

## **1. General Provisions.**

**BANK:** AS "PrivatBank" following active regulatory and legal acts of the Republic of Latvia makes a public offer to an indefinite number of persons regarding a possibility to receive banking Financial services and, for that purpose, publishes GENERAL REGULATIONS ON TRANSACTIONS (hereinafter – the Regulations and/or Agreement).

### **1.1. Terms, Definitions and Principal Conditions**

**1.1.1. Bank** - AS "PrivatBank", unified registration No. 50003086271.

**1.1.2. Customer** – a legal entity, an individual or a legal arrangement, or an association of such persons, or an association of arrangements, which the Bank provides services to. In the present Regulations - also the representative of the Customer (authorised person) - a legal entity or an individual, which is entitled to act on behalf of the Customer in relations with the Bank.

**1.1.3. Transaction** - establishment, alteration or termination of legal (business) relations, which is related to provision of Financial Services.

**1.1.4. Business relations** – relations between the Bank and the Customer that arise during the Bank operations and have long-term purpose at the establishment thereof.

**1.1.5. Financial services** – non-cash payments; attracting deposits; lending (also pursuant to the terms of financial lease); currency trading; issuance of guarantees and other liability acts imposing a liability towards a creditor for third party's debt; provision of information related to settlement of Customer's debt; other transactions similar in their nature to the aforementioned financial services.

**1.1.6. Transaction Document** - an agreement between the Bank and the Customer concluded in writing (in paper form or electronically) about concluding, performing, amending and terminating of a certain Transaction (contract, agreement, accordingly completed Bank form and other).

**1.1.7. Distance Contract** - a Transaction Document concluded between a Customer (Consumer) and the Bank from different locations by using one or several remote connection tools prior to and during the conclusion of the Transaction Document, as well as an organised scheme for rendering Financial Services. Remote connection tools are deemed to be telephone, Bank's Website, e-mail, television, facsimile, catalogues, advertisements with order coupons published in periodicals, as well as other tools for sending or transferring information. Prior to the conclusion of a Distance Contract, the Bank shall provide information to the Customer, pursuant to the Regulations of the Cabinet of Ministers "Regulations on Distance Contract on the Provision of Financial Services".

**1.1.8. Bank Website** - [www.privatbank.lv](http://www.privatbank.lv), [privatbankdirect.eu](http://privatbankdirect.eu).

**1.1.9. Current Account (Account)** - on-demand deposit account of the Customer with the Bank for a non-fixed term with the Bank obligation to pay out the deposited funds upon Customer request.

**1.1.10. Notification** - any document of the Customer or the Bank (including Payment Orders) compiled on paper or electronically, which is associated with the present Regulations.

**1.1.11. Account Statement** - a Notification, issued to the Customer by the Bank, which reflects all cash flow on the Customer Account over a fixed period of time and indicates Account balance at the beginning and the end of this period.

**1.1.12. Beneficial Owner (BO)** - an individual who is the owner of the Customer – a legal entity or who controls the Customer or establishes business relations on behalf of / in favour of / in the interests of the Customer, and this is at least:

- in relation to legal entities – an individual, who owns more than 25% of shares of capital or voting shares of a legal entity, through direct or indirect participation, or who controls them, either directly or indirectly;
- in relation to legal arrangements – an individual, who is an owner of a legal arrangement, or in whose interests, a legal arrangement is established or operates, or who implements direct or indirect control thereof, including being the founder, agent or supervisor (manager) of such arrangement;

**1.1.13. Money Laundering:**

- a) turning of the funds derived from criminal activities into other valuables, change of their location or ownership while being aware that they result from a criminal activity and if these actions are executed with a purpose of concealing or disguising the illegal origin of the funds or helping a person involved in the above-mentioned illegal activities to avoid legal responsibility for that which has been executed;
- b) concealment or disguise of true nature, origin, location, placement, movement and affiliation of proceeds derived from criminal activity, being aware that these proceeds are derived from criminal activity;
- c) acquisition of proceeds derived from criminal activity by another person into ownership, possession or usage, or their sale, being aware that these proceeds are derived from criminal activity;

**1.1.14. The list of characteristics of an unusual transaction** — the list approved by the Cabinet of Ministers, with the included transaction indicators, which can define possible money laundering, terrorism financing, or an attempt thereof.

**1.1.15. Shell bank** – a credit institution or a financial institution, or another institution, which carries out activities equivalent to those carried out by a credit institution or a financial institution, and which is registered in the country, where it is not located physically (including its actual management), and which is not related to any regulated and supervised group. The person, which provides services similar to services of a credit institution, making non-cash transfers at the instruction of a third party, and which has no institution, which supervises and controls its activities, is also deemed a shell bank, with exception of the cases, when such transfers are made by an electronic money institution, or when such transfers are made between the commercial companies of one group, within the meaning of Financial Conglomerates Law, or between the commercial companies, which have one and the same beneficial owner.

**1.1.16. Shell arrangement** – a legal entity with one or several of the following indicators inherent thereto:

**1.1.16.1.** there is no relation between a legal entity and actual economic activities, or the legal entity activities result in little or no economic value, and the subject of the law has no documentary information at its disposal, which is evidence to the contrary;

**1.1.16.2.** the regulatory enactments of the country of registration of the legal entity do not envisage an obligation to prepare and to submit financial statements, including annual financial statements, on own activities to supervisory authorities of the corresponding country;

**1.1.16.3.** in the country of registration of the legal entity, the legal entity has no location of economic activities (premises);

**1.1.17. Identification** - actions performed by the Bank or by the authorized person (agent) of the Bank to verify legal capacity and capability of the Customer and/or its representative/authorised person.

**1.1.18. Identity document** – a document issued by a national regulatory authority authorised

by regulatory enactments, which certifies the identity and legal status of the document holder.

- 1.1.19. Remote Account Management Services** - account management using the Internetbank or facsimile communication/electronic mail.
- 1.1.20. Bank Working Day** - a day when the Bank is open for the Customers in order to provide financial services.
- 1.1.21. Fee** - a compensation paid by the Customer to the Bank for the provided services.
- 1.1.22. Price list** – the commission fee approved by the Board of the Bank, in force as of provision of the respective financial service, according to which, remuneration, punitive sanctions and other payments are withheld from the Customer in favour of the Bank. The Customer can get acquainted with the Price List on the website of the Bank.
- 1.1.23. Consumer** - a Customer recognised as a consumer within the meaning of the “Consumer Rights Protection Law”.
- 1.1.24. Regulations** – the General Regulations on Transactions of the Bank.
- 1.1.25. RL** – The Republic of Latvia.
- 1.1.26. FATCA** - the “Foreign Account Tax Compliance Act” of the United States of America (USA). FATCA mainly aims at prevention of tax evasion by FATCA Control Subjects, who directly or indirectly own any Accounts with the Bank.
- 1.1.27. FATCA control subject** – pursuant to the FATCA provisions, the FATCA Control Subjects are:
- 1.1.27.1.** USA citizens (USA citizens, who gained their citizenship at birth or through naturalization, irrespective of holding the citizenship of another country);
- 1.1.27.2.** resident aliens – persons holding a residence permit in the USA (a green card); persons, who stayed in the USA for more than 31 day in the current year and for more than 183 days during the previous three years combined);
- 1.1.27.3.** USA legal entities (corporations, partnerships, companies);
- 1.1.27.4.** foreign legal entities (should 25% or more of their charter capital directly or indirectly belong to one or several USA citizens/ USA residents/ USA legal entities);
- 1.1.27.5.** other persons covered by the provisions of FATCA, including but not limited to the following: persons, who have their postal and/or residence address in the USA and/or P. O. Box in the USA, telephone number registered in the USA; persons, who gave decrees for regular fund transactions to an account/accounts in the USA; trusted persons or authorized persons permanently residing in the USA.
- 1.1.28. CRS (Common Reporting Standard)** - a global standard for automatic exchange of financial account information in tax matters, which is developed by Organization for Economic Cooperation and Development (OECD). The key objective of CRS is to prevent involvement of CRS subject in cross-border tax fraud and tax evasion.
- 1.1.29. CRS subject** shall comply with the following criteria:
- 1.1.29.1. Individuals:**
- there is indication on the account holder status as a tax resident in another participating country;
  - the current correspondence address or residence address (among them, post office box address) of the account holder is in the participating country (except the address of the account holder’s service provider (for example, asset manager, consultant, accountant) as indicated in information systems);
  - the account holder has one or several phone numbers in the participating country, but does not have any phone number in the Republic of Latvia;

- there is a valid decree on regular transfer of funds to an account in the participating country except for order of transfer from deposit account;
- valid powers of attorney or signatory powers are delegated to a person whose address is in the participating country;
- the only address notified by the account holder for communication is the correspondence delivery address in the participating country for on-demand collection (“in care of” address, “hold mail” instruction).

