

TERMS AND CONDITIONS OF
THE AGREEMENT ON OPENING
A PAYMENT CARD ACCOUNT,
ISSUE AND SERVICING OF
A PAYMENT CARD

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1. GENERAL TERMS AND CONDITIONS

1.1. Definition of terms used herein:

Account Statement – a Payment Card Account statement regarding Transactions in the Payment Card Account during the previous reporting period, which the Bank sends to the correspondence address specified in the application or which the Client collects at the Bank in person.

Agreement – the Client's Application for Opening a Payment Card Account and Issue and Servicing of a Payment Card, and the Terms and Conditions of the Agreement on Opening a Payment Card Account, Issue and Servicing of a Payment Card together constitute the Agreement on Opening a Payment Card Account, Issue and Servicing of a Payment Card.

Annual Interest Rate (AIR) – the total costs of the Loan calculated at the time of entering the Agreement in accordance with Cabinet Regulations of the Republic of Latvia, expressed as annual interest from the Credit Limit granted by the Bank, on the basis of the following assumptions:

- ▶ The Loan is drawn immediately and in full;
- ▶ In case of a credit card without a specific monthly loan payment, the Loan is repaid within 36 (thirty six) months in equal instalments.

Application – an Application, printed or filled out via the Internet Bank, for Opening a Payment Card Account and Issue and Servicing of a Payment Card for legal entities or individuals. An Application filled out via the Internet Bank is considered the Client's consent and such consent shall be considered sufficient evidence for resolving potential disputes between the Bank and the Client.

Approved Loan – a short-term loan used by the Client within the framework of the Credit Limit.

Bank – AS BlueOrange Bank (registered with the Commercial Register of the Republic of Latvia under unified registration No. 40003551060, registered office: Smilšu iela 6, Rīga, LV-1050).

Cabinet Regulations – the valid Cabinet regulation "Regulations on Consumer Credit" or an equivalent Cabinet regulation superseding it.

Cardholder – the Client or an individual indicated in the Agreement as authorised by the Client to use the card, and whose name, surname and sample signature are specified on the Payment Card.

Client – the owner of a Payment Card Account (a legal entity or individual).

Collateral – a Deposit or funds allocated at the Bank on the basis of another agreement, or other financial instruments that secure the Bank's claims on the Client in the event that the Client does not meet their obligations under this Agreement.

Consent – the Client's consent for execution of an Order (authorisation). Unless the Terms and Conditions of the Agreement specify otherwise, the types and formats of giving Consent are described in the General Terms of Business.

Credit Limit – a short-term loan granting of which the Bank and the Client have arranged under the Agreement.

Current Account – the Client's multi-currency Current Account with the Bank.

CVC Code – a 3 (three) digit security code for purchases through the Internet indicated on the back of the Payment Card in the field contemplated for the sample signature.

Deposit – money that serves as Collateral in accordance with the Application and the Terms and Conditions of the Agreement.

Daily Expense Limit – a restriction in regard to a total amount of expense within 24 hours set by the Client or the Bank.

EEA – the European Economic Area.

EU – the European Union.

Loan – a short-term loan of funds to the Payment Card Account, the granting of which the Bank and the Client have arranged under the Agreement, and the Unapproved Loan.

Loan Interest – interest which the Client pays to the Bank for using the Loan.

Minimum Repayment – the minimum amount which the Client must repay in accordance with the Agreement and the Pricelist.

Monthly Expense Limit – a limit for cash withdrawal during the period of 30 (thirty) days as specified in the Pricelist.

Order – the Client's Order to perform a banking Transaction prepared according to the Bank's requirements.

Parties – the Bank and the Client.

Payment Card – a plastic settlement card issued and serviced by the Bank, linked to a Payment Card Account; an Agreement is concluded on servicing the Payment Card.

Payment Card Account – an account with the Bank which is linked to a Payment Card for performing Transactions with the Payment Card.

Payment Cycle – a period of time that lasts for one calendar month and ends on the last Bank's business day of a respective month. The first Payment Cycle starts with the day when the first Transaction is registered and ends on the last Bank business day of the same month.

PIN – a combination of digits that is known only to the Cardholder for accessing the Payment Card. The Bank issues PIN in a separate sealed non-transparent envelope separately from the Payment Card, and the Cardholder uses said PIN as the Cardholder's signature for confirmation of separate Transactions.

Pricelist – the current Pricelist for services provided by the Bank.

Right of Withdrawal – the Client's right to withdraw from the Agreement as specified in the Consumer Rights Protection Law.

Terms and Conditions of the Agreement – these Terms and Conditions of the Agreement on Opening of a Payment Card Account, Issue and Servicing of a Payment Card.

Total Amount Payable – the amount calculated in accordance with Cabinet Regulations at the time of entering the Agreement, consisting of the amount of the Loan and all costs (including Interest and fees) which the Client should pay for the use of the Loan under the Agreement. AIR calculation assumptions shall be used as the basis for calculating the Total Amount Payable.

Transaction – cash withdrawal, transfer of funds, or payment for purchases and services that is executed using the Payment Card or Payment Card Account, as a result of which the Payment Card Account is either debited or credited.

Unapproved Loan – the Loan granted to the Client by the Bank for recording Transactions made by the Client on the Payment Card Account, the amount of which exceeds the Approved Loan.

Unauthorised Payment – a payment to which the Client did not give their Consent as described in the Terms and Conditions of the Agreement and the Bank's General Terms of Business.

Verbal Order – the Client's Order for performing a payment, submitted over the phone in the case specified in clause 3.3 of the Terms and Conditions of the Agreement.

Voice Password – a password chosen by the Client that serves for Client identification when the Client calls the Bank over the phone.

