

GENERAL TERMS OF BUSINESS

www.blueorangebank.com

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1. TERMS AND DEFINITIONS

Account – a Client’s Current Account, Payment Card Account, Salary Account, Basic Account, or other Account with the Bank, holding the Client’s deposits.

Agreement – any agreement concluded between the Parties on receipt of Bank’s services (operations).

Application – a document prepared by the Bank and completed and signed by the Client in paper form or in the Internet Bank to apply for opening an account, issuing and maintaining a card and receiving a credit limit. Application that is completed in the Internet Bank and signed with the Digital Signature has the same legal validity as a document manually signed by the Client; a document signed in this way is considered as a sufficient proof to resolve any potential disputes between the Bank and the Client.

Authentication Tool – electronic token Digipass or Mobile Digipass (Blue KEY), or Password+SMS authentication, used for Client authentication or verification of the application of payment instrument.

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

Basic Account – a Current Account with basic functionality specified in the Payment Services and Electronic Money Law.

BO – beneficial owner.

Client – an individual or legal entity, or a partnership of such, to whom the Bank renders Bank services, as well as any party that has expressed a desire to commence cooperation with the Bank.

Currency Exchange Transaction – a transaction involving purchase of one currency for another currency at a rate agreed between the Parties. The list of currencies available for purchase transactions is specified on the Bank's website www.blueorangebank.com.

Currency List – the list of currencies specified on the Bank's website, www.blueorangebank.com, in which the Bank is entitled but not obliged to execute Payments, accept deposits, remit and/or disburse funds. The currency list and currency exchange rates are provided for reference only, and may be changed within one day, without the Bank giving prior notice to the Client.

Consent – the Client's consent to execution of a Payment Order (authorisation).

Consumer – a Client (individual) that uses the Bank's services (operations) not related to their commercial or professional activities.

Data Subject – an identified or identifiable natural person. An identifiable natural person is a persona that can be identified, directly or indirectly, in particular by reference to an identifier, such as a Client, employee of the Bank.

Deposit – a transaction whereby the Client deposits funds with the Bank and the Bank is entitled to handle such and obliged to, after a specific period of time, repay it with interest. If, upon concluding a Transaction, the Parties use the terms "deposit", "depo" or other analogous terminology, such transactions are considered as Deposits.

Digital Signature – codes, passwords and other identifiers generated or actions taken during the use of the Authentication Tool in order to identify the Client in the Internet Bank or other environment provided by the Bank or to verify Applications, agreements, Transactions or Orders, or having a logical link with any of the above-mentioned documents; digital signature is regarded as Consent and is used in accordance with the terms of the Agreement.

Interest Period – each period of time for the duration of which Deposit interest is calculated and paid.

Internet Bank – remote access and management system for rendering the Bank's services via internet, including mobile site. The Internet Bank may be accessed by opening the URL <https://ib.blueorangebank.com> or downloading the Bank's mobile app to a mobile device from App Store or Google Play websites.

Force Majeure – circumstances beyond the Parties' control upon whose occurrence fulfilment of the Bank operational obligations becomes impossible for objective reasons, including natural disasters, telecommunications disturbances, hostilities or mass unrest, amendments in applicable legislation and similar circumstances.

Legislation – regulatory enactments of the Republic of Latvia, binding regulations issued by competent authorities, other regulations applicable to the relationship between the Bank and the Client, and the best banking practices. Foreign regulatory enactments are applicable subject to the laws and regulations of the Republic of Latvia or the terms of the Agreement.

Minimum Balance – the amount of funds specified in the Pricelist which the Client must maintain on the Current Account.

Notification – any message, order, application, request, extract, statement, confirmation, or other information (document) stemming from the business relationship between the Parties and being delivered by one Party to the other.

Parties – the Bank and the Client together.

Password – a set of digits and/or symbols specified in the Application, used to identify the Client over the phone and allowing the Client to receive information about the Account status, to execute transactions (placement of deposits, currency exchange, card transactions) or transactions with financial instruments over the phone (if an agreement on relevant services is concluded), and to activate the mobile Digipass.

Payment – an activity initiated by the Client with the aim of delivering funds, executing a transfer or withdrawing cash.

Payment Order – the Client's payment order given to the Bank for execution of a Bank operation.

Pricelist – the applicable pricelist that specifies fees for services (operations) rendered by the Bank.

Service (operation) – any financial services, payment services or other services offered and/or rendered by the Bank to the Client.

Statement – summary of transactions on an Account over a specific period of time, issued to the Client in accordance with the procedure specified by the Bank.

Terms – General Terms of Business.

Transaction – the Parties' agreement to place a Deposit or perform a Currency Exchange Transaction in accordance with the provisions of this Agreement.

Value Date – the date on which one of the Parties (the payer) is to credit the account of the other Party (beneficiary) in accordance with terms of the Transaction.

2. GENERAL PROVISIONS

- 2.1. The Terms shall be construed as a general document governing legal relationship of the Parties, defining the rights and obligations of the Parties with respect of the execution of Bank operations, unless otherwise stipulated in the respective Agreement or the terms of Bank operations.
- 2.2. The Terms shall be construed as an integral part of any legal transaction between the Parties and shall be applicable in cases when certain matters are not governed by the respective Agreement or the terms of Bank operations, or are governed incompletely, causing disputes between the Parties with respect of the content, form and execution of a transaction.
- 2.3. Parties shall be guided by these Terms when dealing with matters regarding currency of funds held in the Accounts, as well as the currency and procedure for executing Payments. Where requirements regarding the currency of funds held in the Accounts, as well as the currency and procedure for the execution of Payments, as established in the Terms and Conditions of the Agreement on Account Opening and Maintenance, are materially different from those of the Terms, the Terms shall prevail.
- 2.4. The signature of the Client (Client's representative) on any document of the Bank shall confirm that:
 - 2.4.1. The Client has full legal capacity to receive and use services of the Bank;
 - 2.4.2. The Client has every right, permit, license and authorisation necessary to receive and use services of the Bank;
 - 2.4.3. The Client is the BO of the received Bank services, unless the Client has informed the Bank about another BO of the Client. The BO is the interested party, that receives all the profit and benefits resulting from Bank operations;
 - 2.4.4. All the information provided by the Client to the Bank, including information on the BO's activity, financial standing, and location is true and fair. Any Notifications submitted by the Client to the Bank are true and valid. The Client is aware of criminal liability for providing misleading information to the Bank;
 - 2.4.5. The Client is fully aware of the Terms, understands them and acknowledges them as binding;
 - 2.4.6. The Bank has fully disclosed to the Client the information on the Bank services that may be rendered to the Client based on these Terms, and the information on the involved financial risks.

