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GENERAL BUSINESS TERMS AND CONDITIONS

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GENERAL BUSINESS TERMS AND CONDITIONS

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Preamble

The variety, the large number and the dynamics of transactions which can be entered into at AS "Meridian Trade Bank", changes in the organizational structure of the Bank, its operations and products call for the development of these General Terms and Conditions for the purposes of ensuring legal security.

The relations between the Bank and its Customers are based on mutual trust, the provisions of valid legislative acts (not only of the legislative acts of the Republic of Latvia, but also of international treaties (conventions)) applicable to the Bank and/or the Customer and the transaction to be entered (already entered) into between the said, the agreement between the Bank and the Customer and the Conditions.

These Conditions form an essential part of any agreement concluded between the Bank and the Customer, insofar as they apply to the transaction between the Parties and are without prejudice to the imperative provisions of applicable legislative acts, or the provisions of the transaction to be entered into as specified in the documents signed by the Parties. These Conditions apply as a general document regulating the relations of the Bank and the Customer, as well as for settlement of such matters that are not specified under the relevant transaction documents of the Parties, or that are inexplicitly stated and therefore cause a dispute between the Customer and the Bank regarding their meaning (content, essence, sense), form or application. Signatures of the Parties under any Transaction Document (contract, agreement, application, notice, etc.) concluded between the Parties confirm that they have fully studied the Conditions and agree with them (acknowledge the Conditions to be binding on them) as if they had themselves created the wording of these Conditions.

1. GENERAL PART

1.1. The General Terms and Conditions of AS "Meridian Trade Bank" are developed in compliance with the applicable laws of the Republic of Latvia and other internal regulatory documents of the Bank.

1.2. Definitions:

- 1.2.1. **Bank** – AS "Meridian Trade Bank", reg. No. 40003194988;
- 1.2.2. **Customer** – a person (a natural person or legal entity) to whom the Bank provides its financial services;
- 1.2.3. **Parties** – the Bank and the Customer;
- 1.2.4. **Conditions** – these General Terms and Conditions of the Bank;
- 1.2.5. **Transaction** - establishment, change or termination of legal (business) relations regarding provision of financial services, and namely, payments in cash and by transfer; attraction of deposits and other repayable funds; trade in currencies; transactions similar in their essence to the mentioned financial services and other transactions indicated in the Rules;
- 1.2.6. **Beneficial Owner** – a natural person who owns the equity capital or voting shares (including indirectly acquired interest) or who controls (either directly or indirectly) the Bank's Customer, or in whose interests the Transaction is being performed. A company's beneficial owner is considered to be such natural person who owns 25 or more percent of the company's equity capital or voting shares (including indirectly acquired interest);
- 1.2.7. **Business Document** – documents (copies) submitted by the Customer which characterize the main direction/directions of the Customer's business activities (e.g. agreement, invoice-waybill, other document, financial statement where such is required by the law of the country of residence);
- 1.2.8. **Authorized Employee** – a natural person authorized by the Bank to accept documents from the Customer and to certify the copies of the original documents confirming the authority and capacity of the Customer and its representatives, and to certify the impression of the seal and sample signatures;
- 1.2.9. **Sample Signature Card** – a standard document of the Bank or a document certified by the notary, which contains the signature of the Customer – natural person or the Customer's representative (attorney), and serves for verification of the authenticity of the signature;

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- 1.2.10. **Seal Impression and Sample Signature Card** – a standard document of the Bank or a document certified by the notary, which contains the Customer's – legal entity's or other legal subject's seal impression and sample signatures of the Customer's representatives (attorneys) and the information on the term of authority of the attorneys, and which serves for verification of correspondence of the seal and the authenticity of the signature;
- 1.2.11. **Personal Identification Document** – a valid passport of the respective state or an equivalent document (personal certificate) or another traveling document valid in the Republic of Latvia;
- 1.2.12. **Power of Attorney** – a document confirming the person's entitlement to act on behalf of another person and the scope of the authority (the assignment); as well as the procuration, the ordinary commercial power of attorney, etc.;
- 1.2.13. **Signatory Right** – the authority to sign granted by the Customer – legal entity or another legal subject (a commercial company or other type of company and their associations, organizations, institutions, etc.) to its owner, manager and members of its executive authority as specified in the Articles of Association or incorporation documents and registered in the registers stipulated by the law, and to other persons (employees, third parties) authorized by the persons with the signatory right.
In the Seal Impression and Sample Signature Card one or several persons with the signatory right may be indicated and one or several persons with the secondary signatory right (i.e. persons whose signatory right is not specified in the Articles of Association and registered in the registers stipulated by the law but the need for whose signature under the payment documents is provided for by the Sample Signature Card – in such case the Bank accepts payment documents with two signatures – one signature of any person with the signatory right and the other signature of the person granted the secondary signatory right.
If several persons with equal signatory right are indicated in the Seal Impression and Sample Signature Card, the Bank accepts payment documents with the single signature of any of the indicated persons. In accordance with the signatory right specified and registered by the legal entity it can be respectively indicated in the Card whether the payment documents need to carry signatures of several or all persons with the signatory right.
- 1.2.14. **Current Account** – a multi-currency and demand deposit account which provides cash services, bank transfer and other transaction banking services;
- 1.2.15. **Account Statement** - a document (information about the account balance and conducted operations) in the electronic form or as a hard copy issued by the Bank to the Customer or its authorized representative;
- 1.2.16. **Telephone Password** – a combination of numbers and letters (a word) used to identify the Customer by the telephone. The Telephone Password is issued to the Customer upon opening any account or at the Customer's operations, or upon receipt of a respective application from the Customer. One Customer is only permitted to have one Telephone Password;
- 1.2.17. **Bank Charges** – a pricelist approved by the Board of the Bank, which quotes the fees for the Bank's services (charge).

2. Application and Validity of the Conditions and the Procedure of Amending

- 2.1. These Conditions are a general document regulating the mutual legal (business) relations between the Bank and the Customer related to provision of the Bank's financial services to the Customer and it specifies the rights, obligations and liability of the Parties, unless otherwise stated under any documents concluded between the Bank and the Customer.
- 2.2. These Conditions are an integral part to the legal Transaction entered into between the Bank and the Customer and they shall be binding on the Parties.
- 2.3. Any part of these Conditions shall be construed as a separate valid part binding on the Parties, but should any of the parts (an article, a paragraph) of these Conditions become unlawful or invalid due to amendments to the laws of the RL, such part of the Conditions is invalid solely within the frame of the said prohibition, which shall not reduce the binding force of other parts of the Conditions.
- 2.4. The Customer shall become acquainted with the Conditions. The wording of the Conditions is available at the Bank's Customer Service Room during the Bank's hours and at the Bank's homepage in the Internet at www.mtbank.eu. The Bank

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shall not be liable for the Customer's damages and other additional costs incurred by the Customer, if the Customer has not studied the Conditions, their amendments or supplementations.

- 2.5. The Bank is entitled to amend or supplement the Conditions unilaterally for the purposes of improvement of the customer servicing procedure, reduction of the costs of the Parties or due to other justified reason, as well as with an aim to achieve compliance of the relations of the Parties with the best international practices. The Bank informs the Customer on the amendments to the Conditions by placing such on the Bank's website in the Internet at www.mtbank.eu and in the Bank's Customer Service Room. The Conditions and their amendments (supplementations) shall not apply to transactions which have been fully performed and completed before the date of commencement of the Conditions or amendments to the said. Should amendments to the Conditions take effect at the time when the Bank has started to execute a service and it has not yet been completed, such service shall be completed in compliance with the wording of the Conditions applicable as at the beginning of the service.
- 2.6. Amendments to the Conditions shall take effect and become binding on the Customer two months after placement of the amendments on the Bank's website at www.mtbank.eu and at the Bank's Customer Service Room, unless the amendments state a longer term for commencement of the amendments to the Conditions. The Customer is entitled to withdraw from the Transaction unilaterally before this term by submitting a written application to the Bank and provided the Customer has no unsettled obligations towards the Bank.
- 2.7. These Conditions shall be binding on and refer not only to the Customer but also to any legal successor of the Customer, regardless of any changes in the Customer's staff (officials) due to whatever reason, or any changes in the authorized representatives of the Customer.
- 2.8. In the event of linguistic or interpretation disputes, contradictions, disagreements or claims the priority shall be given to the wording of the Conditions and Business Documents in the Latvian language.

3. Representations and Warranties

- 3.1. Each time, when signing a Business Document, an application or notice to the Bank, the Customer confirms that:
 - 3.1.1. they have all authority and capacity to enter into, perform and terminate Transactions;
 - 3.1.2. they have all rights, permits, licenses and powers of attorney necessary for entrance into, performance and termination of a Transaction;
 - 3.1.3. the Transaction with all pertaining consequences are binding on the Customer and would not result in violation of the laws of the Republic of Latvia and laws of the Transaction performance place;
 - 3.1.4. the Customer themselves are the Beneficial Owner of the cash, unless the Customer has informed the Bank in writing about a third party who is the Beneficial Owner of the cash;
 - 3.1.5. all information provided by the Customer to the Bank, the information about the Beneficial Owner, its personal or business activities, financial situation, and location among others, and other information is complete, reliable and non-delusive. All documents and notices which the Customer submits (transfers for storage) to the Bank are true and valid;
 - 3.1.6. the Customer has not influenced, either directly or indirectly, the Bank's employee, nor they have, directly or indirectly, offered, promised or given any property, entitlement or priority to the Bank's employee so that the latter would act or refrain from action thus violating their duties;
 - 3.1.7. the Customer does not finance terrorism or laundering proceeds from crime and that the Customer's monies at the Bank have not been acquired through criminal acts and that they have legal origin;
 - 3.1.8. the Customer has become acquainted with, is completely aware of and agrees to comply with the obligations specified in these Conditions, the Bank's Charges, other regulatory documents of the Bank which specify the relations of the Bank and the Customer and on which the Bank has informed the Customer or which the Customer had to become acquainted with;
 - 3.1.9. the Customer will, without objection, submit (transfer for storage) within the term specified by the Bank, all information (documents) requested by the Bank regarding identification, origin of funds, Beneficial Owner,

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- performed transactions, business or personal activities, financial situation, changes in the provided information (documents) and other information (documents) which the Bank may find necessary to request;
- 3.2. Should the Bank establish that the Customer's confirmations as expressed in Articles 3.1.1-3.1.9 of the Conditions are not reliable, the Bank shall be entitled to terminate the Transaction and request early performance of obligations by the Customer. In such case the Customer shall cover all costs and liquidate all damages caused to the Bank due to the untrue information as provided by the Customer and early termination of the Transaction.
 - 3.3. The Customer shall be liable for reliability, completeness, accuracy and timeliness of all information provided to the Bank. In the event of failure of the above obligation the Customer shall liquidate all damages arising to the Bank thereof.
 - 3.4. The Bank provides services, performs Transactions and executes the Customer's orders with the care of a good and careful owner and protects the Customer's interests insofar as practicable by the Bank.
 - 3.5. The Bank guarantees the secret of the Customer's person, account, deposit and Transaction (the principle of confidentiality). The Bank discloses information on the account, performed operations and deposits exclusively in the cases and according to the procedure specified in the legislation of the Republic of Latvia.
 - 3.6. Customer agrees his data be processed according to the articles of the "Physical persons' data protection" law of the Republic of Latvia. Upon entering into a Transaction with the Bank, the Customer, the Customer's authorized representative (including the Card Holder) and the Beneficial Owner, where the said are natural persons, agree that the Bank is entitled to process all personal data of the Customer, the Customer's authorized representative (including the Card Holder) and the Beneficial Owner. The justification and the aim of processing personal data is their use for provision of the Bank's services and ensuring the Bank's activities while planning drawings and lotteries and for other Bank's purposes, which are registered with the Data State Inspectorate of the Republic of Latvia. The Bank is entitled to request, receive and process the data of the Customer, the Customer's authorized representative (including the Card Holder) and the Beneficial Owner from other sources, including from personal data processing systems of state and municipal authorities.
 - 3.7. In the cases of disclosure of the Customer's information specified under these Conditions the data of natural persons at the disposal of the Bank may be disclosed to third parties who provide services to the Bank or who represent the Bank's interests, to whom the Bank entrusts performance of any obligations stated in these Conditions or with whom the Bank cooperates otherwise for the purposes of ensuring its operations and performance of its functions.
 - 3.8. The Bank is entitled to provide information to the Bank of Latvia and to request from it information about the Customer in accordance with the Rules of the Debtors' Register approved by the Bank of Latvia. The Customer is entitled to request and receive information about themselves from the Debtors' Register in accordance with the Rules of the Debtors' Register approved by the Bank of Latvia, the wording of which is available to the Customer at the Bank of Latvia's homepage <http://www.bank.lv>.
 - 3.9. The Bank is entitled to assign its claims against the Customer to third parties and to use the services of third parties for achieving liquidation of damages by the Customer.
 - 3.10. The Customer undertakes full liability for the damages caused due to delusion of the Bank by the Customer or the Customer's authorized representative or due to negligence by the Customer. The Customer shall be liable for damages caused to the Customer by third parties, except in cases when the Bank has permitted gross negligence upon visual comparison of the signature and impression of the seal of the Customer or the Customer's authorized representative with the sample signature and seal impression submitted by the Customer.
 - 3.11. The Bank is liable for the acts of its employees to the extent they have acted during the Bank's working hours when performing their duties and instructions of the Bank's Management.
 - 3.12. The Bank undertakes liability only for the Customer's direct damages, provided such damages have a direct causal link with malicious and/or fraudulent activities of the Bank, or if the Bank intentionally fails to perform or grossly violates through negligence the obligations stated in these Conditions and other documents. In the event the Bank considerably violates the obligations stated in these Conditions and other documents without wrongful intent, the Customer cannot, however, demand liquidation of damages if the Customer could have themselves prevented the damages by taking due care.
 - 3.13. The Parties shall be released from liability for complete or partial failure of obligations following from a Transaction where such failure is caused by flood, earthquake, war, terrorist acts, strikes, riots, adoption of new imperative legislation which

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restricts the capacity of the Parties to perform this Transaction, or other force majeure, provided force majeure directly affects performance of the Transaction and the Parties could not foresee such upon conclusion of the Transaction.

- 3.14. The Party experiencing force majeure shall inform the other Party in writing without delay at the shortest practicable notice after occurrence of force majeure. The Parties agree to decide on whether such force majeure disturb or render performance of the Transaction obligations impossible and to decide on the essential aspects of continuation (or termination) of obligations.
- 3.15. The Parties agree that existence of force majeure is not deemed a legal basis for failure to pay the debts of the Parties having occurred under the Transaction.

4. The Procedure of Exchange of Documents and Information

- 4.1. The documents submitted and dispatched to the Bank, particularly the payment documents, bills of exchange and checks shall be drawn and signed with such means of writing the text written by which remains readable for unlimited time and cannot be erased otherwise than by visibly spoiling the document. The Bank is not obliged but is entitled to verify whether the said means of writing have been used. The submitter of documents shall be liable for the damages caused by use of other means of writing or due to submission of unreadable or incorrectly completed documents.
- 4.2. Should the amounts or numbers indicated in documents expressed in words differ from their expression in figures, the amount expressed in words shall be given the priority.
- 4.3. The Powers of Attorney submitted to the Bank shall be valid until the Bank receives a written withdrawal of or amendments to such, unless they have expired earlier (where known so by the Bank). If the signatory of the document is not authorized, upon signature of the document, to represent the person whose representative they claim to be, such signatory shall undertake, as a natural person, all obligations following from the signed document and they shall be liable for the performance of such as provided for by the applicable legislative acts of the Republic of Latvia.
- 4.4. All notices and documents are deemed dispatched to the Customer or received by the Bank as of the date of registration of the respective notice or document at the Bank, unless the particular Bank service provisions specify another procedure, or as of the date when the notice is placed on the Bank's website or becomes available at the Bank's premises.
- 4.5. The Bank delivers all requests, orders, applications, notices, information, directions or dispatches related to the Bank's services to the Customer's address indicated in the applications and notices submitted by the Customer, or in accordance with another procedure specified by the Bank. The Bank is entitled to use services by third parties for processing and/or delivery of dispatches, information or data, and to send electronic mail messages to the electronic mail address indicated by the Customer in their application. The Bank shall not be held liable for any disclosure of confidential information thereof where such happens due to the acts by third parties.
- 4.6. Any notice, information, instruction or dispatch regarding the relations of the Bank and the Customer shall be submitted by the respective person (the applicant) in writing in the Latvian, Russian or English language and shall be delivered in person or dispatched by mail or courier mail to the last address known to the Party.
- 4.7. The evidence of dispatch shall be: (1) a receipt issued by a postal (also international, e.g. *DHL*) or other communications office on dispatch of a registered letter (package) or (2) the entry of registration (dispatch) in the Bank's register of dispatches. Any notice, information, instruction or dispatch regarding the relations of the Bank and the Customer is deemed received by the Parties (1) on the fourth day when delivered within the territory of Latvia and (2) on the fourteenth day in all other cases.
- 4.8. The Customer is entitled to receive information of their account balance and performed transactions as provided for by the Bank, including as provided for by these Conditions.
- 4.9. The Customer shall follow the reflection of transactions in the demand deposit (current) account and verify their correspondence to the actually performed transactions.

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5. Rules for Examination of the Customer's out-of-court complaints (claims)

These Rules prescribe the procedure for out-of-court examination of complaints (claims) by the Customers resulting from financial service notified or used by the Customer which cannot be settled through mutual negotiations.

Terms used in the Rules:

Customer – natural or legal person, other than a credit institution or a financial institution, which has concluded an agreement with the Bank regarding use of the Bank's financial services or has applied for the receipt of financial services at the Bank;

Consumer – a natural person who expresses a wish to receive financial service for his or her personal, household needs;

Financial service - any service listed in the Credit Institutions Law or Financial Instrument Market Law of the Republic of Latvia, which is provided by the Bank to the Customer, or which receipt in the Bank has been notified by the Customer;

Complaint – a document by the Customer in writing addressed to the Bank, which expresses dissatisfaction about the acts or omissions of the Bank, with respect to a financial service used / notified by the Customer;

Claim – a request by the Customer of material nature in writing addressed to the Bank with regard to a financial service used/ notified by the Customer, including the Bank's action or omission.

Payment card reclamation – a claim regarding payment card transactions initiated by a payment card user and dealt with in accordance with the procedure and the rules prescribed by the international payment card organisation MasterCard International and/or VISA International.

5.1. Rights and obligations of the Customer

- 5.1.1. The Customer shall be entitled to apply to the Bank with a written complaint (claim) in relation to a financial service provided by the Bank or notified by the Customer.
- 5.1.2. The Customer may submit a complaint or a claim personally, or through a representative. The Customer's representative must submit to the Bank a document or a power of attorney, which certifies their rights to represent the Customer.
- 5.1.3. The Customer who has applied to the Bank with a complaint (claim) shall be entitled to its examination and receipt of the response in accordance with the procedures specified by the rules.
- 5.1.4. The Customer's complaint (claim) to the Bank has to be submitted in Latvian, Russian or English. A written response by the Bank to the Customer shall be provided in Latvian, Russian or English (respectively, in the language in which the complaint (claim) has been submitted).
- 5.1.5. The Customer shall be entitled at any time during examination of the complaint (claim) to withdraw his or her complaint (claim) in writing. If the Customer has withdrawn his or her complaint (claim) only in a part, the Bank shall examine it in that part in which it has not been withdrawn.
- 5.1.6. The Customer shall be obligated, within the time limit specified in the request of the Bank, to provide to the Bank additional information and documents about the facts and circumstances indicated in the complaint (claim).

5.2. Rights and obligations of the Bank

- 5.2.1. The Bank shall accept the Customer's complaint (claim) and shall examine it under the procedures and within the time periods specified in these Rules.
- 5.2.2. If the Customer has submitted a complaint (claim), in compliance with the requirements of these Rules, the Bank is not entitled to refuse to provide a written response to the complaint (claim) received.
- 5.2.3. The Bank shall not examine anonymous complaints (claims) where the submitter of complaint (claim) is not identifiable, the text is not objectively legible, content of the text is outright abusive and defiant, response to a complaint (claim) is given previously, and the nature of content of the complaint (claim) in relation to legal or actual circumstances specified in the previous complaint (claim) has not changed.
- 5.2.4. The Bank shall not consider the Customer's complaint (claim) regarding the validity of the Bank's charges, or granting, revocation or amendment of the current account credit limit.