- 1.2. The Terms and Conditions of the Agreement govern relationships between the Bank and the Client relating to opening and servicing of a Payment Card Account, and the manufacturing, issue and servicing of a Payment Card.
- 1.3. The Terms and Conditions of the Agreement also regulate issue and receipt of an additional service. Within this Agreement, the additional service is a travel insurance policy.
- 1.4. The Agreement is considered concluded starting from the moment of opening of a Payment Card Account. After the Payment Card Account is opened and the Payment Card is manufactured, it is issued to the Client. The Client signs and submits to the Bank the Payment Card Account and Payment Card receipt confirmation.
- 1.5. The Terms and Conditions of the Agreement are considered to be an integral part of the Agreement entered into by and between the Parties.

2. AGREEMENT CONCLUSION, VALIDITY, OPENING OF A PAYMENT CARD ACCOUNT AND ISSUE OF A PAYMENT CARD

- 2.1. The Agreement comes into effect upon opening of a Payment Card Account and shall continue for an indefinite time. The expiration date of the Payment Card is not considered to be an expiration date of the Agreement.
- 2.2. The Bank hereby undertakes to open a Payment Card Account for the Client, to issue a Payment Card to the Client, and provide the Client with the opportunity to perform Transactions using the Payment Card within the established Daily and Monthly Expense Limits and within the amount of funds on the Payment Card Account plus the Approved Loan (if a Loan is granted).

- 2.3.** The Client hereby undertakes to use the Payment Card Account and the Payment Card in compliance with the Agreement and undertakes to pay for services received in accordance with the Pricelist and the Terms and Conditions of the Agreement.
- 2.4.** The Bank opens a Payment Card Account and manufactures a Payment Card with a PIN for the Client within 14 (fourteen) days following receipt of the Application.
- 2.5.** Payment Cards are issued unactivated and shall be activated immediately after the receipt of the required Collateral, payment of the annual fee, and receipt of the Payment Card Account and Payment Card receipt confirmation signed by the Client/Cardholder.
- 2.6.** If, under the Agreement on Opening and Maintenance of a Current Account, the Client has been provided with a digital signature calculator Digipass, the Client may activate the Payment Card via the Internet Bank or by sending a freeform message confirming receipt of the Payment Card and PIN.

3. USE OF THE PAYMENT CARD ACCOUNT

- 3.1.** After the Payment Card Account has been opened, the Bank is entitled to accept transfers of funds or cash remittance to the Payment Card Account, to perform funds transfers or cash disbursement based on Orders, as well as the Bank is entitled to perform Transactions under the Agreement.
- 3.2.** The Client may submit an Order in writing or via the Internet Bank. The Client may only use the Internet Bank for submitting Orders if the Internet Bank is set to the usage of the appropriate mode according to the Agreement on Opening and Maintenance of a Current Account signed by the Bank and the Client. The Client's Internet Bank activity with the Payment Card Account shall be regulated by the Terms and Conditions of the Agreement on Opening and Maintenance of a Current Account and the Bank's General Terms of Business.
- 3.3.** If, in the Application or in the Application for Replenishing a Payment Card Account over the Phone, the Client has specified that they wish to exercise the option of replenishing their Payment Card Account over the phone, the Client shall be entitled to replenish their Payment Card Account by submitting a Verbal Order to the Bank. A Verbal Order shall apply only to remittance of the Client's funds on their Current Account to their Payment Card Account. The Client undertakes to submit a Verbal Order by calling only from the telephone number specified in the Application or in the Application for Replenishing a Payment Card Account over the Phone; otherwise, the Bank shall not be obliged to accept a Verbal Order. The Parties agree that the phone call shall be recorded and the recording shall serve as proof of the Verbal Order.
- 3.4.** The Bank may credit the Client's Payment Card Account without the Client's Consent.
- 3.5.** The Bank performs cash payments or transfers from the Client's Payment Card Account if a sufficient balance is available.
- 3.6.** The Client must specify the following data in the Order:
 - 3.6.1.** The Client's name, address (or identity code) and the Payment Card number;
 - 3.6.2.** The amount and currency of the transfer;
 - 3.6.3.** A specific payment purpose;
 - 3.6.4.** Full names, addresses, and banking codes of the beneficiary bank and the correspondent bank, in the appropriate currency;
 - 3.6.5.** The beneficiary's name, address (or identity code);
 - 3.6.6.** The beneficiary's account number;
 - 3.6.7.** Other required details if requested by the beneficiary bank or mandated by the applicable legislation of the beneficiary bank's country of operations. The Client should specify in the Order precise information about the essence of the Transaction and data from substantiating documents.
- 3.7.** The Client shall be held responsible for the authenticity and completeness of data specified in their Order, as well as for the legality of their Transactions. Client shall be held fully responsible for all Transactions confirmed by documents that they have signed and submitted to the Bank using digital devices or means of remote access provided to the Client.
- 3.8.** The currency exchange required to execute the Client's Order is performed at the Bank's non-cash currency exchange rate upon execution of the banking operation, unless agreed otherwise with the Client.
- 3.9.** In cases where a currency specified in the Order or any payment substantiating document is insufficient or unavailable on the Payment Card Account, the Bank shall execute such an Order upon exchange of the funds on the Client's Payment Card Account in any other currency at the Bank's discretion, at the exchange rate specified by the Bank on the relevant date, unless agreed otherwise with the Client.

