of the following and agrees that the Bank shall use services provided by third parties acting under the Customer's instructions / in accordance with the Customer's requirements, and providing maintenance of the Card. In this case the Bank shall not be held liable for Customer's losses and inconveniences if such losses or inconveniences are due to action / inaction of third parties.
- 4.1.11.2.** In case the Customer disputes Transactions made with the Card or with its data, the Bank shall provide a reply to the Customer in accordance with Paragraph 1.1 of the Regulations and in accordance with Visa IPS regulations.
- 4.1.11.3.** The Bank shall not be liable towards the Customer for the following:
- the late receipt of a renewed Card by the Card User,

- refusal of a third party to accept the Card as a payment tool,
- the quality of goods and services purchased with the Card as a payment tool,
- Customer's losses in the result of inability to use the Card due to a lineout, communication line interferences or other reasons beyond the Bank's control,
- Customer's losses in cases when restrictions or limits imposed by a third party affect Customer's / Card User's interests or the Card use as a payment tool,
- legal relations between the Customer and a third party under mutual transactions or in accordance with the law (also when established by a Transaction, using the Card as a payment tool),
- executed payments, Transactions or exchange of information on the Internet and for any consequences whatsoever arising in the result of such actions,
- a refusal of a merchant to accept a payment for goods / services via an electronic terminal due to a refusal of the Card User to enter the PIN,
- a refusal of a merchant to accept a payment for goods / services due to a necessity to additionally verify the Transaction legality,
- additional fees implemented by merchants for making payments for goods / services by payment Cards,
- limitations on Transaction amounts, as well as the order of Card User Identification, set by merchants or by other banks.

4.1.11.4. If the Customer and the Card User are different persons and the Card User is not a party to the Card Contract, the Bank shall not be liable towards the Card User for claims and requests submitted by the Card User.

4.1.12. Settlements, Fees, Account Statements

General Order for Settlements

4.1.12.1. The Card Account can be credited by a wire transfer. Should the incoming transfer currency differ from the Card Account currency, the Bank shall convert the incoming funds to the Base Currency of the Card Account, in accordance with the Bank's commercial currency exchange rate.

4.1.12.2. The Customer shall authorise the Bank to write-off funds from the Card Account on an uncontested basis without a particular order of the Customer, also when such action causes or increases an overdraft (a negative balance) of the Card Account by means of the Card Credit Limit (if granted). The Bank is also entitled to write-off funds from other accounts of the Customer with the Bank in the following cases:

- in order to execute the Card Transactions,
- in order to charge Fees for Card Transactions and for other Financial Services provided by the Bank according to the Pricelist effective at the time of execution of a particular Card Transaction,
- in order to charge other payments which are not mentioned in the Pricelist, yet, which the Bank needs to perform in order to ensure provision of the Card services,
- in order to execute other payments, which are envisaged under the Card Contract, and which are made by the Card User.

4.1.12.3. Upon the receipt of information about the Card Transaction, the Bank is entitled to debit the amount of the Card Transaction and Fees associated with the Card Transaction from the Card Account on an uncontested basis.

4.1.12.4. When executing the Card Transaction, the Bank shall reserve the Transaction

amount and the associated expenses on the Card Account for a period of up to 14 (fourteen) calendar days excluding the day when the Card Transaction was executed. If the Bank does not receive a request from VISA IPS for debiting the amount within the specified time period, the Card Transaction amount reservation on the Card Account shall be annulled.