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- 5.2.5. For processing of unfounded Payment Card reclamation, the Bank shall be entitled to deduct a commission fee from the Customer's current account in accordance with the Bank's charges.

5.3. Procedure for the submission of (claims) complaints

- 5.3.1. The Customer shall execute the complaint (claim) in writing and shall submit it by means of:
- arriving in person to the Bank's legal address, or at any structural unit of the Bank;
 - sending by postal consignment to AS "Meridian Trade Bank", Elizabetes Street 57, Riga, LV-1772;
 - sending by fax to No. +371 67019149;
 - using the "Multinet" online banking e-mail;
 - sending to the Bank's e-mail address info@mtbank.eu.
- 5.3.2. The submitter of the complaint (claim) in their complaint (claim) should indicate the following particulars:
- 5.3.2.1. for a natural person - given name, surname and contact information – telephone and/or e-mail, (or non-residents of the Republic of Latvia – data of personally identifiable document) address of the place of residence;
- 5.3.2.2. for a legal person – name, registration number and legal address, customer's contact information - telephone and/or e-mail, position, given name and surname of the representative;
- 5.3.2.3. the Customer's account No. (if the Customer has opened an account with the Bank);
- 5.3.2.4. type/ address of the receipt of the response letter;
- 5.3.2.5. nature of the complaint (claim);
- 5.3.2.6. the conditions on which the submitter substantiates his or her complaint (claim);
- 5.3.2.7. demands of the submitter of the complaint (claim);
- 5.3.2.8. a list of the documents enclosed with the complaint (claim);
- 5.3.2.9. the time (date) and the place for drawing the complaint (claim).
- 5.3.3. The complaint (claim) shall be signed by the Customer – a natural person or a representative, but for the Customer – legal person – the person who has the right of representation.
- 5.3.4. The Customer other than a consumer shall be entitled to submit the complaint (claim) not later than within 30 (thirty) days from the date of receipt or notification of the financial service, or the date of termination of the Financial Service Contract, or unless the Service Contract concluded between the Contracting Parties specifies a different period.
- 5.3.5. The Customer being a consumer shall be entitled to submit the complaint (claim) not later than within 24 (twenty four) months from the date of receipt or notification of the financial service, unless the Service Contract concluded between the Contracting Parties specifies a different period.
- 5.3.6. For unauthorized or incorrectly made payment or failure to make a payment (in the terms of the Law on Payment Services and Electronic Money of the Republic of Latvia) immediately, as soon as the Customer has learned of unauthorized or incorrectly made payment or failure to make a payment, but not later than within 13 (thirteen) months from the day when the funds have been deducted from the account or the payment is made, unless the Service Contract concluded between the Contracting Parties specifies a different period.
- 5.3.7. The complaints (claims) by the Customers regarding cash receipt or payment into account, including the amount of issued sum, authenticity or quality of banknotes shall be considered only if they are expressed at the time when appropriate transaction is made and in the presence of the Bank's employee who has conducted the transaction. Waiver to raise objections in accordance with the procedures specified in the present Clause shall be considered to be the Customer's tacit consent to the conditions of the transaction and later the Customer's claim for these transactions shall not be accepted by the Bank.
- 5.3.8. The time of submission of written complaint (claim) shall be considered to be the date of receipt of the document at the Bank.

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- 5.3.9. In the case when the Complaint (claim) does not comply with the provisions of the Clause 5.3.2 and 5.3.3 of the Rules and /or the complaint (claim) has been submitted after expiry of the term specified in Clauses 5.3.4, 5.3.5, 5.3.6 and 5.3.7, the Bank shall be entitled to reject the complaint (claim).

5.4. The complaint (claim) examination procedure

- 5.4.1. The received Customer's complaint (claim) shall be recorded by the Bank in accordance with the existing record-keeping system of the Bank.
- 5.4.2. If the complaint (claim) conforms to the requirements of these Rules, the Bank shall examine it as soon as possible.
- 5.4.3. The Bank shall provide an answer to the Consumer's complaint (claim) within 15 (fifteen) working days from the date of receipt thereof at the Bank.
- 5.4.4. The Bank shall provide a response to the complaint or the claim to the Customer other than a consumer within 30 (thirty) calendar days from the day of receipt thereof at the Bank, unless the Financial Service contract concluded between the Bank and the Customer specifies a different period.
- 5.4.5. In the case if the Bank and the Customer has agreed regarding performance of the requirements and the proposals expressed in the Customer's complaint (claim), the Bank shall not be obliged to provide additional written response.
- 5.4.6. When during examination of the Customer's complaint (claim) the Bank establishes the conditions due to which it is not possible to comply with the time limit for provision of a response, the Bank shall notify the Customer in writing thereof, indicating a reasonable period within which a response will be provided.
- 5.4.7. When examining the complaint (claim), the Bank shall be entitled to request from the Customer any other additional information and documents about the facts and circumstances indicated in the complaint (claim). During examination of the dispute, the Customer shall be entitled to submit to the Bank any explanations and documents, as well as to make their arguments and considerations regarding the existing subject matter of the dispute.
- 5.4.8. The Bank shall provide written response to the complaint (claim). The response shall be sent to the address "Form for Sending Feedback" indicated in the complaint or in the claim. In the event if the Customer has not indicated the way for receipt of the response, then the response is sent to the Customer in the same manner as the complaint (claim) received from the Customer.

5.5. Dispute Settlement Procedure

- 5.5.1. In the event if the Customer is not satisfied with the response to the complaint (claim) provided by the Bank, he or she shall be entitled as follows:
- 5.5.1.1. The Customer may submit a complaint regarding non-cash credit transfer and transactions by electronic payment instruments, to the Association of Commercial Banks of Latvia Ombudsman – in accordance with the "Procedure for Handling of the Complaints of Credit Institution Customers by the Association of Commercial Banks of Latvia Ombudsman (Rules)" approved by the Council of the Association of Commercial Banks of Latvia, the documents referred to in this Clause are accessible to the Customer at the Association of Latvian Commercial Banks website - www.bankasoc.lv/lv/ombuds.
- 5.5.1.2. A consumer shall be entitled to submit a complaint to the Consumer Rights Protection Centre www.ptac.gov.lv. The Consumer Rights Protection Centre shall examine the complaints, shall take the decisions in accordance with of the Consumer Rights Protection Law and the Law on Payment Services and Electronic Money.
- 5.5.1.3. The Customer may submit a complaint to the Financial and Capital Market Commission at www.fktk.lv about the Complaints (Claims) regarding the cases of payment services in accordance with the Law on Payment Services and Electronic Money, if the Customer is not considered to be a Consumer.
- 5.5.1.4. The Customer may refer the dispute between the Bank and the Customer to the Court of Arbitration of the Association of Commercial Banks of Latvia in accordance with the rules and regulations of the Court of Arbitration of the Association of Commercial Banks of Latvia, or courts of the Republic of Latvia according to jurisdiction.

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6. Basic Principles of Entering into Agreements and Transactions

- 6.1. An agreement with the Customer regarding the concrete Transaction is deemed concluded when the Bank has accepted the application of certain form completed and signed by the Customer or the application for a service, and has informed the Customer in a specified manner that the Transaction is being approved and/or has been executed.
- 6.2. A separate written agreement regarding the concrete service of the Bank may be concluded with the Customer. Where the Bank requests the Customer to conclude the written agreement for the concrete Transaction, the Customer shall not be entitled to refuse signature of such agreement, regardless of the application or notice submitted by the Customer.

7. Bank Charges and Other Payments

- 7.1. The Customer shall pay a charge to the Bank for each provided service in accordance with the procedure and amount specified in the Bank's Pricelist, except in cases when the amount and procedure of payment are specified in the Business Documents. The Bank is entitled to quote a reasoned and fair charge for other services which are not mentioned in the Bank's Pricelist but which are necessary to execute the Customer's order, whereby the Customer is entitled to dispute the amount of such charge under the general procedure. Where the Bank and the Customer have agreed on the service to be provided and the remuneration payable for the performance of such to the Bank before provision of the service, the Customer shall no longer be entitled to dispute the amount of such charge.
- 7.2. The Bank's Pricelist is available to the Customer at the Bank's website www.mtbank.eu and in the Customer Service Room during the Bank's hours.
- 7.3. The Bank is entitled to amend the Bank's Pricelist unilaterally at its own discretion, without specially informing the Customer. The amendments to the Bank's Pricelist take effect and become binding on the Customer within 10 days after placement of the amendments at the Bank's website www.mtbank.eu, unless the amendments specify another term for the amendments to come in force. The Customer is entitled, within the above term, to withdraw unilaterally from the Transaction by submitting a written notice to the Bank, provided that the Customer does not have any unsettled liabilities towards the Bank.
- 7.4. The interest on the cash balances in the Customer's accounts is calculated for the daily account balances in accordance with the applicable interest rates quoted by the Bank, or as agreed by the Parties. The interest on balance is calculated assuming that there are 365 days in a year, unless the Special Terms and Conditions indicated otherwise.
- 7.5. The Customer shall become acquainted with the Bank's Pricelist, currency exchange rates, interest rates and other necessary information prior to applying for a service with the Bank.
- 7.6. The Customer shall pay to the Bank all fees related to performance of actions necessary for provision of the Bank's services, and all additional costs of any types, for instance, taxes, duties, etc.
- 7.7. Should the Customer gain yield from the Bank's services, the Bank is entitled to withhold taxes, duties or similar fees as provided for by the applicable legislation of the Republic of Latvia.
- 7.8. The Bank does not control and is not liable for the tax, duty or similar payments made by the Customer which the Customer shall pay for registration or performance of business activities in the country.
- 7.9. The Bank is entitled to acquire, at the Customer's expense, the necessary information, documents and other evidence necessary for performance of the Bank's services, acquisition of information about the Customer, verification of the information provided by the Customer, verification, management or alienation of the collaterals offered by the Customer, as well as for receipt of excerpts from registers, certifications from authorities, insurance documents, direct evidence, etc.
- 7.10. The Bank shall have the right to collect any payments to which the Bank is entitled under these Conditions according to the non-contestable procedure from any of the Customer's accounts. In the event the monies in the Customer's account are insufficient to pay the Charge in the relevant currency, the Bank is entitled to convert monies in another currency in accordance with the Bank's exchange rate as may be valid on the respective date. The minimal unit of unallocated gold conversion to cover bank commissions is 0,01 XAU.
- 7.11. The Charge shall be paid before provision of the service, unless the Bank specifies another procedure of payment of Charges. If the Customer fails to pay the Charge for the Bank's service, the Bank is entitled to suspend provision of the service

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to the Customer without warning the Customer. If the Bank suspends provision of a service to the Customer, the Bank is not liable for the damages to the Customer and other additional costs incurred by the Customer in this regard.

8. Customer Identification Rules

8.1. Definitions:

- 8.1.1. **Customer Identification** - actions performed by the Authorized Employee for verification of the authority and capacity of the Customer and the Customer's representatives.
- 8.1.2. **User Name** - a combination created of figures and letters of the Latin alphabet intended for identification of the Customer in the system "Multinet".
- 8.1.3. **Employee of the Bank's Customer Department** – a relevant employee of the Bank's structural unit who provides for the customer service and who is specifically authorized for this purpose.

8.2. The Bank provides financial services only to the Customers who are fully identified in accordance with the law and these Conditions. The Bank is entitled to request and the Customer has the obligation to provide information and documents about the Beneficial Owners and any transaction performed by the Customer, its business or personal activities, financial situation and sources of funds. Should the Customer refuse to provide the Bank with the reasonably requested information and/or documents, the Bank is entitled to suspend or not to start business relations with such Customer.

8.3. Prior to starting cooperation with a Customer the Authorized Employees take measures to find whether the information identifying the prospective Customer, their reputation and economic situation correspond to the Bank's concept of an eligible customer. The Authorized Employees may verify the authenticity and validity of the documents submitted by the Customer against information provided by public, also foreign, databases and registers (LURSOFT, Invalid Document Registry, Register of Penalties, Population Register, www.documentchecker.com, UK Companies House, etc.), appending a printout to the Customer's file.

8.4. Requirements applicable to the documents submitted or produced by the Customer for the purpose of identification:

- 8.4.1. Original personal identification documents and copies certified by the notary (or where necessary – the translation of the document in Latvian, Russian or English certified by the notary) shall be submitted to (produced at) the Bank.
- 8.4.2. The Authorized Employee is entitled to certify the document copies to be submitted, after verification of such against the original. The Authorized Employee shall make a note on the copy of the personal identification document stating that the original was produced.
- 8.4.3. The documents of those foreign persons with whose countries of origin the Republic of Latvia has not entered into an international agreement on mutual legal assistance and recognition of notary acts must be legalized or apostilled (provided the country issuing the document has joined the Hague Convention of 1961 on abolishment of document legalization).

Certification of the authenticity of documents (legalization) shall mean certification of the authenticity of the signature and the seal provided by a consular official so that documents drawn in one country would acquire legal force in another country. Through legalization, the legal status and authority of the official having signed the document is also certified.

The following measures shall be taken to use a document issued in a foreign country in the Republic of Latvia:

- if the document is issued in the country who is the Contracting State of the Hague Convention of 1961 on Abolishing the Requirements of Legalization for Foreign Public Documents the document's authenticity must be certified with "Apostille" by a competent authority of the said state as provided for by Article 3 of the said Convention. A document drawn so shall no longer require certification by the diplomatic representative office/consular institution of the Republic of Latvia;
- if the document is issued in the country who is not a Contracting State of the Hague Convention of 1961 the document must first be legalized by the diplomatic representative office/consular institution of the Republic of Latvia in the respective country, or first legalized by the diplomatic representative

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office/consular institution of the respective country in Latvia, followed by legalization at the Consular Department of the Republic of Latvia Ministry of Foreign Affairs.

The list of states and territories who are the Contracting States of the Hague Convention of 5 October 1961 on Abolishing the Requirements of Legalization for Foreign Public Documents can be viewed at the Internet address:

<http://www.am.gov.lv/lv/KonsularaInformacija/legalizacija/Hagas-konvencija/>

Certification of authenticity of the document is not necessary:

- for the states with whom the Republic of Latvia has concluded bilateral and multilateral treaties “On Legal Assistance and Legal Relations in Civil, Family and Criminal Matters”, documents drawn or certified within the territory of one Contracting Party by the court or an official person within the scope of its competence, in compliance with the specified form, and sealed with the official stamp are accepted in the territory of the other Contracting Party without any additional certification;
- documents considered official within the territory of one Contracting Party have the effect of proof for official documents in the territory of the other Contracting Party.

The list of countries with whom Latvia has concluded the bilateral agreements on legal assistance and legal relations in civil, family and criminal matters can be viewed at the Internet address:

<http://www.am.gov.lv/lv/KonsularaInformacija/legalizacija/divpus-ligumi/>

8.5. The Authorized Employee is entitled to request from the Customer, at any time, any other document necessary for more complete identification of the Customer and its authorized representative.

8.6. For the Bank to identify the Customer – natural person, they must produce for or submit to the Bank the following documents:

- 8.6.1. a document identifying the Customer’s person (for the citizens of the Republic of Latvia – a valid citizen’s or non-citizen’s passport or personal identification document, for other persons – a valid passport or other traveling document bearing the person’s photograph; for a person who is not a resident of the Republic of Latvia and who has arrived at the Bank themselves only a document valid for entrance into Latvia is deemed to be the document of personal identification);
- 8.6.2. a Power of Attorney where the Customer is represented by an attorney – a natural person or legal entity, i.e. a document signed by the Customer and certified by the notary or a document titled “Power of Attorney” signed by the Customer themselves in the presence of the Authorized Employee, indicating the Customer’s personal identification document data, the attorney’s identification data and the activities for the performance of which the Customer has authorized the attorney. The authenticity of the Customer’s signature under a Power of Attorney signed at the Bank is certified by the signature of the Authorized Employee. The Power of Attorney is appended to the Sample Signature Card and is stored in the Customer’s legal file;
- 8.6.3. a personal identification document of the Customer’s attorney – natural person;
- 8.6.4. documents certifying the authority of the Customer’s attorney – legal entity and the powers of attorney of its representatives (the registration certificate, Articles of Association, documents confirming the position occupied by and the signatory right of the representative of the legal entity (for officials – minutes, decision, order, certificate or a similar document on appointment or election to the position; for authorized representatives – a power of attorney));
- 8.6.5. personal identification documents for the officials with the signatory right of the Customer’s attorney – legal entity;
- 8.6.6. the Customer – natural person, shall submit to the Bank a completed Sample Signature Card certified by the notary or complete it in the presence of the Authorized Employee who certifies the sample signature of the natural person. The Card is used for verification of the authenticity of the signature.

8.7. For the Bank to identify the Customer – legal entity, they must produce for or submit to the Bank the following documents:

- 8.7.1. For companies registered in the Republic of Latvia and other legal entities (residents):
 - 8.7.1.1. Registration Certificate;

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- 8.7.1.2. valid Articles of Association with a mark of registration by the Register of Enterprises or the Commercial Register (where such is stipulated by legislative acts in regard to the concrete form of the business company or other legal entity);
- 8.7.1.3. a document confirming the authority and signatory right of the representative of the legal entity and the expiry of the authority (for officials – documents from the Register of Enterprises or the Commercial Register on registration of the official, and, where possible, minutes, decision, order or a similar document on appointment or election to the position);
- 8.7.1.4. personal identification documents for the Customer's officials with the signatory right – passports or other personal identification documents;
- 8.7.1.5. a Power of Attorney certified by the notary, where the Customer is represented by an attorney, i.e. a document bearing the complete registered data of the Customer: the name, registered office, registration number, persons authorized by the Customer to act on its behalf, their personal identification document data and the acts entrusted to the attorney. The Power of Attorney shall be signed and certified with the Customer's seal (where existent);
- 8.7.1.6. a personal identification document of the Customer's attorney (natural person);
- 8.7.1.7. documents certifying the authority and capacity of the Customer's attorney (legal entity) (the registration certificate, Articles of Association, a document confirming the position occupied by and the signatory right of the representative of the legal entity (for officials – minutes, decision, order, certificate or a similar document on appointment or election to the position; for authorized representatives – a power of attorney);
- 8.7.1.8. personal identification documents (valid traveling documents) for the officials with the signatory right of the Customer's attorney (legal entity);
- 8.7.1.9. the register of members or shareholders as appropriate for the respective form of the Customer.
These Customer identification requirements do not apply to the credit institutions registered in the Republic of Latvia.
- 8.7.2. For companies registered abroad and other legal entities (non-residents):
 - 8.7.2.1. Registration Certificate;
 - 8.7.2.2. the agreement or contract on founding a company (where information is necessary pursuant to Section 6 of the Law on Prevention of Laundering Proceeds from Crime);
 - 8.7.2.3. Articles of Association (where such are required by the legislation of the country of registration);
 - 8.7.2.4. a document confirming the position and signatory right of the representative of the legal entity (minutes, decision, order, resolution/memorandum, certificate or a similar document on the appointment or election of the person to the position);
 - 8.7.2.5. for foreign bank and financial institutions (insurance companies) – a license for performance of the respective activities;
 - 8.7.2.6. other necessary documents according to the requirements of the law of the country of registration;
 - 8.7.2.7. personal identification documents (passport or other document valid for traveling) for the Customer's officials with the signatory right;
 - 8.7.2.8. a Power of Attorney certified by the notary (apostilled or legalized in compliance with Article 8.4.3 where necessary), if the Customer is represented by an attorney – a natural person or legal entity, i.e. a document titled "Power of Attorney" bearing the complete registered data of the Customer: the name, registered office, persons authorized by the Customer to act on its behalf, their personal identification document data and the acts entrusted to the attorney. The Power of Attorney shall be signed and certified with the Customer's seal (where existent);
 - 8.7.2.9. a personal identification document (passport or another valid traveling document) of the Customer's attorney (natural person);
 - 8.7.2.10. documents certifying the authority and capacity of the Customer's attorney or representative (legal entity) (the registration certificate, Articles of Association, a document confirming the position occupied by and the signatory right of the representative of the legal entity (minutes, decision, order, resolution/memorandum,

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certificate or a similar document on appointment or election of persons to the position; for authorized representatives – a power of attorney);

- 8.7.2.11. personal identification documents (a passport or another valid traveling document) for the officials with the signatory right of the Customer's attorney or representative (legal entity);
- 8.7.2.12. the register of members or shareholders as appropriate for the respective form of the Customer, or another document certifying the composition of the members or shareholders (an excerpt from the Register of Enterprises, certificate, bearer share, deed of trust or another document compliant with the legislation of the registration country).