**1.1.29.2. Legal entities:**

- the account holder is a tax resident in the participating country;
- the account holder has been established or registered in the participating country;
- the registered office, the actual address of the head office or correspondence address of the account holder is in the participating country;
- the legal entity is a passive non-financial arrangement with one or several beneficial owners – reportable persons within the OECD standard.

**1.1.30. Application and Validity of Regulations:**

- 1.1.30.1.** The present Regulations regulate the mutual legal (business) relations between the Bank and the Customer, associated with conclusion, performance and termination of Transactions, unless provided otherwise in the Transaction Documents concluded between the Bank and the Customer.
- 1.1.30.2.** The Regulations were approved on 5 April 2006 and took effect on 24 April 2006. The following amendments to the Regulations approved at the Board meeting shall take effect on the date specified by the Board of the Bank.
- 1.1.30.3.** The Customer is entitled to only request those Financial services from the Bank, which are specified in the Bank Pricelist, in the Transaction Documents or upon provision of which, the Bank and the Customer have entered into a separate agreement pursuant to the regulatory enactments of the Republic of Latvia.
- 1.1.30.4.** The Regulations shall be applicable and binding for all planned, initiated or performed Transactions between the Bank and the Customer, and shall be their integral part, including the cases, when one of the provisions included in the present Regulations is not included in the Transaction Document concluded with the Customer.
- 1.1.30.5.** The Regulations shall be applicable as a general document, regulating the relations between the Bank and the Customer, which determines general provisions on conclusion, performance and termination of Transactions between the Bank and the Customer. Regulations on conclusion, performance and termination of particular Transactions are defined by the regulatory documents of the Bank, as well as by the Transaction Documents concluded between the Bank and the Customer.
- 1.1.30.6.** Every constituent part of the present Regulations shall be translated as a separate document, which is valid and binding for the parties; however, if one of the parts of the present Regulations (paragraph, article) becomes void or not valid due to amendments to the regulatory enactments of the Republic of Latvia, this part (paragraph, article) of the Regulations shall become null and void only within this prohibition and it shall not diminish the binding force of other parts (paragraph, article) of the Regulations.
- 1.1.30.7.** The Bank provides Financial services to the Customer in accordance with the regulatory enactments of the LR and the European Union.
- 1.1.30.8.** The Bank must render services, execute Transactions, and/or execute the Customer’s Notifications with care of a good and prudent owner, and the Bank

- must protect the Customer's interests as much as the Bank can and is obliged to do.
- 1.1.30.9.** By entering into Transaction relations with the Bank, the Customer is entitled to choose the language that would be used for compiling Transaction Documents and the language the Bank would use to contact the Customer. At the Customer's choice, the Transaction Documents may be compiled in and the language for communication with the Customer may be in Russian, Latvian, English or German.
- 1.1.30.10.** The present Regulations shall be binding and applicable not only for the Customer, but also for each successor of the Customer legal rights and obligations, irrespective of any changes in the Customer personnel (officials), or the changes of the Customer authorised persons.
- 1.1.30.11.** In case of linguistic or interpreting disputes, controversy, disagreement or claim, the advantage shall be given to the text of these Regulations and Transaction Documents in Latvian.
- 1.1.30.12.** The Bank activity is regulated by the Finance and Capital Market Commission located at 1 Kungu Street, Riga, LV-1050, [www.fktk.lv](http://www.fktk.lv).
- 1.1.31. Amendments to Terms and Conditions of Rendering Banking Services (General Regulations on Transactions):**
- 1.1.31.1.** The Bank is entitled to unilaterally change and supplement the Pricelist and the Regulations at its discretion without the Customer's consent. Changes and additions to the Pricelist and/or the Regulations take effect as of approval thereof, on the Bank's specified date. The Bank publishes changes and additions to the Pricelist and/or the Regulations in a visible place in the Bank's premises and on the Bank's Web-Page before their effective date.
- 1.1.31.2.** The Bank is entitled to unilaterally establish and cancel discounts to Commissions specified in the Pricelist.
- 1.1.31.3.** The Bank additionally notifies Customers (Consumers) of changes to the Pricelist and Regulations via the communication tools agreed upon by the Parties when establishing legal (business) relations.
- 1.1.31.4.** For Customers (Consumers) changes to the Pricelist and Regulations that refer to payment services in the understanding of legal acts of the RL, which regulate payment services and electronic money, take effect two (2) calendar months after publishing thereof in a place available to Customers in the Bank's premises and on the Bank's Web-Page.
- 1.1.31.5.** The Customer must read the Pricelist and Regulations, changes and additions thereto, as well as currency exchange rates before demanding services in the Bank's premises during the Bank's working hours and on the Bank's Web-Page.
- 1.1.31.6.** The Bank shall not be responsible for the Customer's losses and extra costs if the Customer failed to review the Pricelist and/or Regulations, changes and additions thereto.
- 1.1.31.7.** Regulations and changes (additions) thereto shall not apply to Transactions that were fully completed or terminated before the Pricelist and/or Regulations and changes thereto take effect.
- 1.1.31.8.** If the Customer does not submit an application about his objections against the changes and does not demand termination of the agreement before the changes specified in Paragraph 1.5.1 of the Regulations take effect, the Bank and the Customer believe that the Customer agreed to and accepted such changes.
- 1.1.31.9.** The Customer may immediately terminate legal (business) relations with the Bank and without forfeit before the changes specified in Paragraph 1.5.1 of the

Regulations take effect.

- 1.1.31.10. The Bank may ignore the timeframe for notifications about changes to the Pricelist and/or regulations if such changes are beneficial for the Customer.
- 1.1.31.11. The Bank applies reference interest rates, changes of the currency exchange rate or changes of the reference exchange rates immediately and without prior notice to the Customer.
- 1.1.31.12. Information about such changes is available in the Bank's premises and on the Bank's Web-Page.

#### **1.1.32. Investment guarantee**

- 1.1.32.1. The safety of Customers' funds is guaranteed by the deposit guarantee system created in accordance with the Deposit Guarantee Law.
- 1.1.32.2. Should the Customer funds placed with the Bank become unavailable, they shall be covered by payments from the Deposit Guarantee Fund of the Republic of Latvia, excluding limitations laid down in the Deposit Guarantee Law.
- 1.1.32.3. The Deposit Guarantee Fund of the Republic of Latvia shall provide each Customer with the maximum guarantee compensation payment up to 100,000.00 EUR (one hundred thousand Euros) irrespective of whether they are residents of Latvia or not, as well as irrespective of the deposit currency (national currency or foreign currency). The guarantee compensation payments shall be made in EUR (Euros).
- 1.1.32.4. The Deposit Guarantee Law provides for certain cases when a Customer is entitled for 200,000 EUR compensation in addition to the maximum guaranteed compensation of 100,000 EUR.
- 1.1.32.5. When calculating the amount of the guaranteed compensation due to a Customer, the liabilities of the Customer towards the Bank (the outstanding loan, etc.) shall be considered and set off.
- 1.1.32.6. For more details Customers can visit the Bank Website and / or the Finance and Capital Market Commission located at 1, Kungu Street, Riga, LV-1050; [www.fktk.lv](http://www.fktk.lv).

