

2.4. Terms and Condition of Non-Cash Transfers

Specific Terms

Transfer means the series of payments initiated by the payer of funds with the aim of transferring the funds to the beneficiary.

Payment Order means an unconditional order compiled in the form of a paper document or electronically and submitted to execute a Transfer.

Correspondent Bank means a bank registered in the Republic of Latvia or abroad with which the Bank has a Correspondent Account and which ensures its servicing by provision of mutual settlements between its customers.

Correspondent Account means an Account opened by the Bank with a bank registered in the Republic of Latvia or abroad in order to receive or provide financial services.

IBAN (International Bank Account Number) means an international bank account number assigned by the Bank to customers, which meets an international standard under ISO 13616:1997 developed by the European Committee for Banking Standards and International Organisation for Standardisation.

Value Date means a Bank working day on which the funds acquire a real value.

SEPA Member States (Single Euro Payments Area) mean all countries of the European Union and European Economic Area.

General provisions:

2.4.1. Terms and Conditions of Non-Cash Transfers are applicable if a Customer has submitted to the Bank a Payment Order for non-cash transfer and the Bank has received it.

2.4.2. Terms and Conditions of Non-Cash Transfers are related both to internal Transfers (AS PrivatBank is the payer's bank and the beneficiary's bank) and external Transfers (the payer's bank and the beneficiary's bank are different banks; one or several intermediary banks can be engaged in the payment execution).

2.4.3. The Bank is entitled to provide all information specified in the Payment Order, incl. Customer's personal data (identity No., name, surname and other information related to identification or which identifies a physical entity), to the following persons:

2.4.3.1. person, who is a counterparty of the Transfer involving other Customers,

2.4.3.2. person, who is a transferee.

2.4.4. The Bank informs the Customer that the processing of personal data of physical entities specified in the Payment Order is required for execution of the Transfer initiated by the Customer or another person to the benefit of the Customer, since the Transfer cannot be executed without provision of the payer and beneficiary's data in the Payment Order.

2.4.5. If the Customer submits a written refusal to process personal data specified in the Payment Order, the Bank has the right to refuse to execute the Payment and/or Transaction.

2.4.6. Correspondent Banks and Correspondent Accounts

2.4.6.1. A Customer is aware, and confirms, that the Bank may use services of Correspondent Banks while executing Transfers on the Customer's instruction or receiving Transfers addressed to the Customer (excluding internal Transfers). Correspondent Banks and Correspondent Accounts are indicated in the Bank's list of Correspondent Accounts. The list of Correspondent Accounts is available on the Bank's website.

- 2.4.6.2. The Bank is entitled to unilaterally make amendments and additions to the list of Correspondent Accounts at its own discretion without the Customer's consent and without informing the Customer in advance. Amendments and additions to the list of Correspondent Banks enter into force upon their publication on the Bank's website.
- 2.4.6.3.A Customer is entitled to use Correspondent Accounts, which are not indicated in the list of Correspondent Accounts, only under a special agreement between the Customer and the Bank. In this case, a special Commission could be applied to the Transfer.
- 2.4.6.4. The Bank is entitled not to credit funds into the Customer's account, if they are transferred to a Correspondent Account of the Bank, which is not in the Bank's list of Correspondent Accounts, until such time as funds are transferred to the Bank's Correspondent Account in the Bank's list of Correspondent Accounts. In this case, a special Commission could be applied to the Transfer.
- 2.4.6.5.A Customer shall assume all the risks related to the Customer's funds transferred to the Correspondent Accounts provided for in the Bank's list of Correspondent Accounts, including the Correspondent Banks' insolvency risk.
- 2.4.6.6.A Customer shall assume all the risks of potential losses of the Bank and/or the Customer, which arise from payment limitations and/or deductions from payments valid in a particular country, as well as from changes in legislation of a particular country, court judgements, decisions of central banks and other administrative bodies.