3. CLIENT IDENTIFICATION, VERIFICATION OF POWERS AND SIGNATURES

- 3.1. Before establishing legal relationship with the Client, the Bank shall identify the Client (Client's representative) in accordance with Legislation and procedures established by the Bank. The Bank shall be entitled to adjust the scope of documents and information to be requested from the Client on case-to-case basis, so that the Bank is able to identify the Client (Client's representative), establish the Client's BO, ensure implementation of the "Know Your Client" principle, and identify whether the Client is the Bank's related party or represents a group of interrelated clients for the Bank. The Client shall submit the identification documents requested by the Bank. When submitting copies of identification documents to the Bank, the Client (Client's representative) shall present originals or duly certified copies of such documents to the Bank. When public documents, issued abroad, are submitted to the Bank, such documents shall be legalised with an Apostille in accordance with Legislation. If the Client submits documents to the Bank in a foreign language, the Bank shall be entitled to request the Client to submit notarised translations of such documents. The Bank shall have the right to copy (scan) and store the copies of the identification documents submitted by the Client pursuant to the procedure provided for in the applicable law.
- 3.2. Upon execution of the Bank operations, the Bank shall visually compare the signature of the Client (Client's representative) on the transaction document with the specimen of the signature of the Client (Client's representative), as submitted to the Bank. For natural entities, the Client signatures inserted in the account opening and maintenance agreements shall be used as the signature specimen, or else the Bank shall use the personal signature, indicated in the identification document presented by the Client, for comparison. At the Client's sole discretion, a seal specimen may be enclosed with their specimen signature. In such case, during the execution of Bank operations the Bank shall compare the Client's seal imprint on the transaction document with the seal specimen submitted by the Client. The Bank shall not be obliged to consider the colour of a seal. If the signature and seal imprint of the Client or their representative on the transaction document visually matches the signature and seal specimens submitted to the Bank, the Bank shall consider that such transaction document as signed by the respective person.
- 3.3. The Client shall be entitled to use means of remote identification or means of remote servicing, if a respective Agreement is concluded. The Client's Internet Bank user name and Digital Signature shall be used for identifying the Client within the Internet Bank. Documents, including Agreements, signed by the Client with the Digital Signature, shall have the same legal force as documents signed by the Client in person. By signing an Agreement remotely, the Client (Client's representative) shall use the Digital Signature instead of the handwritten one, and forward the Agreement to the Bank by using electronic means of communication. Agreements signed by the Client with Digital Signature shall be drawn up in one copy and stored at the Bank.
- 3.4. In the event of cash transactions, the Bank shall require the Client or their representative to present an identity document.
- 3.5. The Client shall be fully responsible for losses incurred at the result of false declarations made by the Client thus misleading the Bank or as the result of negligence of the Client or actions of third parties, when the Bank has incorrectly identifies the signature

or seal imprint of the Client (Client's representative) and no gross negligence is identified on the part of the Bank.

- 3.6. The Bank shall not be obliged to reveal and identify the forgery or any other irregularities with respect of the signature, seal or transaction documents of the Client (Client's representative), unless such forgery or irregularities are obvious.
- 3.7. The Client shall be entitled to issue a written authorisation to a third party for the execution of Bank operations. Such authorisation may be issued at the Bank's premises and signed in the presence of the Bank's officer, or submitted with a notarised authorisation.
- 3.8. If the authorisation submitted to the Bank has a specific term of validity, the authorisation shall cease to be valid on the date of expiry, unless the Client revokes it earlier in writing. An authorisation with indefinite period of validity shall be considered valid until the Client revokes it in writing.
- 3.9. The Bank shall have the right to refuse from accepting an authorisation that is not formalised in accordance with the requirements of the applicable law or the Bank's requirements, or for other important reasons based on the Bank's judgement.
- 3.10. The Bank shall not be obliged to verify the validity of an authorisation, including authorisations registered with public registers. If the person, having signed the document, is not entitled to represent the Client whom they purport to represent as of the moment of signing such document, such signatory in the capacity of a natural person shall fully undertake all the obligations ensuing from the document being signed and shall be held responsible for its execution. In the event of forgery of the signature of a Client's representative, seal, or other documents provided, provided that criminal proceedings have been initiated in this regard, the Bank shall be entitled to suspend all outgoing transfers on Accounts until a court judgement regarding the relevant case enters into force or the relevant criminal proceedings are terminated.
- 3.11. The Client shall reimburse the Bank for all losses incurred at the result of the Client or their representative being legally incapacitated or having no signatory's powers at the moment of execution of a Bank operation.
- 3.12. The Client shall immediately notify the Bank in writing about any changes in any material facts and circumstances with regard to their transactions with the Bank, such as changes in information specified in the Bank's forms, including but not limited to: in the event of an individual — change of first name, surname, residential address, identity code (taxpayer's registration number), signature or identification document; in the event of a legal entity — change of name, form of enterprise, registered office or contact address, seal imprint, registration number, place of registration, the legal entity's representatives (officers, attorneys, shareholders, BOs) or their identification data.
- 3.13. The Client shall present and submit to the Bank all documents requested by the Bank and/or certified (notarised), legalised or apostilled copies of such documents.