The identification requirements for Customers registered abroad do not apply to credit institutions or financial institutions to which the license has been issued in the country indicated in the list drawn by the Control Service, i.e. countries operating under the laws adopted pursuant to the European Union Council Directive against Use of the Financial System for Laundering the Proceeds from Crime. However, the Bank is entitled to request documents from such institutions where it finds it appropriate.

- 8.7.3. The Customer – foreign bank, opening a correspondent account with the Bank may be released from submitting to the Bank the passports of the persons with the signatory right and the documents certifying the term of the Power of Attorney of the Customer's attorney or representative, provided that it is stated under the agreement on establishment of the correspondent relations that exchange of information shall be only in electronic form and there shall not be any written orders and on the condition the Customer has submitted the Sample Signature and Seal Impression Cards certified by the notary.
- 8.7.4. The Customer – legal entity, shall submit to the Bank the Sample Signature Card certified by the notary, which bears signature samples of the legal entity's representatives and the impression of the seal (where existent), or complete the Sample Signature Card in the presence of the Authorized Employee who certifies the sample signature(s) of the legal entity's representative(s) and the impression of the seal (where existent). The Card is used for verification of the signature authenticity and correspondence of the seal.
- 8.7.5. A Customer other than a legal entity, but a legal subject pursuant to the legislation of the Republic of Latvia or the respective country, shall submit the documents confirming the authority and capacity in compliance with the law, considering the regulations for identification of legal entities.
- 8.7.6. The Authorized Employee is entitled not to request the documents stated in Articles 8.7.1.9 and 8.7.2.12 of the Conditions, where such complies with the provisions of the Bank's internal regulatory documents concerning prevention of laundering proceeds from crime.

8.8. Amendments to or change of the Customer's identification documents

- 8.8.1. Where amendments or changes are made to documents of a natural person or legal entity submitted to the Bank, the Customer shall submit such amendments or changes to or produce them for the Bank. Should the information about the person with the signatory right indicated in the Sample Signature Card change, a new Card shall be made. The old Card shall be stored in the Customer's file.
- 8.8.2. Where any one official with the signatory right of a legal entity is changed or the seal is changed, the Customer shall complete a new Sample Signature and Seal Impression Card and submit to the Bank the documents on the grounds of which the persons with the signatory right were changed.
- 8.8.3. Where the legal entity had only one person with the signatory right, but after some time the signatory right is granted additionally to another person, all documents on the grounds of which the signatory right has been granted to the person and the personal identification document shall be submitted to the Bank. The said additional person is entered in the Customer's Sample Signature and Seal Impression Card and their signature is certified, instead of completing a new Card.
- 8.8.4. Where the term of authority expires for a person with the primary signatory right and documents are submitted for extension of the term of authority, a new Card shall not be completed.
- 8.8.5. Where the term of authority expires for the Customer's person with the signatory right or the personal identification document expires and documents confirming extension of the term of authority of this person or appointment of

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another person with the signatory right are not submitted to the Bank, or a new personal identification document is not produced, the Bank shall not accept the payment orders by such Customer for execution until submission of the above documents to the Bank.

8.9. Operations with the documents submitted for the Customer's identification and their copies

- 8.9.1. The Authorized Employee accepts the identification documents from the Customer and verifies their compliance with these Conditions. Provided the documents submitted by the Customer comply with the Bank's requirements and contain all information necessary for identification and correspond to the concept of an acceptable customer, the Authorized Employee shall sign the application for that they have verified the submitted documents. In the event the documents submitted by the Customer do not comply with the Bank's requirements or the information identifying the Customer, of the information characterizing their reputation and financial situation is stated to be insufficient, the Authorized Employee contacts the Customer to obtain the necessary documents and/or additional information. After receipt of the additional information the Employee decides on forwarding of the documents as provided for by these Conditions or refuses the Customer.
- 8.9.2. The Authorized Employee shall collect all original documents and/or their copies submitted for the Customer's identification, stitch the documents which are on several pages, sign and stamp each document copy with a seal stating "Copy correct", as well as indicate the place, position, their name, surname and the date on which the aforesaid is made. The Authorized Employee shall sign on the copy of the personal identification document and mark it with the stamp "Passport duly produced", as well as indicate the place, position, their name, surname and the date.
- 8.9.3. The original Customer's identification documents and/or copies shall be stored in the Customer's file in accordance with the Bank's requirements.

8.10. Customer identification procedure at the Bank's Customer Department and Inter-bank Operations Department

- 8.10.1. Documents to be submitted for Customer identification to open an account:
 - 8.10.1.1. For their identification and conclusion of an agreement on opening and servicing a demand or time deposit account, the Customer – natural person, shall produce for or submit to the Bank the documents indicated in Article 8.6 of these Conditions and an application for account opening.
 - 8.10.1.2. For their identification and conclusion of an agreement on opening and servicing a demand or time deposit account, the Customer – legal entity, shall produce for or submit to the Bank the documents indicated respectively in Article 8.7.1 hereof (legal entities registered in the RL) or in Article 8.7.2 (companies registered abroad) and an application for account opening.
 - 8.10.1.3. To transfer the share capital when founding a new legal entity the Customer may open a Temporary Account with the Bank, where the owner is not entitled to operate with the account (perform expenditure operations) before registration of the legal entity or submission of another decision of the founders to the Bank. For their identification the Customer shall produce for or submit to the Bank the following documents:
 - the founding agreement (where there are several founders) signed by the founders or their authorized representatives or the founding decision signed by the founder (if founded by one natural person or legal entity);
 - the draft Articles of Association approved and signed by the founders;
 - the notice on the registered office;
 - personal identification documents (passports) of the Customer's officials with the signatory right or authorized representatives.

After the Customer's registration in the Commercial Register (in the Register of Enterprises), upon submission to the Bank of the documents listed in Articles 8.7.1 and 9 of these Conditions the temporary account is transformed into a permanent account or it is closed by disbursing the transferred monies for the share capital according to the Customer's application or the decision of the Commercial Register (Register of Enterprises).

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- 8.10.1.4. Documents of identification to be submitted (produced) for opening of an account for the Customer declared insolvent under the court judgment:
- the Registration Certificate, where at the administrator's disposal;
 - the court judgment under which the Customer is declared insolvent and the administrator is appointed;
 - the decision by the Register of Enterprises or the Commercial Register on registration of the administrator;
 - the administrator's passport
 - the minutes of the Meeting of Creditors, where appropriate.
- 8.10.2. Customer identification for account operations:
- 8.10.2.1. For identification of a natural person, the Bank:
- 1) checks the Customer's personal identification document;
 - 2) verifies whether the account belongs to the person who intends to perform the account operations;
 - 3) compares the person's signature under the payment document with the sample in the Customer's Sample Signature Card.
- 8.10.2.2. For identification of the attorney of a natural person, the Bank:
- 1) verifies whether the person intending to perform account transactions has a valid Power of Attorney and whether it complies with the provisions of the law and these Conditions;
 - 2) verifies the expiry date of the Power of Attorney;
 - 3) compares the attorney's personal data with the data indicated in the personal identification document;
 - 4) compares the attorney's signature under the payment document with that under the Power of Attorney (where applicable) and with the sample on the Sample Signature Card of the Bank.
- 8.10.2.3. For identification of the attorney of a legal entity, the Bank:
- 1) verifies whether all necessary details (the name of the legal entity, registration number, signatures of persons with the signatory right, and the legal entity's seal and account number) are indicated in the payment documents;
 - 2) verifies whether the data indicated in the payment document complies with the information entered in the Bank's registration system;
 - 3) compares the signature(s) of the person(s) and the impression of the seal (where the person has its own seal) under the payment document with the sample(s) in the legal entity's Sample Signature and Seal Impression Card;
 - 4) verifies the expiry dates of the Powers of Attorney of persons with the signatory right and of personal identification documents;
 - 5) checks whether the indicated account is owned by the respective legal entity.
- 8.10.2.4. Should cash be paid into the account and withdrawn from the account of a legal entity, the Bank:
- 1) verifies the check or the application for the cash withdrawal in accordance with Article 8.10.2.3;
 - 2) identifies the person receiving money by verifying the customer's personal identification document and comparing the recipient's data with those indicated in the check or the withdrawal order.
- 8.10.3. Identification of a Customer without an account opened with the Bank, for provision of financial services:
- 8.10.3.1. The Bank shall identify the Customer as provided for by Article 8.10.1 of these Conditions if the Customer without an account with the Bank arrives at the Bank and performs a financial transaction or several interrelated transactions with the scope of such transactions separately or in total equaling EUR 15 000 or over.
- 8.10.3.2. The Bank identifies the Customer as provided for by Article 8.10.1 regardless of the scope of the Customer's financial transactions, if the Bank has suspicion of laundering proceeds from crime or of an attempt of such laundering.
- 8.10.3.3. In the cases described in Articles 8.10.3.1 and 8.10.3.2, before performance of the financial transaction the employee of the Bank's Customer Department requires the Customer to complete the Beneficial Owner Identification Card (Annex 1). Should the Customer refuse to complete the said card, the employee of the Bank's Customer Department shall be forbidden to perform the Customer's financial transaction.

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- 8.10.4. Customer identification procedure in relations with banks and financial institutions (servicing of LORO accounts, interbank transactions, brokerage services and similar):
- 8.10.4.1. For opening of an account the Customer – a bank or financial institution shall submit to or produce for the Bank for their identification:
- 1) an application for the account opening;
 - 2) documents specified in Article 8.7.2;
 - 3) Sample Signature and Seal Impression Cards or signature journal (2 copies) (depending on whether the Customer is a company registered in the member state of the Organization for Economic Cooperation and Development (OECD) or not) and a duly certified copy of the document on appointment of officials to the position;
 - 4) documents specified in Article 9 hereof.
- 8.10.4.2. The Bank verifies the provided information through the Internet databases (www.bankersalmanac.com, www.chips.org, etc.).
- 8.10.4.3. If the correspondent bank is a non-OECD-state bank, it shall submit to the Bank the laws of its country regulating prevention of laundering proceeds from crime and terrorism funding in the Russian or English language (original or officially translated), along with its policy, procedures and other internal regulatory documents of the sector which are used by the Customer for its business.
- 8.10.4.4. The Bank's employee identifies the Customer – the bank or financial institution as a part of their regular actions, in accordance with the means of communication specified in the agreement by using respectively one of the following means of authorization:
- 1) SWIFT notification codes;
 - 2) the electronic signature intended for the Bank's Internet-bank "Multinet";
 - 3) Reuters Dealing 3000 four-digit code;
 - 4) telegraph key;
 - 5) signatures and the impression of the seal (provided the person has its own seal), comparing such with signatures (seal impressions) in the Sample Signature Cards or journals.
- 8.10.5. Remote Customer identification:
Where the Customer uses for servicing of its demand deposit (current) accounts the Internet-bank system "Multinet", the Customer identification is carried out in the Internet-bank system "Multinet" at the time when the Customer connects the system by entering their User Name and the relevant codes and passwords.
- 8.10.6. Customer identification at the cash-desk:
- 8.10.6.1. Upon disbursement of cash, the Cashier shall identify the person receiving the money by verification of the Customer's personal identification document and comparing it with the data indicated in the cash withdrawal order or check.
- 8.10.6.2. Should doubt arise about the Customer's identity upon disbursement of cash, the Cashier shall require the Customer to sign before them and compare the signature with that in the Sample Signature Card and the personal identification document.
- 8.10.6.3. The Cashier shall identify the person who deposits money into an account by verifying the Customer's personal identification document and comparing it with the data in the cash withdrawal order or check.
- 8.10.7. Customer identification by the telephone:
- 8.10.7.1. During the telephone conversation with the Customer or its representative the Bank's Customer department employee clarifies:
- 1) the Customer's name and account number;
 - 2) Telephone Password.
- 8.10.7.2. The Bank's Customer Department Employee verifies the password comparing it with the password in the Bank's registration system:
- 1) if the password is correct, the Bank's Customer Department Employee provides the available information about the Customer's account to the Customer;

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- 2) if the password is not correct, the Bank's Customer Department Employee is prohibited to provide any information about the Customer's account.
- 8.10.7.3. The Telephone Password shall not be a means of authorization for performance of Transactions.

9. Rules for Prevention of Laundering Proceeds from Crime

Pursuant to the requirements of the Law On the Prevention of Money Laundering and Terrorism Financing, the Bank takes the following measures for monitoring the economic activities of the Customers:

- 9.1. Requires the Customer to complete a special form – the Customer Questionnaire in which the Customer indicates the information about the sector and directions of business, the planned account turnover, sources of funds, the beneficial owner (including third parties, where transactions are performed as ordered by these third parties) and other information characterizing their activities; depending on the type of the Customer – natural person or legal entity, resident or non-resident, a bank or other financial institution, - cases are differentiated when the Questionnaire must be submitted and what information must be provided in the Questionnaire:
 - 9.1.1. upon opening an account with the Bank, the Questionnaire shall be submitted by all legal entities and natural persons – non-residents;
 - 9.1.2. a natural person – resident, does not need to complete the Questionnaire when opening an account with the Bank, however, they are requested to complete the Questionnaire in the following cases:
 - if the Customer's average monthly credit turnover in the account exceeds EUR 15 000 or an equivalent in another currency;
 - if the employee of the Customer service unit clarifies during the conversation with the Customer that the Customer is intending performance of business activities.
- 9.2. requires the Customer to submit to the Bank the financial statements (the last balance sheet, the annual report) in the cases stipulated by regulatory documents;
- 9.3. requests the Customer to provide information and submit documents about the Beneficial owners, including third parties, and any transaction performed by the Customer, its personal business activities, financial situation and sources of funds, in the cases and within the scope stipulated by the law and the Bank's regulatory documents.
- 9.4. In the cases stipulated by the law, when the Bank terminates the business relations with the Customer, the Customer's accounts are closed and the funds or financial instruments from them shall be transferred upon the Customer's request exclusively to the account of the same Customer with another financial institution or credit institution from which the Customer's funds or financial instruments have been received or who is registered and provides financial services, including acceptance of deposits, in the country of registration which is another country of the European Economic Area.

10. Procedure of Termination of Agreements and Transactions

- 10.1. Each of the Parties are entitled to terminate unilaterally all or certain contractual relations existing between the Parties by notifying the other Party about termination of the relations as indicated in the said notice no later than thirty calendar days prior to the date of termination, unless otherwise stated in the Special Terms and Conditions.
- 10.2. The Bank is entitled to terminate unilaterally and without a prior notice to the Customer provision of any of the Bank's services and any contractual relations with the Customer in the following cases:
 - 10.2.1. if the Customer violates these Conditions or if the Customer has provided untrue, inaccurate or incomplete information about their person or financial situation;
 - 10.2.2. if there is suspicion that in the name of the Customer a third party is acting who has not been duly identified (clarified) by the Bank;
 - 10.2.3. if there is suspicion about the Customer's relation to laundering proceeds from crime, or an attempt of laundering, or funding of terrorism;
 - 10.2.4. if the Customer permits a legally punishable, unfair or unethical action or if the Bank has grounds to consider further cooperation with the Customer to be such as infringes the Bank's dignity, respect or reputation.

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- 10.3. The Bank is entitled not to service the Customer if the Customer is under alcoholic intoxication or effect of toxic substances, as well as in cases when the Customer is unable to realize their actions or the Customer's actions are indecent and disturbing the Bank's work.
- 10.4. In the event of termination of relations all Customer's operations following from such terminated relations shall become immediately due.
- 10.5. Documents submitted by the Customer upon opening accounts and performing Transactions are not returned to the Customer.

11. Inheritance

- 11.1. In the event of death of the Customer – natural person, the Bank is entitled to request from the persons claiming the Customer's property from the Bank document(s) confirming the entitlement of these persons to the inheritance left by the Customer and to verify the authenticity and completeness of such document(s).
- 11.2. In the event of liquidation of the Customer – legal entity, the Bank is entitled to request from the persons claiming the Customer's funds from the Bank document(s) confirming the entitlement of these persons to the Customer's funds and to verify the authenticity and completeness of such document(s).

12. SPECIAL PART

12.1. Rules for Opening and Servicing Demand Deposit (Current) Accounts

- 12.1.1. A demand deposit (current) account (hereinafter in this Part also referred to as the account) may be opened with the Bank by:
 - 12.1.1.1. a natural person over 18 years of age;
 - 12.1.1.2. an authorized representative entitled under the Power of Attorney to open an account on behalf of a natural person and to operate with it;
 - 12.1.1.3. a custodian of a natural person;
 - 12.1.1.4. an official with the signatory right under the Articles of Association (or another document) of a legal entity;
 - 12.1.1.5. an authorized representative granted the authority under the Power of Attorney to open an account on behalf of a legal entity and operate with it.
- 12.1.2. When opening an account with the Bank the Customer shall submit the documents specified in Sections 9 and 10 of these Conditions and the application for opening a demand deposit (current) account.
- 12.1.3. The Bank is entitled to refuse to open an account for the Customer without explaining the reason of such refusal.
- 12.1.4. The agreement on opening and servicing a demand deposit (current) account is deemed concluded as of opening of the account, whereby it is concluded for an unlimited term. Upon the request by the Customer the Bank issues to the Customer a written confirmation or another proof of opening the account.
- 12.1.5. A multi-currency demand deposit (current) account is opened for the Customer.
- 12.1.6. In order to open a Temporary Account for depositing the share capital upon founding a new legal entity the Customer shall submit to the Bank or complete at the Bank the application for Temporary Account opening.
- 12.1.7. To open a Temporary Account with the Bank, the Customer shall submit the documents specified under these Conditions.
- 12.1.8. A multi-currency Temporary Account is opened for the Customer, in which the Customer cannot perform any debit operations.
- 12.1.9. The Bank Charge for opening and servicing a Temporary Account shall be collected as provided for by these Conditions and the Bank's Pricelist.
- 12.1.10. After registration of the company in the Commercial Register of the RL Register of Enterprises the Temporary Account may be changed into a demand deposit (current) account as provided for by these Conditions and upon submission of the necessary documents, or it is closed by disbursing the deposited share capital amount on the grounds of an application by the Customer or the decision of the Commercial Register.

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- 12.1.11. The Customer shall pay the Charge for opening the account into the Bank's cash-desk before opening of the account or it shall be withdrawn from the first amount deposited in the account without the Customer's order, in accordance with the applicable Bank's Pricelist.
- 12.1.12. The Customer is entitled to perform cash-in-hand operations through payment of cash into the demand deposit (current) account and withdrawing monies from the demand deposit (current) account as provided for by these Conditions.
- 12.1.13. The Customer is entitled to use current account to make and receive non-cash payments. The payment orders submitted by the Customer shall be completed and drawn in accordance with the Bank's requirements. The Customer shall be responsible for accuracy of the details indicated in the payment order and the sufficiency of monies in the account for execution of the payment order and payment of the Charge for the service provided by the Bank.
- 12.1.14. The Customer is entitled to enter into currency sales-purchase transactions with the Bank as provided for by these Conditions and the currency sales and purchase rate approved by the Bank, by issuing the relevant payment orders to the Bank.
- 12.1.15. The Customer is entitled to exercise remote account management by submitting a respective application to the Bank.
- 12.1.16. The Customer is entitled, by submitting a relevant Standing Order Instruction, to make regular payments which the Bank will execute at the prescribed times without a special payment order by the Customer.
- 12.1.16.1. The Customer shall submit to the Bank a Standing Order Instruction which is completed in accordance with the Bank's requirements and provides the following information:
- the number of the Standing Order Instruction;
 - the date of issue of the Standing Order Instruction;
 - the name of the Customer and the number and currency of the base account of the Standing Order Instruction;
 - the payer's uniform registration number for a legal entity or passport data for a natural person;
 - details of the Standing Order beneficiary;
 - aim of the Standing Order;
 - type of conditions for the Standing Order (date and frequency or the account balance);
 - the Standing Order amount or balance (fixed or variable). If the Standing Order currency differs from the base currency of the Standing Order, it is mandatory to indicate the payment currency;
 - the expiry term of the Standing Order Instruction (date or a written withdrawal);
 - the Customer's signature and seal impression, where necessary (there shall be the signature(s) of the person(s) who are indicated in the valid Customer's Sample Signature Card).
- 12.1.16.2. If the monies are insufficient in the base currency for execution of the Standing Order as indicated in the Standing Order Instruction, the Bank may, for execution of the order, exchange any currency according to the exchange rate valid at the Bank on the date of execution of the order.
- 12.1.16.3. The bank does not execute the Standing Order, if:
- the Standing Order Instruction is not completed in accordance with the Bank's requirements and it does not contain all the necessary information;
 - the monies in the account are insufficient for execution of the Standing Order and payment of the Bank Charge for the provided service;
 - the operation of the account is suspended in the cases specified under the laws of the Republic of Latvia or in other cases stated under the agreements between the Bank and the Customer.
- 12.1.16.4. Each unexecuted Standing Order shall be cancelled on the 11th calendar day after the Standing Order execution date stated in the Standing Order Instruction.