- 3.10.** The Bank shall only debit the Payment Card Account with the required amount of funds after the Client's Order is received, in accordance with Client's instructions, within the amount available in their account, except in cases pursuant to clause 13.5 of the Terms and Conditions of the Agreement.
- 3.11.** The moment of receiving the Client's Order is the moment when it has been received at the Bank. If the Order is received after the Bank's open hours or on a weekend or a day that is not the Bank's business day, it shall be considered received on the following business day of the Bank.
- 3.12.** The Bank shall be entitled not to execute any Order that is impossible to execute because it is incorrect or inaccurate, there are insufficient funds available in Client's Payment Card Account, or the Terms and Conditions of the Agreement are not complied with. In such cases, the Bank shall not be held responsible for failure to execute the Client's Order.
- 3.13.** The Bank's liability during identification of the Client for execution of any Order shall be limited to comparison of the signature (signatures) and the seal imprint on the Order with the specimen signature (signatures) and seal imprint provided by the Client, or to verification of the digital signature. The Bank shall not be held responsible if the Payment Card Account is debited in accordance with any forged or otherwise illegal Order, and the signature (signatures) and the seal imprint available in the Order visually conform to Client's specimen signature (signatures) and seal imprint provided by the Client, or where the Bank has duly verified the digital signature.
- 3.14.** The Client is aware and agrees that, during execution of the Client's Orders for transfer of funds, the Bank uses the services of a third party – its correspondent bank. The Bank shall not be held responsible for failure to execute any Order or to execute it on time, provided that this occurs through the fault or negligence of a third party.
- 3.15.** All Orders, including Orders sent by means of remote access, shall be valid for 10 (ten) days, unless the Parties have agreed otherwise.
- 3.16.** The Client may not revoke their Order after it has been received at the Bank, unless the Bank and Client agree in each individual case. When the Bank accepts revocation of an Order, the Bank does not guarantee that the Order will not be executed.
- 3.17.** The maximum time for execution of the Client's Order is specified according to the Pricelist for each payment type. Upon the Client's request, the Bank provides the Client with the information on the maximum execution time and applicable fees prior to execution of the Order.
- 3.18.** The Client pays the Bank a fee and interest pursuant to the currently valid Pricelist as described in clause 13.5 of the Agreement for each of the following: execution of Orders, Transactions on the Payment Card Account, Payment Card Account maintenance and for other services rendered by the Bank. The Client may familiarise themselves with the Pricelist on the premises of the Bank during the Bank's working hours, on the Bank's website, as well as via the Internet Bank.
- 3.19.** After the Client's Order has been executed and the amount has been deducted from the Payment Card Account (outgoing payment) or the Bank has credited an incoming payment to the Client's Payment Card Account, the Bank makes the following information available to Client as regards the Transaction performed:
- 3.19.1.** A reference that allows to identify a specific payment and information on the payment beneficiary (in case of an outgoing payment) or the payer (in case of an incoming payment);
- 3.19.2.** The payment amount in the currency that was deducted from the Client's Payment Card Account or in the currency specified in the Order (in case of an outgoing payment), or the payment amount in the currency that was credited to Client's Payment Card Account (in case of an incoming payment);
- 3.19.3.** The fee amount and, where applicable, distribution of the fee;
- 3.19.4.** In case of currency exchange – the currency exchange rate used in the payment and the payment amount before/after the currency exchange;
- 3.19.5.** The value date of the Transaction.
- 3.20.** The information specified in clause 3.19 of the Agreement is available to the Client as an Account Statement in the Internet-Bank or on the Bank's premises upon request. Once a month, the Client may receive a free Account Statement for the past month in paper format.
- 3.21.** The Client is obliged to review their Payment Card Account Statement at least once a month and to immediately inform the Bank of any wrong, erroneous, or Unauthorised Payment.
- 3.22.** An Order is considered executed correctly if it was executed according to the identifier specified therein (the beneficiary's account number in the IBAN form or the beneficiary's account number and the SWIFT code of the beneficiary bank). If the Client has entered a wrong identifier, the Bank shall not be liable for failure to execute or for erroneous execution of the Order. The Bank is not obliged to verify the compliance of the unique identifier with other details of the Order.
- 3.23.** The Bank shall reimburse expenses incurred by the Client if the Order is not executed or is executed erroneously through the fault of the Bank. The Bank shall not undertake responsibility when an Order is not executed or is executed erroneously due to reasons independent from the Bank.

- 3.24.** If, due to the Bank's error, an amount is transferred or paid to the Client which exceeds the credit balance on the Client's Payment Card Account, the Client shall return upon the Bank's request the amount incorrectly paid/overpaid.