4. EXCHANGE WITH INFORMATION AND DOCUMENTS

- 4.1. The Bank shall be entitled to request the Client to submit any Notifications regarding Bank operations to the Bank in written.
- 4.2. Unless otherwise stipulated in the respective Agreement, the Bank shall send all documents or mailings regarding Bank operations to the Client's address of residence or registered address. All documents addressed to the Client shall be considered sent and received, if the Bank has sent them to such address.
- 4.3. If the Client fails to notify the Bank about any changes in their address, phone number or other contact details, the Bank shall assume that the submitted information is complete and accurate, and the Bank shall be entitled to use such contact information in communication with the Client unless otherwise stipulated in the Agreement.
- 4.4. The Bank shall provide the Client with Notification regarding Bank services (operations) in the following ways:
 - 4.4.1. In person. Notifications, that are handed over to the Client in person or communicated verbally, though the Internet Bank or e-mailed to the e-mail address specified by the Client in the agreement concluded with the Bank or otherwise communicated to the Bank pursuant to the procedure prescribed in the agreements concluded with the Bank. The Bank shall be entitled to use services of third parties for the processing and/or delivery of postal items, information, or data, as well as to send short messages, e-mails and other types of messages to the mobile phone number and/or e-mail address indicated by the Client.
 - 4.4.2. Publicly. Notifications, that are published on the Bank's website www.blueorangebank.com, in the information materials issued by the Bank (for example, leaflets), posted at the Bank's premises — at customer service points, and published in media.
- 4.5. All Notifications shall be considered delivered to the Client or received by the Bank once the respective Notification is recorded in the Bank's administrative registers, unless different procedure is established in the Bank's terms of service (operations).
- 4.6. The Parties agree that electronic mail (e-mail) may be used for exchange of Notifications, as agreed by the Parties upon conclusion of the Agreement. Prior to conclusion of the Agreement, the Client shall confirm that they understand the risks inherent to use of e-mail and that the Bank has informed them about the potential risks and explained consequences thereof, and that the Client understands the aforementioned information. The aforementioned risks may include computer contamination with spyware, viruses and other malware, leakage of trade secrets, inability to trace a mailings, and unauthorised access to mailings.

- 4.7. Processing (including the procedure of execution and timing) of documents received by the Bank outside the scope of these Terms shall be arranged pursuant to the procedure provided for in Legislation, Pricelist or the Agreement.
- 4.8. Bank representatives and their authorised representatives, within their respective competencies, sign all Bank operation documents on behalf of the Bank. The signature of the Bank's officer, a stamp on a document regarding Bank operations shall mean that the document is accepted for the execution by the Bank, except where stipulated otherwise in the Bank's internal regulations.

5. VERIFICATION OF DOCUMENTS RECEIVED BY THE BANK

- 5.1. The Client shall be responsible for the authenticity, completeness, accuracy and prompt submission of data and documents to the Bank.
- 5.2. If the Bank pursuant to the Terms or the Bank's internal regulations is obliged to verify the authenticity, completeness, accuracy and timeliness of the documents submitted by the Client or to translate their content, the Bank shall only be held liable for gross negligence committed in carrying out actions prescribed in the Bank's internal regulations.
- 5.3. If in the execution of the Client's order the Bank is obliged to carry out the activities specified in Clause 5.2 of the Terms, the Bank shall be entitled to use the services of third parties at the Client's expense.
- 5.4. If the amounts/numbers written-out in words in the Bank operation documents are inconsistent with the amounts/numbers written in figures, the Bank shall be entitled to refrain from the execution of the respective operation, or else to execute the operation based on the amount/numbers written-out in words. In using electronic settlement systems, the amounts/numbers written in figures shall prevail.
- 5.5. When notarised, legalised or apostilled public documents issued in foreign countries are submitted to the Bank, or if the Bank executes a payment on the basis of a letter of credit, documentary collection, writ of execution, or another claim or executive document, the Bank shall verify formal conformity of such documents to the generally accepted standard or form, if applicable.
- 5.6. In submitting or sending documents to the Bank, the Client shall ensure that such documents are legible, correct, without correction marks or crossed-out words, signed using writing implements where the handwriting stays on for an indefinite period of time and cannot be erased otherwise than by obviously damaging the material of the document. The Bank shall be entitled to refuse to accept documents that fail to meet the requirements of this Clause.
- 5.7. The person submitting the respective document shall be responsible for losses sustained because of failure to comply with the requirements of Clause 5.6 of the Terms.
- 5.8. The Bank shall be entitled to request additional confirmation regarding Bank operations document, if the Client or the Client's representative fails to submit such document to the Bank in person or if suspicions arise as to the veracity of the document. The Bank shall be entitled to refrain from execution of an order until the additional confirmation of the order is received from the Client. In such event, the Bank shall not be held liable for losses sustained by the Client due to delay in the execution of the Bank operation specified in such document.
- 5.9. If, in the execution of a Bank operation, any activity is to be executed within a specific timeframe, the Client shall set the term of execution in each individual case. The term of execution shall be established in writing, unless stipulated otherwise in the respective Agreement.
- 5.10. The Bank shall be entitled not to follow the term of execution for the orders, as specified by the Client, if the execution within the set timeframe is impossible in accordance with the applicable bank practice. In such case, the Bank shall not be liable for losses sustained by the Client due to delay in the execution of the order, and the Bank shall not be held liable for losses sustained by the Client due to the Client's failure to specify such term of execution in the Bank operation document.

6. ACCOUNT

6.1. Opening and use of the Account

- 6.1.1. Account opening is based on the Agreement on opening of the Account.
- 6.1.2. The Client shall ensure that the source of funds deposited in the Account is legitimate. If the Client has no information as to the origin of funds deposited in the Account or doubts arise as to the origin of funds, the Client shall inform the Bank immediately.
- 6.1.3. The currency of funds held in the Account shall be Euro (EUR). If funds in currencies other than Euro (EUR) are held in the

Account, the Bank shall be entitled to, at any time, without giving prior notice to the Client, convert all or part of the funds available in the Account into Euro (EUR) based on the Currency List at the rate established by the Bank as at the time of the exchange operation.

- 6.1.4.** The person with whom the Bank has concluded the relevant Agreement shall be considered the owner of an account opened with the Bank, unless otherwise stipulated in that Agreement.
- 6.1.5.** The Client's funds may be placed in the Bank's correspondent accounts on behalf of the Bank, at the Client's responsibility and risk.
- 6.1.6.** Financial instruments of foreign issuers in the possession of the Client shall be held with custodians, depositories and registers of the respective countries.
- 6.1.7.** The Client shall undertake responsibility for ensuring compliance of their investments in financial instruments issued in foreign countries and fulfilment of respective obligations in accordance with the legislation of the respective country, as well as shall accept full risk ensuing from currency exchange, restrictions, limitations on alienation or transfer of financial instruments, taxes, duties and other fees applicable in the respective country.
- 6.1.8.** The account of an individual shall be managed by the individual himself (herself) or by an authorised person accordance with the applicable law of the Republic of Latvia or other applicable laws and regulations.
- 6.1.9.** The account of a legal entity shall be managed by its representatives duly authorised for executing business transactions on behalf of the said legal entity and whom the Bank has identified in accordance with Legislation.
- 6.1.10.** The Bank shall be entitled to apply the signature rights (representation) of the representative of the account owner to all the accounts opened by the respective account owner with the Bank, unless otherwise stipulated in the respective Agreements or the Client has issued special instructions to the Bank. Changes in the Client's rights of signature (representation) shall be made upon the Client submitting the supporting documents in compliance with the Legislation, the regulatory enactments applicable to the Client's activity, and the Bank's requirements.
- 6.1.11.** The Bank shall execute Bank operations specified in the Client order on a condition that the Bank has reviewed and verified the documents on rights of signature (representation) submitted by the Client and accepted them as sufficient.