- 4.1.12.5.** If Card transaction is executed in currency other than euro, when reserving Card transaction amount and withholding it from Customer's Account, the Bank converts card transactions as follows:
- 4.1.12.5.1. in EUR (Euro), in accordance with the currency exchange rate of VISA IPS on the day of Card Transaction execution and debiting of Card Transaction amount from the Card Account, in consideration of the Bank's Fee for currency exchange as per the Pricelist,
- 4.1.12.5.2. If the base currency of the Card is USA dollars (USD), then when debiting Card transaction amount from Card account in accordance with Clause 4.1.12.5.1. of the Regulations, the Bank converts Card transaction amount in *euro* (EUR) after the currency conversion rate established by the European Central Bank at the moment of Card transaction.
- 4.1.12.6.** Should the Card Transaction be executed in EUR (Euros) while the Base currency of the Card Account balance is USA dollars (USD), the Bank shall convert the amount of the Card Transaction to EUR (Euros) on the day when it is debited from the Card Account using a currency exchange rate of the European Central Bank effective as of the Card Transaction.
- 4.1.12.7.** The reserved amount of the Card Transaction may differ from the debited amount of the Card Transaction due to the difference of currency exchange rates valid on the day when the Card Transaction was executed and on the day when it is actually debited from the Card Account.
- 4.1.12.8.** The Bank shall not be liable for delayed execution of Card Transaction, provided such delay took place due to reasons beyond the Bank's control.
- 4.1.12.9.** If the Card account does not have necessary debit currency, the Bank checks if the necessary amount is available in other Card's account currencies and converts funds in accordance with European Central Bank exchange rate at the date of amount debiting from the Card account.
- 4.1.12.10.** If the Customer discovers differences between Card Transactions specified in an account statement and the ones actually executed by the Card User, the Customer shall immediately inform the Bank thereof in accordance with Clause 4.1.13 of these Regulations.
- 4.1.12.11.** The Customer's obligation to settle the Card Transaction shall arise at the moment when such Card Transaction is executed.
- 4.1.12.12.** The Bank shall not repay disputed funds to the Customer, provided the Customer was identified according to the Regulations or the Customer was acting imprudently or with malicious intent as of execution of the corresponding Transaction.
- 4.1.12.13.** the Customer can get acquainted with the currency exchange rate:
- commercial currency exchange rate of the Bank is available on the Bank's webpage,
 - currency exchange rate of the European Central Bank is available on the webpage of the Bank of Latvia www.bank.lv,
 - currency exchange rate of VISA IPS is available on the webpage of VISA IPS www.visaeurope.com.

Commission Fees

- 4.1.12.14.** The Bank shall deduct the Card Fee / annual Fee for the Card / Card renewal fee from the Customer on an uncontested basis, according to the Pricelist.
- 4.1.12.15.** The Bank is entitled to withhold a Card renewal fee according to the Pricelist, 30 (thirty) days prior to starting point of the Card validity term.
- 4.1.12.16.** The Bank fee for Card Transactions shall be deducted upon execution thereof in accordance with the Pricelist.

Statement of account

- 4.1.12.17.** The Customer shall be provided with the Card Account statement via a communication channel indicated by the Customer. The Card Account statement indicates all executed Transactions and other information about Transactions on the Card Account, including Card Credit Limit Interest (if granted) under the Card Contract. Should a Customer Application state that the Customer wishes to receive Card Account statements by mail, the Card Account statement for the previous month shall be sent to the Customer by mail. The Customer shall pay the Bank's Fee for receiving statements by mail, as specified in the Pricelist.
- 4.1.12.18.** A failure to receive the Card Account statement shall not exempt the Customer from fulfilment of liabilities under the Card Contract.

4.1.13. Disputing erroneously made or unauthorised Transactions

- 4.1.13.1.** The Customer shall at least once a month get acquainted with the Card Account Statement and inspect it.
- 4.1.13.2.** The Customer, which is a consumer, is entitled to a chargeback, in cases specified in the Law on Payment Services and Electronic Money of the Republic of Latvia, provided the Customer immediately, i.e., as soon as it learnt about an unauthorised Card Transaction, but not later than within the time period defined by Clause 4.1.13.1 hereof, inform the Bank about such unauthorised Card Transaction following the procedure established by the Regulations.
Should the Customer discover non-compliance between the Card Transactions registered on the Card Account and the actually executed Card Transactions or identify Card Transactions unconfirmed (unauthorised) by the Customer, it shall inform the Bank thereof within 45 (forty-five) calendar days following the day when the amount was debited from the Card Account (or the day when the Card Transaction should have been executed), by submitting a claim to the Bank in a manner specified by the Bank (see Paragraph 1.1 "Terms, Definitions and Principal Conditions of General Regulations for Transactions" of the Regulations).
- 4.1.13.3.** Claims shall be further considered in accordance with VISA IPS regulations. The Bank shall provide a reply upon receiving all information related to a disputed Card Transaction, including information provided by the Customer, by Card User, and by VISA IPS.
The Customer shall pay the Bank a Fee for consideration of an unsubstantiated claim according to the Pricelist, as well as compensate the Bank for its payments made to third parties due to consideration of such unsubstantiated claim of the Card User.
- 4.1.13.4.** Unless in compliance with regulatory enactments of the Republic of Latvia and with VISA IPS regulations in the sphere of consumer right protection, the Bank is entitled not to repay the amount of a disputed or unauthorised Card Transaction to the Customer in the following cases:

- 4.1.13.4.1. the Customer failed to inform the Bank according to Clauses 4.1.13.2. and 4.1.13.3 hereof,
- 4.1.13.4.2. the Card Transaction is confirmed according to Clause 4.1.5.2 hereof,
- 4.1.13.4.3. the Card User placed the Card at the disposal of a third party or allowed its availability to a third party, or did not fulfil other requirements under Section 4 of the Regulations and the Card Contract,
- 4.1.13.4.4. the Card User did not ensure secure Card data storage (see Clause 4.1.5.7) or secure Card usage,
- 4.1.13.4.5. the Card Transaction was executed after the Card User learned that the Card was lost, reproduced, became available to third parties, the PIN was disclosed, or the Card was used without authorisation, but before the Bank received a corresponding Notification about such loss, theft, reproduction of the Card, its availability to third party, PIN disclosure or unauthorised use of the Card,
- 4.1.13.4.6. in other cases defined by regulatory enactments.
- 4.1.13.5.** The Customer, which is a consumer, is entitled to a chargeback, in cases specified in the Law on Payment Services and Electronic Money of the Republic of Latvia, provided the Customer immediately, i.e., as soon as it learnt about an unauthorised Card Transaction, but not later than within the time period defined by Clause 4.1.13.1 hereof, inform the Bank about such unauthorised Card Transaction following the procedure established by the Regulations.
- 4.1.13.5.1. The Bank, in consideration of the complaint submission time, shall immediately, yet, not later than by the end of the next working day of the Bank, which follows statement of the erroneous or unauthorized Transaction, reimburse the erroneous or unauthorized Transaction to the Customer, reinstating the corresponding account to the condition, as if the unauthorised or erroneously made Transaction had not been executed.
- 4.1.13.5.2. The Bank has the right not to observe the term indicated in Clause 4.1.13.9.1. of the Regulations, and does not reimburse the Customer for the losses incurred, in case the Bank has reasonable suspicion, that the Customer has acted illegally, or intentionally (deliberately), or has failed to meet one or several requirements of these Regulations due to gross negligence, or has failed to meet provisions of the Card Contract, including the cases, when the Customer could or should have foreseen losses, yet, the Customer has failed to take care of safety of funds at the Card Account, or has not provided an application to block the Card (Clause 4.1.8 of the Regulations) and the Bank has reported these suspicions to law enforcement authorities and / or to supervisory authorities. The corresponding law or effective regulatory enactments envisage the term, within which, the Bank has the right to verify and state an erroneous or unauthorized Transaction. The Bank shall only repay the amount of the Card Transaction disputed by the Customer to the Card Account upon complete settlement of the dispute with the other party to the transaction according to VISA IPS regulations.
- 4.1.13.6.** In case the Bank states through verification, that the Transaction disputed by the Customer has been executed as a result of illegal / fraudulent activities of the Customer or through the Customer's gross negligence, the Bank reserves the right to withhold the amount of the disputed Transaction, as well as the commission fee for reviewing an unsubstantiated claim (in accordance with the Price list) from any Customer's Account with the Bank without prior notification. In case there are no funds at the Customer Accounts, the Customer shall ensure funds at the Account in the amount of the disputed payment upon first request of the Bank, and the Bank is entitled to reserve funds at the Customer Accounts in the amount of the disputed

payment.