4. CLIENT AND CARDHOLDER OBLIGATIONS AND RESPONSIBILITY

- 4.1.** Use of a Payment Card and PIN is stipulated by the Agreement, the Bank's General Terms of Business, Pricelist, regulatory enactments of the Republic of Latvia, and regulations of the international payment card organizations MasterCard Worldwide and VISA International.
- 4.2.** The Payment Card is property of the Bank and it shall be used by the Cardholder only for Transactions that do not contravene the regulatory enactments of the Republic of Latvia.
- 4.3.** The expiry date of the Payment Card is indicated on the Payment Card (format: "mm/yy"). The Payment Card is effective through the last day of the month indicated.
- 4.4.** Upon expiration of the Payment Card, the Bank shall manufacture and issue to the Client a new Payment Card, unless, at least one (1) month prior to the Payment Card's expiration, the Client has submitted a written notice about termination of the Agreement. The Bank shall not manufacture or issue a new Payment Card to the Client if there is a negative balance on the Client's Payment Card Account, or if the positive balance on Client's Payment Card Account is smaller than the annual fee for use of the Payment Card specified in the Pricelist.
- 4.5.** A renewed Payment Card is issued to the Client or Cardholder at the Bank, unless the Parties have agreed otherwise.
- 4.6.** The Client and Cardholder are obliged to:
- 4.6.1.** Read the Agreement and its Terms and Conditions, the Bank's General Terms of Business, Pricelist, and any amendments thereto, and comply with their stipulations;
 - 4.6.2.** Not keep the PIN together with the Payment Card and/or write the PIN on the Payment Card;
 - 4.6.3.** Sign the Payment Card in the place contemplated for sample signature immediately upon receipt of the Payment Card. The Cardholder's signature on the sample signature panel of the Payment Card shall match the signature specified in the identification document;
 - 4.6.4.** Upon opening the PIN envelope, remember the PIN and destroy the PIN envelope, leaving no evidence of the PIN digit combination;
 - 4.6.5.** Not disclose the PIN and/or CVC to third parties;
 - 4.6.6.** Protect the Payment Card from damage;
 - 4.6.7.** Sign the document confirming a Transaction, first making sure that the amount and data identifying the Transaction coincide with the actual ones, or to use their PIN instead of a signature;
 - 4.6.8.** Retain documents confirming Transactions for at least six (6) months after execution of a respective Transaction;
 - 4.6.9.** Control third-party actions with the Payment Card when it is used for paying for a purchase or a service;
 - 4.6.10.** Produce a personal identification document when the party executing a Transaction requests it, unless the Cardholder has reached the age of 15 (fifteen) and has therefore not been provided with a personal identification document;
 - 4.6.11.** Enter the PIN correctly when using a POS terminal (a device that accepts Payment Cards at a point of sale and is used for authorization of a Transaction and settlement using Payment Cards). If the PIN is entered incorrectly three (3) times, the Transaction being processed by the POS-terminal and further Transactions with the Payment Card will be rejected. In this case, the Client shall forthwith contact the Bank with an application for issue of a new Payment Card. The Client will be issued a new Payment Card and a new PIN;
 - 4.6.12.** Enter the PIN correctly at an ATM. If the PIN is entered incorrectly three (3) times while using an ATM, the Payment Card will be suspended by the ATM. In this case, the Client shall act as described in clause 4.6.18 herein;
 - 4.6.13.** Monitor their Payment Card Account and verify at least once a month that the information specified in Account Statements is correct;
 - 4.6.14.** Pay the fees specified in the Pricelist;
 - 4.6.15.** Pay Loan Interest according to the Pricelist or the Parties' mutual arrangement;
 - 4.6.16.** Repay any Unapproved Loan forthwith, no later than the payment deadline indicated in the Account Statement;
 - 4.6.17.** Not exceed the Daily and Monthly Expense Limits for cash withdrawal set in the Agreement;

- 4.6.18.** If the Payment Card gets stolen, lost or ends up in hands of a third party as a result of some illegitimate actions or if the Payment Card is suspended in ATM, or there are suspicions that the PIN and/or any information related to the Payment Card has become known to a third party, immediately block the Payment Card via the Internet Bank, inform the Bank during its business hours, or dial the 24-hour phone line (+371) 67 092 555 of SIA First Data Latvia, the company providing payment card services, and request blocking of the Payment Card Account. One must submit a (freeform) written confirmation of this fact to the Bank within 7 (seven) days following verbal notification. The (freeform) confirmation may also be sent via the Internet Bank, signing it with the Digipass;
 - 4.6.19.** If necessary, provide the Bank or its authorised representative with available information in order to investigate a case of loss of the Payment Card. The Bank may require the Client and the Cardholder to provide a copy of the document referring to commission of a criminal act submitted to the relevant law enforcement institution;
 - 4.6.20.** Deliver the Payment Card to the Bank upon the Bank's request forthwith;
 - 4.6.21.** Not use the Payment Card if appropriate instructions have been received from the Bank;
 - 4.6.22.** Not use the Payment Card if the validity term specified on the Payment Card has expired. In this case, it shall be delivered to the Bank or destroyed;
 - 4.6.23.** Not perform activities as a result of which any Payment Card details (number, CVC etc.) is digitised and sent, uploaded or entered into an information transmission system, directly or indirectly, unless this is expressly required for execution of a Transaction.
- 4.7.** The Client shall be liable for:
- 4.7.1.** All Transactions with the Payment Card, including Transactions with the Payment Card that was lost, stolen or ended up in hands of a third party as a result of some illegitimate actions, unless the Client has informed the Bank forthwith as specified in clause 4.6.18;
 - 4.7.2.** Any liabilities that occurred as a result of illegitimate or improper use of the Payment Card.
- 4.8.** The Client has the right to receive an increase of their Daily Expense Limit within the Monthly Expense Limit:
- 4.8.1.** For one (1) day, by informing the Bank over the phone (+371) 67 031 324 during business hours of the Bank, specifying the Payment Card number, the Cardholder's name and surname, and the Voice Password; or
 - 4.8.2.** Permanently (for the time period longer than one (1) day) – by submitting a written application to the Bank.

5. COLLATERAL

- 5.1.** A Deposit serves as Collateral of fulfilment of the Client's obligations with regard to issuing of the Payment Card, which is a credit card. The Parties may agree to use other financial means or financial instruments as Collateral. The Bank is entitled to require additional Collateral, a surety of an individual or a letter of guarantee of a legal entity; or the Parties may agree that the aforementioned surety or letter of guarantee may serve as Collateral.
- 5.2.** The Bank has the right not to allow Client to use any other kind of Collateral besides a Deposit, without explaining its decision.
- 5.3.** The Bank determines the size of the Deposit and the Deposit interest rate in accordance with the Pricelist. If the Client is provided with a Payment Card that is a credit card and it is indicated in the Application that the Collateral shall be a Deposit, the Client thereby authorizes the Bank to, without a separate Order, debit the Client's Payment Card Account or the Client's Current Account in the currency of the Payment Card and to place the funds in a Deposit account opened in the Client's name with the following conditions:
- 5.3.1.** The Bank individually sets the Deposit term, which is defined as the expiry date of the Payment Card plus 30 (thirty) days;
 - 5.3.2.** The Bank individually sets the Deposit size, which is calculated as the desired Credit Limit indicated in the Application, or the Credit Limit granted to the Client by the Bank's decision (if it is smaller than the Loan requested by the Client), multiplied by a ratio of 0.9 (i.e. the Credit Limit equals 90% (ninety per cent) of the Deposit amount);
 - 5.3.3.** Deposit interest is calculated according to the Pricelist. With the extension of the expiry date of the Payment Card for a new term, the term of the Deposit is extended respectively. In case of extension of the term, the Bank shall pay the Client accrued interest by crediting it to the Payment Card Account, and shall extend the Deposit without any additional coordination with the Client, applying the interest rate that is set in the Pricelist;
 - 5.3.4.** The Client does not have the right to terminate the Deposit allocated according to the procedure laid down in this clause during the period when the Agreement is in effect;