6.2. Opening of a Basic Account

- 6.2.1.** The Bank shall open a Basic Account for a Consumer that is:
 - 6.2.1.1.** A citizen of Latvia;
 - 6.2.1.2.** A non-citizen of Latvia;
 - 6.2.1.3.** A citizen of another member state of the European Union, European Economic Area or the Swiss Confederation;
 - 6.2.1.4.** A person authorised to reside within Latvia in accordance with the applicable legislation of the Republic of Latvia, including an asylum seeker or person granted alternative status — whether or not the person has declared a place of residence in Latvia;
 - 6.2.1.5.** A person who does not hold a residence permit, but cannot be deported from Latvia under the applicable legislation of the Republic of Latvia, unless such right to open a Basic Account is restricted under the applicable legislation.
- 6.2.2.** In order to open a Basic Account, a Consumer shall submit to the Bank a completed and signed Application for opening and maintaining a Basic Account, whereby the Consumer represents that they have not opened any payment account for receiving the services included in the Basic Account with another credit institution that offers payment services in Latvia, and submit other information requested by the Bank as necessary for opening the Basic Account.
- 6.2.3.** The Bank shall refuse to open a Basic Account in any of the following cases:
 - 6.2.3.1.** Opening or servicing such Basic Account could potentially lead to violation of applicable laws and regulations, including regulatory enactments regarding prevention of money laundering and financing of terrorism;
 - 6.2.3.2.** The Consumer provides misleading information for the purpose of opening a Basic Account.
- 6.2.4.** The Bank shall be entitled to refuse to open a Basic Account in any of the following cases:
 - 6.2.4.1.** The Consumer already has opened a payment account with the Bank or another credit institution that carries out business activity in Latvia and provides services included in the Basic Account, except in cases where the Consumer has already received a Notification regarding closure of such payment account;
 - 6.2.4.2.** The Consumer no longer meets the criteria of a Basic Account holder, as established in the Terms or the applicable legislation;
 - 6.2.4.3.** Opening or servicing the Basic Account may present reputation risks for the Bank.
- 6.2.5.** If the Bank decides to refuse opening a Basic Account, the Bank shall, using the correspondence address submitted to the Bank (including an e-mail address), immediately notify the Consumer about the refusal and the basis for such, except in cases where the disclosure of such information is contrary to the interest of state security or public order (including the applicable regulatory enactments in the area of prevention of money laundering and terrorism financing).

6.3. Payment execution

- 6.3.1.** The Bank shall execute non-cash and cash payment operations based on the Client's orders. The currency of settlement operations shall be Euro (EUR).

- 6.3.2.** The Bank shall be entitled but not obliged to perform cash or cashless operations in currencies other than Euro (EUR), in accordance with the Currency List.
- 6.3.3.** The Client shall specify in the Payment Order the Client's name, address (or identification code) and account number with the Bank (if any), the amount and currency of the credit transfer, clear purpose of the payment, full names, addresses and bank codes of the beneficiary bank and correspondent bank in the respective currency, the beneficiary's name, address (or identification code), account number and other details of transfer required for such credit transfer, if requested by the beneficiary bank or the law of the domicile of the beneficiary bank. The Client shall also include clear information in the purpose of their Payment Order on the nature of the transaction and information on the underlying document for such transaction.
- 6.3.4.** In executing the Payment Order, the Bank shall be entitled to transfer all the information specified in the Payment Order (including the Client's personal data) to the payment service provider of the Payee.
- 6.3.5.** Regardless of the currency specified by the Client in a Payment Order, the Bank shall be entitled to execute the Payment Order in Euro (EUR) currency.
 - 6.3.5.1.** In the event of cash Payments, the Bank shall be entitled to disburse funds in Euro (EUR) currency, regardless of the currency held on the Client's account, and the Bank shall be entitled to, without giving prior notice, convert funds on the Client's account into Euro (EUR) at the rate established by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the disbursement.
 - 6.3.5.2.** In the event of cashless Payments, the Bank shall be entitled to, without giving a prior notice, convert funds on the Client's account into Euro (EUR) at the rate established by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the transfer.
- 6.3.6.** If the Client fails to specify all the required details in the Payment Order, the Bank shall be entitled, but not obliged to request additional information from the Client. If the Bank is unable to clarify the details of the Payment Order, the Bank shall be entitled not to execute such Payment Order.
- 6.3.7.** To ensure compliance with requirements specified in Clause 7.1, the Client shall, upon the Bank's request, provide information and documents regarding the purpose of any transaction specified in a Payment Order.
- 6.3.8.** If a currency other than Euro (EUR) is specified in an incoming transfer of funds, the Bank shall be entitled to, without giving a prior notice, reject the transfer, or to convert the incoming transfer into Euro (EUR) at the rate established by the Bank in accordance with the Currency List at the time of conversion, and remit the funds to the Client's account.
- 6.3.9.** Unless the Client specifies the correspondent bank of the beneficiary bank in the respective currency in their outgoing transfer, the Bank shall be entitled to select a correspondent bank without the Client's approval. If the selection of the correspondent bank is incorrect and the transfer is returned to the Bank, the Bank shall repeat the transfer at its own expense. If the repeated transfer fails to be executed as well, the Account shall be credited in the amount of such transfer (or the said amount will be paid to the Client in cash), without the transfer charge being repaid to the Client.
- 6.3.10.** If the Client enters all the required details in the Payment Order, but the transfer fails to arrive at the beneficiary bank, the Bank shall only be responsible in the events and to the extent specified in applicable Legislation.
- 6.3.11.** If, for reasons beyond the Bank's control (e.g. a correspondent bank or recipient bank refuses to execute such a Payment Order and/or regards such a Payment Order as unusual or suspicious), the Bank is unable to execute the Payment Order, the Bank shall be entitled to reject it without execution.
- 6.3.12.** The Bank shall be entitled to select the route of execution of credit transfers to the beneficiary bank.
- 6.3.13.** A transfer shall be considered completed when the beneficiary bank accepts a Payment Order sent by the Bank. The Bank shall not be responsible for the beneficiary's account being credited in the amount specified in the Payment Order.
- 6.3.14.** If the Client issues several Payment Orders the total amount or quantity of which exceeds the amount of funds available to the Client, the Bank shall be entitled to execute such orders in any sequence at its own discretion.
- 6.3.15.** The Bank shall not be liable for the execution of Payment Orders submitted to the Bank if Accounts hold insufficient funds and/or securities.
- 6.3.16.** In the event of incoming or outgoing transfers, a Statement issued by the Bank or a cash debit or credit document of the Bank bearing the seal of the Bank shall be considered sufficient evidence of such cash transfer.
- 6.3.17.** The Client's order concerning transactions with financial instruments involving monetary means shall also be considered as the Client's order concerning Accounts on which the Client's funds are held.
- 6.3.18.** All fees for transfers, as established by intermediary banks and the beneficiary bank, shall be covered by the beneficiary or by the Client, depending on which party is specified in the Client's Payment Order:
 - 6.3.18.1.** If the beneficiary covers fees, the Bank shall send the Payment to its correspondent bank or to the beneficiary bank by including a remark that fees are to be covered by the beneficiary. The intermediary bank or the beneficiary bank shall debit the fees from the amount transferred, if agreed thereon with the beneficiary. Subsequently, the balance amount shall be credited to the beneficiary's account;
 - 6.3.18.2.** If the Client covers fees, the Bank shall send the Payment to the correspondent bank or the beneficiary bank by including a remark that fees are to be covered by the Client. The intermediary bank or the beneficiary bank shall credit the beneficiary's account with the amount of such transfer in full. The Bank shall not be responsible if the intermediary bank or the beneficiary bank deducts their commissions and fails to credit the beneficiary's account in full;