- 4.1.13.7.** If the Bank reinstated the Customer Account condition on the basis of information, which the Customer has provided regarding an erroneously made or unauthorised Transaction, before complete verification of whether an erroneously made or unauthorised Transaction has taken place, the Bank has the right to write off the corresponding funds from the Customer Account, if the Bank verification indicates that no erroneously made or unauthorised Transaction has taken place or that the Customer itself bears responsibility for the erroneously made or unauthorised Transaction, in accordance with provisions of the corresponding contract, or pursuant to the regulatory enactments. The Bank is not obliged to reinstate the Customer Account condition, before the erroneously made or unauthorised Transaction is stated in the corresponding contract, as defined by the procedure stated by the VISA International Payment Service Regulations.
- 4.1.13.8.** By providing the Bank with a special confirmation of the Card Transaction (see Clause 4.1.10.2 hereof) the Customer waves its rights to submit claims regarding the abovementioned Card Transaction or to request reimbursement for losses.
- 4.1.13.9.** The Customer, which is a consumer, is entitled to submit reasoned claims regarding a confirmed (authorised) Card Transaction to the Bank in cases and order specified in the Law on Payment Services and Electronic Money of the Republic of Latvia, provided such Card Transaction was initiated by the beneficiary of the Card Transaction or through intermediary of the latter. The Customer shall specify the precise essence of the claim and detailed circumstances, which could be of importance for consideration of the claim, as well as provide all available evidence substantiating the Customer's claim and grounds therefor.
- 4.1.13.10.** The Bank shall not repay funds under dispute to the Customer, provided the Card User was identified in accordance with the Regulations while executing the corresponding Card Transaction or the Card User acted carelessly or illegally while executing the corresponding Card Transaction (except for the cases provided for in the regulatory enactments of the Republic of Latvia and in the VISA IPS regulations).

4.1.14. Terms of Use of Card Credit Limit

- 4.1.14.1.** Based on Customer's Application and upon the receipt of all necessary documents from the Customer, the Bank shall decide whether it is possible to grant the Card Credit Limit to the Customer. By submitting the Application to the Bank the Customer gives its consent for the amount of the Card Credit Limit to be determined by the Bank; the Customer shall also authorize the Bank to change or annul the amount of the Card Credit Limit at any time. The Customer may receive information about the granted Card Credit Limit at the Bank or in the Remote Account Management System (Internet-bank), if the Customer has the Remote Account Management service. The Bank is entitled to refuse the Card Credit Limit to the Customer without explaining the reasons thereof.
- 4.1.14.2.** The Customer must repay the used amount of the Card Credit Limit and the Card Credit Limit Interest to the Bank according to the Regulations, to the Pricelist and / or to provisions of the corresponding Card Contract. In case the Customer places a Security Deposit with the Bank, the Card Credit Limit Repayment Term shall be equal to the term of placement of the Security Deposit.
- 4.1.14.3.** The overdraft on the Card Credit Limit can also be formed by payments due to the Bank, which the Bank has debited from the Card Account according to these Regulations and the Pricelist, if the Customer's funds and the Card Credit Limit at

the Credit Account are insufficient for payments.