#### **1.1.33. The due diligence and identification of the Customer. Powers to act.**

- 1.1.33.1. The Bank shall only provide financial services to those Customers who have undergone complete identification and due diligence. The Bank performs Customer Due Diligence, including identification, in conformity with the requirements of regulatory enactments of the Republic of Latvia and the Bank regulatory documents.
- 1.1.33.2. Customer Due diligence shall be conducted for the Person who applied to the Bank to receive Financial services, before:
  - 1.1.33.2.1. Commencement of business relationships;
  - 1.1.33.2.2. In case the Transaction matches one of the indicators included in the Unusual transaction indicator list, or there are suspicions regarding money laundering or terrorism and proliferation financing or an attempt thereof;
  - 1.1.33.2.3. in case of suspicions, that data previously acquired during Customer due diligence are not reliable.
- 1.1.33.3. Customer due diligence measures – a set of actions based on risk assessment, within which, the Bank:
  - 1.1.33.3.1. Identifies the Customer and verifies the acquired identification data;
  - 1.1.33.3.2. Establishes the Beneficial Owner and, based on risk assessment, makes sure that

- the corresponding individual is the Customer BO. For a legal arrangement and legal entity, the Bank also ascertains the structure of the participants of the relevant person and the way in which the BO control this legal arrangement or legal entity;
- 1.1.33.3.3.** Obtains information about the purpose and intended nature of the Business Relations
  - 1.1.33.3.4.** After commencement of Business relations monitors them, including inspections which confirm that transactions concluded during Business relations are done in accordance with the Bank's information on the Customer, its economic activities, the risk profiles and the origin of the funds;
  - 1.1.33.3.5.** Ensures safe keeping, regular assessment and update of documents, personal data and information, which was acquired during Customer due diligence, in accordance with inherent risks, yet, at least once in 3 (three) years.
  - 1.1.33.4.** When performing Identification, the Bank shall verify the Customer legal capacity and ability to act.
  - 1.1.33.5.** The Bank identifies the Customers - individuals after identity documents, the types of which are regulated by the regulatory enactments of the Republic of Latvia.
  - 1.1.33.6.** The Customers – legal entities - are identified:
    - 1.1.33.6.1.** by documents, which certify the name, legal form and foundation or legal registration of a legal entity;
    - 1.1.33.6.2.** by data on registered address and the actual place of economic activities of the legal entity, in case it differs from the registered address;
    - 1.1.33.6.3.** by constituent documents of a legal entity (a pre-incorporation contract, articles of association), and identifying the persons, who have the rights to represent the legal entity in the relations with the credit institution, including determination of the names and surnames of the corresponding persons, who hold positions at an administrative institution of the legal entity, acquisition of a document or a copy of the corresponding document, which certifies their rights to represent the legal entity, as well as verification of the identity of these persons.
  - 1.1.33.7.** The Customer shall immediately notify the Bank and provide the Bank with information regarding amendments or additions to the documents certifying its identity data.
  - 1.1.33.8.** In order to implement the Customer Identification, as well as prevent Laundering of Proceeds Derived from Criminal Activity and terrorism and proliferation financing, and in other cases the Bank is entitled to request at any moment the information (documents) from the Customer and the Customer is obliged to submit the requested information (documents) to the Bank in relation to the Customer, its representative, its Beneficial Owner, the declared Customer commercial and private activity, financial standing, explanations on the purpose of the Transaction concluded between the Customer and the Bank, origin of funds, as well as other information (documents), which the Bank considers necessary to request. This Customer's obligation applies also to cases, when the Customer submits to the Bank a Notice of termination of business relations and closing of all Accounts upon the Customer's initiative.
  - 1.1.33.9.** If the Customer does not submit this information (documents) to the Bank within the term determined by the Bank, or the Bank has suspicions or it is stated that the information (documents) submitted by the Customer is forged and does not correspond to the actual situation, or the Customer is associated with Laundering of Proceeds Derived from Criminal Activity/ financing of terrorism, the Bank is entitled not to enter into cooperation with the potential Customer, to refrain from

the execution of the Transaction, to suspend the execution of the Transaction, not to accept and/ or not to fulfil the Customer Notifications to the Bank, to request the Customer to fulfil its obligations or to terminate Transactions prior to the expiry without explaining the reason thereof to the Customer (potential Customer) and without any liability; in addition to the aforementioned, the Bank is entitled to decide on continuing the cooperation with related customers of such Customer where the relation is defined as per Beneficial Owner. In the cases mentioned herein, the Customer is obliged to indemnify all costs and losses to the Bank, which have arisen in connection with refraining from the execution of the Transaction, its suspension or termination.

- 1.1.33.10.** When providing information to the Customer via telephone or Online Chat the Bank performs Authentication of the Customer by using the Password, indicated by the Customer. The procedure for use of the Password is regulated by Section 2.2 of the Regulations “On Providing and Receiving Information and services via Telephone and Online Chat”.
- 1.1.33.11.** The Bank is entitled at any moment to change or additionally introduce new requirements for Customers’ Identification unilaterally at its discretion without Customers’ consent and prior notification. If necessary, the Bank takes measures to ensure information on additional identification from the Customers, as well as from publicly available reliable and independent resources and from other financial or credit institutions. Upon receipt of an appropriate request, the Customer shall give its consent to such financial or credit institution regarding disclosure of information on the Customer, which is available to this financial or credit institution, to the Bank.
- 1.1.33.12.** The Bank is entitled to request from the Customer and the Customer obligation is to submit (to provide for storage) to the Bank sample of own signature and signatures of the persons, who are authorised to represent the Customer in its relations with the Bank, and the seal imprint if any (if the Customer wishes to use the seal), in conformity with the Bank requirements. The Bank is entitled to make copies of the personal identity documents submitted by the Customer, to certify such copies and to store them in compliance with the regulatory enactments of the Republic of Latvia.
- 1.1.33.13.** The Bank is not obliged to detect and state forgery or other non-compliance of the Customer documents, signature, seal, if such forgery or non-compliance is not evident and the Bank employee is not able to detect it in the regular order. During Transactions with the Customer, the Bank visually compares the signature and seal imprint samples of the Customer and/or of its representative in the Notification with the signature and seal imprint samples of the Customer and/or its representative, which are submitted to the Bank. During the comparison, the Bank is not obliged to take into account the colour of seal imprint sample. During comparison of the data and signature of the Customer and/or its representative with the data and signature sample indicated in the identity document, the Bank only bears responsibility for its gross negligence.
- 1.1.33.14.** The Customer undertakes full responsibility for the losses, which have been incurred to the Bank by the Customer intended deception of the Bank, or due to the Customer negligence. The Customer shall undertake responsibility for the losses incurred through activities performed by third parties.
- 1.1.33.15.** The Bank shall perform Authentication of the Customer/its representative, using identity documents of the Customer/its representative, signature sample of the



Customer/its representative. If the Remote Account Management Services are used for conclusion and execution of Transactions, the Bank identifies the Customer by access parameters and / or means of authorization issued to the Customer. The aforementioned Authentication tools are considered equate with the signature (seal) of the Customer and/or its representative. The Customer shall bear responsibility for safety and secrecy of the parameters/authorisation tools issued to the Customer. The Customer is responsible for all consequences and losses incurred to the Bank and the Customer, if the Customer authorization tools become known or available for third parties until the incident is reported to the Bank.

**1.1.33.16.** The Bank has the right to suspend provision of Financial Services to the Customer/restrict the Transaction execution at the Customer's Accounts if the validity of the Customer identity document/authorization document has expired and the Customer has not provided the Bank with a valid identity document/authorization document.

**1.1.33.17.** The Customer is obliged to inform the Bank in writing immediately, but not later than within 5 (five) calendar days, about all changes in essential transaction details (facts), particularly - regarding changes in name, surname or company name, actual address, legal (registration) address or location, other contact information, seal imprint, authorised signatory (or his / her signature), its legal capacity and capability, tax residency, financial standing or status (reorganisation, privatisation, insolvency, liquidation, seizure of property etc.), amendments or expiry of the submitted powers of attorney. The obligation is also in effect, when the changes in the information, which the Customer submits to the Bank are incorporated in the public registers. When informing about the changes, the Customer is obliged to attach the supporting documents (if such shall be submitted). The Customer shall reimburse all losses incurred to the Bank, if the Customer or its representatives are incapable persons or their capacity is limited at the moment of the conclusion or execution of the Transaction.

#### **1.1.34. Authorisation**

**1.1.34.1.** The Customer is entitled to authorise a third party to conclude, execute and terminate a Transaction on behalf of the Customer. Such authorisation is to be prepared in writing with the Customer granting the authorisation (power of attorney) in compliance with requirements of the regulatory enactments of the state, where authorisation (power of attorney) was issued, and with the Bank requirements. The Bank is entitled to refrain from concluding the Transaction with the Customer if the authorisation (power of attorney) is executed without observing the requirements of the regulatory enactments of the state, where authorisation (power of attorney) was issued, and with the Bank requirements, if identity data of the authorised person are not included in the power of attorney or if the Bank has suspicions of the authorization nullity.

**1.1.34.2.** The Bank is not obliged to verify validity of the Customer authorisation. It also refers to authorizations registered in public registers. The Bank bears no responsibility for the validity provisions of the authorization.

**1.1.34.3.** The Customer power of attorney submitted to the Bank shall be deemed valid in the Customer's relations with the Bank until the moment when the Customer provides the Bank with a written notification of withdrawal of the power of attorney or upon expiry of validity period of the power of attorney. The Bank shall not be liable for losses and other additional expenses of the Customer, if the authorization is revoked

and the Customer has not notified the Bank thereof in writing.