- 6.3.19.** If a claim is instituted against the Bank arising from the Bank's surety or guarantee with respect of the Client's obligations, the Bank shall be entitled to settle such claim from the Client's (debtor's) account without a court award based on the creditor's unilateral request, provided that a preliminary arrangement exists among the Bank, the creditor and the Client (the debtor), unless the Client submits documents confirming fulfilment of their obligations.

6.4. Consent

- 6.4.1.** A Payment shall be deemed authorised if the Client provides a Consent. The Client shall provide a Consent to a Payment pursuant to the procedure and in the form agreed by the Bank and the Client or as prescribed by the Legislation. The Client or their representative shall sign a written Consent. Consent to execution of a Payment may be confirmed using the Digital Signature, passwords and identification codes issued to the Client by following the procedure established by the Bank, or using other means of identification allowed in Latvia and accepted by the Bank. If Consent to a Payment is provided by using a payment card, in certain cases the Client or their representative (cardholder) may give Consent by providing the relevant data (e.g. name and surname/company name, card number, expiry date, CVV2/CVC2 (the sequence of digits on the back of the card) or by performing a certain deliberate sequence of actions (e.g. by slotting a card into a device, bringing a card close to a device, ordering certain goods or services) available at self-service locations. Consent provided in any manner described in this Clause shall be deemed as fully authorised Consent of the Client and shall have the same legal force as a document manually signed by the Client, and shall serve as a sufficient evidence for resolving any potential disputes between the Bank and the Client. The Client shall not be entitled to appeal a Payment made on the basis of Consent provided in a manner described in this Clause.
- 6.4.2.** A Payment shall be not deemed authorised if the payer has not given a Consent pursuant to the procedure provided for in the Terms or the Legislation.
- 6.4.3.** The Client (payer) shall provide Consent to a Payment prior to execution of the Payment. Payment may also be authorised after the execution of the Payment, if the Parties agree on it the Agreement.

6.5. Closing the Account

- 6.5.1.** The Bank shall be entitled to close an Account upon receipt of the Client's written order for closing their account, as well as in other cases pursuant to the respective Agreement or the Terms, as well as laws and regulations issued by public authorities.
- 6.5.2.** The Bank reserves the right to close an Account or to suspend Bank operations on its own initiative in the following cases:
- 6.5.2.1.** Upon expiry of the term of authorisation of the Client's representatives;
 - 6.5.2.2.** The Bank is aware of any adverse information about the activities or transactions of the Client or any party related to the Client (including a person who is or has acted as the Client's legal or contractual representative, true beneficiary, employee or is otherwise related to the Client, including has or had acquired any direct or indirect participation in the share capital of the Client), or if the Client or any party related to the Client allows or has allowed any legally punishable, unfair or unethical action against the Bank, disrespectful, offensive, defamatory treatment of the Bank or its employees, in any way compromising the Bank or otherwise providing a basis for the Bank to consider the future cooperation with the Client or its representative as (potentially) disrespectful, inefficient, offensive or damaging to the reputation of the Bank;
 - 6.5.2.3.** The Client fails to submit the documents or information requested by the Bank;
 - 6.5.2.4.** The Client fails to pay for the Bank's services (operations) pursuant to the Agreement and the Pricelist;
 - 6.5.2.5.** The Client fails to maintain Minimum Balance in the Account for a period exceeding 60 (sixty) days;
 - 6.5.2.6.** The Client (a natural person) is dead or a set of legal measures is initiated against the Client at a result of which the Client's economic activity has been stopped (terminated);
 - 6.5.2.7.** The Client or its activity, or any Client-related party or its activity poses or may pose a disproportionate risk to the Bank.
- 6.5.3.** The Terms and the Pricelist shall be applicable to the mutual relationship of the Bank and the Client even after the closure of the Account.
- 6.5.4.** The Client shall exempt the Bank from all obligations in execution of orders given by the Client, and shall reimburse the Bank for all expenses and losses incurred by the Bank, and provide appropriate security, if required, before the closure of the Account.
- 6.5.5.** If upon the closure of the Account any funds remain in the Account after withholding commission fees specified in the Pricelist and other amounts due to the Bank, the Bank shall disburse such funds to the Client or transfer them to the Account specified by the Client based on a Client's written application.
- 6.5.6.** Documents submitted by the Client upon opening the Account and executing the Bank operations, or information and documents received upon due diligence on the Client shall not be returned to the Client.
- 6.5.7.** If a Basic Account is opened for the Client, the following special terms shall apply to closure of the Basic Account:
- 6.5.7.1.** The Bank shall unilaterally close the Basic Account and immediately terminate the Agreement in any of the following cases:
 - 6.5.7.1.1.** Further servicing of the Basic Account is contrary to the Legislation, including the regulations in the

area of prevention of money laundering and terrorism financing;