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- 12.1.16.5. The Bank shall not be liable for the accuracy of the details of the Beneficiary indicated in the Standing Order.
- 12.1.16.6. The Bank shall not be liable for any damages incurred by the Customer or the Beneficiary in the event the Standing Order has not been executed in the cases specified in Article 12.1.16.3 of these Conditions.
- 12.1.16.7. If the Standing Order expiry term is not indicated in the Standing Order Instruction the Instruction is deemed submitted for an unlimited term until its written withdrawal.
- 12.1.16.8. The Customer is entitled to withdraw the Standing Order Instruction as provided for by the Bank. The Standing Order ceases on the date of termination of the Standing Order service.
- 12.1.16.9. The Bank is entitled to terminate use of the Standing Order service without a prior warning:
- if the Account operations are suspended in the cases stipulated by the laws of the Republic of Latvia or in other cases specified under agreements between the Bank and the Customer;
 - if the Standing Orders are not executed for 10 times in succession due to reasons beyond the control of the Bank.
- 12.1.17. The bank provides for preservation of the monies transferred into the Customer's demand deposit (current) account.
- 12.1.18. The Bank executes the Customer's payment orders in compliance with the regulatory documents of the Bank of Latvia and the procedure and terms stated in the Bank's regulations, including these Conditions.
- 12.1.19. When accepting for execution the Customer's payment document, the Bank's employee shall verify the correctness of the completed payment document, the Customer's signature and seal (where existent) and their compliance with the samples and the sufficiency of monies necessary for the transfer in the Customer's account. Acceptance of the payment order is confirmed with the signature and seal of the Bank's employee on the copy of the Customer's payment document.
- 12.1.20. Should the Customer submit several payment documents for the total amount which exceeds the monies available to the Customer and the Customer does not request the Bank to execute the above in a specific sequence, the Bank is entitled to execute such payment documents in a free sequence at its own discretion, however, where the total payment amount does not exceed the monies in the Customer's account, each of the payments shall be executed in full.
- 12.1.21. Disbursement of cash from the Customer's account shall be within the limits of the free balance, on the grounds of a check or order of a certain form issued by the Bank. To withdraw cash exceeding the amount of EUR 15 000 or an equivalent amount in another currency the Customer shall order the necessary amount of cash at the Bank two days beforehand.
- 12.1.22. The Bank is entitled not to execute the Customer's payment order if its has been completed violating the rules applicable at the Bank, or if there are insufficient monies in the Customer's account for execution of such and payment for the service provided by the Bank. The Bank shall not be liable for correctness and lawfulness of the Customer's operations. The Bank shall execute the Customer's payment orders within the terms specified in the valid Pricelist of the Bank and in the Credit Transfer Rules (Section 12.3), but the Bank shall not be liable for default or failure of execution of the payment arising from acts or omissions of other banks involved in making the said payment. The Bank's obligations regarding the execution of the accepted Customer's payment order are deemed completed as of the acceptance of the payment order by the Recipient Bank.
- 12.1.23. The Bank shall not be held liable for damages caused to the Customer due to default of execution of the payment order or loss of the transfer, or a fault and distortion of the transfer as a result of insufficiency or damage of communication channels, differences in time zones, fluctuations of exchange rates and other circumstances beyond the Bank's volition and capacity.
- 12.1.24. The Bank is entitled to withdraw, under uncontested proceeding, monies from the Customer's account which have been transferred into the account by fault (without legal substantiation). In the event of insufficiency of monies in the account, the Customer agrees to transfer monies to the demand deposit (current) account immediately upon the bank's request, in order to write off the amounts transferred by fault.

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- 12.1.25. Account statements
- 12.1.25.1. In the application for opening the demand deposit (current) account the Customer indicates the regularity and form of the Account Statement or indicates that they do not require receipt of such.
- 12.1.25.2. In the Account Statement the Bank reflects all transactions in the Customer's account within a specified period of time and indicates the account balance at the beginning and end of the said period.
- 12.1.25.3. The Account Statement is drawn in the official language. The Bank may draw the Account Statement in another language by agreement with the account holder.
- 12.1.25.4. The Bank may issue the Account Statement upon the Customer's request:
- 1) electronically, provided there is a respective agreement with the Customer;
 - 2) as a hard copy.
- 12.1.26. The Bank is entitled not to commence or to suspend servicing a demand deposit (current) account and refuse to execute the Customer's orders, where the Bank does not possess sufficient information and documents characterizing the Customer's business activities.
- 12.1.27. Where operations are not performed in a demand deposit (current) account for more than 12 (twelve) months, or where the Customer fails to provide for the minimum account balance specified in the Bank's Pricelist, the Bank is entitled to terminate the contractual relations unilaterally and to close such account without prior warning of the Customer.
- 12.1.28. The Bank is entitled not to close the Customer's demand deposit (current) account if such account is related to another service provided by the Bank.
- 12.1.29. The Parties agree that the Customer's claims regarding execution of payment orders may be submitted to the Bank in terms stated in Paragraph 5 "Rules for Examination of the Customer's out-of-court complains (claims)" of the Terms' General Part. The Bank will not accept for examination any claims submitted after stated terms.
- 12.1.30. The Customer is entitled to close the demand deposit (current) account unilaterally without indicating the reason of termination but by notifying the Bank 10 (ten) calendar days beforehand.
- 12.1.31. The Bank is entitled to close the demand deposit (current) account unilaterally without indicating the reason of termination but by notifying the Customer 2 (two) months beforehand.
- 12.1.32. The Bank is entitled to close the Customer's demand deposit (current) account unilaterally without a prior warning, but with further notification, if the Customer is failing these Conditions or is performing them insufficiently.

12.2. Rules of the Remote Customer Service System

12.2.1. Rules of "Test key" service and use

- 12.2.1.1. On the grounds of the Customer's Application for Use of the Remote Customer Service System the Bank may grant to the Customer the right (option) to use "Test key" which provides for servicing the Customer's demand deposit (current) accounts opened with the Bank and for issuing any other instructions and confirmations within the scope of the services provided by the Bank in accordance with these Conditions.
- 12.2.1.2. An Instruction shall be a payment order (instruction), order, application, notice or another document submitted by the Customer for performance of the account servicing operations at the Bank.
- 12.2.1.3. "Test key" is a unique combination of digits calculated by a program-generated table of digits in accordance with the User Manual which is a part of the Customer's Instruction. The *test key* is used to authorize (electronically sign) all types of Instructions by the Customer and ensure and determine the authenticity of these Instructions where such are transmitted by telex, fax or other electronic communication channels.
- 12.2.1.4. The Bank and the Customer equal the "Test key" to the electronic signature.
- 12.2.1.5. The agreement on use of the "Test key" is deemed concluded with submission of the relevant application by the Customer to the Bank and receipt by the Customer in a sealed envelope of the program-generated table of digit codes (hereinafter referred to as the Table) to be used as provided for by the User Manual.

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- 12.2.1.6. Instructions authorized (electronically signed) with the correct “*Test keys*” are recognized by the Bank and the Customer as valid, effective documents equal to the original documents signed by the Customer’s authorized representative and marked with the Customer’s seal, and such shall serve as the basis for making of respective entries, drawing of information, dispute resolution at any institution, submission of documents for tax administration or other state or public administration authorities, and the wording of such shall not be disputed. The Bank does not verify the compliance of the Customer’s signature and seal impression under a document signed with the “*Test key*”.
- 12.2.1.7. The Customer is entitled, by using the “*Test key*”, to operate with their monies in the demand deposit (current) account (to manage the account) at the Bank by dispatching an authorized Instruction for performance of banking operations, as provided for by the agreements concluded between the Bank and the Customer, the internal procedures at the Bank, including as specified in these Conditions, and by the applicable laws of the Republic of Latvia.
- 12.2.1.8. The Bank is entitled to withhold execution of the Instruction and require additional directions and instructions which specify the previous Instruction, as well as to request additional information and confirmation from the Customer for their more accurate identification or approval of the Instruction.
The Bank is entitled not to execute the Customer’s Instruction, where the Bank has suspicions regarding the Customer’s identity or authenticity of the Instruction, and the bank has not succeeded in contacting the Customer to confirm the Instruction, if the Customer does not comply with the provisions of these Conditions and if the Customer’s Instruction is unclear or distorted due to connection disturbances.
- 12.2.1.9. The “*Test key*” and the Tables are confidential information and the Customer shall undertake all liability for their storage and lawfulness of use as of their receipt. The Bank shall not accept any Customer references, complaints and objections regarding unlawful use of the “*Test key*” and Tables by third parties.
- 12.2.1.10. The Customer shall provide for such conditions which exclude unauthorized access to the “*Test key*” and the Tables and the Customer is aware of and undertakes all risks related to use of the “*Test key*”, Tables and electronic communication channels outside the Bank.
- 12.2.1.11. In the event the “*Test key*” and Tables become (could have become) available to a third party, the Customer shall inform the Bank immediately. The Bank shall not be liable for payment operations and other transactions with monies in the account performed by using a correct “*Test key*” before the Bank receives a written instruction on suspension of operations by the Customer.
After receipt of the Customer’s written warning about disclosure of confidential information the Bank annuls the “*Test key*” and Tables issued to the Customer.
- 12.2.1.12. The agreement on “*Test key*” use is deemed concluded for an unlimited term. The Parties are entitled to suspend and terminate use of “*Test key*” at any time by notifying the other Party in writing 30 days beforehand.
- 12.2.1.13. The agreement on “*Test key*” use shall be terminated automatically when the Customer’s demand deposit (current) account is closed.

12.2.2. Rules of service and use of the system “DIGIPASS”

12.2.2.1. Definitions:

- 12.2.2.1.1. **DIGIPASS** – an electronic device used for generation of unique passwords according to a user instruction for that the information necessary for performance of banking operations can be exchanged between the Bank and the Customer through telefax, telex, e-mail, Internet, “*Multinet*” and other communication channels;
- 12.2.2.2. On the grounds of the Customer’s Application for Use of the Remote Customer Service System the Bank may grant to the Customer the right (option) to use “*DIGIPASS*” which provides for servicing the Customer’s demand deposit (current) accounts opened with the Bank and for issuing any other instructions and confirmations within the scope of the services provided by the Bank in accordance with these Conditions.

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- 12.2.2.3. An Instruction shall be a payment order (instruction), order, application, notice or another document submitted by the Customer for performance of the account servicing operations at the Bank.
- 12.2.2.4. "DIGIPASS" is used to generate codes and authorize (electronically sign) all types of Instructions by the Customer and ensure and determine the authenticity of these Instructions where such are transmitted by telex, fax or other electronic communication channels.
- 12.2.2.5. The Bank and the Customer equal the codes generated by "DIGIPASS" to the electronic signature.
- 12.2.2.6. The agreement on use of the "DIGIPASS" is deemed concluded with submission of the relevant application by the Customer to the Bank and receipt by the Customer of the system "DIGIPASS" to be used as provided for by the User Manual.
- 12.2.2.7. Instructions authorized (electronically signed) with the correct codes generated by "DIGIPASS" are recognized by the Bank and the Customer as valid, effective documents equal to the original documents signed by the Customer's authorized representative and marked with the Customer's seal, and such shall serve as the basis for making of respective entries, drawing of information, dispute resolution at any institution, submission of documents for tax administration or other state or public administration authorities, and the wording of such shall not be disputed. The Bank does not verify the compliance of the Customer's signature and seal impression under a document signed with the "DIGIPASS".
- 12.2.2.8. The Customer is entitled, by using the codes generated by "DIGIPASS", to operate with their monies in the demand deposit (current) account (to manage the account) at the Bank by dispatching an authorized Instruction for performance of banking operations, as provided for by the agreements concluded between the Bank and the Customer, the internal procedures at the Bank, including as specified in these Conditions, and by the applicable laws of the Republic of Latvia.
- 12.2.2.9. The Bank is entitled to withhold execution of the Instruction and require additional directions and instructions which specify the previous Instruction, as well as to request additional information and confirmation from the Customer for their more accurate identification or approval of the Instruction.
The Bank is entitled not to execute the Customer's Instruction, where the Bank has suspicions regarding the Customer's identity or authenticity of the Instruction, and the Bank has not succeeded in contacting the Customer to confirm the Instruction, if the Customer does not comply with the provisions of these Conditions and if the Customer's Instruction is unclear or distorted due to connection disturbances.
- 12.2.2.10. "DIGIPASS" and codes generated by it are confidential information and the Customer shall undertake all liability for their storage and lawfulness of use as of their receipt. The Bank shall not accept any Customer references, complaints and objections regarding unlawful use of the "DIGIPASS" by third parties.
- 12.2.2.11. The Customer shall provide for such conditions which exclude unauthorized access to the "DIGIPASS" and the Customer is aware of and undertakes all risks related to use of the "DIGIPASS" and electronic communication channels outside the Bank.
- 12.2.2.12. In the event the "DIGIPASS" becomes (could have become) available to a third party, the Customer shall inform the Bank immediately. The Bank shall not be liable for payment operations and other transactions with monies in the account performed by using a correct code generated by the "DIGIPASS" before the Bank receives a written instruction on suspension of operations by the Customer.
- 12.2.2.13. After receipt of the Customer's written warning about disclosure of confidential information the Bank annuls the "DIGIPASS" issued to the Customer.
- 12.2.2.14. The agreement on "DIGIPASS" use is deemed concluded for an unlimited term. The Parties are entitled to suspend and terminate use of "DIGIPASS" at any time by notifying the other Party in writing 30 days beforehand.
- 12.2.2.15. The agreement on "DIGIPASS" use shall be terminated automatically when the Customer's demand deposit (current) account is closed.

12.2.3. Rules of service and use of the system "Multinet"

- 12.2.3.1. Definitions:

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- 12.2.3.1.1. **Internet banking system** (*"Multinet"*) – an electronic settlement system, where the exchange of information between the Customer and the Bank required for performance of the banking operations is taking place through the global INTERNET network;
 - 12.2.3.1.2. **Login Name** – a combination created from numbers and letters of Latin alphabet, which is intended for the identification of the Customer;
 - 12.2.3.1.3. **Login Password** – a combination created from numbers and letters of Latin alphabet, which provides for the Customer the access to and the commencement of use of the Internet banking system;
 - 12.2.3.1.4. **Order** – the Customer's payment assignment (order), commission, statement, application or other document submitted via the Internet banking system for the performance of banking operations;
 - 12.2.3.1.5. **User Manual** – a document created by the Bank explaining how to deal with the Internet banking system, and which is presented to the Customer by signature to the Application for use of the Customer remote service system;
 - 12.2.3.1.6. **Electronic Signature** – logically associated electronic data included in the Order, which confirm the Customer's identity and ensure the authenticity of the Order. The Bank and the Customer equalize approval of the Order to the Login Name, Login Password and *"DIGIPASS"* generated code/ Code card code for an electronic signature entered into the Internet system.
 - 12.2.3.1.7. **Code card** – special card issued by the Bank, bearing figures with eight digits which are used for the customer identification in the *"Multinet"* Internet banking system and for authorization of the Orders received from the Customer;
 - 12.2.3.1.8. **DIGIPASS** - electronic device which, in accordance with the relevant user instruction, generates single-use passwords used to connect to the *"Multinet"* and the authorized (electronically signed) customer's Orders of all types and to ensure and to determine the authenticity of these Orders if they are transferred via the Internet banking system. The Customer shall be obligated to receive *"DIGIPASS"* to carry out operations in the Internet banking system, which are equivalent to exceeding EUR 15,000.00.
- 12.2.3.2. On the basis of the Customer's Submission regarding use of the Customer Remote Service System, the Bank may grant the right (opportunity) to the Customer to use the Internet banking system through the global INTERNET network and by ensuring servicing of the Customer demand deposit (settlement) accounts opened with the Bank and other deposit accounts and the availability of information thereon, as well as the performance of other operations of the Bank provided in the *"Multinet"* in accordance with the Rules.
- 12.2.3.3. On the basis of Submission by the Customer regarding use of the Customer Remote Service System, the Customer shall have the right (opportunity) to use the approach to the Internet banking system only from certain IP address (es) that will allow the Bank to control the location of connection to the Internet banking system.
- In the cases where the Internet service provider uses dynamic Internet addresses for the connection of Internet, the Customer must specify entire range of the used Internet addresses, which is rendered to them by the Internet service provider. By means of connection of several Internet service providers, the Customer is required to specify the range of addresses used by the respective Internet service providers.
- 12.2.3.4. Agreement on the *"Multinet"* use shall be considered to be entered into from the time when the Customer has submitted the relevant submission to the Bank and has received in a sealed envelope the Login name and Login Password along with the Code card or *"DIGIPASS"*, which shall be confirmed by the Customer affixing his or her signature.
- 12.2.3.5. The Customer shall be entitled to read the information by means of *"Multinet"*, and to deal with his or her money on the deposit accounts (to manage accounts) at the Bank, by sending an authorized Order at any time of the day. The Bank shall accept the Order for execution during the Bank working hours, pursuant to the

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- provisions of the contracts entered into between the Customer and the Bank, the procedure prescribed in the Bank and the requirements of the existing regulatory enactments of the Republic of Latvia.
- 12.2.3.6. The Orders send by means of the "Multinet" if these are drawn up and transmitted by using the correct Electronic Signature, the Parties shall recognise as valid and effective documents, which are equivalent to the document originals signed by the Customer or the Customer's authorised representative, which are bearing the Customer's stamp imprint, and these shall serve as a basis for making appropriate records, for shaping information, dispute resolution in any institution, submission of documents to the tax administration or other State authorities and administrative bodies, and the text thereof cannot be contested.
- 12.2.3.7. The Internet banking system services are available on the INTERNET network (address: <https://www.multinetbank.eu>) on-line, 24 hours a day, with the exception of the execution of the Orders, which the Bank executes during its working hours, and, in the events when interruptions in operation of the Internet banking system and service updating are required, during interruptions of the power supply and in other similar scheduled and unscheduled events. In the case of scheduled interruptions the Bank shall duly notify the Customer with regard to restrictions of the service access.
- 12.2.3.8. The Customer shall be obligated, when for the first time connecting to the Internet banking system, before commencement to use it, to change the Login Password (hereinafter in the present Section referred also to as the Password). If the Customer fails to comply with the obligations provided for in the first sentence of the present Clause, the Bank shall not be liable for any losses incurred by the Customer due to this.
- 12.2.3.9. After the first login of the Customer to the Internet banking system and the change of the Password, the Password is only known to the Customer, and he or she shall be entitled to change it independently. In the event if the Customer has forgotten the Password, the Bank after the Customer's identification provides him or her with an opportunity to enter a new password.
- 12.2.3.10. Login name, Password, and Code table keys or "DIGIPASS" are secret information. From the date of receipt thereof, the Customer shall bear all the responsibility for the legality of storage and use thereof. The Bank shall not accept the Customer's references, reservations and objections to illegal use of the Password and the Code table keys/ "DIGIPASS" by third parties.
- 12.2.3.11. If the secret information has become (or may have become) disclosed to a third party, the Customer should immediately notify the Bank thereon. The Bank shall not be held liable for payment operations and other transactions with the funds in the account, which have been made using proper Electronic Signature, until the Bank has received from the Customer an order in writing for suspension of the operations.
- 12.2.3.12. Access to the Internet banking system services can be locked immediately, if the Customer:
- 12.2.3.12.1. for five times enters the Password incorrectly;
 - 12.2.3.12.2. for three times incorrectly enters the Code table key or the "DIGIPASS" generated code;
 - 12.2.3.12.3. if the Internet banking system equipment, software, or data connections used by the Customer, poses a threat to the safety of services;
 - 12.2.3.12.4. if the Bank suspects unauthorized use of services, including attempts to circumvent the security system;
- 12.2.3.13. The Customer is obligated to formulate the orders promptly and properly. The Orders must be executed in compliance with the requirements prescribed by the Bank, through indication of the correct details of the beneficiary. When executing the Orders, the Bank shall not be held responsible for errors, inconsistencies and inaccuracies resulting from operational errors or interruptions of information and communication systems, networks, et al., outside the Bank, resulting from vague, incomplete, inaccurate or incorrect instructions and orders by the Customer, et al. reasons which have been caused due to grounds beyond control of the Bank.
- 12.2.3.14. The Bank shall execute the Orders according to their content, without checking the accuracy of the details of payment and other operations or instructions by the Customer. However, if these manifestly do not comply with the true details known by the Bank, the Bank shall be entitled, but not obligated, to retain performance of the Order and to require from the Customer additional instructions and guidelines to specify the previously

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received instructions and guidelines. Additional expenses incurred by the Bank when following such orders are covered at the Customer's expense and payable in accordance with the existing service tariffs of the Bank.