- 1.1.34.4.** The Customer is obliged to ensure that the Bank always has documents in accordance with the requirements of the Bank and the regulations of the country, in which the authorization document is issued, which confirm the powers of the Customer representatives to act on behalf of the Customer, as well as identification of the Customer's representatives. If the Customer does not provide such documents to the Bank, the Bank has the right to immediately refuse execution of the Transactions or terminate the Transactions, either in full or in part.
- 1.1.34.5.** If the Transaction is concluded, executed or terminated on behalf of the Customer by a person, who poses as the Customer representative, yet, who is not entitled to represent the Customer at the moment of conclusion/execution/termination of the Transaction, this person as an individual shall undertake the full scale of obligations arising from the concluded/executed/terminated Transaction.
- 1.1.34.6.** The Customer's representative who concludes a Transaction on behalf of the Customer confirms that he/she is duly authorised, including, is entitled to conclude a Transaction, sign the Transaction Documents and perform other actions that are necessary for the execution of a Transaction or are related to it. If the person who signed the documents or concluded the Transaction on behalf of the Customer (the Customer's representative) at the time of these actions was not authorised to represent the Customer, then this person assumes all obligations arising from these actions, including under these Regulations, in full and is responsible for their implementation.

#### **1.1.35. Personal Data and Confidentiality**

- 1.1.35.1.** If the Customer, the Customer representative or the Beneficial Owner are individuals, then the Customer, the Customer representative and the Beneficial Owner entering into legal (business) relations with the Bank, shall consent and confirm that the Bank is entitled to process all personal data of the Customer, the Customer representative and the Beneficial Owner. The substantiation and objective of personal data processing shall be application of personal data to establish legal (business) relations, to ensure fulfilment of liabilities on the part of the Customer, for provision of the Bank financial services, as well as to ensure the Bank activities. The Bank is entitled to request, receive and process the personal data of the Customer, the Customer representative and the Beneficial Owner from other sources as well, including personal data processing systems (registers, data bases), created by the state or municipality institutions.
- 1.1.35.2.** The personal data, information about the Customer, about its accounts and deposits, as well as Transactions, which is at the disposal of the Bank, may be submitted to third parties which provide services to the Bank or represent the Bank interests in the relations with the Customer and which the Bank assigns in writing to fulfil any of the obligations as indicated in the present Regulations or with which the Bank otherwise cooperates to enable its activities, provision of its services and performance of its functions, including for non-residents of the European Union and/or European Economic Area, in compliance with proper protection of personal data.
- 1.1.35.3.** In accordance with regulatory enactments and requests of business partners, information about the Customer and Transactions may be submitted to competent state authorities of the European Union and other countries, which are not the Member States of the EU or the European Economic Area, for implementation of

their functions, in compliance with proper protection of personal data.

- 1.1.35.4.** According to the provisions of the Intergovernmental Agreement between the Government of the United States of America and the Government of the Republic of Latvia to Improve International Tax Compliance and to Implement FATCA dated 27th June 2014, the Bank, as a financial institution implementing the provisions of FATCA, shall identify the Accounts of FATCA Subjects previously opened with the Bank; create a system estimating the compliance of the Accounts with the FATCA requirements at the moment of their opening, as well as once a year inform the State Revenue Service of the Republic of Latvia about FATCA Subjects and their Accounts corresponding to the FATCA provisions, as well as Accounts corresponding to the FATCA provisions owned by parties, which refused to submit the information about Beneficial Owners.
- 1.1.35.5.** According to the Regulations of the Cabinet of Ministers "Procedures by which a Financial Institution Implements the Due Diligence Procedures for Financial Accounts and Provides Financial Accounts Information to the State Revenue Service", the Bank shall assess compliance of a Customer, who holds an account with the Bank, with the direct or indirect criteria of CRS subject, in order to determine, whether data on the Customer should be submitted to the State Revenue Service to ensure exchange of information. The requirement to provide information regarding the Customer accounts does not apply to Customers - individuals and legal entities, which are tax payers in the Republic of Latvia, if the information they have provided to the Bank does not include any indications that meet the CRS subject criteria.
- 1.1.35.6.** By submitting a written application, an individual is entitled to familiarise itself with own personal data at the Bank disposal, to request introduction of corrections or amendments thereto, if this does not contradict effective legislation of the RL.
- 1.1.35.7.** By submitting a written application to the Bank, an individual is entitled to request video surveillance information from the Bank; the Bank, in its turn, is entitled to request that the individual substantiates the reason for requesting such information, as well as to request his/her personal data in order to carry out his/her identification. The Bank shall review compliance of provision of information with requirements of regulatory enactments. If, in accordance with regulatory enactments and internal regulatory documents, provision of information is allowed and if the physical entity provided the Bank with personal data for identification, the Bank will provide the requested information; in other cases, the Bank has the right to reject the request for the information.
- 1.1.35.8.** The Bank is entitled to use personal data of the Customer and the Customer representative at the Bank disposal to provide the Customer with information about the products and services offered by the Bank and third parties, either verbally or in writing (via fax, telephone, Online Chat, by mail and/ or by means of Remote Account Management Services), given the Customer consent to provision of such information. The Bank seizes to use personal data for providing information about services (products) offered by the Bank or by third parties in electronic form, if the relevant person has revoked its consent (in person, by mail, by e-mail, or via Remote Account Management Services).
- 1.1.35.9.** The Bank acknowledges and the Customer agrees that all information about the Customer, its true beneficiary, accounts, deposits, Transactions and Customer relations with third parties, about which the Customer has informed the Bank, is confidential (Bank secrecy) and shall not to be disclosed to third parties, except in

any of the following cases:

- 1.1.35.9.1.** the information is publicly available,
- 1.1.35.9.2.** the information about the Customer debt liabilities, their amount, substantiation and reinforcement of liabilities is disclosed for debt collection objectives,
- 1.1.35.9.3.** the information is disclosed to a third party with whom the Bank negotiates in connection with the conclusion of a possible transaction regarding the transfer/sale of the Bank's claim rights against the Customer or liabilities to the Customer, the Bank's assets, or with which any of the following transactions are entered into, or to any other third party to the extent necessary for the preparation or execution of such transactions,
- 1.1.35.9.4.** the information is disclosed to third parties supervising and auditing the Bank activities,
- 1.1.35.9.5.** the information is disclosed in compliance with the regulatory enactments of the Republic of Latvia in cases and through procedure defined therein,
- 1.1.35.9.6.** the information is submitted to the persons authorised by the Bank for Customer identification, execution of other particular Bank's tasks, which are related to the Customer and to its activities,
- 1.1.35.9.7.** the information is transferred to the Bank's personal data processors or other cooperation (business) partners of the Bank, that provides services to the Bank or with whom the Bank otherwise cooperates in order to provide financial services to the Customer, execute the Customer's orders or ensure the Bank's operations,
- 1.1.35.9.8.** in other cases when the Customer has given consent for such actions.
- 1.1.35.10.** The Bank is entitled to submit information to the Bank of Latvia and to receive information from the Bank of Latvia in cases and through procedure in accordance with the Credit Register Regulations. The Customer is entitled to receive information about himself/herself, which is included in the Credit Register of the Bank of Latvia, in procedure set in accordance with the Credit Register Regulations. The Regulations of the Credit Register of the Bank of Latvia are available on the website of the Bank of Latvia [www.bank.lv](http://www.bank.lv).
- 1.1.35.11.** When making a Transfer, the Bank is entitled to provide all the information specified in the Payment Order, including personal data of the Customer, to persons, and in accordance with the conditions specified in the section 2.4. of the Regulations "Rules for the transfer of non-cash funds", which provides payment services to the Transfer recipient.
- 1.1.35.12.** The Bank is entitled to verify the authenticity of personal and / or contact details submitted by the Customer, including services of other operators, as well as using information about violation and / or improper fulfilment of contractual obligations when considering provision of other services and commencement of new legal (business) relations.
- 1.1.35.13.** The Bank processes Customer personal data within the whole term of legal (business) relationships between the Bank and the Customer, as well as during 10 years as from expiry of legal (business) relationships, pursuant to the provisions of regulatory enactments of the Republic of Latvia.