- 6.5.7.1.2.** The Client has intentionally used the Basic Account for illegal activities.
- 6.5.7.2.** The Bank shall be entitled to unilaterally close the Basic Account and terminate the Agreement by giving at least 2 (two) months prior written Notification to the Client, in any of the following cases:
 - 6.5.7.2.1.** No Transactions are performed on the Basic Account for a period exceeding 24 (twenty-four) months;
 - 6.5.7.2.2.** The Client submits misleading information, based on which the Basic Account was opened;
 - 6.5.7.2.3.** The Client is no longer considered the European Union resident or person without a residence permit that cannot be deported from Latvia in accordance with the applicable legislation of the Republic of Latvia;
 - 6.5.7.2.4.** The Client opens another account in for use of services included in Basic Account in Latvia, pursuant to the laws and regulations;
 - 6.5.7.2.5.** Further servicing of the Basic Account presents a reputation risk for the Bank;
 - 6.5.7.2.6.** The Bank terminates rendering the respective payment service to all its clients-Consumers;
 - 6.5.7.2.7.** The Client's debt obligations with respect to the use of the Basic Account and services rendered have exceeded the balance of the Basic Account during the period of at least 6 (six) months in a row.
- 6.5.8.** Upon terminating the Agreement, the Bank shall notify the Client in writing about the termination of the Agreement and the justification thereof, except in cases where the disclosure of such information is contrary to the interest of state security or public order (including the applicable regulatory enactments with respect of prevention of money laundering and terrorism financing).
- 6.5.9.** The Account shall also be closed if the Consumer has, in accordance with the Uniform Principles for Changing the Current Accounts of Individuals, approved by the Association of Commercial Banks of Latvia, applied with another credit institution in Latvia to transfer their payment obligations from the Bank to another payment institution, and no circumstances are identified as established in the Uniform Principles for Changing the Current Accounts of Individuals that would prohibit the transfer of the Client's payment obligations to another credit institution and close the Account with the Bank.
- 6.5.10.** The Account may also be closed if the Bank adopts a decision to terminate cooperation with the Client pursuant to Legislation.
- 6.5.11.** Information regarding the available options for Consumers for transferring their payment obligations from one credit institution to another is available with the Bank's client service personnel and on the Bank's website.

6.6. Transfers of financial instruments

- 6.6.1.** With respect of intra-bank transfers of financial instruments, the Bank shall be deemed to have fulfilled its obligations arising out of the submitted order concerning such financial instruments as from the moment such financial instruments are booked in the beneficiary's financial instruments account.
- 6.6.2.** In the event of inter-bank transfers of financial instruments issued in Latvia, the Bank shall be deemed to have fulfilled its obligations ensuing from the order submitted by the Client from the moment an Account held by the Bank with the Central Depository of Latvia or another public register is debited with such financial instruments.
- 6.6.3.** In the event of inter-bank transfers of financial instruments issued abroad, the Bank shall be deemed to have fulfilled its obligations ensuing from the order submitted by the Client from the moment that the Client account held by the Bank with the custodian subcontractor is debited with such financial instruments.

6.7. Deposit placement and currency exchange

- 6.7.1.** The Client shall be entitled to apply for a Transaction and the Bank shall be entitled to execute the Transaction in accordance with the terms of the Agreement:
 - 6.7.1.1.** The terms of Agreement shall govern the procedure of concluding and executing the Transactions, and specify the basic terms of Transactions. The Parties shall agree on special provisions for each particular Transaction upon agreeing on the Transaction, unless this is contrary to the Agreement;
 - 6.7.1.2.** The terms of the Agreement shall apply solely to the Deposit placement Transactions and TODAY (TOD) Currency Exchange Transactions (Currency Exchange Transactions with the Value Date being the date of concluding the Transaction) executed between the Parties;
 - 6.7.1.3.** Any number of Transactions may be concluded within the scope of the Agreement. The Bank may, at its sole discretion, establish restrictions on the execution of Transactions, e.g. the minimum and maximum amount of a Transaction etc.;
 - 6.7.1.4.** The terms of each individual Transaction and the terms of the Agreement shall constitute a set of provisions governing the mutual rights and obligations of the Parties arising from each Transaction;
 - 6.7.1.5.** Matters regarding the Parties' mutual legal obligations not governed by the terms of a Transaction or the terms of the Agreement shall be resolved in accordance with Legislation and commonly accepted financial market practice;