2.4.7. Transfers to the Customer

- 2.4.7.1. The Bank is obliged to transfer funds to the Customer's account, which are payable to the Customer as to the beneficiary of the Transfer.
- 2.4.7.2. Funds are transferred to the Customer's account without the Customer's consent. This right shall expire upon the closure of the Account.
- 2.4.7.3. Funds are deemed to be received by the Customer upon their transfer to the Customer's account with the Bank.
- 2.4.7.4. Funds received at the Bank and directed to a Customer shall be transferred to the Customer's account indicated in a Payment Order or to another Customer's account with the Bank by the Customer's written request and upon an agreement with the Bank.
- 2.4.7.5. Internal Transfer funds are transferred to the Customer's account on the day when the Payment Order is accepted for execution at the Bank.
- 2.4.7.6. External Transfer funds are transferred to the Customer's account not later than on the working day when the Bank receives the funds and not earlier than on the Value Date indicated in a credit note.
- 2.4.7.7. Upon the Customer's request or in agreement with the Bank, funds may be transferred to the Customer's account on the date when the Bank receives a Correspondent Account statement but prior to the Value Date of the funds on a Correspondent Account of the Bank indicated therein.
- 2.4.7.8. The following details shall be indicated in the credit note, which the Bank cans to verify prior to transferring funds to the Customer's account:
- 2.4.7.8.1. IBAN of the beneficiary (Customer). The IBAN should be indicated precisely,
- 2.4.7.8.2. Information on the beneficiary (Customer):
- for a physical entity – name, surname,
 - for a legal entity – full name;
- 2.4.7.8.3. information about the payer (on external payments):

- name, surname (should the payer be a physical entity) or just a name (should the payer be a legal entity);
 - an account number or a unique identifier;
 - address or date and place of birth of the payer (should the payer be a physical entity) or the registration number (should the payer be a legal entity). This information can be omitted, if a payment is made within SEPA Member States;
- 2.4.7.8.4. the purpose of the payment should clearly state the essence of a Transfer (information about goods or services paid for, etc.), as well as the title, number and drafting date of a document supporting the Transfer (invoice, agreement, etc.).
- 2.4.7.8.5. The Bank is entitled to transfer funds to the Customer's account solely on the basis of the Customer's IBAN indicated in a Payment Order without verifying other Customer's details (see Paragraph 2.4.7.8.2 – 2.4.7.8.4), if the payment is made within the SEPA country (i. e., the payer's credit institution / payment institution is registered in a member state of the European Union or European Economic Area) and the amount of payment does not exceed EUR 5000 (five thousand euro), if the payer's credit institution / payment institution is registered in Latvia or the amount of payment does not exceed EUR 1000 (one thousand euro), if the payer's credit institution / payment institution is registered in a member state of the European Economic Area. The Bank shall not be a responsibility for non-compliance of the details. The Bank reserves the rights not to execute a Payment Order, if it has suspicions as to non-compliance of the beneficiary's name, surname or company name, and the beneficiary's IBAN.
- 2.4.7.9. If the details of a credit note (Paragraphs 2.4.7.8.2-2.4.7.8.4) are not specified or do not correspond to the Customer's (beneficiary's) data/information at the Bank's disposal, the funds shall not be transferred to the Customer's account until the correct details are clarified. In this case, the Bank shall send an inquiry to the payer's bank to clarify the beneficiary's (Customer's) details. If the Bank does not receive the clarified beneficiary's details within three weeks after sending the inquiry, the Bank is entitled to return the funds to the payer's bank, charging a Commission.
- 2.4.7.10. The Bank is entitled not to transfer funds addressed to a Customer to the Customer's account pursuant to the procedure and in cases specified in regulatory enactments of the Republic of Latvia and these Regulations.
- 2.4.7.11. A Customer obliged to acquaint oneself with an Account statements at least once a month and inform the Bank about any funds transferred to the Account incorrectly (by mistake) after having become aware thereof.
- 2.4.7.12. In case funds are transferred to the Customer's account by a payer's mistake, the Customer is obliged to cooperate with the Bank to regulate the consequences of such mistake. In this respect, the Customer undertakes to submit requested information and documents related to the erroneously transferred funds to the Bank and repay these funds to the Bank within time limits prescribed by 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 circumstances.
- 2.4.7.13. In case funds are transferred to the Customer's account due to the Bank's mistake (delusion, negligence, inattention) or due to the lack of any other legal basis, the Bank is entitled to withdraw such funds from the Customer's account at any time in a non-contentious manner and without informing the Customer in advance. The mentioned actions of the Bank shall be reflected in the Customer's Account statement. Should the