#### **1.1.36. Acknowledgements**

- 1.1.36.1.** By signing a Transaction Document or Notification, the Customer acknowledges that:
  - 1.1.36.1.1.** the Customer has full legal and acting capacity to execute and terminate the Transaction;

- 1.1.36.1.2.** the Customer has all rights, permits, licenses, and authorities to conclude the Transaction;
- 1.1.36.1.3.** the Transaction and all consequences thereof are binding upon the Customer and shall not result in violation of legal acts of the Republic of Latvia and of the location where the Transaction is concluded;
- 1.1.36.1.4.** the Customer is not a Shell-Bank or Shell arrangement;
- 1.1.36.1.5.** the Customer himself/herself is the True Beneficiary of the funds or securities, unless the Customer submitted to the Bank written data about a third party who is the True Beneficiary of the funds or securities;
- 1.1.36.1.6.** the Customer is the True Beneficiary of the Transactions concluded with the Bank, unless the Customer submitted to the Bank information that the Customer acts upon request and in the interests of third parties, i.e. True Beneficiaries;
- 1.1.36.1.7.** all information submitted by the Customer to the Bank, including that about the True Beneficiary, their personal or economic activities, financial standing, location, and other information, is complete, authentic, and is not misleading. All documents and Notifications the Customer submits (passes for storage) to the Bank are authentic and valid;
- 1.1.36.1.8.** the Customer did not influence the Bank employee, directly or indirectly, and did not offer, promise or give, directly or indirectly, a thing, title, or preference to the Bank employee in order for them to act or refrain from actions against their job duties;
- 1.1.36.1.9.** the Customer does not finance terrorism, legalisation of illegal proceeds; and the Customer's funds with the Bank were not derived from criminal activity and are of a legal origin;
- 1.1.36.1.10.** the Customer shall not use the Bank's rendered financial services for illegal purposes, including legalisation of proceeds from criminal activity/terrorism financing;
- 1.1.36.1.11.** the Customer has read, fully understands, and undertakes to comply with the liabilities included in these Regulations, Bank's Pricelist, other regulatory documents of the Bank, which regulate relations between the Bank and the Customer and which the Bank notified the Customer of, or which the Customer had to study;
- 1.1.36.1.12.** the Customer shall submit (pass for storage) to the Bank without objections all information (documents) requested by the Bank regarding identification, origin of funds, True Beneficiary, Transactions conducted, economic and personal activity, financial standing, changes to the information (documents) submitted, as well as other information (documents) that the Bank deems necessary to request.
- 1.1.36.2.** The Bank shall verify the Customer's submitted (passed) documents, acknowledgements, and information before conduction of Transactions and during execution thereof. The Bank is entitled to refrain from conclusion or execution of Transactions during the revision without any liability in this regard.
- 1.1.36.3.** If it has been detected that the Customer's acknowledgements specified in subparagraph 1.1.36.1. do not match the actual and valid situation, the Bank is entitled to terminate the Transaction and demand that the Customer fulfils his/her liabilities before the term without any liability in this regard. In this case, the Customer must reimburse any costs and losses incurred by the Bank in relation to the Customer's submitted unauthentic acknowledgements and to termination of the Transaction.

### **1.1.37. Succession**

- 1.1.37.1.** In case of Customer death, persons lodging claims to the Bank for the Customer property shall submit all documents attesting their rights for the Customer inheritance (the form and essence of these documents should be in compliance with requirements of the regulatory enactments of the inheritance location), as well as their identity documents.
- 1.1.37.2.** The Bank is entitled to verify authenticity, validity and completeness of the submitted documents on the account of persons indicated therein.

### **1.1.38. Preparation of Notifications**

- 1.1.38.1.** The Customer bears responsibility for the genuineness, completeness, precision and timeliness of submission of all the information and documents submitted to the Bank. In case of non-fulfilment of the aforementioned provisions, the Customer shall reimburse the Bank for all the incurred losses.
- 1.1.38.2.** The Customer Notifications and other documents may be compiled and submitted to the Bank in Latvian, Russian, German or English.
- 1.1.38.3.** All the Notifications on paper submitted or sent to the Bank shall be clearly readable, correctly completed and signed. The Customer bears responsibility for all losses incurred to the Bank, which result from submission of unreadable or incorrectly completed Notifications. The Bank is entitled to reject and/ or not to process erroneous, incompletely completed, unreadable Notifications, as well as Notifications with deletions or other corrections.
- 1.1.38.4.** If the Bank has suspicions about the Customer Notification, including its authenticity, legal validity, or the document contents, the Bank is entitled to require that the Customer repeatedly submits a particular form of Notification or to require a notarised translation of the Notification into the language required by the Bank (and its legalisation [with apostille]) for its acceptance/execution. The Bank is entitled to reject processing of the Notification until repeated Notification is received. In this case, the Bank bears no responsibility for losses incurred to the Customer in connection with the delayed execution of the Notification.
- 1.1.38.5.** Executing payments on the basis a writ of execution, as well as, in case notarised (and legalised [with apostille]) documents are submitted to the Bank, the Bank is obliged to examine their formal compliance with a standard or generally accepted form, if such has been determined. In this case the Bank bears responsibility only for gross negligence during document verification, but is not responsible for its content or translation. When executing the abovementioned documents the Bank shall act in accordance with the information specified in the documents. Should a Bank employee implement any additions and/or restrictions related to the execution of the abovementioned documents, such Bank employee shall bear responsibility therefor.
- 1.1.38.6.** If any action during Transaction execution has a deadline, in each particular case, the Customer is obliged to indicate the deadline. The deadline shall be indicated in writing, unless otherwise envisaged in the Transaction Document concluded between the Bank and the Customer. The Bank reserves the rights not to observe the order deadline indicated in the Customer Notification, if its execution in compliance with existing good banking practice is impossible within this term. In these cases the Bank bears no responsibility for losses incurred to the Customer in relation to delayed execution of the order indicated in the Customer Notification. If the Customer does not indicate the deadline in the relevant Notification, the Bank

bears no responsibility for losses incurred to the Customer in relation to delayed execution of the corresponding action or the relevant order.

- 1.1.38.7.** Notifications/ Transaction Documents between the Bank and the Customer may be sent to the Bank in writing, i.e., by mail, e-mail, or using Remote Account Management Services, having notified the Bank thereof in advance. Such Messages/Transaction Documents are only valid and binding upon the Bank if they are signed using Authorization Tools in accordance with the procedure established in Section 2.2. of the GPT "Conditions for Providing Remote Account Management Services".
- 1.1.38.8.** The Customer Notifications/ Transaction Documents and other documents that are sent to the Bank in writing, i.e. by mail, should be sent to the legal address of the Bank. The Customer Notifications/ Transaction Documents are considered received at the Bank at the moment when they are registered in the record management registers of the Bank, unless provided otherwise by the relevant regulations on Transactions of the Bank.
- 1.1.38.9.** In case of no particular agreement between the Bank and the Customer, the Bank can choose the means of sending the Notifications/ Transaction Documents, taking into account the interests of the Customer to the extent possible.
- 1.1.38.10.** The Bank Notifications / Transaction Documents may be issued to the Customer at the Bank in person, or sent to the Customer via the Internet Bank, or to the indicated legal address / office address (to legal entities) or to the declared / actual address of residence (to individuals), or to another address specified by the Customer. The Bank shall bear no responsibility for losses incurred to the Customer or to third parties, in case the Customer has indicated erroneous, imprecise or incorrect mailing address to the Bank or has not informed the Bank about changes in return address and as a result has not received Notifications/ Transactions documents from the Bank / has not received them in due time.
- 1.1.38.11.** In case Notifications/ Transaction Documents are sent to the Customer to its indicated address, they are considered received on the seventh (7th) calendar day upon submitting them over to the post office irrespective of the actual date of their receipt.
- 1.1.38.12.** The Bank bears no responsibility for delays in submitting and loss of the Notifications/ Transaction Documents, data transmission errors or distortion due to interruption, delay, misuse, lack or damage of communication equipment, data transmission channels or means of transmission, or due to any other circumstances beyond the Bank control. The Bank shall bear no responsibility for losses or other extra expenses of the Customer or third parties, which may arise for the Customer in the aforementioned case.
- 1.1.38.13.** The Bank seal and the signature of the Bank employee on the Notification submitted (handed in) by the Customer attest acceptance of the Notification for processing and shall not impose any liabilities on the Bank in relation to the Notification processing. The only attestation of the Transaction executed at the Customer Account is the Account Statement prepared by the Bank.
- 1.1.38.14.** The Bank accepts Notifications for processing within the Bank Working Days, unless otherwise determined by the Bank. If the Bank has accepted the Notification within other term, the next Bank Working Day shall be considered the day of accepting the Notification for processing.