- 6.7.1.6.** The Parties agree that the terms of the Agreement shall also apply to all transactions between the Parties that fall within Transactions specified in the Agreement, are concluded prior to conclusion of the Agreement and are not yet executed;
 - 6.7.1.7.** If, in agreeing on Transaction terms, the Client uses abbreviations, financial jargon or specific financial terminology not defined in this Agreement, then the Bank's interpretation of such abbreviations, jargon or specific financial terminology determined by shall be applicable;
 - 6.7.1.8.** In executing the Transactions, the Bank operations may be governed by foreign legislation, binding regulations by financial market supervisory bodies, foreign exchanges, depositories, clearing institutions and other organisations. No action performed by the Bank pursuant to the provisions of foreign legislation or the regulations of foreign exchanges, depositories, clearing institutions and other organisations shall be considered as the violation of the terms of the Transaction, the Agreement, or the Client's rights, or cause the Bank to reimburse the Client for any losses or expenses.
- 6.7.2.** Transactions shall be executed with the Parties' agreement on the terms of a Transaction. Either Party may, prior to entering into a Transaction, withdraw from the transaction without specifying the reasons:
- 6.7.2.1.** The Parties shall conclude Transactions upon the Client's personal arrival to the Bank or use of the following means of communication — phone, fax, Internet Bank — which, in accordance with the terms of the Agreement, may be used for concluding transactions and exchanging information between the Parties.
 - 6.7.2.2.** A Transaction shall be deemed concluded and effective when the Parties agree on the terms of the Transaction as mentioned in Clause 6.7.2.4. An Order signed by the Bank and the Client shall be deemed the evidence of the fact and content of a Transaction if the Transaction is concluded with the Client's personal arrival to the Bank. The recording of a call between the Parties by the Bank shall be deemed the evidence of the fact and content of a Transaction if the Transaction is concluded over the phone;
 - 6.7.2.3.** The Parties' agreement to amend or supplement the terms of a Transaction shall be concluded analogously to the conclusion of a Transaction;
 - 6.7.2.4.** Upon agreeing to execute a Transaction, the Parties shall agree on following Transaction terms:
 - 6.7.2.4.1.** Deposit:
 - 6.7.2.4.1.1.** Amount and currency;
 - 6.7.2.4.1.2.** Term (beginning and end value dates);
 - 6.7.2.4.1.3.** Interest rate;
 - 6.7.2.4.1.4.** Interest Period and currency in which the interest is paid (if applicable).
 - 6.7.2.4.2.** Currency Exchange Transaction:
 - 6.7.2.4.2.1.** Amount and name of currency being purchased (sold);
 - 6.7.2.4.2.2.** Exchange rate;
 - 6.7.2.4.2.3.** Value Date for settlement in both currencies.
- 6.7.3.** In addition to Transaction terms listed in Clause 6.7.2.4 of the Agreement, the Parties may agree on additional Transaction terms.
- 6.7.4.** If the Client concludes a Transaction by arriving to the Bank in person, the following provisions shall apply:
- 6.7.4.1.** The Order shall be filled out in 2 (two) copies;
 - 6.7.4.2.** The Bank shall verify the Client's identity and compare the Client's signature and seal (if any) on the Order with those included in the client's signature and seal specimen form;
 - 6.7.4.3.** The Bank shall be entitled to request the Client to present an identity document or other document containing the identification data of the Client or representative;
 - 6.7.4.4.** If Client verification is successful and the Bank agrees with the Transaction terms specified in the Order, the Bank's officer shall sign the Order and issue 1 (one) copy of the Order to the Client.
- 6.7.5.** If Parties conclude a Transaction by agreeing of Transaction terms over the phone, the following provisions shall apply:
- 6.7.5.1.** The Bank shall identify the Client by their name and surname (company name for legal entities) and Password or Number, and the Password clearly stated by the Client to a representative of the Bank prior to concluding the Transaction;
 - 6.7.5.2.** The Bank shall be entitled to ask the Client to submit additional data (e.g. Client account number, personal number, registration number etc.) and specify other legal and reasonable measures to ensure complete identification of the Client or verification of the completeness or validity of information provided;
 - 6.7.5.3.** A Password stated over the phone confirms that the person stating the Password is entitled to conclude the Transaction or submit an assignment on behalf of and for the benefit of the Client, and represent the Client within the scope of the Agreement and the Transactions. Upon concluding a Transaction, the Bank shall not be obliged to verify the validity and scope of authorisation granted to the user of the Password:
 - 6.7.5.3.1.** The Parties shall observe the following requirements for using the Password:
 - 6.7.5.3.1.1.** The Client shall be entitled to disclose the Password solely to individuals authorised by the Client to conclude transactions and submit Orders on their behalf within the

scope of the Agreements to which the Password applies. The Client shall ensure that the Password is not disclosed to third parties. Disclosure of the Password to a third party shall be interpreted as the Client's due authorisation for such party to enter into any transactions and submit any assignments on the basis of Agreements to which the Password applies, on behalf of the Client, at the expense of the Client, with no restrictions on transaction volume. The Client shall be bound by any transactions concluded using the Password, including cases where a third party concludes transactions using the Password;

6.7.5.3.1.2. The Bank shall not be liable for the Client's losses in the event that a third party uses the Password to conclude a Transaction or submit an Order to the Bank, except in cases where the Password has become exposed to a third party through the Bank's gross negligence or malicious conduct;

6.7.5.3.1.3. If a person that is aware of the Password is no longer authorised to execute Transactions or issue Orders on behalf of the Client, or suspicions arise to the Client that any third party has gained access to the Password, the Client shall notify the Bank immediately and submit an application to annul the current Password by specifying a new, different Password;

6.7.5.3.1.4. The Bank shall be entitled to, at any time and at its sole discretion, annul or change the Password by notifying the Client through the use of the means of communication specified in the Agreement.

6.7.6. If a Transaction is concluded via fax or the Internet Bank, the following provisions shall apply:

6.7.6.1. Upon concluding a Transaction via fax, the Client shall draft an Order, sign it using the Digital Signature and fax it to the Bank;

6.7.6.2. Upon concluding a Transaction via the Internet Bank, the Client shall draft an Order and send it to the Bank pursuant to the procedure established in the Manuals;

6.7.6.3. Upon concluding a Transaction with the help of means of communication specified in this Clause, the Client shall simultaneously notify the Bank by phone thereof;

6.7.6.4. The Bank shall execute an Order only if the Bank agrees with the terms of the Transaction as specified in the Order.

6.7.7. Execution of Transactions:

6.7.7.1. The Deposit amount and the applicable interest shall be repaid to the Client on the final Value Date of the Deposit amount or the respective interest payment date, with the Bank crediting the relevant amount to the Account. Upon repayment of the Deposit and/or interest on the Deposit in any currency other than Euro (EUR), the Bank shall be entitled to, without giving a prior notice to the Client, convert the Deposit amount and/or applicable interest into Euro (EUR) at the rate established by the Bank, in accordance with the Currency List at the time of conversion.