- 12.2.3.15. When entering the Orders or performing any other activities offered by the "Multinet", the Customer must act with utmost care, in compliance with the procedure prescribed in the User Manual.
- 12.2.3.16. If the Customer needs assistance or advice in matters related to the use of "Multinet", he or she may call or take personal interest at the Bank.
- 12.2.3.17. The Customer should ensure the conditions excluding unauthorized access to the "Multinet" by means of the Customer's Electronic Signature, and he or she is aware of and assumes all the risks associated with the use of Internet banking system and electronic means of communication beyond the Bank.
- 12.2.3.18. The Customer shall be obligated to authorize, i.e., to confirm with the Electronic Signature each Order, which is submitted to the Bank via "Multinet". The Customer confirms agreement to the rights but not the obligation of the Bank, at its discretion, to require additional information and confirmation from the Customer for his or her better identification or approval of the Order.
- 12.2.3.19. The Bank shall be under obligation in accordance with the procedures specified in the Rules and in the User Manual to provide the Customer with information regarding situation of the Customer's accounts connected to the Internet banking system, to accept the Orders, as well as to perform other activities related to the Internet banking system.
- 12.2.3.20. The Bank shall be entitled to retain performance of the Order and to request additional instructions and guidelines, which specify the previously received Order, as well as to request additional information and confirmation from the Customer for his or her better identification or approval of the Order.
- 12.2.3.21. The Bank shall be entitled to avoid execution of the Customer's Order in the case if:
 - the Bank has doubts as to the identity of the Customer or authenticity of the Order and the Bank has failed to contact the Customer for the latter to confirm the Order;
 - the Customer fails to comply with the requirements of the present Rules;
 - the Customer's Order is unclear or distorted due to communication disturbances.
- 12.2.3.22. The Customer is obligated to respect the procedure for use of the Internet banking system prescribed by the User Manual and to ensure the technical requirements set forth by the Bank for use of the Internet banking system.
- 12.2.3.23. The Customer shall assume the responsibility and all the risks related to unauthorized use of the Internet banking system and of the electronic means of communication.
- 12.2.3.24. The Customer agrees that the Bank will record all the activities performed by him or her through the Internet banking system and, if necessary, will use these records for the purpose of supporting implementation of the Orders made and proof of the operations performed.
- 12.2.3.25. Agreement regarding the use of "Multinet" is considered as being concluded for an indefinite period of time. The Parties shall be entitled at any time to discontinue the use of the Internet banking system and to terminate the contract regarding the use of "Multinet", at 30 days prior notification thereon in writing to the other Party.
- 12.2.3.26. Agreement regarding the use of "Multinet" shall be automatically terminated by closure of the demand deposit (settlement) account for the Customer.

12.3. Credit Transfer Rules (Rules for Performance of Bank Transfers)

12.3.1. Definitions:

- 12.3.1.1. **Credit Institution** – a business company (commercial company) which corresponds to the definition stated in the Credit Institution Law of the Republic of Latvia and whose business activities contain performance of bank transfers;
- 12.3.1.2. **Payer** – a natural person or legal entity who initiates the credit transfer by submitting a payment order to the Credit Institution, which is the first payment order for the credit transfer;

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- 12.3.1.3. **Payee** – a natural person or legal entity indicated in the payment order, who has to receive the credit transfer amount as a result of completion of the credit transfer;
- 12.3.1.4. **Payment Order (Instruction)** – an uncontested order submitted in writing or electronically by the Payer to the Credit Institution to execute the transfer of monies;
- 12.3.1.5. **Credit Transfer** – a sequence of payments initiated by the Payer's bank upon the Payer's initiative with an aim to pass an amount of money to the Payee;
- 12.3.1.6. **Internal Credit Transfer** – a credit transfer in which the Payer and the Payee – both being the customers of the Bank, are involved;
- 12.3.1.7. **Outgoing Transfer** – a credit transfer in which several Credit Institutions are involved, the Payer's account is opened with the Bank;
- 12.3.1.8. **Incoming Transfer** – a credit transfer in which several Credit Institutions are involved, the Payee's account is opened with the Bank;
- 12.3.1.9. **Payer Bank** – the institution to which the Payer submits the Payment Order;
- 12.3.1.10. **Recipient Bank** – a credit institution indicated in the Payment Order who has to transfer the monies received as a result of the completed credit transfer into the Payee's account or otherwise disburse it to the Payee;
- 12.3.1.11. **Intermediary Bank** – a credit institution involved in performance of the credit transfer which is neither the Payer Bank nor the recipient Bank;
- 12.3.2. The Bank executes payments in the Customer and bank multi-currency accounts on the basis of Payment Orders through performance of the Credit Transfer (hereinafter in this Section also referred to as the Transfer).
- 12.3.3. The Payment Order shall be drawn in accordance with these Rules.
- 12.3.4. The Bank's workday shall be the day which is recognized as a workday for the Bank.
- 12.3.5. These Rules shall apply both to the internal and inter-bank transfers. In the internal transfer AS "Meridian Trade Bank" shall be both the Payer Bank and the Recipient Bank. In an inter-bank transfer the Payer Bank, Intermediary Bank and the Recipient Bank shall be different banks.
- 12.3.6. PERFORMANCE OF CREDIT TRANSFERS FOR CUSTOMERS
 - 12.3.6.1. The Bank performs Credit Transfers from the Customer's account, provided there are sufficient monies in it. The Bank ensures an additional verification of the Credit Transfer in the cases stipulated by the laws of the Republic of Latvia.
 - 12.3.6.2. The Bank shall perform the credit transfer of monies from the Customer's account in accordance with the directions stated in the Customer's Payment Order.
 - 12.3.6.3. The Customer shall indicate in the Payment Order the details necessary for performance of the Credit Transfer as provided for by Article 12.3.7 of these Conditions.
 - 12.3.6.4. The Customer is entitled to ask for assistance in completion of the Payment Order at the Bank and/or clarify the details necessary for performance of the Credit Transfer. The Bank agrees to provide the Customer with the necessary assistance and information within the scope of its competence.
 - 12.3.6.5. If the Customer has failed to indicate all necessary details, the Bank is entitled, but not obliged, to request additional information from the Customer. If the Bank does not succeed in obtaining more accurate Payment Order details it shall be entitled not to execute the Order.
 - 12.3.6.6. The Bank is entitled to choose individually the routing for the Credit Transfer to the Recipient Bank. If the Customer has not indicated in their Payment Order the Recipient Bank's correspondent bank for the Credit Transfer currency, the Bank is entitled to select the Recipient Bank's correspondent bank without approval with the Customer. If the selection of the Recipient Bank's correspondent bank by the Bank has been incorrect and the Credit Transfer is returned to the Bank, the Bank shall repeatedly transfer the returned monies at its own expense. If the repeated Credit Transfer is not executed the returned Credit Transfer amount shall be transferred to the Customer's account.

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- 12.3.6.7. The amount indicated in the Payment Order is withdrawn from the Customer's account on the date of receipt/approval of the Payment Order.
- 12.3.6.8. Pursuant to these Conditions and the Bank of Latvia's "Credit Transfer Rules", the Credit Transfer is deemed completed when the Recipient Bank accepts the Payment Order dispatched by the Bank.
- 12.3.6.9. If the Credit Transfer not exceeding 50 000 EUR or an equivalent in another currency is performed in the currency of any of the countries of the European Economic Area or in EUR and only the Latvian banks and the banks of the countries of the European Economic Area are involved in the transaction, 5 Bank workdays shall be the maximum period within which the Customer's monies are deposited into the Payee's bank account, as of commencement of execution of the Payment Order.
- 12.3.6.10. Should the Customer indicate all details necessary for the Credit Transfer and there be sufficient monies in the account, but the Transfer fail to reach the Recipient Bank in due time, the Bank shall be held liable in the cases and within the capacity specified by the Bank of Latvia.
- 12.3.6.11. Should the Transfer be performed through using one or several Intermediary Banks abroad, through foreign payment systems, etc., the Bank does not undertake to complete the Transaction within a concrete period of time.
- 12.3.6.12. In the event the Customer's payment is not executed due to the fault of another bank involved in the transaction, the Bank agrees, upon the Customer's request, to take measures for liquidation of damages and to return the funds to the Customer immediately after regain of such.
- 12.3.6.13. All Intermediary Bank, correspondent bank and Recipient Bank charges related to the Credit Transfer shall be paid by the Payee or the Customer depending on what is indicated in the Customer's Payment Order:
- 12.3.6.13.1. where the charges are paid by the Payee, the Bank dispatches the payment to the correspondent bank or the Recipient Bank indicating that the charges are paid by the Payee. The Intermediary Banks and/or the Recipient Bank withhold the charges from the transferred amount and the remainder of the amount shall be deposited in the Payee's account;
- 12.3.6.13.2. where the charges are paid by the Customer/Payer, the Bank dispatches the payment to the correspondent bank or the Recipient Bank indicating that the charges are paid by the Customer. The Intermediary Bank or the Recipient Bank shall deposit the whole transferred amount in the Payee's account. The Bank shall not be held liable for that the Intermediary Bank or the Recipient Bank do not comply with the Bank's directions, or for that the whole amount of the Transfer is not received due to other reasons beyond the control of the Bank. The Bank is entitled to debit the Customer's account for the eventual additional charge as required by the Intermediary Bank and/or the Recipient Bank;
- 12.3.6.13.3. If the Customer indicates in the Order that the Payer Bank's charges are paid by the Payer, but the Intermediary Bank and Recipient Bank's charges are paid by the Payee, then the payment-related Bank charge shall be paid by the Payer, while the Payee shall pay the charge of the Intermediary Bank and the Recipient Bank, and the Bank dispatches the payment to the Intermediary Bank or the Recipient Bank with a relevant indication.
- 12.3.6.14. Should currency exchange be necessary to make the payment, the Bank's internal exchange rate applicable as at the respective date shall be used for the Transfer. The exchange rate shall be marked in the Payment Order. Where the Customer submits a Payment Order in a concrete currency for the amount which exceeds the Customer's account balance in this currency, the Bank shall be entitled to use for execution of this Order the funds in other currencies in the Customer's account at the Bank's own discretion. In such case the Bank's foreign currency exchange rate for bank transfers as at the respective date shall apply.
- 12.3.7. **BASIC PRINCIPLES OF COMPLETING AND EXECUTING THE PAYMENT ORDER**
- 12.3.7.1. The Bank executes the Credit Transfer of funds from the Customer's account according to the directions in the Customer's Payment Order, with consideration of the procedure and provisions specified in these Conditions. For a Credit Transfer from the account, the Customer shall complete two counterparts of the Payment Order

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regardless of the type of currency (except when the account is managed through the remote account management system).

12.3.7.2. Completion of the following columns in the Payment Orders shall be mandatory:

12.3.7.2.1. For an Outgoing Transfer:

- 1) number of the Payment Order, date of completion, type of payment, amount of the Credit Transfer in figures and with words in the relevant currency;
- 2) information about the Payer:
 - for legal entities - name of the Customer (Payer), account number, address, registration number (for RL residents), country code (where a RL resident and a RL non-resident are parties to the transaction);
 - for natural persons - name, surname of the Customer (Payer), account number, country code (where a RL resident and a RL non-resident are parties to the transaction);
- 3) full name of the Recipient Bank and correspondent bank, the addresses and bank codes (SWIFT, CHIPS, BLZ, ABA ROUTING, SORT CODE), external payment code (where a RL resident and a RL non-resident are parties to the transaction), as well as other transfer details necessary for the Credit Transfer, if required so by the Recipient Bank or the laws of the Recipient Bank's country;
- 4) information about the Payee:
 - for legal entities – account number, name, registration number (for RL residents), address (at least the state and the city);
 - for natural persons – account number, name, surname, address (at least the state and the city) ;
- 5) in the column of the Payment Order “purpose of payment” (or “information for the payee”) the Customer shall enter information (maximum 140 characters) for the Payee in the Latvian, Russian or English language. Should the Customer need, upon performance of the Transfer, to translate the text from/to the Latvian, Russian or English language, the Customer orders and entrusts the Bank to provide for the relevant translation. In the column “information for the bank” the Customer may indicate whether the Customer needs the approval of transfer of the payment, or enter other information.

12.3.7.2.2. For Internal Transfers:

- 1) Order number, date of completion, type of payment, Credit Transfer amount in figures and with words in the respective currency;
- 2) information about the Payer:
 - for legal entities - name of the Customer (Payer), account number, address, registration number (for RL residents), country code (where a RL resident and a RL non-resident are parties to the transaction);
 - for natural persons - name, surname of the Customer (Payer), account number, country code (where a RL resident and a RL non-resident are parties to the transaction);
- 3) the Payee's details:
 - for legal entities - account number, name, address, registration number (for RL residents), external payment code (where a RL resident and a RL non-resident are parties to the transaction);
 - for natural persons - account number, name, surname.
- 4) in the column of the Payment Order “purpose of payment” (or “information for the payee”) the Customer shall enter information (maximum 140 characters) for the Payee in the Latvian, Russian or English language. Should the Customer need, upon performance of the Transfer, to translate the text from/to the Latvian, Russian or English language, the Customer orders and entrusts the Bank to provide for the relevant translation. In the column “Information for the bank” the Customer may indicate whether the Customer needs the approval of transfer of the payment, or enter other information for the Bank.

12.3.7.3. The Bank shall not be liable for that the Intermediary Bank or the Recipient Bank have failed to follow the Bank's directions, or for that the whole amount of the Credit Transfer has not been received due to reasons beyond the control of the Bank. The Bank is entitled to withhold the charges requested by the Recipient Bank or otherwise related to this Transfer from the Customer's account without the Customer's

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order (under uncontested procedure), considering the Customer's indication regarding the payment of the charge.

- 12.3.7.4. The Payment Order shall be signed by persons with the Signatory Right, or persons holding means of identification analogous to the Customer's signature (test-key, authorization password in the Internet Bank System and similar). The Customer shall formulate their orders for the Bank in a clear and unambiguous manner.
- 12.3.7.5. The Bank accepts the submitted Payment Orders in accordance with the procedure prescribed by the Bank of Latvia's "Credit Transfer Rules", performing all necessary order processing procedures, if the following conditions have been complied with:
- the Payment Order contains all information necessary for its execution;
 - the Bank has received the necessary amount of money, except in the case where the Payer and the Bank have agreed that it is not necessary upon acceptance.
- 12.3.7.6. The Customer's Payment Order shall be valid for 10 (ten) calendar workdays after the date of its Customer's acceptance. The Customer's Payment Order shall not be executed and shall be annulled after 10 days if the monies in the Customer's account are insufficient for execution of the Order and/or payment of the Bank charges. In such case the Bank shall not be held liable for execution of the Order given to the Bank.
- 12.3.7.7. In inter-bank Credit Transfers, the Bank has performed its obligations following from the submitted payment document or the received order as of the moment the respective Transfer is withdrawn from the Bank's correspondent account as provided for by these Conditions and the rules of the Bank of Latvia. The Bank shall not be held liable for disbursement of the respective amount to the Payee indicated in the Order.
- 12.3.8. VERIFICATION OF THE PAYMENT ORDERS SUBMITTED BY THE CUSTOMER
- 12.3.8.1. The Bank verifies the authenticity, completeness, genuineness and validity of the Payment Orders submitted by the Customer. The Bank shall be liable solely for failure to observe an obvious counterfeit (without application of special measures), should such be permitted when performing the said activities.
- 12.3.8.2. The Customer shall submit or dispatch to the Bank such Orders that are clearly readable, correctly completed, without corrections and deletions.
- 12.3.8.3. The Bank is entitled not to comply with the Order performance term indicated by the Customer, where its execution within such term is not possible according to the existing bank practices. In such cases the Bank shall not be liable for damages incurred by the Customer due to delayed performance of the assignment. The Bank shall not be liable for damages incurred by the Customer due to the Customer's failure to indicate the term of performance in the Payment Order.
- 12.3.8.4. Should the Bank have doubts about the authenticity of the submitted Order the Bank is entitled to require confirmation of the transaction from the Customer and not to execute the Customer's order until receipt of the confirmation. In such case the bank shall not be liable for damages caused to the Customer due to delayed execution of the order indicated in the document.
- 12.3.8.5. All Payment Orders shall be signed on behalf of the Bank by the Authorized Employees. Signatures of the bank's employees and the Bank's seal on the operation documents shall mean that they are accepted and passed for execution.
- 12.3.8.6. The Customer shall be liable for damages arising from delusion of the Bank by the Customer, or due to the Customer's negligence, and as a result of acts of third parties, where the Bank has incorrectly identified the Customer's signature, impression of the seal or other means of identification on the Bank's operation documents and the incompliance was not obvious.
- 12.3.8.7. Where the Bank has correctly identified the Customer's electronic signatures, passwords, identification codes and similar in accordance with the relevant agreement, the Bank assumes that it has identified the Customer. The Customer shall be liable for the safety of the means of identification issued to them. The Customer shall be liable for the damages due to possession of the Customer's means of identification by third parties.
- 12.3.9. WITHDRAWAL AND CORRECTION OF THE PAYMENT ORDER

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- 12.3.9.1. The Customer is entitled to request the Bank to withdraw the Payment Order. The Customer shall complete an application for withdrawal of the Payment Order.
- 12.3.9.2. By accepting the Customer's application for withdrawal of the Payment Order the Bank does not guarantee that the amount will be returned.
- 12.3.9.3. If the Credit Transfer has not yet been sent from the Bank, but its processing has started, the Bank takes all necessary measures not to execute such Payment Order.
- 12.3.9.4. The Bank collects a charge on withdrawal of the Payment Order in accordance with the applicable Bank's Pricelist.
- 12.3.9.5. If the Credit Transfer has been executed, the Bank takes the necessary measure to regain the transferred amounts and contacts, within its capacity, the Recipient Bank or the Intermediary Banks, or the direct Payee to regain the transferred monies.
- 12.3.9.6. Upon receipt of the amount of the Customer's unexecuted Credit Transfer from the Recipient Bank or the Intermediary Bank, the Bank transfers the received monies into the Customer's account.
- 12.3.9.7. The payer may correct the Order by submitting to the Bank the Order correction or addition. The Bank puts a charge on announcement of corrections or additions to the Recipient Bank or Intermediary Bank in accordance with the applicable Bank's Pricelist.
- 12.3.10. **PERFORMANCE OF INCOMING CREDIT TRANSFERS**
 - 12.3.10.1. The Bank performs depositing of monies in the Customer's account in accordance with the directions stated in the incoming Payment Order.
 - 12.3.10.2. The Payment Order shall contain the full IBAN (*International Bank Account Number*) (account number) and the correct name of the Customer.
 - 12.3.10.3. Monies shall be deposited in the Customer's account after receipt of the statement of the relevant correspondent bank account.
 - 12.3.10.4. In addition, in order to prevent depositing of monies of unknown origin in the accounts of the Bank's Customers, regardless of compliance with the provisions of Article 12.3.10.2, the Bank shall not deposit the monies into the Customer's account if the incoming payment has been received from a bank which is registered in any of the countries listed in Annex 2 hereof and the payment order details do not present the following information:
 - the name of the Payer;
 - the Payer's address;
 - the Payer's account number;
 - information about the purpose of the payment.
 - 12.3.10.5. Upon receipt of such Payment Orders the Bank contacts the Customer and requests additional information about the essence of the payment.
 - 12.3.10.6. Where the Customer does not reply within 3 workdays, the Bank is entitled to request information from the Payer Bank.
 - 12.3.10.7. If the Payer Bank does not provide information within 10 workdays, the payment is returned to the Payer.

12.4. Rules of Performance of Transactions with Cash-in-hand

- 12.4.1. Disbursement of cash within the limits of the balance of the account shall be exclusively upon the Customer's request which may be submitted both verbally and electronically through the remote servicing system as provided for by these Conditions or on the basis of the Bank's check.
- 12.4.2. A person with the signatory right registered with the Bank shall be entitled to receive cash upon verbal request.
- 12.4.3. The Customer shall produce a Personal Identification Document to the Bank before disbursement of cash.
- 12.4.4. When disbursing the cash, the employee of the Bank's Customer Department (the Cashier) shall prepare and disburse the relevant amount of money verifying its correctness in the Customer's presence. The Customer shall check the correctness of the received amount in the Cashier's presence. The Bank shall bear no liability in the event

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the Customer does not want to check the correctness of the amount at the cash-desk. The Bank does not accept any complaints by the Customer raised after receipt of the amount of money.