- 4.1.14.4.** In case of the overdraft of the Card Credit Limit the Bank is entitled to suspend settlements at the Card account (to block the Card) and / or to deem the Card invalid until the indicated violations are eliminated.
- 4.1.14.5.** The Bank shall calculate and debit the amount of the Card Credit Limit, Card Credit Limit Interest and the Penalty interest from Customer's Card Account.
- 4.1.14.6.** The Bank shall calculate Penalty interest on the overdraft of the Card Credit Limit as of the day when such overdraft occurred up to and including the day when the overdraft amount was credited to the Card Account.
- 4.1.14.7.** The Customer is entitled to request reduction or cancellation of the Card Credit Limit by submitting a corresponding written application to the Bank. Based on such Customer's application, the Bank may change / cancel the Card Credit Limit, provided it does not lead to the negative balance on the Card Account.
- 4.1.14.8.** If the Credit Card provisions imply interest on the positive balance of the Card Account, the Bank is entitled to reduce the interest rate on the positive balance of the Card Account notifying the Customer thereof via the Remote Account Management System and by placing a corresponding Notification on a visible place at the Bank's premises or on the Bank's webpage, www.privatbank.lv at least 10 (ten) calendar days prior to coming of such amendments into effect.
- 4.1.14.9.** The Bank is entitled to reduce or cancel the Card Credit Limit at any time on a unilateral basis, informing the Customer thereof in writing, and without providing the reasons of such action. The Bank is entitled to unilaterally reduce or increase the Card Credit Limit Interest rate, contractual penalty, annual penalty interest rate at any time, taking into consideration Customer's fulfilment of its liabilities and other circumstances, notifying the Customer thereof individually two (2) months prior to such amendments and providing an opportunity to the Customer to unilaterally recede from the Card Contract; should the latter take place, the Customer shall send a Notification thereof to the Bank and repay the granted amount of the Card Credit Limit to the Bank, as well as make other payments under the Card Contract, Regulations and Pricelist prior to termination of the Card Contract.
- 4.1.14.10.** The Customer authorises the Bank to debit funds from its Card Account without a separate authorization from the Customer, including by increasing negative account balance (the amount of the Card Credit Limit) in the following cases:
- for execution of Transactions made with the Card or with its data,
 - for rendering services specified in the Pricelist,
 - for rendering services which are not specified in the Pricelist but which the Bank had to provide in order to service the Card User,
 - for making other payments provided for in the Regulations.
- 4.1.14.11.** The Customer non entitled to reuse the repaid amount of the Card Credit Limit.
- 4.1.14.12.** Should the Customer fail to properly comply with provisions of the Regulations and the Card Contract, the Bank shall forward funds credited to the Card Account for fulfilment of Customer's liabilities in the following sequence: 1) other payments according to the Pricelist of the Bank; 2) Prohibited Negative Balance Interest / interest on the overdraft of the Card Credit Limit (of the overdraft amount); 3) the amount of a prohibited Card Credit Limit / the overdraft of the Card Credit Limit; 4) late payment interest; 5) late minimum monthly payment against the Card Credit Limit; 6) Fee for a Failure to Perform the Card Contract.
- 4.1.14.13.** Should the Customer fail to promptly fulfil provisions under the Card Contract and present Regulations, or under any other transaction with the Bank, the latter is

entitled to do the following: 1) to block Customer's access to funds on the Card Account; 2) to recede from the Card Contract; in this case the Customer shall undertake to fulfil all liabilities under the Card Contract ahead of schedule within the term specified by the Bank, including repayment of the Card Credit Limit in full, to pay Card Credit Limit Interest and to make other payments under the Card Contract, these Regulations and the Pricelist. The Customer is entitled to the following at any time: to fulfil its liabilities in part or in full or to recede from the Card Contract, repaying the granted Card Credit Limit, Card Credit Limit Interest calculated for the time period as from the day when the Card Credit Limit was used until the day when it was repaid, to the Bank, as well as making others payments to the Bank in accordance with the Card Contract, these Regulations and the Pricelist.

- 4.1.14.14.** the Customer may use the right of refusal and recede from the Card Contract without providing reasons thereof during fourteen (14) calendar days following the coming of the Card Contract into effect. The Customer shall inform the Bank about intending to use the right of refusal, by submitting a written application or by using a remote account management tool, if the Customer has any. The Customer must repay the used Card Credit Limit to the Bank, as well as pay Card Credit Limit Interest calculated for the time period when the Card Credit Limit was actually used, immediately, but not later than within 30 (thirty) calendar days after sending the application on the intention to use the right of refusal.
- 4.1.14.15.** in case the Bank received a Sworn Bailiff order / a collection order of the State Revenue Service on seizure of the Customer's funds / debt collection, the Bank doesn't pay the Card credit limit available to the Customer.