balance of the Customer's account be insufficient or should there be certain limitations on actions with the Account or funds on the Account, the Bank shall inform the Customer thereof, and the latter shall immediately return the non-repaid funds received without any legal basis to the Bank. The Bank is entitled to debit the necessary amount from other Accounts of the Customer without a prior consent of the Customer and convert these funds at the Bank's currency exchange rate on the day when the funds are debited, if necessary. In case the Customer does not fulfil this obligation or does not repay the erroneously transferred funds within the period set by the Bank, the latter is entitled to calculate and the Customer is obliged to pay a penalty for the groundless use of other person's funds, which constitutes 30% (thirty per cent) of the groundlessly spent amount of the funds erroneously transferred to the Customer's account by the Bank.

2.4.8. Transfers from the Customer's Account or Account of Bank

- 2.4.8.1. A Customer is entitled to perform non-cash Transfers only from the following Accounts:
- 2.4.8.2. A Customer is entitled to perform non-cash Transfers to the following Accounts:
- 2.4.8.2.1. to another Account of the Customer / an Account of another Customer or, upon an agreement with the Bank, to other account of the Bank with the Bank (internal Transfers),
- 2.4.8.2.2. to any account with another bank (external Transfers).
- 2.4.8.3. The Bank shall perform a Transfer from the Customer's account or an account of the Bank in compliance with a Payment Order submitted by the Customer.
- 2.4.8.4. Performing internal Transfers, it is deemed that the Bank has completed its obligations arising from the Payment Order submitted by a Customer as of the moment when funds are transferred to a recipient's Account with the Bank.
- 2.4.8.5. Performing external Transfers, it is deemed that the Bank has completed its obligations arising from a Payment Order submitted by a Customer as of the moment when the relevant Transfer amount is transferred to the Correspondent Account of a beneficiary.
- 2.4.8.6. Performing external Transfers, the Bank shall assume no responsibility for the transfer of the amount indicated in a Payment Order to the beneficiary's account.
- 2.4.8.7. In order to perform a Transfer, a Customer shall submit a Payment Order to the Bank as per the Bank's sample, which must be completed accurately and completely and contain all requested information.
- 2.4.8.8. The following information should be indicated in a Payment Order (mandatory details):
- 2.4.8.8.1. Payment order number,
- 2.4.8.8.2. date of signature of a Payment Order,
- 2.4.8.8.3. Customer's (payer's) information:
- for a physical entity – name, surname;
 - for a legal entity – name.
- 2.4.8.8.4. Customer's (payer's) IBAN or the number of an account held by the Bank,
- 2.4.8.8.5. Transfer amount in figures and words,
- 2.4.8.8.6. Transfer currency (currency code according to the Current Currency & Funds Code List of ISO 4217. Currency codes are available on the website of Latvijas Banka www.bank.lv,
- 2.4.8.8.7. the beneficiary's bank name, country of registration, address and code (S.W.I.F.T., ABA, etc.),