- 5.3.5.** At the end of the Deposit term (expiry date of the Payment Card plus 30 (thirty) days), if the Agreement has expired, the Bank pays accrued interest and the Deposit amount by crediting such to the Client's Current Account, first deducting funds in the amount of liabilities that occurred during the time of use of the Payment Card, provided that the Client did not otherwise redeem their liabilities to the Bank.
- 5.4.** The Parties may conclude another Deposit agreement where they may define a different Deposit amount and/or Deposit interest rate. The Parties are entitled to enter into agreements of other kinds to ensure execution of Client's liabilities that have occurred or may occur during the use of the Payment Card.

6. LOAN

- 6.1.** If the Bank decides to grant a Credit Limit to the Client on their Payment Card Account, the term of the Loan shall be set for the period that is indicated as the expiry date on the Payment Card.
- 6.2.** The Bank grants a Credit Limit at its discretion in the amount specified (requested) in the Application, as well as the Bank may grant a smaller Loan or refuse to provide a Loan on the Client's Payment Card Account. The Bank, at its discretion, may change the amount of the granted Credit Limit, reduce it or cancel at any time. The Bank is not obliged to explain its decisions regarding granting, changing, or refusing to grant a Loan.
- 6.3.** Taking into account the Client's requests indicated in the Application, the Bank may grant the following Credit Limits:
- 6.3.1.** "Standard" – the Client has the right to repay the principal amount of the drawn Credit Limit on the last day of the Agreement, paying interest for use of the Approved Loan in accordance with the Pricelist;
- 6.3.2.** "Interest free up to 50 days" – the Client has the right not to pay interest for the Credit Limit amount drawn during a calendar month, provided that the amount of the Approved Loan used during a calendar month (debit balance on the Payment Card Account at the end of the last day of a calendar month) is repaid to the Payment Card Account by the 20th of the following calendar month.
- 6.4.** If the Bank has cancelled or reduced the granted Credit Limit, the Client shall repay the Loan (or the part thereof exceeding the Approved Loan) within three (3) business days after receipt of the Bank's notice. Notice shall be sent:
- 6.4.1.** To the address that the Client indicates in the Application as the address for receipt of correspondence. The Parties agree that notice shall be considered received five (5) days following the day of mailing; and
- 6.4.2.** Via the Internet Bank (if the Client has specified it as the address for receipt of Account Statements). In this case, notice shall be deemed received within 24 (twenty-four) hours.
- 6.5.** The Client pays Loan Interest for use of the Loan in accordance with the Pricelist:
- 6.5.1.** For a "Standard" Loan, Loan Interest is calculated based on the actual debit balance in the Payment Card Account at the end of each day, assuming that there are 360 (three hundred sixty) days in a year, and is written off from the Payment Card Account (or any other account held by the Client with the Bank, if there are insufficient funds on the Payment Card Account) without prior coordination with the Client, on the last business day of each month;
- 6.5.2.** The Client shall, by the 20th of a given month (or, if the 20th is a weekend or holiday, by the last business day of the Bank preceding the 20th), pay the Minimum Repayment – 5% (five per cent) of the debit balance on the Payment Card Account as at the last day of the preceding calendar month.
- 6.5.3.** For an "Interest free up to 50 days" Loan, Loan Interest for use of the Credit Limit is calculated based on the actual debit balance on the Payment Card Account at the end of each day, assuming that there are 360 (three hundred sixty) days in a year, and is written off from the Payment Card Account without preliminary coordination with Client on the 21st of the month following the month of use of the Loan (or the next Bank business day if the 21st falls on a weekend, a national holiday or a Bank's holiday) in the event that the Client, before the end of business hours on the 20th of the month following the month of use of the Loan (or the next Bank business day, if the 20th falls on a weekend, a national holiday or a Bank's holiday) has not redeemed the debit balance on the Payment Card Account as of the end of the last business day of the previous calendar month.
- 6.6.** If the Client exceeds the Approved Loan, the Unapproved Loan amount is payable to the Bank forthwith, but no later than the payment deadline.
- 6.7.** In the event of using the Unapproved Loan, the Bank is entitled to block the Payment Card Account at any time and use the Collateral (if any) or any other financial means of the Client to repay the Unapproved Loan.
- 6.8.** If the Client has failed to effect the required Minimum Repayment for 3 (three) months, the Payment Card shall be blocked.
- 6.9.** Upon restoration of the Payment Card for a new validity term, the granted Credit Limit is extended automatically, except in situations where the Bank makes a decision to reduce or cancel a previously granted Credit Limit.