#### **1.1.39. Transaction Currency**

- 1.1.39.1.** Transactions concluded between the Customer and the Bank shall be executed in the currency, which the Bank and the Customer have agreed to accept as the basic currency in the relevant Transaction Documents.
- 1.1.39.2.** The Bank is entitled to determine the execution of Transaction in other currency, in case its due execution in the relevant currency cannot be performed due to the circumstances, for which the Bank bears no responsibility and of the occurrence of which the Bank is not guilty.
- 1.1.39.3.** The Bank shall not execute the Transactions, if the Transaction Documents or the Notifications submitted by the Customer do not determine the currency of the Transaction or the Financial service.

#### **1.1.40. Payments to the Bank**

- 1.1.40.1.** The Customer shall pay a Fee to the Bank for each provided service in the amount specified in the Pricelist, excluding the cases when the amount and procedure of payment for the services provided to the Customers are stipulated in Transaction Documents. The Customer undertakes to pay Fees and other payments determined by the Bank for services provided to the Customer in accordance with the Pricelist.
- 1.1.40.2.** The Bank Pricelist is available at the Customer service premises within the Bank office hours and on the Bank Website.
- 1.1.40.3.** The Bank is entitled to determine Fees for the Bank services, which are not included in the Pricelist but are necessary to fulfil the Customer Notifications, at its discretion. If the Bank has agreed with the Customer upon the provided service and the Fee payable to the Bank prior to provision of the relevant service, the Customer is no longer entitled to contest the amount of this Fee.
- 1.1.40.4.** The Fee shall be paid before provision of each service, unless the Bank has determined another payment procedure for the Fee. If the Customer has not paid due Fee to the Bank, the Bank is entitled to refrain from, suspend or terminate of the Transaction, or not to provide the service / suspend / terminate the service provision without notifying the Customer, and the Bank bears no responsibility for the losses or other additional expenses of the Customer.
- 1.1.40.5.** If, pursuant to the regulatory enactments of the Republic of Latvia, the Fee is liable to taxes, duties or similar compulsory payments, then these payments shall be made by the Customer at its own expense with corresponding increase in the Fee amount.
- 1.1.40.6.** The Bank is entitled to use the services provided by third parties (notaries, translators etc.) that are necessary for execution of the Customer Notification, reporting it to the Customer in advance, and the Customer is obliged to reimburse all the expenses arising to the Bank in this respect, in the amount provided for in the documents supporting the expenses.
- 1.1.40.7.** The Bank is entitled to obtain the necessary information, documents and other evidence, which is necessary for Transaction execution, for receiving information about the Customer, for inspecting the information and documents submitted by the Customer, for examining, managing or alienating the collateral provided by the Customer, as well as for obtaining the extracts from the registers, attestations of institutions, insurance documents, exhibits etc., on the expense of the Customer and with prior Customer consent.
- 1.1.40.8.** The Bank is entitled to debit any payments of the Customer (Fees and related mandatory payments, expenses, losses, contractual penalty and other payments) due to the Bank from any account of the Customer with the Bank, through uncontested procedure, in compliance with the present Regulations or with Notifications/



Transaction Documents. In case there is insufficient currency, in which the payment is due, at the Customer Account during the payment, the Bank is entitled to write off its claim amount in another currency, exchanging it to the necessary currency at a general relevant currency exchange rate on the day of payment execution. In addition, the Bank charges all the currency exchange expenses from the Customer. If the amount paid by the Customer is not sufficient to satisfy all claims of the Bank the claims shall be satisfied as defined by the Bank, including prior execution of less secured liabilities.

- 1.1.40.9.** If the Customer does not fulfil its liabilities towards the Bank, either in full or in part, or if the Customer insolvency proceedings are announced or the Customer bankruptcy or liquidation proceedings have been initiated, the Bank is entitled to use the Customer funds stored at the Bank and/or other Customer funds available to the Bank without any limitations and through uncontested procedure to enable fulfilment of the Customer obligations towards the Bank.
- 1.1.40.10.** The Customer signing of a Notification/ Transaction Document shall be considered as the Customer consent to the Bank to perform actions mentioned in Paragraph 1.1.40.7 of the Regulations.
- 1.1.40.11.** The Customer agrees that the Bank is entitled to send information notifications to the Customer address (registered, actual, residence, business), e-mail address, or telephone numbers (including mobile phone), or to use types of contacts specified by the Customer in the Application or in other documents filed under the legal (business) relations, as well as to visit the Customer at the address of its employment and / or residence, in cases the Customer has a debt due to the Bank.
- 1.1.40.12.** The Bank is entitled to inform the Customer that the debt repayment liabilities of the Customer towards the Bank have become due and about delay in payments on the debt liabilities towards the Bank via any communication channels, including SMS to the Customer mobile phone, letters, telegrams, voice messages, e-mail messages, etc. The Bank representatives shall visit the Customer at its employer, at the address of its employment and / or residence.
- 1.1.40.13.** The Bank does not accept cash funds sent by the Customer to the Bank via mail.

#### **1.1.41. Collateral**

- 1.1.41.1.** The Customer is obliged to take all the necessary measures to secure the Bank from responsibility in relation to fulfilment of Notifications submitted to the Bank by the Customer and shall reimburse all the losses, expenses, debts and liabilities incurred to the Bank due to the Customer gross negligence, evil intent or non-fulfilment of liabilities.
- 1.1.41.2.** The Customer cases (property) in the Bank possession, holding or use, including the funds, securities, deposits and future components of property aggregation are considered to be submitted to the Bank as a mortgage with the prospective that it should serve as a collateral for Customer liabilities to the Bank. This guarantees all the Customer liabilities to the Bank, including future liabilities.
- 1.1.41.3.** The Bank is entitled (if considers it necessary) to request that the Customer provides collateral for its liabilities to the Bank, or (if the collateral has been already submitted to the Bank) to increase the collateral, including cases when the liability is conditional or a third party bears responsibility therefor alongside with the Customer.
- 1.1.41.4.** The Customer agrees that the Bank has the right of detention for any Customer property, which has come legally into the Bank possession, holding or use, insofar

as it is necessary to guarantee the fulfilment of Customer liabilities to the Bank.

- 1.1.41.5.** The Bank is entitled to use the collateral object, as well as to receive and consume the benefits of the collateral object.
  - 1.1.41.6.** If the Customer does not fulfil or improperly fulfils its liabilities to the Bank, the Bank is entitled to enforce collection upon any mortgaged property of the Customer, as well as upon other collateral objects offered by the Customer or acceptable for the Bank (property or rights) by taking them into possession and to alienate or use them without prior notification or separate reminder thereof to the Customer, unless otherwise agreed upon between the Customer and the Bank. The Bank is also entitled to enforce recovery upon the collateral object before expiry of the collateralized liability fulfilment term, if the Customer does not fulfil the Bank demand to submit or increase the collateral for fulfilment of the Customer liabilities within the term or in accordance with the order indicated by the Bank.
  - 1.1.41.7.** The Customer confers the Bank with the right to alienate the collateral object and assigns the Bank to sell the relevant collateral objects at open price upon signing the relevant Notification/ Transaction Document; the collateral is alienated, in order to fulfil the liability, which arises from this Notification/ Transaction Document. If the Bank exercises the aforementioned rights conferred by the Customers, while enforcing recovery upon the collateral object (property or rights) without mediation of court and auction, the Bank acts as the Customer authorised person. The Bank is entitled to choose the sequence of alienation.
  - 1.1.41.8.** Income, which is received from alienation or utilisation of the collateral, is divided by the Bank as follows: first, payment of all expenses related to storage, transportation, publishing of advertisements of the property alienated from the Customer (if such are necessary), remuneration for experts (specialists) and utilising the rights of property alienation; second, payment of fine penalties and/ or other obligations to the Bank, which arise as a result of delay in fulfilment and/ or non-fulfilment of liabilities (delay interest, contractual penalty); third, redemption of interest due to the Bank (unpaid by the Customer); forth, repayment of the principal amount.
  - 1.1.41.9.** After alienation of the collateral object or utilisation of rights and division of income, as well as upon maturity of liability rights, the Bank transfers the remaining funds or the collateral object to the Customer, notifying it in writing. If the Customer, the successors or heirs of its rights and obligations cannot be found, these funds/objects are kept with the Bank. The Bank collects a Fee for storage of these funds/objects, charging it from the amount deposited by the Customer with the Bank.
- 1.1.42. Termination of Legal (Business) Relations and/or Demand for Early Fulfilment of Obligations**
- 1.1.42.1.** The Customer is entitled to unilaterally terminate all or separate legal (business) relations established between the Bank and the Customer by submitting a written Notification to the Bank about termination of legal (business) relations stipulated therein within the terms and in accordance with the procedure set forth in these Regulations or Transaction Documents.
    - 1.1.42.1.2.** After receiving a Notice of termination of legal (business) relations or termination of a particular Financial Service, the Bank is entitled to request, and the Customer is obliged to update/provide information about the Customer, the Customer's BO, transactions performed during the period of business relations

with the Bank, and other information requested by the Bank.