- 2.4.8.8.8. for external Transfers it is preferable to indicate a Correspondent Bank of the beneficiary's bank in the relevant foreign currency, i.e., its name and code. In case a Customer did not indicate this information, the Bank is entitled to choose a Correspondent Bank at its own discretion without coordination with the Customer. A Customer should indicate a Correspondent Bank for payments exceeding USD 500,000.00 (five hundred thousand US dollars).
- 2.4.8.8.9. Information about a beneficiary:
- for a physical entity – name, surname;
 - for a legal entity – name;
- 2.4.8.8.10. Beneficiary account number. For transfers to SEPA countries, the account number of the beneficiary must be in IBAN format,
- 2.4.8.8.11. Transfer urgency according to the Bank's Regulations on Payment Execution and Price list,
- 2.4.8.8.12. an external payment code and the code of a beneficiary's country, if the Transfer is performed by a resident of the Republic of Latvia to a non-resident of the Republic of Latvia in the amount exceeding EUR 10,000.00 (ten thousand euros),
- 2.4.8.8.13. the purpose of the payment should clearly state the essence of a Transfer (information about goods or services paid for, etc.), as well as the title, number and drafting date of a document supporting the Transfer (invoice, agreement, etc.). Should a Customer make the Transfer on behalf of another (third) party, the credit note should state the physical entity's name, surname, identity No. (residents of the Republic of Latvia) / identity No., date of birth (non-residents of the Republic of Latvia) and address; or the legal entity's name, registration number (if any) and legal (registration) address.
- 2.4.8.8.14. Type of the Bank's Commission:
- OUR (for Transfers in USD) – the Bank's Commission and Correspondent Bank's Commission shall be paid by a payer. The Bank shall not be held liable in case the Commission type is changed from OUR to SHA by banks involved in the execution of the Transfer,
 - FULL OUR – the Bank's Commission, which includes Commissions of all banks participating in the execution of the Transfer, shall be paid by a payer. A beneficiary shall receive the Transfer amount in full,
 - OUR (for Transfers in other currencies) – the Bank's Commission, which includes Commissions of all banks participating in the execution of the Transfer, shall be paid by a payer. A beneficiary shall receive the Transfer amount in full,
 - SHA – banks' Commissions shall be paid by shares. The Bank's Commission shall be charged at the execution of a Payment Order from the Customer's account with the Bank in addition to the Transfer amount. The Bank shall pay the Commission of a Correspondent Bank. Commissions of intermediary banks and the beneficiary's bank shall be withheld from the Transfer amount,
 - Transfers in EUR shall be sent to SEPA Member States applying SHA Commission only and shall be credited to the beneficiary's bank in full. Should a Customer fail to specify a Commission type in a Payment Order, the SHA Commission shall be applied to Transfers in EUR sent to SEPA Member States and the SHA Commission in all other cases,
 - the Bank may determine additional regulations or exceptions regarding Transfer (payment) commissions specified in the Bank's Price list,