7. ADDITIONAL SERVICE

- 7.1.** If the Client has expressed an intent to use a travel insurance policy in the Application, the Bank, in cooperation with the insurance joint-stock company "Baltikums Vienna Insurance Group", prepares and issues a travel insurance policy within 14 (fourteen) days following receipt of the Application. A travel insurance policy is issued to the Client together with a Payment Card or is mailed to the correspondence address indicated by the Client in the Application. Travel insurance policies are used in accordance with the AAS "Baltikums Vienna Insurance Group" General Insurance Conditions for Travellers Abroad that are posted on the AAS "Baltikums Vienna Insurance Group" website, www.baltikums.lv. The Client hereby authorizes the Bank to submit to AAS "Baltikums Vienna Insurance Group" any data necessary for preparation of their travel insurance policy. AAS "Baltikums Vienna Insurance Group" and the Bank have the right to refuse to issue a travel insurance policy without explaining the reason.
- 7.2.** The additional service mentioned in clause 7.1 shall be paid for in accordance with the Pricelist. The Client has the right to apply for the additional service at any time by submitting a written application to the Bank.

8. PAYMENT FOR SERVICES

- 8.1.** The Bank charges for services related to the use of the Payment Card and servicing of the Payment Card Account in accordance with the Agreement and the Pricelist without obtaining the Client's prior consent, by debiting the Payment Card Account for a respective amount.
- 8.2.** The Client pays the Payment Card servicing fee for the first year of use on the day when the Agreement takes effect, or authorizes the Bank to deduct the fee from the Payment Card Account or from the Client's Current Account in the currency of the Payment Card Account currency on the day when the Payment Card is manufactured. The Bank shall have the right to individually debit the Client's Payment Card Account or Current Account in the currency of the Payment Card Account for the amount specified in the Pricelist.
- 8.3.** Failure to collect a renewed Payment Card or to receive an Account Statement shall not be considered a reason for not charging a respective service fee.

9. CLAIMS

- 9.1.** If the Client believes that the Payment Card Account has been debited incorrectly (i.e., not according to Transactions actually performed or in violation of the Agreement, the Bank' General Terms of Business or the Pricelist) in connection with the use of the Payment Card, immediately after receipt of the Account Statement, but no later than within 45 (forty-five) days following a respective Transaction, the Client shall submit to the Bank a substantiated written claim.
- 9.2.** If as a result of examination of the Client's claim it is established that the Client's claim is justified, the Bank shall reimburse the Client for incurred damages in the amount that is recognized by international payment card organizations MasterCard Worldwide and VISA International, and by SIA First Data Latvia, the company providing payment card services.
- 9.3.** In case of an unsubstantiated claim, the Client shall pay a commission fee for consideration of the claim in the amount specified in the Pricelist. The Parties hereby agree that the Bank shall have the right to debit this amount from the Payment Card Account without obtaining the Client's prior consent.
- 9.4.** Payments performed on the Payment Card Account under the Agreement where both the payer's and the beneficiary's bank are located in an EU or EEA member-state and where payments are made in EUR or in a national currency of an EU or EEA member-state are subject to the following responsibility clauses that, in relevant cases, shall override other Terms and Conditions of the Agreement which regulate the Bank's responsibility:
- 9.4.1.** The Client may receive recovery of their losses from the Bank if the Client informs the Bank of an unauthorised or erroneous Transaction immediately after becoming aware thereof, within no more than 5 (five) days after the funds have been deducted from the Payment Card Account. If the Client is considered a consumer in the understanding of the law of the Republic of Latvia, the term for the aforementioned reimbursement of losses is 13 (thirteen) months following the writing-off of funds from the Payment Card Account;
- 9.4.2.** If the Client denies having given Consent to an executed Transaction or claims that a Transaction has been made erroneously, the Bank shall conduct an appropriate review, checking whether the Transaction was made in accordance with the Cardholder's Order (including checking of means of identification used) and whether the Transaction was correctly recorded on the account or an error of a technical or other nature has indeed occurred;

- 9.4.3.** If the Bank establishes that a Transaction was not duly authorised and no other barriers specified in the Terms and Conditions of the Agreement exist, the Bank shall reimburse losses to the Client by repaying the Unauthorised Payment or by recovering the balance on Client's Payment Card Account from which such amount was deducted to the balance prior to such an Unauthorised Payment;
- 9.4.4.** If the Client denies having authorised a Transaction that has already been executed, establishing physical use of the Payment Card shall serve as evidence of the fact that the Cardholder indeed authorised the Transaction, or that the Cardholder acted in an illegal manner, or through intent or gross negligence failed to fulfil one or more of the obligations specified in these Terms and Conditions of the Agreement for using and storing means of securing the Payment Card;
- 9.4.5.** The Bank shall not reimburse the Client for losses under EUR 150 (one hundred fifty euros) if they were caused by Unauthorised Payments resulting from loss, theft, or other illegal obtaining of remote access tools (Internet Bank, Digipass) or of the Payment Card itself, or otherwise if the Client has failed to ensure secure storage of the personalised security elements (username, password, PIN, etc.) and thus enabled illegal use of remote Payment Card access tools or of the Payment Card itself;
- 9.4.6.** The Bank shall not reimburse the Client for losses incurred by the latter from Unauthorised Payments if the Client has acted illegally, or deliberately (on purpose), or due to negligence failed to use or store the remote access tools (Internet Bank, Digipass) or the Payment Card itself in compliance with the provisions of the user guide for the remote access tools;
- 9.4.7.** The Bank shall be liable for correct execution of the Client's Order, unless the Bank can prove that the payment beneficiary bank has received the payment amount. If the Bank can prove that the beneficiary bank received the payment amount, the beneficiary bank shall be responsible for correct execution of the payment;
- 9.4.8.** If the Bank is responsible for execution of the Order under clause 9.4.7 of the Agreement, it shall immediately repay the Client the unpaid or incorrectly paid amount or shall recover the balance on the Client's Payment Card Account, from which the amount in question was paid, to a balance that would exist if the incorrect payment had not been made.
- 9.5.** If the Client is not considered a consumer in the understanding of the regulatory enactments of the Republic of Latvia, the Parties agree not to apply the provisions of clauses 9.4.5-9.4.7 of the Terms and Conditions of the Agreement.
- 9.6.** The Bank shall reimburse losses resulting from illegal use of Client's Payment Card and incurred by the Client (if they qualify as a consumer in the understanding of regulatory enactments of the Republic of Latvia) in the manner and in the amount specified in the Consumer Rights Protection Law of the Republic of Latvia.
- 9.7.** The Client may apply to the Ombudsman of the Association of Commercial Banks of Latvia. Filing a complaint with the ombudsman is not required in order for the Client to go to court.
- 9.8.** If the Parties fail to settle disputes arising out of this Agreement through negotiation, their disputes shall be resolved by the Court of Arbitration of the Association of Commercial Banks of Latvia, composed of one arbitrator appointed by Chairman of the Court of Arbitration, in compliance with regulatory enactments of the Republic of Latvia and the bylaws of the Court of Arbitration. If the Client is an individual, this clause shall not apply.
- 9.9.** If the Parties fail to settle disputes arising out of this Agreement through negotiations their disputes shall be resolved by a court of the Republic of Latvia in compliance with regulatory enactments of the Republic of Latvia. If the Client is a legal entity, this clause shall not apply.
- 9.10.** Monitoring of adherence to the Cabinet Regulations is performed by the Consumer Rights Protection Centre, located at: Brīvības iela 55, Rīga, LV-1010, Latvija.