- 1.1.42.1.3. If the Customer does not comply with the Bank's request, the Bank is entitled to terminate business relations with the Customer pursuant to Sub-clause 1.1.42.3 of the Regulations.
- 1.1.42.2.** The Bank has the right to unilaterally terminate all business relations with the Customer or the provision of a separate service and close all Accounts:
- 1.1.42.2.1.** 2 (two) months in advance by notifying in writing the Client, who is a Consumer
- 1.1.42.2.2.** 1 (one) month in advance by notifying in writing the Client, who is not a Consumer.
- 1.1.42.3.** The Bank, by sending a written notification to the Customer, without undertaking any legal accountability and not reimbursing any losses to the Customer, is entitled to unilaterally suspend the Transaction, terminate legal (business) relations with the Customer or request early fulfilment of all its liabilities and close all Customer accounts with the Bank in accordance with the procedure and terms indicated by the Notification without regard to the notice period provided for in Sub-clause 1.1.42.2 of the Regulations, in the following cases:
- The certifications provided by the Customer are false;
  - the Customer refuses to submit information (documents) requested by the Bank or fails to submit it in due time determined by the Bank, or has submitted false, imprecise or incomplete information (documents),
  - the Bank has suspicion or it has stated that the documents submitted by the Customer are forged and/ or the information (documents) does not match the actual circumstances,
  - the Bank has suspicions or it has stated that a person not identified or duly authorised acts on behalf of the Customer,
  - the Bank has suspicion or it has stated that the Beneficial Owner indicated by the Customer is another person,
  - the Bank has suspicions or it has stated that the Customer is a Shell-bank;
  - the Bank has suspicions or it has stated that the Customer is a Shell arrangement, it case the Customer simultaneously matches the criteria defined in the Shell arrangement definition, which is included into these Regulations, or the criteria stated by Clauses 1.1.16.1. un 1.1.16.2,
  - the Bank has suspicions or it has stated that the Customer has attempted / is engaged in financing of terrorism and/or Laundering of Proceeds Derived from Criminal Activity, or is related therewith,
  - the Bank has suspicions or it has stated that the Customer has attempted to use or uses the services provided by the Bank for illegal purposes such as fraud or other illegal actions,
  - the Bank has a reason to consider further cooperation with the Customer to be (potentially) undesirable,
  - the Customer has not fulfilled substantiated request of the Bank to submit or increase the collateral for fulfilment of Customer liabilities to the Bank in term or order defined by the Bank,
  - the Bank has a ground to consider further cooperation with the Customer as (potentially) disrespectful, inexpedient, discrediting and even undermining the Bank name, honour, respect, fame or reputation,
  - the Customer allows legally penal, dishonest or unethical actions in connection with the Bank, or actions infringing the Bank interests and reputation,
  - the Customer discredits the Bank in any way by allowing infringing, offensive

- or slanderous actions against the Bank or its employees,
- the Customer has violated present Regulations,
  - the Customer does not fulfil its liabilities to the Bank,
  - in cases and procedures defined by the regulatory enactments of the RL,
  - the Bank possesses information that insolvency proceedings, liquidation proceedings, and/or out-of-court legal protection (legal protection) proceedings of the Customer have been initiated,
  - the Bank has suspicions or it has been discovered that the Customer (individual) is dead,
  - in other cases defined by the provisions of a Transaction concluded with the Customer or other agreements between the Bank and the Customer.
- 1.1.42.4.** The Bank has the rights not to notify the Customer of the reasons to terminate legal (business) relationships.
- 1.1.42.5.** If the Bank terminates legal (business) relations with the Customer on the basis of provisions of Clause 1.1.42.3., the Bank is entitled to terminate legal (business) relations or also request early fulfilment of liabilities from other Customers of the Bank, who have the same Beneficial Owners or who execute transactions under instructions of the same third parties. In this case, the Bank is not legally responsible for termination of legal (business) relations or for requesting early fulfilment of liabilities.
- 1.1.42.6.** If the Bank has made a decision regarding termination of legal (business) relationships with the Customer or for requesting early fulfilment of liabilities in the cases defined by subclauses of clause 1.1.42.3. of these Regulations, all funds on the Customer Accounts may be returned to the Customer in accordance with the Customer's written instruction, which is not in conflict with the requirements of the regulatory enactments of the Republic of Latvia.
- 1.1.42.7.** In case the Bank does not receive a Customer order regarding the fund balance before the day of termination of the legal (business) relations, the Bank transfers these funds to the special account for storage of the funds of Customers, the business relations with which are terminated. The Bank will apply a commission fee for storage of such monetary funds.
- 1.1.42.8.** After termination of the legal (business) relations with the Customer, the Customer can only pay monetary funds after identification of the Customer / the Customer authorized Person at the Bank.
- 1.1.42.9.** In case of termination of legal (business) relations, all Customer payments, which arise from Transactions to be terminated, become payable. In case of any Customer delays in payment, the Customer shall pay the contractual penalty to the Bank according to the present Regulations even after termination of legal (business) relations.
- 1.1.42.10.** In case of death of the Customer or the Beneficial Owner, the Bank is entitled to refrain from execution of Notifications and/ or execution of Transactions of the Customer (its representatives), in order to protect the Customer inheritance.
- 1.1.42.11.** The Bank leaves all documents (information), which the Customer has submitted to the Bank when opening/ closing accounts and concluding/executing/terminating the Transactions, for storage, in accordance with the requirements of the regulatory enactments of the Republic of Latvia.
- 1.1.42.12.** The Bank is entitled not to conclude the Transaction, to refrain from the Transaction execution, to terminate the Transaction, as well as not to accept and/ or not to fulfil the Notifications submitted by the Customer without liability, the

Customer is obliged to reimburse the Bank for all expenses and losses incurred due to the Customer (its representative) being under the influence of alcohol, intoxicants or drugs, as well as in cases when the Customer (its representative) is incapable of fully understanding their actions or when behaviour of the Customer (of its representative) is improper and disturbs the Bank operations.

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

**1.1.43. Applicable Regulatory Enactments, and the Order, in which Disputes are Reviewed**

**1.1.43.1.** Regulatory enactments of the RL, best banking practice traditions, and good reputation principles shall be applicable to all legal (business) relations between the Bank and the Customer.

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

**1.1.43.2.1.** Taking into account that the Bank is engaged in insurance brokerage and renders broker services to insurance companies on the basis of cooperation agreement, the dispute review procedure according to Clause 1.1.43.2. of these Regulations shall apply to consideration of Customer applications/complaints on the insurance brokerage services the Bank renders in the capacity of insurance broker.

**1.1.43.2.2.** Upon receiving an application/complaint of the Customer about insurance brokerage services provided by the Bank, the Bank shall transfer the application / complaint to the relevant insurance company within five (5) working days, notifying the Customer accordingly.

**1.1.43.3.** The Customer is obliged to immediately report to the Bank about the payment, delivery, statement or other document, which has not been received. The Bank does not accept complaints (claims) in relation to cash payments attested by the signature of the Customer or the Customer representative on the Payment Order.

**1.1.43.4.** The Customer should promptly notify the Bank regarding a discovered execution of an unauthorised or erroneous Transfer.

**1.1.43.5.** If the Bank executed a Payment Order that the Customer had not authorised, and the Customer notified the Bank thereof in accordance with provisions of Clause 1.1.43.4 of the Regulations, 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. The Bank shall not compensate the Customer (who is not a Consumer) for the losses up to 50.00 EUR should those arise due to the loss, theft, or other misappropriation of a payment tool in the result of the Customer (who is not a Consumer) failure to ensure safekeeping of personalized security elements, which led to misappropriation of the payment tool.

**1.1.43.5.1.** The Bank has the right not to observe the term indicated in Clause 1.1.43.5. 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

corresponding 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 Account, or has not provided an application to block the Access parameters / Authorization Tools (*Section 2.2 of the Regulations "Conditions for Providing Remote Account Management Services"*), 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.