- 12.4.5. To receive cash over EUR 15 000,- or an equivalent in another currency, the Customer shall order the necessary amount of cash at the bank two days beforehand. Should the Customer order and later refuse to receive the ordered amount, the Bank is entitled to withdraw under uncontested procedure the bank charge according to the Bank's Pricelist from any of the Customer's accounts.
- 12.4.6. The Cashier issues to the Customer the disbursal order as a document which proves disbursement of cash, whereby the Customer shall sign it.
- 12.4.7. Payment of cash into the Demand Deposit (Current) Account, Card Account, Deposit Account, Savings Account or Escrow Account may be performed by any person, in compliance with these Conditions and Customer identification.
- 12.4.8. When paying cash into the account the Customer shall provide the account name, the account number, the amount and cash.
- 12.4.9. Payment into the account of a legal entity- resident shall be on the basis of an invoice issued by the Customer. If the natural person making the payment cannot produce the invoice, the Cashier shall identify this person by requesting production of the Personal Identification Document.
- 12.4.10. If it is planned to make the payment in the name of a legal entity who is not the Bank's Customer, the Bank shall consider the person actually making the payment to be the payer:
 - 12.4.10.1. if the paid amount is an equivalent of EUR 15 000 or more and the Customer cannot produce the documents necessary for identification;
 - 12.4.10.2. if the equivalent of the paid amount is smaller than EUR 15 000 but the person cannot name the registration number of the legal entity.
- 12.4.11. Upon making a payment in cash the Cashier verifies the amount and checks whether the banknotes are not counterfeit in the presence of the Customer so that the Customer sees the whole procedure of checking and counting of the notes.
- 12.4.12. The Cashier issues the receipt order to the Customer as a document which proves payment of the cash, whereby the Customer signs it.
- 12.4.13. Should any characteristics of counterfeit money be detected, the Cashier shall seize such cash and draw a statement for its further transfer to the competent state authorities.
- 12.4.14. The Bank is entitled to perform cash transactions with certain banknotes or coins, if their processing at the Bank is problematic and limited.

12.5. Rules of Check Servicing

- 12.5.1. The Customer may withdraw cash from the account on the grounds of the Bank check.
- 12.5.2. The Bank issues the checkbook with checks to the Customer on the basis of a verbal application by the Customer. The Charge for issue of the checkbook shall be collected from the Customer according to these Conditions and the Bank's Pricelist.
- 12.5.3. The Customer shall store the checkbook in a safe place, preventing access of third parties to it. The Bank shall not be liable for the Customer's damages in the event third parties have used the Customer's checkbook maliciously, provided the Bank has not violated these Conditions.
- 12.5.4. Crossed-out, corrected, incorrectly filled in, torn, crumpled or stained checks are deemed invalid and the Bank does not accept such for execution.
- 12.5.5. The term of validity of a drawn check shall be 8 (eight) days, including the date of drawing the check.
- 12.5.6. A drawn check submitted to the Bank for execution shall contain the following details:
 - date of issue;
 - place of issue;
 - beneficiary's name, surname, identity number (for a resident), passport number (for a non-resident);
 - beneficiary's signature;

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- the amount in figures, the currency, the amount with words – the line “Amount with words” shall be started without indentation and with the big initial letter. The currency shall follow immediately the amount stated with words without any indentation. The amount in figures shall correspond to the amount with words;
 - the name of the Customer (issuer) – the name of a legal entity or the name and surname of the natural person;
 - issuer’s registration certificate number (according to the applicable law) or identity number for a natural person;
 - issuer’s current account number(s) from which the amount indicated in the check and the charge according to the Bank’s Pricelist is to be withdrawn;
 - the Customer’s (issuer’s) signature and/or seal.
- 12.5.7. All details in the check shall be filled out in the pen of the same color, in the same handwriting.
- 12.5.8. The Bank accepts checks for execution exclusively from the Customer to whom such check is issued.

12.6. Currency Exchange (Purchase) Rules

- 12.6.1. Definitions:
- 12.6.1.1. **Currency** – a unit of currency of a country and an unallocated gold (XAU);
 - 12.6.1.2. **Currency Exchange Transaction** – purchase and/or sale of disposable funds or non-cash funds in currency for other currency, purchase and/or sale of an unallocated gold (XAU) for the currency made by the Bank and the Customer;
 - 12.6.1.3. **Value Date** – the Bank’s workday on which the Bank performs the Currency Exchange Transaction;
 - 12.6.1.4. **TOMORROW** – a Currency or Unallocated Gold (XAU) Conversion Transaction with the Value Date on the next Bank workday after the Transaction date according to the exchange rate valid as at entering into the Transaction;
 - 12.6.1.5. **SPOT** – a Currency or Unallocated Gold (XAU) Conversion Transaction with the Value Date on the second Bank workday after the Transaction date according to the exchange rate valid as at entering into the Transaction;
- 12.6.2. The Bank performs Currency Exchange Transactions in the EU and other currencies indicated in the list of the Bank’s correspondent banks. The Bank exchanges other currencies only in cases when such is agreed with the Customer.
- 12.6.3. The Bank makes XAU Customer forward transactions only via bank transfer, that means the Customer’s claim to the Bank of a certain amount of unallocated gold only via bank transfer in troy ounces (1 troy ounce = 31.1034768 grams).
- 12.6.4. The Bank makes unallocated gold (XAU) transfers only between the Bank’s Customers.
- 12.6.5. Bank charges a commission for completing of unallocated gold (XAU) transactions and account maintenance according to Bank price list. The commission is charged in any currency available on the Customer’s current account, in case of insufficient funds the commission is deducted from the balance in XAU.
- 12.6.6. The Currency Exchange Transactions shall only be performed according to the Bank’s general exchange rate valid as at the given date.
- 12.6.7. A Currency Exchange Transaction according to the special exchange rate is deemed concluded when the Customer has verbally (by telephone) agreed with the Bank on the Currency to be purchased, the amounts, the exchange rate and the Value Date. The Customer agrees that the Bank shall audio-record this telephone conversation. In the event of dispute or complaints the Parties consider the said audio-record a sufficient evidence for agreement on the Currency Exchange Transaction and its content.
- 12.6.8. The Customer shall submit an application for Currency exchange to the Bank on the date of the Currency Exchange Transaction before the deadline indicated in the Bank’s Pricelist.
- 12.6.9. The Bank shall execute the Customer’s application for the Currency exchange only after receipt of such application and provided the Customer has a sufficient balance in their demand deposit (current) account or has paid a sufficient amount of cash at the Bank’s cash-desk.
- 12.6.10. If the Customer has not submitted the application for the Currency exchange or has not provided sufficient balance in their demand deposit (current) account, or has not paid a sufficient amount of cash at the Bank’s cash-desk, the Currency Exchange Transaction is deemed terminated and the Customer shall cover all costs and damages caused to the Bank due to such act by the Customer. The scope of costs shall be calculated as the difference between the

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exchange rate on which the Bank and the Customer had agreed when approving the Currency Exchange Transaction and the market exchange rate at which the Bank carries out the contrary exchange transaction with this Currency.

12.6.11. TOMORROW and SPOT

- 12.6.11.1. For entering into a TOMORROW or SPOT transaction the Customer shall approve with the Bank the respective rate, the amount and the Value Date, and submit to the Bank a relevant application for exchange of monies.
- 12.6.11.2. TOMORROW or SPOT are performed under the application for Currency exchange on the Value Date according to the exchange rate on which the Customer and the Bank have agreed as at entering into the respective Transaction.
- 12.6.11.3. For execution of TOMORROW and/or SPOT the Bank is entitled to block the monies in the Customer's demand deposit (current) account in the amount of 10% of the respective total amount of TOMORROW and/or SPOT which shall serve as a financial security. After completion of TOMORROW and/or SPOT the Bank shall unblock the Customer's monies.
- 12.6.11.4. On the date of execution of TOMORROW and SPOT the Customer shall provide for the necessary monies in the respective Currency in their demand deposit (current) account according to the provisions of the respective Transaction. Should the Customer fail to comply with the said requirements, the Bank shall perform the contrary Currency Exchange Transaction to the TOMORROW or SPOT transaction entered into by the Customer according to the market Currency exchange rate. Should any damages arise, the Bank shall cover such from the Customer's monies and/or other funds of the Customer as provided for by Article 12.6.8.3 of these Conditions.

12.7. Escrow Account Servicing Rules

12.7.1. Definitions:

- 12.7.1.1. **Escrow Account** – a demand deposit account opened by the Bank in order to ensure performance of mutual contractual obligations of the Customer and a Third Party, from which disbursements are made as provided for by the Agreement upon compliance with the specified conditions;
 - 12.7.1.2. **Third Party** – a party(-ies) towards whom the Customer has particular contractual obligations;
 - 12.7.1.3. **Agreement** – (for the purposes of this Section) an agreement on opening and servicing the Escrow Account, which is concluded between the Bank, the Customer and the Third Party.
- 12.7.2. A precondition for conclusion of the Agreement shall be the demand deposit (current) account opened in the name of the Customer with the Bank.
- 12.7.3. If the Customer expresses an intent to conclude the Agreement, the Bank requests from the Customer the information necessary for opening and servicing of the Escrow Account, and namely:
- 12.7.3.1. what obligations are secured with the Escrow Account (where necessary, the Bank may request the Customer to submit written explanations);
 - 12.7.3.2. the document (draft) certifying the contractual obligations for securing of which the Escrow Account is opened;
 - 12.7.3.3. identification documents of the Third Party.
- 12.7.4. After receipt of all necessary information the Bank shall draw the draft Agreement containing the following information:
- 12.7.4.1. place and date of conclusion of the Agreement;
 - 12.7.4.2. identification data of the Bank, the Customer and the Third Party;
 - 12.7.4.3. Escrow Account number;
 - 12.7.4.4. amount of monies to be transferred into the Escrow Account;
 - 12.7.4.5. the date before which the monies shall be transferred to the Escrow Account;
 - 12.7.4.6. documents to be submitted for disbursement of the monies from the Escrow Account and the procedure of disbursement;
 - 12.7.4.7. the Bank's Charges;
 - 12.7.4.8. where there is such agreement – the interest rate calculated of the balance in the Escrow Account;
 - 12.7.4.9. term of the Agreement;

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- 12.7.4.10. signatures of representatives of the Bank, the Customer and the Third Party;
 - 12.7.4.11. other information according to the transaction rules.
- The Agreement shall contain a provision on that the Bank shall not be liable for failure of the obligations between the Customer and Third Party.
- 12.7.4.12. The Bank shall approve the draft Agreement with the representatives of the Customer and the Third Party before its signature.
 - 12.7.4.13. The Customer and the Third Party shall sign the Agreement before the Bank's authorized employee who shall firstly identify the representatives as provided for by Section 8 of these Conditions.
 - 12.7.4.14. The Bank shall calculate interest of the balance in the Escrow Account only where such is provided for by the Agreement.
 - 12.7.4.15. According to the concluded Agreement, the Bank shall draw a letter (account statement) in which it informs the Customer or the Third Party (as specified in the Agreement) about the amount transferred into the Escrow Account, the date of transfer and the withdrawn Bank Charge.
 - 12.7.4.16. The Agreement may be extended or amended upon request by the Customer and the Third Party. The agreement on extension or amending of the Agreement shall be drawn by the Bank and it shall be signed by all parties to the Agreement.
 - 12.7.4.17. Monies in the Escrow Account shall be blocked, i.e. no debit operations are permitted in the Escrow Account.
 - 12.7.4.18. Disbursal of monies from the Escrow Account shall be performed in accordance with the provisions of the Agreement, with the respective party submitting the documents indicated in the Agreement to the Bank. The Bank shall only accept original documents; acceptance of copies is not permitted.
 - 12.7.4.19. The Bank shall verify the compliance of the submitted documents to the provisions of the Agreement as to their form and content. The Bank shall not be liable for damages incurred by the Customer or the Third Party, should such arise due to fraud.
 - 12.7.4.20. The original documents shall be issued to the Customer or the Third Party, before which the Bank makes the copies of such documents, unless the Agreement does not provide for otherwise.
 - 12.7.4.21. Where the submitted documents do not comply with the provisions of the Agreement, the Bank shall inform the person who submitted the documents, indicating the imperfections.
 - 12.7.4.22. The person who transferred the monies is entitled to withdraw, under uncontested procedure, all remaining monies from the Escrow Account, except the Charge pertaining to the Bank, after the term specified in the Agreement. In such case all remaining monies in the Escrow Account shall be disbursed to the person who transferred the monies according to the procedure specified under the Agreement. After disbursal of all monies from the Escrow Account, the Bank shall close the escrow Account.

12.8. Rules of Issue and Servicing of Letters of Credit

12.8.1. Definitions:

- 12.8.1.1. **Letter of Credit** – a document issued by the Bank under which the Bank agrees, upon the Customer's request, to pay the Letter of Credit Amount to its recipient against documents, provided such correspond to the terms and conditions of the Letter of Credit and UCP 600;
- 12.8.1.2. **Beneficiary** – the recipient of the Letter of Credit, normally the seller;
- 12.8.1.3. **Letter of Credit Amount** – the maximum amount on which the Letter of Credit has been issued;
- 12.8.1.4. **Application for Issue of the Letter of Credit** – an application made according to the form specified by the Bank, which is submitted to the Bank by the Customer and on the basis of which the Bank issues the Letter of Credit, but the Customer ensures that the Letter of Credit Amount necessary for making the payment is deposited in the demand deposit (current) account so that the Bank can debit this account for the respective sum of money;
- 12.8.1.5. **Sales-Purchase Contract** – a contract under which the ownership title to the goods passes from the seller to the buyer for a particular price expressed in money and payable by the buyer. An international sales-purchase

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contract is a contract whose conclusion, performance and liability for whose termination is regulated by the 1980 UN Vienna Convention on Contracts for the International Sale of Goods;

- 12.8.1.6. **UCP 600** - "Uniform Customs and Practice for the Letters of Credit", Paris publication No. 600 by International Chamber of Commerce, wording of 2007;
- 12.8.1.7. **Letter of Credit Expiry Date** – the date indicated in the Letter of Credit as its expiry, on which the documents indicated in the Letter of Credit shall be submitted to the bank indicated in the Letter of Credit;
- 12.8.1.8. **Letter of Credit Issue Date** –the date indicated in the Letter of Credit as its date of issue after which the Bank has the obligation of payment towards the Beneficiary;
- 12.8.1.9. **Document Payment Rules** – rules specifying the manner of payment (immediate payment, postponed payment, acceptance of the bill of exchange, negotiation of the bill of exchange and the documents) and a bank authorized to pay (Nominated Bank).
- 12.8.2. A precondition for issue of the Letter of Credit shall be the demand deposit (current) account opened in the name of the Customer with the Bank.
- 12.8.3. Import letter of Credit
 - 12.8.3.1. The Bank shall not undertake the credit risk and issue the Letter of Credit, provided the Customer permits the Bank to block the Customer's monies in the demand deposit (current) account in the amount of the Letter of Credit as the Letter of Credit security.
 - 12.8.3.2. The Bank issues the Letter of Credit on the basis of a written Application for Issue of the Letter of Credit by the Customer. The application form shall be issued to the Customer upon their request by the Bank's employee after the Customer has become acquainted with these Conditions.
 - 12.8.3.3. The Customer (buyer) shall provide the following information in the Application for Issue of the Letter of Credit:
 - full name, address of the Customer;
 - the Letter of Credit Amount in figures and with words, and the currency;
 - the Letter of Credit Expiry Date and place;
 - the name of the bank authorized to execute the letter of credit;
 - full name, address and bank details of the Beneficiary;
 - type of the Letter of Credit;
 - type of payment;
 - product delivery rules (INCOTERMS);
 - the final freight loading date;
 - place of loading the freight;
 - place of delivery;
 - description of goods;
 - list of documents necessary for payment of the Letter of Credit;
 - bank charge payment rules for the participant banks.
 - 12.8.3.4. In the Application, the Customer authorizes the Bank to debit their account in favor of the Bank for the minimum amount of the Letter of Credit and the Bank's charges (where applicable).
 - 12.8.3.5. The Customer may dispatch the Application to the bank in electronic form, provided the relevant agreements have been concluded between the Customer and the Bank.
 - 12.8.3.6. The Customer (buyer) shall submit the concluded Sales-Purchase Contract to the Bank together with the Application for Issue of the Letter of Credit. Such Sales-Purchase Contract may be drawn in two modes:
 - if the parties to the contract have not met in presence, it shall consist of two documents – the offer and the accept and they shall be in writing (letters, faxes, etc.);
 - if the parties to the contract met in presence, it shall be one document – the sales-purchase contract.
 - 12.8.3.7. The Bank accepts the Application for Issue of the Letter of Credit by making a relevant note on it.
 - 12.8.3.8. The Bank is entitled to refuse issuance of the Letter of Credit to the Customer without explaining its reasons.

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- 12.8.3.9. The Letter of Credit shall be issued in accordance with the Customer's Application for Issue of the Letter of Credit no later than 3 (three) Workdays after blockade of the Letter of Credit Amount in the Customer's demand deposit (current) account and dispatched to the seller's bank indicated in the Application.
- 12.8.3.10. The Application for Issue of the Letter of Credit shall be irrevocable as of its acceptance by the Bank.
- 12.8.3.11. The Bank shall draw and issue the Letter of Credit in accordance with UCP 600.
- 12.8.4. Export Letter of Credit
 - 12.8.4.1. When receiving the notice of the buyer's bank about opening an export Letter of Credit in favor of the Customer (the Beneficiary) the Bank shall inform the Customer about it.
 - 12.8.4.2. The Bank dispatches the notice and the copy of the received Letter of Credit to the Customer by fax or electronic mail, or issues it to the Customer against signature.
 - 12.8.4.3. If the Customer does not agree to the provisions of the Letter of Credit they shall submit to the Bank an application written in a free form indicating the reasons for not agreeing with the provisions of the Letter of Credit.
 - 12.8.4.4. If the provisions of the Letter of Credit are fully compliant with, the Customer exports the goods and submits to the Bank the documents specified in the Letter of Credit.