10. AMENDMENT AND TERMINATION OF THE AGREEMENT

- 10.1.** The Bank may amend the Terms and Conditions of the Agreement unilaterally having warned the Client thereof 2 (two) months in advance by placing information on amendments on the Bank's website www.blueorangebank.com. It is assumed that the Client agrees with the amendments to the Terms and Conditions of the Agreement unless the Client has submitted to the Bank in writing their objections to the amendments before the effective date of the amendments. If the Client objects to proposed amendments, the Client may terminate the Agreement prior to the date on which they take effect.
- 10.2.** The Bank may block and cancel any of the Payment Cards issued to the Client at any time in cases related to Payment Card security, reasonable concerns about unauthorised or fraudulent use of the Payment Card, in cases when a Credit Limit has been issued to the Client and the risk that the Client might fail to fulfil their payment obligations increases substantially, as well as in other cases specified in regulatory enactments of the Republic of Latvia and in binding international legislation. In this case, the Client and the Cardholder must return the cancelled Payment Cards to the

Bank.

- 10.3.** The Agreement can be terminated at any time upon mutual consent of the Parties and in compliance with clause 10.9 of the Terms and Conditions of the Agreement.
- 10.4.** The Client may terminate the Agreement by submitting a written application to the Bank, acting in compliance with clause 10.9 of these Terms and Conditions of the Agreement.
- 10.5.** The Bank is entitled to terminate the Agreement having given the Client 2 (two) months' notice in the following cases:
 - 10.5.1.** If the Client fails to fulfil any of their obligations towards the Bank;
 - 10.5.2.** If the Client has performed no Transactions on the Payment Card Account for more than 12 (twelve) months;
 - 10.5.3.** If the Client violates regulatory enactments while performing Transactions on the Payment Card Account;
 - 10.5.4.** If the Bank possesses information about the Client's bad reputation or the Client acts disrespectfully towards the Bank;
 - 10.5.5.** If the Client has attempted or performed fraudulent actions against the Bank or any of its Clients;
 - 10.5.6.** If the Client does not submit to the Bank the requested documents or information;
 - 10.5.7.** If the Bank is aware or has concerns that the Client has taken or attempted to take actions aimed at money laundering, terrorist financing, or other criminal offence;
 - 10.5.8.** In the case specified in clause 10.8 of the Terms and Conditions of the Agreement.
- 10.6.** The Bank is entitled to suspend any action on the Payment Card Account without any warning in cases specified in the Agreement, the Bank's General Terms of Business, and the regulatory enactments of the Republic of Latvia.
- 10.7.** The Payment Card Account is closed:
 - 10.7.1.** After 30 (thirty) days if the Client is issued a Payment Card that is a credit card;
 - 10.7.2.** After complete fulfilment of obligations. If there is a positive balance on the Payment Card Account, it is credited to the Client's Current Account at the Bank or, if there is no Current Account, the balance, depending on Client's instructions, is either paid out in cash or transferred to the Client's account with another bank. The Bank deducts a commission fee for a cash transaction or execution of a payment, in the amount specified in its Pricelist.
- 10.8.** The Bank has the right to cancel or destroy the Payment Card if the Client/Cardholder has not collected the Card from the Bank three (3) months after the date it took effect.
- 10.9.** Notwithstanding the foregoing, the Agreement may be terminated only when liabilities related to the use of Payment Card Account and Payment Card services have been met and the Client has executed all payments arising out of these liabilities.

11. RIGHT OF WITHDRAWAL (does not apply to Clients that are legal entities)

- 11.1.** The Client shall have the right to, within 14 (fourteen) days following conclusion of the Agreement, exercise the Right of Withdrawal and cancel the Loan (withdraw from the Agreement) without explaining the reason for such cancellation.
- 11.2.** The Client shall give the Bank written notice of exercising the Right of Withdrawal, by submitting an application to the Bank or sending a message in the Internet Bank. The notice of exercising the Right of Withdrawal shall be sent to the Bank before the term specified in clause 11.1 elapses.
- 11.3.** The Client shall be obliged to as soon as possible, within no more than 30 (thirty) days after giving notice to the Bank in accordance with clause 11.2 of the Terms and Conditions of the Agreement, repay to the Bank the Loan actually received and used, and pay Interest for the entire period of time that the Loan was used.
- 11.4.** In the event of exercising the Right of Withdrawal, the Client shall not be refunded the Payment Card issue fee.
- 11.5.** If the Client fails to comply with terms and conditions of clauses 11.2 and/or 11.3 of the Agreement, the Client shall be assumed not to have exercised the Right of Withdrawal and the Client shall be obliged to continue to execute Transactions in accordance with the Agreement.