- 2.4.8.8.15. the signature of a Customer (a payer) and stamp impression (for a legal entity, if any), if a Payment Order is submitted to the Bank on paper. Should the Customer use the Remote Account Management System, a Payment Orders shall be confirmed by authorisation tools (see Paragraph 2.2 – ‘Terms and Conditions of Remote Account Management Systems’ of the Regulations),
- 2.4.8.8.16. other details necessary for the transfer of funds if requested by the Bank, banks involved in the Transfer (payment) and/or the regulatory enactments of the countries where such banks are located.
- 2.4.8.9.A Customer is entitled to consult the Bank on completing a Payment Order and/or clarify all information and details necessary for the execution of a Transfer. The Bank undertakes to provide the Customer with all necessary assistance and information within the limits of its capacities.
- 2.4.8.10. The fact that the Bank has accepted the Customer’s Payment Order for the execution thereof does not create any Bank’s liabilities to third parties and beneficiary of the Transfer until the Transfer amount is transferred to the beneficiary’s account.
- 2.4.8.11. A Customer is obliged to provide the amount sufficient for the execution of Payment Orders, i.e., Transfer amounts and Commission amounts, on their Account with the Bank.
- 2.4.8.12. If a Customer submits several Payment Orders to the Bank for the total amount exceeding the total balance of the Customer’s account or the granted overdraft limit, and the Customer has not determined the succession of the execution of Payment Orders, the Bank is entitled to execute them at its discretion.
- 2.4.8.13. A Customer shall provide a Transfer amount in the Transfer currency or give an instruction to the Bank to exchange funds into the Transfer currency. In case the Customer’s account balance in the Transfer currency is not sufficient for the execution of the Transfer or deduction of the Commission for the execution of this Transfer, the Bank is entitled (but not obliged) to convert the funds on the Customer’s account into the currency of the Transfer and the Commissions in accordance with the exchange rate of a relevant currency determined by the Bank on the day when the Transfer is executed without a separate Customer’s order, as well as use the funds for the execution of the Transfer and deduction of the Commission.
- 2.4.8.14. The Bank is entitled to postpone or refuse the execution of a Payment Order in the following cases:
 - 2.4.8.14.1. if the balance of a Customer’s account is insufficient for the execution of the relevant Payment Order and/or payment of a Commission,
 - 2.4.8.14.2. if the details of the Payment Order needs to be clarified according to Paragraph 2.4.8.18. herein,
 - 2.4.8.14.3. if the Payment Order needs to be additionally clarified by a Customer according to Paragraph 2.4.8.19. herein.
- 2.4.8.15. A Payment Order submitted by a Customer, the execution of which was reasonably postponed, shall be valid for the execution thereof during 5 (five) business days upon the receipt thereof by the Bank.
- 2.4.8.16. The day of the submission of a Payment Order to the Bank / receipt of a Payment Order by the Bank shall be the day when the Bank actually receives it. Should the Payment Order submission date be a non-banking day, the Bank is entitled to start processing the Payment Order on the next working day of the Bank.

- 2.4.8.17. Should a Customer and the Bank agree on executing a Payment Order on a specific day or upon a specific time period, or on the day when the Customer provides the amount necessary for the execution of the Payment Order on their Account, the Payment Order submission date shall be deemed the day of an agreement between the Customer and the Bank. Should the day of the agreement between the Customer and the Bank be a non-banking day, the Payment Order shall be deemed submitted on the next working day of the Bank.
- 2.4.8.18. In case a Customer has not indicated all mandatory details in a Payment Order (see Paragraph 2.4.8.8 herein) 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 provide additional information. If the Bank cannot specify the details of the Payment Order, the Bank is entitled to cancel the Payment Order.
- 2.4.8.19. Should the Bank have suspicions about a fraud attempt involving Customer's funds while processing a Payment Order, the Bank is entitled, but not obliged, to require the Customer to provide additional confirmation (authorisation) of the Payment Order in order to protect Customer's property, irrespective of whether the fraud attempt is confirmed in the result of verification, or not. The Bank is entitled to postpone the execution of such Payment Order until it receives the Customer's additional confirmation in accordance with the procedure prescribed by the Bank and within the time-limit specified in Paragraph 2.4.8.15. herein. Should the Customer fail to submit the confirmation within the deadline specified in Paragraph 2.4.8.15. herein, the Bank is entitled to refuse the execution of such Payment Order.
- 2.4.8.20. The Bank is entitled not to accept Payment Orders for execution, if the Bank has not identified a Customer and/or a Payment Order is not compiled in compliance with the Regulations.
- 2.4.8.21. The Bank is entitled to refrain from the execution of a Transfer if such execution is prohibited by legal acts.
- 2.4.8.22. Should it be compatible with legal acts applicable to the Bank, the latter shall inform a Customer about its refusal to execute a Payment Order and reasons thereof, as well as the manner in which the deficiencies leading to such refusal can be eliminated, without undue delay but not later than during 3 (three) working days.
- 2.4.8.23. If a Customer failed to indicate a Correspondent Bank of the beneficiary's bank, and the Bank has chosen a wrong Correspondent Bank resulting in the return of a Transfer to the Bank, the Transfer shall be credited back to the Customer's account or an account of the Bank in the amount received by the Bank (refers to cases when an intermediary bank withholds a Commission for the return of funds from the Transfer).
- 2.4.8.24. The Bank shall bear no responsibility in case a Correspondent Bank, intermediary bank or the beneficiary's bank failed to fulfil Bank's instructions, or the beneficiary received a Transfer not in full due to reasons beyond the Bank's control.
- 2.4.8.25. The Bank is responsible for a failure to fulfil a Payment Order or erroneous fulfilment thereof, if such failure or erroneous fulfilment occurred due to the Bank's fault.
- 2.4.8.26. Should the Bank unreasonably debit a Customer's account (also recede from a Customer's Payment Order without a reasonable basis), the Bank is obliged to credit the Customer's account in the amount, which was unreasonably debited.
- 2.4.8.27. The Bank shall not be liable for the paying capacity of parties involved in the execution of a Transfer.