12.9. Rules of Issue and Servicing of Payment Cards

- 12.9.1. Definitions:
 - 12.9.1.1. **Account Period** – a period of time for which the Bank surveys the Transactions made with the Card (one month);
 - 12.9.1.2. **Authorized Credit Interest** – interest payable by the Customer for use of the Authorized Credit according to the rate stated by the Bank, assuming that there are 360 days in a year;
 - 12.9.1.3. **Authorized Credit** – an amount which the Bank permits to use in addition to the Card Account balance;
 - 12.9.1.4. **Statement** – a monthly excerpt of the situation of the Card Account;
 - 12.9.1.5. **Transaction** – (for the purposes of this Section) Debiting or Crediting the Card Account and operations in which the Card is used according to the Agreement for payment for goods and services and withdrawal of cash;
 - 12.9.1.6. **Debit** – to reduce the Card Account balance;
 - 12.9.1.7. **Application** – (for the purposes of this Section) application for the payment card;
 - 12.9.1.8. **Expenditure Limit** – the amount comprising the Card Account balance and the Authorized Credit;
 - 12.9.1.9. **Card** – an international payment card issued by the Bank (*Eurocard/MasterCard, Maestro, Cirrus, Visa, Visa Electron*), which is issued by the Bank as provided for by these Conditions and the Customer's Application;
 - 12.9.1.10. **Card Account** – a current account opened in the name of the Customer, which is Credited and Debited according to the Transactions performed by the Card's User and the Customer;
 - 12.9.1.11. **Card's User** – a natural person authorized by the Customer to use the Card Account, for whose name the Card is issued;
 - 12.9.1.12. **Customer** – (for the purposes of this Section) a natural person or legal entity or another legal subject in whose name the Card Account is opened in accordance with these Conditions;
 - 12.9.1.13. **Credit** – to increase the Card Account balance;
 - 12.9.1.14. **Agreement** – an agreement between the Bank and the Customer on issue and servicing of the payment card, which is deemed concluded as of the date on which the Customer submits the Application to the bank and receives the Card;
 - 12.9.1.15. **Contractual Penalty** – 1) default interest payable by the Customer in the event of exceeding the Authorized Credit;
2) the overdue amount and additional default interest payable by the Customer in the event of failure to renew the minimum balance;
 - 12.9.1.16. **Minimum Balance** – the minimum amount specified by the Bank by which it is necessary to add to the Card Account before the date indicated in the Statement;

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- 12.9.1.17. **Security** – (for the purposes of this Section) the security accepted by the Bank for performance of the Customer's obligations;
- 12.9.1.18. **PIN Code** – the person's identification number allocated to the Card's User, which is issued together with the Card and which is used by the Card's User as the signature of the Card's User for certification of particular Transactions.
- 12.9.2. Within 10 days after receipt of the Application the Bank shall pass a decision of issuance of the Card. In the event of refusal the Bank is entitled not to explain the refusal.
- 12.9.3. This Section of the Conditions regulates use and servicing of cards which is further governed by *Visa International* and *MasterCard International* rules (according to the type of card) (available respectively at www.visa.com and www.mastercard.com) and legislative acts of the Republic of Latvia.
- 12.9.4. The Card's PIN Code equals the signature of the Card's User for confirmation of the Transaction. In the event the PIN Code is used, it shall be used strictly in accordance with the instructions of the respective automatic teller machine or payment card terminal.
- 12.9.5. The annual fee for the Card is withdrawn on the first month of validity of the Card both for the new and renewed Cards. The Customer is not entitled to withdraw the deposited annual fee from the Card Account before the end of the first month of the Card's use.
- 12.9.6. Card production terms:
Urgent Cards – within 1 workday, not counting the day on which the Application is received.
Regular procedure – 4 workdays, not counting the day on which the Application is received.
- 12.9.7. The Bank collects a Charge for urgent production of Cards in accordance with the Bank's Pricelist.
- 12.9.8. Should the Customer's employer discontinue transfer of the salary to the salary Card Account the Bank shall change the status of the Card from the salary card to standard without informing the Customer about it. In such case the Customer shall pay the Bank's standard Charge for the Card servicing according to the Bank's Pricelist.
- 12.9.9. The Customer shall pay for the Bank's services related to issue of the Card, opening of the Account and Transactions in accordance with the Bank's Pricelist. The Bank is entitled to collect monies from the Card Account without the Customer's separate order for all payments of the Customer as provided for by these Conditions and the Bank's Pricelist, including by increasing the negative balance of the Card Account. The Bank is entitled to cover the debt from the Security or any other account of the Customer with the Bank.
- 12.9.10. USE OF THE CARD AND CARD ACCOUNT
- 12.9.10.1. The Card is the property of the Bank and the Customer shall immediately submit it to the Bank upon the Bank's first request.
- 12.9.10.2. The Card can be used by the person whose name, surname and signature are on the Card.
- 12.9.10.3. Obligations of the Customer and the Card User:
- to sign in the space intended for the Card's signature sample immediately after receipt of the Card;
 - to keep the PIN Code secret;
 - immediately report to the Bank about loss or theft of the Card and also in the event the PIN Code has become or might have become known to an unauthorized person;
 - not to exceed the Expenditure Limit;
 - not to use the Card after its expiry and submit it to the Bank;
 - to sign the Transaction documents (should there be any) verifying beforehand that the amount stated in the document corresponds to the actual amount;
 - not to sign any documents confirming a Transaction if the Transaction amount is not known;
 - not to exceed the Authorized credit;
 - to require at point of sale that the Transaction with the Card is performed in the presence of the Customer and before their eyes (except Internet Transactions);
 - to follow the Card's validity term and after its expiry to arrive at the Bank to receive a Card with a renewed validity term.

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- 12.9.10.4. The Card's User shall be fully liable for all Transactions performed with the Card.
- 12.9.10.5. The Customer shall be liable for provision of true and accurate information on the Card Users to the Bank and for introduction of the Card Users with these General Terms and Conditions of AS "Meridian Trade Bank".
- 12.9.10.6. The Customer shall be liable for performance of the obligations under this Agreement and compliance with these Conditions and shall undertake full financial liability for the Transactions performed by the Card Users, as well as agree to report to the Bank all changes related to the information indicated in the Application.
- 12.9.10.7. In the event of insolvency of the Customer all card users shall be jointly liable.
- 12.9.10.8. With signing under the Agreement the Customer confirms that they are the beneficial owner of the monies and that the source of the monies transferred into the Card Account is lawful/legal. Furthermore, the Customer agrees:
- not to use the Bank's services for any unlawful purposes;
 - not to perform any actions/operations aimed at laundering proceeds from crime;
 - to receive and use the Card in their own interests, not as ordered by another party with an aim to conceal this party's identity.
- 12.9.10.9. The Bank is entitled to determine the limit for the single Transaction amount.
- 12.9.10.10. The Bank debits the Card Account for all expenses, obligations and damages related to issue and use of the Card, as well as for other payments following from this Agreement.
- 12.9.10.11. The Bank credits the Card Account according to the payments in the Account made by the Customer, the Card's User or another person.
- 12.9.10.12. The Bank is entitled, without warning the Customer, to refuse Debiting or Crediting the Card Account should the Bank have suspicion about use of the Card for laundering proceeds from crime and funding of terrorism.
- 12.9.10.13. If the Customer does not perform their obligations, the Bank is entitled, without agreeing with the Customer, to change the Authorized Credit amount or to block the Card informing the Customer on it in writing or otherwise (by e-mail, telephone, etc.) within 10 (ten) workdays after the date of change of the Authorized Credit.
- 12.9.10.14. If there is regular negative balance in the Card Account arising from exchange difference or withdrawal of Charges, the Bank is entitled to determine a minimum unavailable balance in the Card Account calculated on the basis of the amount of debt in the Card Account during the last two months.
- 12.9.10.15. If the negative balance in the Card Account arising from exchange difference or withdrawal of Charges does not occur within 2 (two) months after creation of the minimum unavailable balance the Bank unblocks the minimum unavailable balance amount with entitlement to renew it in the event repeated negative balance occurs.
- 12.9.10.16. The minimum unavailable balance shall be unblocked upon closure of the Card.
- 12.9.11. STATEMENTS
- 12.9.11.1. The Bank shall prepare the monthly Statement about the situation of the Card Account. The Customer may receive the Statement on the Account Period at the Bank or it is dispatched (also electronically) to the address indicated in the Application.
- 12.9.11.2. The Statement reflects all Transactions performed with the Card, including payments to the Bank.
- 12.9.11.3. If the Bank does not receive any Statement-related complaints from the Customer or the Card's User within 30 (thirty) days after the date of drawing the Statement, the Statement is deemed accepted and the Bank shall not accept any further complaints or claims.
- 12.9.11.4. Failure to receive the Statement shall not release the Customer from performance of their obligations.
- 12.9.12. PAYMENTS
- 12.9.12.1. The Customer and the Card's User shall pay for the services in accordance with the Bank's Pricelist, before the due date and within the amount indicated in the Statement.

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- 12.9.12.2. The Bank shall withdraw the Charges related to the opening of the Card Account, issue and servicing of the Card and the damages caused to the Bank by the Customer and the Card Users from the Card Account and from other Customer's accounts with the Bank.
- 12.9.12.3. The Bank calculates the interest on credit as of the date on which information about the performed Transaction is received until return of the credit amount.
- 12.9.12.4. The Bank is entitled to withdraw from the Customer's Card Account the interest on Accepted and/or unauthorized credit, default interest and penalty for failure to renew the Minimum Balance for the whole period over which there is the debt in the Customer's Card Account.
- 12.9.12.5. The Customer shall return unauthorized credit, including the debt exceeding the Authorized Credit, immediately, without any special notice from the Bank.
- 12.9.12.6. Should the Customer fail to pay the Card's debt before the deadline in the Statement, the Bank is entitled to use the Security for covering the Customer's Card debt or to bring action to the court. The Bank is entitled to suspend the validity of the Card and close the Authorized Credit. The Bank is entitled to withdraw monies from any other of the Customer's accounts with the Bank.
- 12.9.12.7. Where the Bank pays the debt from the Security, the Card's validity is suspended and the Bank decides on further use of the Card after renewal of the Security.
- 12.9.12.8. Where the Card is issued to the Customer without the Authorized Credit, but the unauthorized credit occurs in the Card Account, the Customer shall pay such debt within 1 (one) month by paying the interest on use of unauthorized credit.
- 12.9.13. SECURITY. AUTHORIZED CREDIT
- 12.9.13.1. The Security of performance of the Customer's obligations may be:
- the Customer's monies in the account opened with the Bank;
 - a guarantee by a natural person or legal entity as accepted by the Bank;
 - another security offered by the Customer and found acceptable by the Bank.
- 12.9.13.2. Where the Customer indicates in the Application that the Security shall be the monies in the Customer's account, the Application is deemed the Customer's instruction for the Bank to block (not to transfer or disburse) the monies in this account in the amount indicated in the Application until final performance of the obligations. Such instruction shall be the Customer's obligation under the Agreement in the understanding of the Law on Financial Security and as such cannot be withdrawn unilaterally.
- 12.9.13.3. The scope of the Authorized Credit shall be specified by the Bank, with consideration of the Security.
- 12.9.13.4. The Card's Authorized Credit is allocated for one year.
- 12.9.13.5. The Customer shall pay the used credit amount before the deadline indicated in the Statement.
- 12.9.14. CARD SECURITY
- 12.9.14.1. Should the Card be lost or stolen, and also if the PIN Code becomes known to an unauthorized person the Customer or the Card's User shall immediately inform SIA "First Data Latvia" about it by telephone 371-7092555, fax 371-7092567 or the Bank by telephone 371-7019142, 371-7019141, or fax 371-7019140, which will suspend the Card's validity. If the Customer and/or the Card's User is unable to name the Card's number or provide other specific data upon calling, all Cards of the Customer shall be blocked.
- 12.9.14.2. The Customer or the Card's User shall submit a written application for blocking the Card to the Bank within seven days after the verbal announcement.
- 12.9.14.3. The Customer shall be fully liable for the Transactions performed with the Card within 24 hours after notifying the Bank or SIA "First Data Latvia".
- 12.9.14.4. The Customer shall be liable for every Transaction with the Card which has been authorized by the correct PIN Code or other means of identification and which has been performed before the notice to the Bank or SIA "First Data Latvia" as specified in Article 12.9.14.1 of these Conditions.
- 12.9.14.5. The Bank is not liable for a third party's refusal to accept the Card for payment, or for the quality of the goods or services obtained with using the Card.

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- 12.9.14.6. The Bank shall not be held liable for the limits and restrictions established by a third party (for instance, limits of traders or ATMs), which might infringe the interests of the Customer or the Card Users.
- 12.9.14.7. Should the Customer require the Bank to suspend the Card's User's right to use the Card, the Bank suspends such Card like all Cards announced lost or stolen, and as a result the possibility to perform Transactions is suspended or terminated. The Bank is entitled to suspend Transactions for all Cards related to the Account in the case the Customer and/or the Card's User fails to perform the Agreement or performs it insufficiently.
- 12.9.14.8. Where necessary, the Customer agrees to provide to the Bank all information in order to investigate a case of loss/theft of a Card. The bank issues a new Card after receipt of a written application by the Bank. Upon finding a Card assumed to be stolen or lost the Customer or the Card's User shall immediately inform the Bank and submit the found Card.
- 12.9.15. CARD TRANSACTION RECLAMATIONS
- 12.9.15.1. If the Customer finds non-compliance of the transactions reflected in the Card account to those actually made, he or she has a duty to immediately, but not later than within sixty calendar days from the date of the Transaction registration day to notify the Bank thereof by submitting to the Bank a claim executed in writing on a special application form.
- 12.9.15.2. The Bank shall examine the claim within 45 banking days after submission of the claim. When examining the claim, the Bank shall take into account all the information associated with the disputed Transaction, including information from the Customer / Card user, SIA "First Data Latvia"; Recipient bank and the trader received through VISA Europe or MasterCard international card organizations.
- 12.9.15.3. If the submitted claim appears to be unfounded, then the Customer shall pay to the Bank a Commission for examination of unsubstantiated claim in accordance with the Bank Charges for the fees contributed by the Bank related to examination of the claim.
- 12.9.15.4. In so far as not contrary to the specific law provisions of the Republic of Latvia in the field of consumer protection, the Bank shall be entitled not to refund the amount of disputed or unauthorized transaction to the Customer, if:
- a. The Customer has failed to notify in accordance with Clause 12.9.15.1 of the present Regulations;
 - b. The transaction has been approved by the Customer / Card user signing a transaction confirming document (and/or a cheque) or by entering a PIN code into ATM or a payment card acceptance terminal, with which it is confirmed that the customer / Card user has expressed their consent with the transaction to be performed;
 - c. Customer / Card user has handed over the Card or let the Card to become at disposal of a third party or has failed to fulfil other duties referred to in the present Payment Card Regulations;
 - d. Customer / Card user has not provided for secure storage of the Card information and safe use of the Card;
 - e. The transaction has been performed before the Notice is provided to the Bank regarding the Card loss, getting into disposal of a third party, PIN-code disclosure, or unauthorized use of the Card;
 - f. The transaction has been performed after 24 hours from the time of provision of the Notice regarding the Card loss, getting into disposal of a third party, PIN-code disclosure, or unauthorized use of the Card, and the Transaction Amount does not exceed 50 EUR or its equivalent in other currency;
 - g. SMS has been sent to the Customer or the Card user regarding authorization of the disputed Transaction and the Customer or the Card user within 4 hours from the time of sending SMS has failed to notify the Bank or the bank transaction processing centre SIA "First Data Latvia" by telephone specified on a payment card (Customer Service Telephone Number: +371 67092555) or on the Bank's home page, and to block the card
 - i. as well as in other cases, where permitted by the laws applicable to the Bank.
- 12.9.15.5. In the events and under procedure provided by the Law on Payment Services and Electronic Money of the Republic of Latvia to the Customer who in accordance with the Consumer Rights Protection Law of the Republic of Latvia, is recognised to be a consumer, shall be entitled to indemnification of damages, if the

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Customer immediately, as soon as having become aware of the unauthorized Transaction, but not later than within the time limit set in Clause 12.9.15.1 and in accordance with the procedure laid down in the present Regulations, has notified the Bank thereof.

12.9.15.6. The Bank shall reimburse the damages through repayment of the Transaction amount in the account currency, or renew the Customer Card account to the state it was before performance of the unauthorized Transaction. The Bank shall not indemnify the damages to the Customer, if the Customer has acted illegally or with intention (deliberately) or due to gross negligence has failed to fulfil one or more Clauses of these Regulations. It shall not be indemnified also in cases when the Customer could, but has failed to provide for the safety of cash on the card account (including through determination of spending limits for Transactions with the Card or by notifying timely Card blocking; by providing to the Bank their approval of the Transaction, when the Bank addresses the customer for additional information; the Customer waives the right to pursue claims in respect of this Transaction or to claim damages).

12.9.16. VALIDITY OF THE CARD

12.9.16.1. The Card's period of validity is indicated on the Card. The Card shall be valid until the last date (inclusive) of the month indicated on the Card.

12.9.16.2. The Customer shall provide for that all Cards issued according to the Customer's Application are returned to the Bank within five workdays after their expiry.

12.9.16.3. If during the last month of the Card's validity an application for closing the Card Account is not received from the Customer and if the Customer and Card Users have not violated the Agreement, the Card shall be renewed automatically, whereby the Charge is collected according to the Bank's Pricelist.

12.9.17. VALIDITY OF THE AGREEMENT

12.9.17.1. The Agreement is concluded for an unlimited term and is valid until final performance of the obligations following from it.

12.9.17.2. The Agreement shall expire after the last Transaction performed with the Card is transferred from the Card Account, but not earlier than 40 days after a written notice by one party on the intent to terminate the Agreement.

12.9.17.3. The Bank is entitled to terminate the Agreement unilaterally and close the Card Account in the event the Customer and/or the Card's User fail to comply with the Agreement. In such case the Customer shall return the issued Cards immediately upon the Bank's request.

12.9.17.4. The Bank is entitled to consider the Agreement terminated and to withdraw from its performance either wholly or in part, should the Customer or the Card User fail to comply with the Agreement or should the Security become insufficient for performance of the contractual obligations.

12.9.17.5. The Bank is entitled to terminate the Agreement and suspend the card at any time, should the Bank have at its disposal information on that the Customer and/or the Card's User have provided inaccurate, untrue and/or deluding information. The Bank remains entitled at its own discretion and/or in the cases specified under the law to refer to law enforcement authorities pursuant to the applicable laws.

12.9.17.6. The Customer is entitled to terminate the Agreement by sending a prior written request to the Bank. Such request is deemed the Customer's request to terminate further performance of the Agreement and suspend operation of the Card Account as of submission of the request, and to close the respective account 40 days after receipt of such request. The Customer shall submit the Cards to the bank upon submission of the request.

12.9.17.7. The Bank calculates the Card Account balance as at submission of the request and closes the Card Account on the date of termination of the Agreement.

12.9.17.8. The Agreement shall be binding on the Customer until final performance of the obligations under it.

12.10. Rules for Servicing Savings Accounts

12.10.1. Definitions:

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- 12.10.1.1. **Savings Account** – a demand deposit account in which the Customer’s monies are stored, which are deposited in the Savings Account for an unlimited term with fixed interest. The Customer is entitled to add to the Savings Account without limitation.
- 12.10.2. The agreement on opening and servicing the Savings Account is deemed concluded and commences after signature and submission to the Bank of the application for opening the savings Account and with opening of the Savings Account.
- 12.10.3. The Bank calculates interest on the amount in the Savings Account for the Customer in accordance with the applicable Bank’s Pricelist.
- 12.10.4. Interest on the monies in the Savings Account is calculated daily on the basis of the balance in the Savings Account as at the close of the day.
- 12.10.5. The Bank pays the calculated interest on the monies in the Savings Account to the Customer once a month, on the first workday by transferring it to the Savings Account or otherwise according to the Customer’s application.
- 12.10.6. The interest is calculated assuming that there are 365 days in a year.
- 12.10.7. The Customer is entitled to receive the monies in the Savings Account as a single payment or in parts by submitting to the Bank a respective Payment Order drawn as provided for by these Conditions.
- 12.10.8. The Bank shall execute the Payment Order indicated in the previous Article on the 7th (seventh) day after receipt of such Payment Order not including the date of receipt of the Payment Order.
- 12.10.9. Should the Customer prefer to transfer the monies in the Savings Account, or a part of them, before the term indicated in the previous Article, the Customer shall pay to the Bank a contractual penalty on early withdrawal of monies from the Savings Account in accordance with the Bank’s Pricelist. The penalty shall be paid on the date of disbursement of the monies or a part of them through reduction of the payable amount by the Bank.
- 12.10.10. The Customer is entitled to apply to the Bank for receipt of the Savings Account statement as provided for by Article 12.1.
- 12.10.11. The Customer is entitled to apply for closing of the savings Account, as provided for by these Conditions.
- 12.10.12. The Bank is entitled to close the Savings Account opened for the Customer without written notice in the cases where operations in the Savings Account have not been performed over 12 subsequent months and there is no balance in the Savings Account.