12. RESPONSIBILITY

- 12.1.** As of the moment this Agreement takes effect, the Parties certify that:
- 12.1.1.** Before opening the Payment Card Account, the Bank has provided the Client with full information with regard to services that the Bank can render based on the Agreement, and related financial risks;
 - 12.1.2.** Before opening the Payment Card Account, they have read and discussed the Terms and Conditions of the Agreement, they understand the legal significance and consequences of entering into the Agreement, and agree to the Terms and Conditions of the Agreement;
 - 12.1.3.** The Client has read the Terms and Conditions of the Agreement, the Bank's General Terms of Business and Pricelist, understands them and agrees to them;
 - 12.1.4.** There are no legal obstacles to their entering into the Agreement and executing it.
- 12.2.** By signing the Application, the Client certifies that:
- 12.2.1.** The information provided in the Application and other documents is true; the Client undertakes to immediately inform the Bank in writing of any substantial changes to said information;
 - 12.2.2.** The funds in possession of the Client on the Payment Card Account have not been acquired in an illegal way and the Client's Accounts will not be used for money laundering or terrorist financing;
 - 12.2.3.** The Client has been informed, as prescribed by the Law on Protection of Personal Data, about the possibility to get acquainted with the data obtained by the Bank about the Client, and the possibility to make changes in said data in the manner provided by law;
 - 12.2.4.** The Client has been informed about their liability in the event of providing untrue information, including criminal responsibility in cases where the Client intentionally provides the Bank with false data about Transactions, related funds and beneficial owners;
 - 12.2.5.** The Client has authorised the Bank to give information that is at the Bank's disposal on the Client, beneficial owner(s), Transactions, business partners etc. to other banks or financial institutions which are involved in servicing payments, per such banks' or financial institutions' request;
 - 12.2.6.** The Client has been informed that the data requested and collected by the Bank are necessary for fulfilment of obligations specified by regulatory enactments;
 - 12.2.7.** The data and information requested and collected will undergo verification and processing;
 - 12.2.8.** Prior to granting a Credit Limit, the Bank has notified the Client about requirements specified in the Standard Consumer Credit Information form of the European Commission (unless the Client is a legal entity).
- 12.3.** The Client agrees that their telephone calls to the Bank will be recorded and hereby confirms that such recordings will serve as sufficient evidence in resolving the Parties' disputes, including in the court.
- 12.4.** The Client will cover communication and other expenses that are not stipulated in the Agreement but are necessary for the execution of the Agreement.
- 12.5.** It will be the Client's obligation to produce and submit all documents required by the Bank and/or notarised, legalised or apostilled copies of documents.
- 12.6.** If an individual signing the Application on behalf of Client is not authorised to represent the Client at the moment of signing the Agreement, the signatory of the Application undertakes all liabilities of the Agreement signed as an individual. In case of forgery of the Client representative's signature, seal or other documents, provided that a criminal process has been initiated with regard to the fact of fraud, the Bank has the right to block the Payment Card and suspend Transactions on the Payment Card Account until the moment when a court ruling regarding the case takes effect or criminal proceedings are concluded.
- 12.7.** The Parties will be responsible for default on obligations laid down in the Agreement or for improper fulfilment thereof, according to the procedure and in the amount specified in regulatory enactments of the Republic of Latvia.
- 12.8.** The Parties shall not bear responsibility for losses caused by contingent and insurmountable circumstances which the Parties could not predict and/or influence.

13. CLOSING PROVISIONS

- 13.1.** Headings of the sections contained in the Terms and Conditions of the Agreement are for convenience only and are not to be used for construction of the essence of the Agreement.
- 13.2.** Execution of the Agreement is governed by regulatory enactments of the Republic of Latvia; the Agreement has been prepared and should be construed in accordance with the same.

- 13.3.** Throughout the term of the Agreement, if the Client is considered a consumer under the applicable legislation of the Republic of Latvia, the Client may receive the Terms and Conditions of the Agreement or information on specific provisions of the Agreement free of charge, on paper or on another hard medium upon request.
- 13.4.** The Bank is entitled to apply changes to currency exchange rates immediately and without prior notice. Information about changes to the Bank's currency exchange rates and the Bank's current exchange rates is available to the Client on the Bank's premises and on the Bank's website, www.blueorangebank.com.
- 13.5.** The Client authorises the Bank to debit funds from any account held by the Client with the Bank without obtaining the Client's consent in the following situations:
- 13.5.1.** Fees and payments for the Bank's services;
 - 13.5.2.** Where a payment into the Payment Card Account has been made by mistake, oversight or lack of legitimate grounds;
 - 13.5.3.** Repayment of Client's obligations to the Bank;
 - 13.5.4.** Other situations stipulated in the Agreement.
- 13.6.** The Bank has the following rights:
- 13.6.1.** To verify the information and documents furnished by the Client and to require information from third parties to this effect;
 - 13.6.2.** To submit, if necessary, personal identity information and documents, as well as other information at the Bank's disposal to the international payment card organizations MasterCard Worldwide and VISA International, and to SIA First Data Latvia, the company providing payment card services;
 - 13.6.3.** To forward data on the Client and their Transactions to third parties, if it is necessary for fulfilment of the Agreement;
 - 13.6.4.** To forward data on the Client and their Transactions that is at Bank's disposal to third parties in the situations and according to the procedure provided for in regulatory enactments of the Republic of Latvia.