- 2.4.8.28. The Bank by means of an Account Statement shall inform a Customer about executed Transfers as per Payment Orders in compliance with the procedure determined by the Bank. The Customer shall agree that the Bank may refrain from submitting information about executed Transfers to the Customer, if the latter waived their rights to receive it. Complete information on Transfers executed as per Payment Orders is available to the Customer electronically at any time via the Remote Account Management System (Internet bank).
- 2.4.8.29. The beginning of the execution of a Transfer at the Bank, i.e., the maximum term, within which the Bank shall send a Customer's Payment Order to a beneficiary's bank or a Correspondent Bank with the relevant Value Date, shall depend on the currency, degree of urgency of the Transfer; the above-mentioned maximum term is indicated in the Regulations on Payment Execution of the Bank. The Regulations on Payment Execution of the Bank are available at the Bank on its opening hours and on the Bank's website. The Bank is entitled to unilaterally amend or make additions to the Regulations on Payment Execution of the Bank at its discretion without a Customer's consent and without informing the Customer thereof in advance. The amendments and additions to the Regulations on Payment Execution of the Bank shall take effect from the placement thereof in the Bank's premises or publishing on the Bank's website.
- 2.4.8.30. If a Transfer beneficiary's bank is not a Correspondent Bank of the Bank and several foreign intermediary banks are involved in the Transfer, the Bank cannot determine a precise time period of transferring the funds to the beneficiary's account.
- 2.4.8.31. The Bank shall bear no responsibility for Customer's losses and/or other additional expenses arising from the delay or non-execution of a Transfer, if such delay or non-execution is due to the fault of third parties participating in the execution of the Transfer. The above-mentioned shall not be applicable to Transfers delayed by any Correspondent Bank included in the list of Correspondent Accounts, as the Bank is responsible for them, excluding force majeure circumstances.
- 2.4.8.32. The Customer is entitled to submit a Payment Order revocation order to the Bank, as well as announce change of the Transfer details prior to the date of the withdrawal of funds from the Customer's account or an account of the Bank indicated in the Payment Order. The Bank shall charge a Commission for the revocation according to the Price list.
- 2.4.8.33. In case a revocation order is submitted after the amount has been deducted from a Customer's account with the Bank or an account of the Bank, the latter shall address the revocation order to the relevant beneficiary's bank or a Correspondent Bank involved in the Transfer. Should this happen, the Bank does not guarantee the return of funds. In case the amount indicated in a Payment Order is transferred to the beneficiary's account, the return thereof is possible only upon the beneficiary's consent.
- 2.4.8.34. The Bank shall transfer the amount indicated in a Payment Order back to a Customer's account only after the receipt of the amount from a beneficiary, beneficiary's bank or Correspondent Bank.
- 2.4.8.35. The Bank shall perform corrections of Customer's Payment Orders, an investigation regarding transferred funds and the revocation of Payment Orders based on a Customer's written application. The Customer shall pay to the Bank for the above-mentioned transaction in accordance with the Bank's Price list.

- 2.4.8.36. The procedure for the submission of Customers' claims and complaints with regard to non-cash Transfers (incl. execution of a non-authorized Transaction document/Notice), submission and consideration thereof is provided for in Section 1.1 – "Terms, concepts and key provisions".