12.11. Rules for Opening and Servicing Financial Instrument Accounts

- 12.11.1. **Definitions:**
 - 12.11.1.1. **Financial Instruments** – shares, bonds, bills of exchange, deposit certificates, contracts for difference, futures, derivative instruments, *FOREX* market transactions and other Financial Instruments which correspond to the explanation of the concept provided under the Law on Financial Instruments Market;
 - 12.11.1.2. **Financial Instruments Account** – the Customer’s account opened for the Customer with the Bank for custody of Financial Instruments owned by the Customer and for performance of operations with such;
 - 12.11.1.3. **Operation with Financial Instruments** (hereinafter also referred to as the Operation) – any of the operations performed by the Bank as ordered by the Customer indicated hereunder:
 - deregistration of Financial Instruments,
 - transfer of Financial Instruments,
 - blocking and pledging of Financial Instruments,
 - setoff and writing off of Financial Instruments as a result of activities of the parties according to the Brokerage agreement concluded between the parties, where such has been concluded.
 - 12.11.1.4. **Issuer** – a person who issues Financial Instruments in its name;
 - 12.11.1.5. **Order** – (for the purposes of this Section) a written expression of the Customer’s intent which serves as the basis for performance of Operations with the Customer’s Financial Instruments;

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- 12.11.1.6. **Margin Account** – a special current account of the Customer with the Bank, the monies in which are used exclusively for payment of the Customer's obligations in transactions with Financial Instruments, payment of charges and transfers to the Customer's demand deposit (current) account;
- 12.11.1.7. **Registrar** – the holder of the register of particular Financial Instruments;
- 12.11.1.8. **Financial Instrument Case** – any event affecting the characteristic features of the Financial Instrument, and the acts of the Issuer when performing their obligations towards the owner of the Financial Instruments (payment of dividends, payment of interest, change in nominal value, General Meeting of Shareholders, uniting and dividing issuance of Financial Instruments, bond retirement, etc.).
- 12.11.1.9. **Contractor** - a participant of the Financial Instruments market used by the Bank for custody of Financial Instruments and performance of operations.
- 12.11.2. This Section of the Conditions provides for the procedure according to which the Bank opens and services the Financial Instruments Account as ordered by the Customer, i.e., provides for Financial Instrument accounting, certification of ownership to Financial Instruments, Operations with Financial Instruments and attends to Financial Instrument Cases.
- 12.11.3. The parties perform the actions specified by these Conditions pursuant to the applicable laws of the Republic of Latvia and the regulations of the Latvian Central Depository (hereinafter – LCD). If the parties enter into a transaction with Financial Instruments registered with another depository the transaction shall be entered into with consideration of the regulations of the respective depository.
- 12.11.4. The agreement on opening and servicing the Financial Instruments Account is deemed concluded as of receipt by the Bank of the application for opening the Financial Instruments Account and the Bank opens the Financial Instruments Account for the Customer.
- 12.11.5. The Bank opens the Financial Instruments Account for the Customer and a related Margin Account provided the Customer has a demand deposit (current) account opened with the Bank. These Conditions and the Customer's application to the Bank for opening the Financial Instruments Account shall be the agreement on the Financial Instruments Account concluded between the Bank and the Customer.
- 12.11.6. The Bank agrees:
- 12.11.6.1. to perform Operations with Financial Instruments according to the Customer's Orders;
- 12.11.6.2. to provide the Customer with information regarding Financial Instrument Cases and the procedure of attending to such as prescribed by LCD or another financial institution or depository who is the custodian of the Customer's Financial Instruments Upon occurrence of a Financial Instrument Case the Bank shall act as determined by the LCD and according to the Orders for dealing with Financial Instrument Cases, or with Financial Instruments which are not administered by the LCD – according to Orders received from the financial institution who is the custodian of the Customer's Financial Instruments. Where the Financial Instrument Cases bear the character of intent, the Bank shall deal with the Financial Instrument Cases on the grounds of separate instructions made in writing by the Customer;
- 12.11.6.3. to provide for records and accounting of the Financial Instruments in the Financial Instruments Account;
- 12.11.6.4. within 3 (three) workdays after a written request by the Customer, to issue to the Customer the Financial Instruments Account statement about:
- the Operations performed with one, several or all Financial Instruments within the specified period of time;
 - the Operations performed with one, several or all Financial Instruments over the whole period of existence of the Account;
 - a concrete Operation with Financial Instruments;
 - the Financial Instruments owned by the Customer and recorded in the Account;
- 12.11.6.5. to act with the Financial Instruments in the Financial Instruments Account only after receipt of the Customer's written consent or upon the Customer's Order;

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- 12.11.6.6. within 7 (seven) workdays after the Bank has received from the particular Issuer or Financial Instruments Registrar information and/or documents related to the Customer's Financial Instruments to provide the Customer with a possibility to receive this information and documents;
- 12.11.6.7. to issue to the Customer, upon their written request, a certificate which confirms the Customer's ownership title to the Financial Instruments.
- 12.11.7. The Bank is entitled not to execute the Orders if:
- such Order is issued through violation of these Conditions and/or the applicable legislative acts;
 - the Order contains an Operation which has not been specified under these Conditions;
 - the Bank does not possess information necessary for performance of the Operation indicated in the Order;
 - the Customer has defaulted a payment under these Conditions;
 - the Bank has grounds to doubt the compliance of the Customer's or their authorized representative's signature or impression of the seal with the Customer's or their authorized representative's signature and seal impression samples at the Bank's disposal;
 - the number of Financial Instruments indicated in the Order exceeds the quantity of the Financial Instruments actually placed in the Financial Instruments Account, or if the Financial Instruments indicated in the Order do not correspond to the Financial Instruments in the Account as to individual parameters;
 - the Financial Instruments in the Account are pledged, confiscated, otherwise encumbered, or the Financial Instruments Account is under arrest;
 - the Bank is unable to attend to the Financial Instruments indicated in the Order;
 - there exist other circumstances which disturb execution of the Order or considerably burden its execution.
- 12.11.8. The Bank is entitled to close the Financial Instruments Account if there are no Financial Instruments in the Account for more than six months. The Financial Instruments Account is not closed if it contains Financial Instruments. Once closed, the Financial Instruments Account shall not be renewed.
- 12.11.9. The Customer is entitled:
- 12.11.9.1. to issue Orders at any time during the Bank's workday. Should an Order be received after the close of the Bank's workday, execution of such Order shall start during the next workday. The Customer shall submit the written Order to the Bank in person or by telephone, fax, or electronic communication channels according to the procedure specified in the agreement concluded between the Bank and the Customer;
- 12.11.9.2. to request information at the Bank's disposal about its business partners, and concretely, about its Contractors, the correspondent banks, stock exchanges, depositories, clearing institutions and other financial market participants, among others.
- 12.11.10. The Customer agrees:
- 12.11.10.1. to issue to the Bank a relevant Power of Attorney for exercise of the Customer's, as the owner's of the Financial Instruments, rights and other documents, or to revoke an Order in the event the Registrar requires from the Bank a Power of Attorney or other documents in relation to such Order issued by the Customer;
- 12.11.10.2. to liquidate for the Bank any damages it suffers in relation to re-registration of the bearer Financial Instruments in the Financial Instruments Account in the event the Financial Instruments in the Account are passed under the Bank's records; to take all measures and cover all costs necessary for re-registration of the Financial Instruments in the name of the Bank as their nominal owner;
- 12.11.10.3. to provide the following information when issuing Orders to the Bank:
- for natural persons: the Customer's name, surname and identity number (if not allocated, the date and year of birth shall be provided);
 - for legal entities: name, registration data and well as the authorized representative's (a natural person) name, surname and identity number (if not allocated, the date and year of birth shall be provided);

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- the Financial Instrument, indicating in the Order such information which allows unambiguous identification of this Financial Instrument (type of the instrument and name of the Issuer, ISIN and similar);
 - the relevant form of operation which allows comprehending the essence of the Operation without ambiguity;
 - the number of the Financial Instruments (in figures and with words);
 - time of issue of the Order, indicating the day, month and year;
 - the Customer's Financial Instruments Account number;
 - the Customer's signature.
- 12.11.11. By signing the application for opening the Financial Instruments Account the Customer confirms that they are aware of that for the purpose of custody and attending to the Financial Instruments and performance of the Customer's transactions the Bank uses the services of Contractors, among them, services of correspondent banks, stock exchanges, depositories, clearing institutions and other financial market participants. The Customer undertakes the risk related to failure of obligations by and insolvency of Contractors and the Bank shall not be liable for damages that might be incurred by the Customer in relation to the acts of the Contractors.
- 12.11.12. The Customer shall undertake all liability for the Orders, their completeness and accuracy.
- 12.11.13. The Bank shall not be liable for the damages arising from the Customer's transactions with Financial Instruments. The Customer shall liquidate all damages caused to the Bank as a result of the Customer's transactions with Financial Instruments.
- 12.11.14. The Margin Account may contain monies resulting from the Operations and Financial Instrument Cases and monies transferred from the Customer's demand deposit (current) account.
- 12.11.15. The Bank agrees to transfer monies into the Customer's Margin Account on the next Bank workday following the date on which the monies were transferred into the Bank's correspondent account. The Customer shall undertake all risks related to damages arising in the event any payments are not made due to the fault of the Issuer or other third parties and due to other circumstances not within the Bank's competence.
- 12.11.16. Interest on the balance in the Margin Account shall be calculated according to the Bank's Pricelist.
- 12.11.17. The Bank pays all taxes and duties which shall be paid by the Bank in relation to execution of the Customer's Orders according to the laws of the Republic of Latvia or other states, without approval of the Customer and at the Customer's expense. The Bank shall not be held liable for payment of the taxes and duties that shall be paid by the Customer.
- 12.11.18. Should the monies in the Margin Account be insufficient for any payments related to these Conditions or the Brokerage Agreement concluded between the Customer and the Bank, the Bank is entitled to withdraw the necessary amounts from any of the Customer's accounts with the Bank under uncontested procedure.
- 12.11.19. The Financial Instruments Account and the Margin Account are closed upon the Customer's application within 3 (three) Bank workdays after the Customer completes all their obligations under the valid transactions.
- 12.11.20. The Bank is entitled, unilaterally and without prior warning of the Customer, to close the Customer's Financial Instruments Account and Margin Account in the event the Brokerage Agreement is terminated and in other cases specified under these Conditions.
- 12.11.21. When closing the Financial Instruments Accounts and Margin Account the Bank transfers the Financial Instruments from the Financial Instruments Account according to the Customer's Orders, but the monies from the Margin Account – to the Customer's demand deposit (current) account. In the event the Customer has not issued Orders about transfer of the Financial Instruments, the Bank is entitled to sell the Financial Instruments according to the general practice and for their market value. In the event the Customer has not issued Orders about transfer of monies from the Margin Account the monies are stored with the Bank.

12.12. Rules of Overdraft Allocation and Servicing

- 12.12.1. Definitions:

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- 12.12.1.1. **Overdraft** - a loan to the Customer granted by permitting the debit balance in the Customer's demand deposit (current) account with the Bank with the maximum authorized limit.
- 12.12.2. The Bank may grant the Overdraft to the Customer on the basis of a written request by the Customer, for which a separate Overdraft Agreement shall be concluded between the Bank and the Customer.
- 12.12.3. The demand deposit (current) account opened in the name of the Customer with the Bank having regular and stable turnover for at least 6 (six) months shall be a precondition for conclusion of the agreement.
- 12.12.4. Where the Customer expresses an intent to conclude the Overdraft Agreement the Bank requests from the Customer the information necessary for granting the Overdraft and that is:
 - 12.12.4.1. the Annual Report of the previous year;
 - 12.12.4.2. quarterly balance sheets of the current year;
 - 12.12.4.3. other documents confirming the Customer's credit capacity.
- 12.12.5. After receipt of all necessary information the Bank makes the draft Overdraft Agreement containing the following information:
 - 12.12.5.1. Place and date on conclusion of the Overdraft Agreement;
 - 12.12.5.2. the Bank's and the Customer's identification data;
 - 12.12.5.3. the number of the demand deposit (current) account;
 - 12.12.5.4. Overdraft amount, i.e. the maximum permitted account balance limit;
 - 12.12.5.5. term of validity of the Overdraft;
 - 12.12.5.6. interest rate;
 - 12.12.5.7. contractual penalty on overdue Overdraft or its part;
 - 12.12.5.8. scope of security and solution of issues related to it, should the Customer be granted the Overdraft against security;
 - 12.12.5.9. signatures of the Bank's and Customer's representatives;
 - 12.12.5.10. other information according to the provisions of the transaction.
- 12.12.6. The Bank shall approve the draft Overdraft Agreement with the Customer's representatives before its signature.
- 12.12.7. The final and explicit statement of the Customer's intent for being granted the Overdraft shall be: 1) an application/applications for receipt of Overdraft made by the Customer and 2) the Customer's payment order/orders issued to the Bank for debiting the Customer's demand deposit (current) account within the scope of Overdraft, which shall be the confirmation of granting the Overdraft (transfer of the loan) together with the statement of the abovementioned demand deposit (current) account issued by the Bank.
- 12.12.8. The Customer agrees to pay each Overdraft amount received under the Overdraft Agreement (return the loan to the Bank) no later than within 30 (thirty) calendar days after its receipt, but not later than the expiry date of the Overdraft Agreement, unless other procedure is prescribed by the Overdraft Agreement.
- 12.12.9. Interest shall be charged on use of the Overdraft according to the rate specified under the Overdraft Agreement assuming that there are 360 days in a year, corresponding to the actual time and amount of using the Overdraft.
- 12.12.10. The amounts returned by the Customer to the Bank under the Overdraft Agreement shall be used for payment of the Customer's obligations in the following order: first, for payment of the contractual penalty, if any applies, then the interest on use of the Overdraft is paid for and the Overdraft is paid from the remainder of the amount.
- 12.12.11. Where the Overdraft Agreement is concluded between the Bank and the Customer, the Customer agrees to make money transfers, withdrawal and payment of cash-in-hand, currency exchange and other banking operations exclusively at the Bank, and for performance of the said operations the Customer shall use their accounts with the Bank and indicate such as their accounts in all payment documents and agreements.
- 12.12.12. During the validity of the Overdraft Agreement the Customer shall not be entitled to submit to the Bank and the bank shall not be obliged to accept from the Customer any documents whatsoever (applications, directions, orders, etc.) containing an indication of closing the Customer's accounts with the Bank.
- 12.12.13. The Customer shall be liable for performance of the obligations under the Overdraft Agreement with all their property without any restriction whatsoever.

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- 12.12.14. The Customer is entitled to make the payments under the Overdraft Agreement in parts and/or before the deadline.
- 12.12.15. The Customer agrees to inform the Bank immediately about any circumstances which might make performance of the obligations under the Overdraft Agreement problematic (including about any business failure due to which the Customer incurs damages) and about undertaking liabilities. The Customer shall notify the Bank in writing immediately about any claims and complaints raised against the Customer.
- 12.12.16. The Bank is entitled to refuse unilaterally at any time before the expiry of the Overdraft payment term without any additional conditions and without warning, granting of the Overdraft to the Customer and/or require early payment of the Overdraft, interest on use, contractual penalties, costs and damages caused to the Bank, should there be any, and the Customer shall immediately return the above to the Bank. The Overdraft Agreement in the part related to the Bank's obligations to issue the Overdraft wholly or in parts shall only be performed, provided that as the result of performance of the obligations undertaken by the Bank the risk transaction restrictions applicable to the Bank as the credit institution of the RL under the law are not exceeded. The unconditional right granted to the Bank under this Article shall include, among others, the Bank's right to collect the Overdraft and other payments under the Overdraft Agreement at any time before the Overdraft payment deadline, if as a result of not requiring the abovementioned payments the Bank's risk transaction restrictions applicable to the Bank as the credit institution of the RL under the law are exceeded

12.13. Rules for Servicing Money Transfers (without Opening an Account)

- 12.13.1. Definitions:
 - 12.13.1.1. **Sender** – a natural person who performs a money transfer on the basis of an application using the Bank's services without opening the account;
 - 12.13.1.2. **Recipient** – a natural person who receives the money transfer;
 - 12.13.1.3. **International Payment System** – the international payment system of financial service providers which permits transfer of monies;
 - 12.13.1.4. **Control Number** – a number allocated by the Bank's employee to the money transfer and announced to the Sender.
- 12.13.2. The Bank performs international money transfers without opening the account using the international fast payment systems with whom the Bank has concluded cooperation agreements. The list of the International Payment Systems cooperating with the Bank is available at the Bank.
- 12.13.3. When performing the international transfer the Customer may themselves choose the International Payment System with whom they would prefer transferring the monies to the Recipient.
- 12.13.4. Money transfers are performed in the US dollars or EUR, or in other currencies, on the condition the Bank permits it and the regulations of the International Payment System provide for it.
- 12.13.5. In order to receive or send a transfer the Sender shall produce a valid personal identification document.
- 12.13.6. To perform the money transfer the Sender shall indicate the Recipient's name, surname, the country and city of receipt of the transfer in the application.
- 12.13.7. To receive the transfer the Recipient shall indicated the Sender's name, surname, the transferred amount and the currency and the Control Number in the application.
- 12.13.8. The Sender of the transfer shall announce the Control Number to the Recipient themselves.
- 12.13.9. The Bank does not inform the Recipient that a transfer has arrived in their name. The Recipient themselves shall turn to the Bank.
- 12.13.10. The Bank's Charge on the international transfer shall be covered by the Sender. No charge shall apply to receipt of the transfer.
- 12.13.11. If the Recipient does not receive the transfer pertaining to them within 30 (thirty) calendar days the international transfer shall be annulled and the paid Charge will not be returned.
- 12.13.12. The dispatched transfer can be annulled on the basis of an application submitted to the Bank. The Charge will not be returned in such case.

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12.13.13. The Recipient's name and surname may be changed in the transfer.

13. SECURING OF THE BANK'S CLAIMS

13.1. Definition:

- 13.1.1. **Performance Event** – circumstance or event in accordance with these Conditions or provisions of another document binding on the parties upon occurrence of which the Security Holder is entitled to alienate (also in its own favor) the respective Security in the necessary amount without any intermediation of the court or another institution, or to apply the excluding setoff;
- 13.1.2. **Security** – financial means (money) (in any currency) as well as any financial instruments credited in any of the Customer's accounts in the Bank;
- 13.1.3. **Security Holder** – (also referred here to as the Bank) the credit institution AS "Meridian Trade Bank" duly licensed in the Republic of Latvia;
- 13.1.4. **Security Provider** – (also referred here to as the Customer) a person or an association of persons whose name and details are indicated in the Customer's application or agreement;
- 13.1.5. **Secured Financial Obligations** – obligations of the Security Provider following from these Conditions or another document binding on the parties and secured with the Security.

13.2. The Security Agreement is deemed concluded and commences after signature and submission to the Bank of any application for entering into a Transaction. By signing the application the Customer authorizes the Bank to transfer the necessary Security amount from the Customer's demand deposit (current) account to the Security Account, should the Bank consider this necessary; but in any case by signing the application the Customer authorizes the Bank to block the Security in any account by prohibiting the debit operations.

13.3. Should the Performance Event arise, the Bank is entitled to apply, freely and without performing any additional procedures, the excluding setoff, or reduce or completely cover the Secured Financial Obligations of the Customer with the financial means (money) in any of the accounts. Should financial instruments be the subject of the Security the Bank is entitled to sell such, or alienate such in favor of the Bank at its own discretion for the market price and consequently reduce or completely cover the Secured Financial Obligations of the Customer.

13.4. Should the Performance Event arise, the Bank shall have the right of withholding to the Security.

13.5. The Bank is entitled to use the Security by replacing it with equally valuable collateral.

13.6. The following obligations or obligations similar to these as to their legal consequences shall not be binding on sale of the Security in regard to the Bank's activities:

- 13.6.1. to announce to the Customer beforehand the intent to sell (alienate) the Security and also the fact of sale of the Security;
- 13.6.2. to take care that the Security sales conditions are approved by the court or coordinated with the person appointed by the court or holder of the commercial company's equity shares, the insolvency administrator, public administration or municipal authority, agency or officials or employees of these agencies, or persons appointed by them or any other third parties;
- 13.6.3. to take care that after occurrence of the Performance Event of Secured obligations another additional term is determined.

13.7. Upon occurrence of the Performance Event the Bank may apply, at its discretion, the excluding setoff which may be exercised as follows:

- 13.7.1. an immediate performance term shall be applied to several interlinked obligations, even to such for which the due term has not yet arrived, by joining such in one obligation for the amount which equals the sum of those several obligations valid as at their joining in one obligation, and
- 13.7.2. a calculation is prepared for the amounts payable by one party to the other party on the grounds of their mutual relations and the party whose payable amount is bigger shall pay to the other party only the excess of the amount payable by the other party (net balance).

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- 13.8. The excluding setoff may be applied and its performance shall not be affected by:
 - 13.8.1. the Customer's bankruptcy and liquidation process or measures of the insolvency procedure;
 - 13.8.2. assignment, seizure, arrest of the Security or any other legal measure exercised under the court ruling or otherwise, directed at alienation of the Security for satisfaction of claims by a person other than the Bank.
- 13.9. Pursuant to the Law on Financial Security, the Security Holder's entitlement to the Security shall not be amended, terminated or restricted by rulings of the court or other institutions, which should be executed as provided for by other legislative acts and submission for execution to the Financial Security Holder or its attorney of execution documents issued on the grounds of such rulings.
- 13.10. The validity and performance of the provisions of this Section shall not be amended or terminated by initiation or continuation of measures of bankruptcy and liquidation process or insolvency procedure of the Security Provider. It shall be the duty of the administrator, liquidator or another person appointed under the law for exercise of the bankruptcy and liquidation process or insolvency procedure measures to provide for timely and due performance of the contractual obligations in compliance with all provisions of the Security Agreement and these Conditions.

14. OTHER PROVISIONS

- 14.1. The General Terms and Conditions of AS "Meridian Trade Bank" shall take effect as of 2 January 2008.