4.1.15. Collateral

- 4.1.15.1.** In order to receive the Card Credit Limit, the Customer is entitled to place a Collateral with the Bank by submitting an application in accordance with the form defined by the Bank. The Collateral shall be subject to the following terms and conditions throughout the term of the Card Contract and corresponding Customer / Card User liabilities towards the Bank, which arise from these Regulations:
- 4.1.15.1.1. all funds on the Security Deposit account shall be deemed a financial pledge,
- 4.1.15.1.2. a Collateral for the Card Credit Limit shall be a call deposit, i. e. the deposit shall be deemed as placed for an indefinite term and paid out upon Customer's request in accordance with the Regulations but not before complete fulfilment of the secured liabilities, i. e. not before the term specified in Clause 4.1.15.4 hereof, unless stipulated otherwise by the Bank. The Bank is not obliged to pay out the Collateral prior to the term specified in Clause 4.1.15.4 hereof,
- 4.1.15.1.3. should the Customer fail to fulfil secured liabilities or should the Bank receive an application on the Customer's insolvency, or should the Customer's bankruptcy or winding up proceedings be initiated, the Bank is entitled to use the Collateral, as well as interest on a deposit, which is calculated, yet unpaid (see Paragraph 3.1 and Paragraph 3.2 "General Conditions for Deposits" of the Regulations) without any limitations in order to fulfil Customer's liabilities towards the Bank.
- 4.1.15.2.** The Customer is entitled to close the Card Account, receive a Collateral amount and the balance of the Card Account (if any) by submitting a corresponding written application to the Bank. The Customer may obtain the Collateral amount and the balance of the Card Account not earlier than 40 (forty) calendar days after the Bank receives a corresponding written application of the Customer. The amount of the used and not repaid Card Credit Limit shall be deducted from the Collateral amount

and calculated interest on the deposit payable to the Customer.

- 4.1.15.3.** If the Bank does not receive Customer's written Notification on the withdrawal of funds from a Security Deposit account or a Notification on the closure of the Card Account until the Security Deposit maturity date, the Security Deposit contract shall be extended for the same term and the calculated interest on the deposit shall be credited to the Customer's Card Account with the Bank.
- 4.1.15.4.** Funds on the deposit account shall be blocked and unavailable to the Customer until the provisions of Clause 4.1.15.3 hereof are fulfilled.
- 4.1.15.5.** The Bank is entitled to use funds on a Security Deposit account at any time, without providing a prior notification to the Customer and on an uncontested basis, in order to pay for Transactions, to cover losses and expenses incurred to the Bank due to the use and maintenance of the Card, or in the event of non-compliance with these Regulations, to pay Customer's debts, including the amount of the Card Credit Limit, Card Credit Limit Interest and a Fee, as well as a Fee for a failure to Perform the Card Contract.
- 4.1.15.6.** The Customer authorises the Bank to debit funds from the Card Account; should the balance of the Card Account be insufficient; in accordance with the Regulations, the Bank is entitled to debit the funds from any other account of the Customer and, if necessary, from a Security Deposit account, without a separate order of the Customer.

4.1.16. Annulment of Card and Closure of Card Account

- 4.1.16.1.** The Customer is entitled to submit a written application for annulment of the Card and a written application for the closure of the Card Account at any time. The Card Account shall be closed after the Customer completes all settlements with the Bank. Within the meaning of these Regulations, annulment of the Card means the loss of the Card User's right to use the Card as a payment tool. The Customer is not entitled to demand the closure of the Card Account without annulment of the Card.
- 4.1.16.2.** Should the Customer fail to perform its liabilities towards the Bank, the latter is entitled to annul the Card and to close the Card Account at any time.
- 4.1.16.3.** The Customer shall be liable for Card Transactions during 40 days following the Card validity suspension. The Bank is entitled not to pay out Collateral and the balance of the Card Account to the Customer until provisions of the Card Contract and these Regulations are fulfilled.
- 4.1.16.4.** Should the Card Account be closed, the balance of the Card Account and a Collateral for the Card Credit Limit (or a certain amount of the balance of the Card Account and the Collateral of the Card Credit Limit, as the Bank may determine) shall secure Customer's liabilities towards the Bank arising upon Card validity suspension. The above-mentioned amount shall become available to the Customer on its Account with the Bank, or be paid out to the Customer in cash (if the latter has no Account) as agreed by the Bank and the Customer, after the Customer completes all settlements with the Bank, but not later than 40 (forty) calendar days after the receipt of Customer's order for the closure of the Card Account, provided the provisions of Clause 4.1.15 hereof are fulfilled.