- 1.1.43.5.2.** 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.
- 1.1.43.5.3.** 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.
- 1.1.43.6.** The Customer, in its turn, is entitled to compensation in cases mentioned in Clauses 1.1.43.4 and 1.1.43.5, if the Customer notified the Bank of such erroneously executed / non-executed or unauthorised Payment Order immediately after detection thereof but not later than within 13 (thirteen) months after the payment was deducted from the Account.
- 1.1.43.7.** The term of 13 (thirteen) months specified in this Clause does not apply to the case when the Bank failed to fulfil its duties regarding Customer notification described in Clause 2.4 of the Regulations ("Rules for the transfer of non-cash funds"), which resulted in the Customer inability to identify non-fulfilment/erroneous execution and/or execution of an unauthorised Payment Order by the Bank.
- 1.1.43.8.** If funds are transferred to a Customer account with the Bank due to a Bank mistake (delusion, oversight, negligence) or due to lack of any other legal ground, the Bank is entitled to write-off such funds from the Customer Account at any time through uncontested procedure without prior notification to the Customer.
- 1.1.43.9.** Upon receiving a Bank document, the Customer is obliged to immediately verify the accuracy and completeness of the issued document (an Account statement, an invoice, another document). Complaints (claims) in relation to the contents of the received document shall be submitted immediately, yet, not later than within 10

(ten) calendar days as from sending the relevant document, except for the documents related to Card Accounts.

- 1.1.43.10.** The Customer shall get acquainted with the Card Account Statement on a monthly basis. The Customer shall immediately (as soon as this becomes known thereto) inform the Bank about all identified erroneous or unauthorised Transactions.
- 1.1.43.11.** Raising no complaints (claims) within the terms provided for in Clauses 1.1.43.6, 1.1.43.8, and 1.1.43.9 hereof shall be considered a Customer consent given in absentia. The Customer claims against the Bank pursuant to regulatory enactments, as well as its claims against third parties also remain effective at the end of the mentioned term.
- 1.1.43.12.** Should a Customer identify a disputable situation related to services provided under legal (business) relations, the Customer should immediately inform the Bank thereof by submitting a written notification /complaint / claim to a Bank Branch.
- 1.1.43.13.** The following mandatory procedure for preliminary out-of-court review has been provided for Customer complaints / claims against the Bank:
- 1.1.43.13.1.** a Customer shall provide the Bank with Transaction - related complaints (claims) addressed thereto in writing. The Customer may submit other complaints (claims) and suggestions to the Bank verbally, via e-mail or telephone;
- 1.1.43.13.2.** the Bank shall consider the Customer complaint (claim) in relation to the facts and circumstances indicated in the complaint (claim) and provide a reply or information about complaint (claim) review:
- 1.1.43.13.3.** within 15 (fifteen) working days as from receiving the complaint (claim) and the documents requested by the Bank – applicable to Customers who are Consumers;
- 1.1.43.13.4.** within 30 (thirty) calendar days of receiving the complaint (claim) and the documents requested by the Bank – applicable to Customers who are not Consumers.
- 1.1.43.14.** A Customer is entitled to submit a complaint in writing to the [Ombudsman of the Finance Latvia Association](#) at 8A Doma laukums, Riga, LV-1050. For additional information, refer to the website <https://www.financelatvia.eu/en/ombudsman/>
- 1.1.43.15.** A Customer is entitled to submit a claim to an authority, which supervises the Bank activities. The authority, which supervises the Bank activities, shall be the Financial and Capital Market Commission located at 1 Kungu Street, Riga, LV-1050. For additional information, refer to the website: [www.fktk.lv](http://www.fktk.lv).
- 1.1.43.16.** A Customer who, pursuant to regulatory enactments, is a Consumer, is entitled to:
- 1.1.43.16.1.** submit a complaint to the Consumer Rights Protection Centre; address: 55 Brīvības Street, Riga, LV-1010. The procedure of accepting claims and appeals against decisions is established in the Consumer Rights Protection Law, as well as in the Law on Payment Services and Electronic Money. For additional information, refer to the website of the centre [www.ptac.gov.lv](http://www.ptac.gov.lv);
- 1.1.43.16.2.** apply to an institution for extra-judicial settlement of consumer disputes (if such is established within the corresponding sphere). More information about the list of institutions for extra-judicial settlement of disputes and the order, in which complaints are submitted, is available on the Consumer Rights Protection Centre website <http://www.ptac.gov.lv/>;
- 1.1.43.16.3.** apply to the Commission for settlement of consumer disputes, if the assistance provided at the Consumer Rights Protection Centre has not resolved the dispute, and there is a possibility of convening the Commission for settlement of

consumer disputes to settle the dispute.

- 1.1.43.17.** The Bank shall take all possible measures to settle disputable situations and notify a Customer in writing regarding results of review of its application. To settle a disputable situation, the Bank may invite the Customer to a personal meeting with an authorised employee of the Bank.
- 1.1.43.18.** Any dispute, disagreement, or claim resulting from mutual legal (business) relations between the Bank and the Customer and covering such legal (business) relations, the violation, termination, legality, validity, or interpretation thereof shall be reviewed:
- 1.1.43.18.1.** for Customers, which are Consumers – in a court of the Republic of Latvia according to effective regulatory enactments of the Republic of Latvia;
- 1.1.43.18.2.** for Customers, which are non-Consumers – at a claimant choice, in a court of the Republic of Latvia, or in Riga United Arbitration Court, registration number LV40003940446, located at 3, 27 Lacplesa Street, Riga, LV-1011. If a case is examined before the Arbitration Court, then it is examined based on the submitted documents and in accordance with effective regulatory enactments of the Republic of Latvia, as well as regulations of this court of arbitration, by an Arbitrator who has been appointed by the Chairperson of the Arbitration Court. The Arbitration Court proceedings shall be conducted in Latvian. The decision of the Arbitration court shall be final, not subject to appeal, and binding upon the Parties;
- 1.1.43.18.3.** in other court previously agreed upon in writing by the Parties. Such agreement should provide the order of claim review and applicable regulatory enactments.

#### **1.1.44. Responsibility of Parties:**

- 1.1.44.1.1.** The Bank is only responsible for those actions of its employees that they had taken during working hours as part of their job duties and as part of directives of the Bank and their authorities.
- 1.1.44.1.2.** The Bank is not responsible for direct and indirect losses of the Customer, which he/she incurred in relation to a Transaction between the Customer and the Bank if such losses were not premeditated by the Bank. In case of premeditated malice, the Bank reimburses the Customer direct and actual losses.
- 1.1.44.1.3.** The person guilty of any violation of payment terms (the Bank or the Customer) pays the other party (the Bank or the Customer) the contractual penalty (forfeit, fine) of 0,1% (one-tenth of a per cent) of the delayed amount for each day of such delay, unless the Pricelist or Transaction Document provides for a different contractual penalty (forfeit, fine) amount or another sanction for violation of the payment term. If the Customer's violation gave reason to initiation of proceedings at a court of arbitration (court), the Bank is entitled to demand payment of the contractual penalty (forfeit, fine) of 10% (ten per cent) of the claim amount. Payment of the contractual penalty (forfeit, fine) does not release the Customer from fulfilment of his liabilities.
- 1.1.44.1.4.** Payment of the contractual penalty (forfeit, fine) does not include reimbursement of the Bank's losses.
- 1.1.44.1.5.** The Bank and the Customer are not responsible for their failure to fulfil, partial or improper fulfilment of their liabilities if such failure to fulfil or improper fulfilment resulted from any circumstances beyond the Bank's control (*force majeure*), including but not limited to terrorism, military actions, fire,



explosions, civil riots, strikes, natural disasters, acts issued by state institutions/municipalities, illegal actions of third parties, failures, breakdowns, or errors of computers or other communications, failures or errors of the payment processing centre. The Bank is not responsible for delays in execution of Transactions and/or execution of the Customer's Notifications, loss of packages, errors and distortions of transfers resulting from deficiencies and/or damages to the communication equipment, time zone differences, currency exchange rate fluctuations, and from other circumstances beyond the Bank's will and control.

- 1.1.44.1.6.** Customer (including Customer's Beneficial owner) is responsible and subject to criminal liability according to Article 195.1 of the Criminal Law for provision of knowingly false information to the Bank, as well as non-provision of the information specified in the law regarding the beneficial owner or provision of knowingly false information to the Bank, which is authorised by law to request information regarding Customer's transaction and the true owner and beneficial owner of the financial resources or other property involved therein.