6.7.7.2. Upon concluding a Currency Exchange Transaction, the Client shall ensure the availability of the necessary funds for executing the Currency Exchange Transaction in the Account;

6.7.7.3. Delivery of funds to the Client in accordance with a Currency Exchange Transaction shall take place on the Value Date agreed upon by the Parties, the Bank remitting the relevant amount to the Client's account;

6.7.7.4. The Client shall authorise the Bank to perform the following actions in the scope necessary for the execution of the Transaction and on the agreed Value Date:

6.7.7.4.1. Debit and credit the Account and any deposit accounts;

6.7.7.4.2. Open and close the Client's deposit accounts with the Bank;

6.7.7.5. The Bank shall be deemed to have fulfilled its obligations once, in accordance with clauses 6.7.7.1, 6.7.7.3 and 6.7.7.8, it has credited the Account in accordance with the Transaction terms;

6.7.7.6. The Bank shall be entitled to refrain from initiating a Transaction if no sufficient funds are available in the Client's Account for the execution of the Transaction, if the Parties fail to agree on any of Transaction terms listed in Clause 6.7.2.4 of the Agreement, or if the Bank has any doubts as to the completeness or accuracy of the Transaction (e.g. due to disruptions in communications, poor-quality of recordings of phone calls between Parties etc.). The Bank shall have the right but not the obligation to clarify such terms by contacting the Client over the phone;

6.7.7.7. Early termination of a Transaction or amendments to Transaction terms shall be introduced in accordance with the procedure for concluding Transactions specified in Clause 6.7.4 –6.7.6;

6.7.7.8. Any interest payments under this Agreement and concluded Transactions shall be calculated based on the actual number of days in a given period with the assumption of 365 (three hundred and sixty five) days per year (ACT/365). A different method of calculating interest than the one established in this Clause may apply to certain currencies, if the selection of the respective method is justified by generally accepted financial market practice or if the Parties agree on it. Interest shall be paid for the first day of the respective period and shall not be paid for the last day of the respective period, and no interest shall be paid on interest already accrued;

- 6.7.7.9.** If payment obligations mature on a date that is not a Business Day, a payment shall be deemed made in a timely manner if it occurs on the closest following Business Day.
- 6.7.8.** The Bank shall make bookings related with Transactions in the Accounts and deposit accounts and record the amounts held by the Client.
- 6.7.9.** The Client shall follow the status of the Accounts and deposit accounts, as well as the executed Transactions on an ongoing basis. Unless the Client contests a Transaction recorded in an Account within 2 (two) business days following the day of execution (i.e. the date of entry of the posting into the Account), the Client shall be deemed to have approved the Transaction without any objections and recognised the Transaction as duly executed. In such event, the Client shall no longer be entitled to contest a Transaction.
- 6.7.10.** The Bank shall debit an Account for the amounts specified by the Client, and shall further debit any amounts of the Bank's claims under the Agreement without the Client's consent.
- 6.7.11.** Debiting the Account as mentioned in Clause 6.7.10 of the Agreement shall be performed by using the Client's funds in the currency in which a payment is due. If such funds are insufficient for a payment in full, the payment shall be made within the available balance of the Client Account, while the remaining amount shall be payable, at the Bank's sole discretion, from Client's funds in other currencies, by converting such at the Bank's established exchange rate as at the respective date.
- 6.7.12.** If no sufficient funds for full satisfaction of the Bank's claims are provided in the Account for a period exceeding 1 (one) week, the Bank shall be entitled to sell the Client's financial instruments and/or other assets (property) held by the Bank at a free price and allocate the proceeds towards satisfaction of the Bank's claims.
- 6.7.13.** The Client shall undertake any and all risks and liability for losses arising due to:
- 6.7.13.1.** Any errors or disruptions in the operation of telecommunications at the result of which the content of the Transaction becomes incomplete, inaccurate or otherwise distorted;
 - 6.7.13.2.** Use of the Password by a third party;
 - 6.7.13.3.** Illegal acts by third parties.
- 6.7.14.** The Bank shall not be liable for the consequences arising out of the execution of an erroneous, inaccurate, unintelligible or inconsistent Transaction.
- 6.7.15.** The Party liable for delayed or incomplete fulfilment of payment obligations shall pay the other Party a contractual penalty in the amount of 1% (one per cent) of the Transaction amount. Payment of a contractual penalty shall not relieve the payer from the obligation to fulfil the overdue obligation or the obligation to reimburse for damages.
- 6.7.16.** If the Client does not fulfil (or inadequately fulfils) their obligations during the execution of a Currency Exchange Transaction, the Bank shall be entitled to, at its sole discretion, perform any of the following:
- 6.7.16.1.** Withdraw for the Transaction unilaterally;
 - 6.7.16.2.** Execute a reverse transaction on the Client's account for purchase/sale of relevant currency pair at the current market rate;
 - 6.7.16.3.** Extend the execution term of the relevant transaction by 1 (one) day;
- 6.7.17.** Notwithstanding the 3 (three) options mentioned in Clause 6.7.16, the Bank reserves the right to claim from the Client a contractual penalty and any losses arising as a result of the Client's non-performance.

7. PREVENTION OF MONEY LAUNDERING, TERRORIST FINANCING AND UNLAWFUL ACTIVITY

- 7.1.** In order to prevent the potential risk of money laundering or terrorist financing through the use of Bank services, the Bank is obliged to identify the Client and to request information or documents regarding the Client, their representatives, members and BOs, as well as on the Client's personal or commercial activities and source of income or origin of funds, as well as planned, declared or executed operations of the Bank. The Client shall provide such information.
- 7.2.** The Bank shall be entitled to refrain from rendering Bank services, executing operations, and to terminate any Agreement unilaterally, if:
- 7.2.1.** The Bank suspects that information submitted pursuant to Clause 7.1 of the Terms above is misleading;
 - 7.2.2.** The Bank is aware or has reasonable suspicions that the Client or any person related to the Client has performed or attempted to perform activities aimed at money laundering, terrorist financing or other unlawful activities, including fraud involving the Bank, its Client, or a third party;
 - 7.2.3.** Through the fault of the Client, the Bank is unable to perform due diligence or enhanced due diligence on the Client as required in Legislation.

- 7.3.** The Bank shall refrain from or terminate business relationship or refuse to render Bank services, if:
- 7.3.1.** The type of business activity of the Client is rendering services of a credit institution where the management, staff or place of delivery of services is located outside the country of incorporation and no supervisory authority is appointed, (a Shell bank). A Shell bank is also a person rendering services similar to the services of a credit institution by carrying out non-cash transfers on behalf of a third party in the absence of any supervisory and monitoring authority, except where such transfers are being made by an electronic money institution or are being carried out between companies within one group;
 - 7.3.2.** The Client intends to receive Bank services anonymously or to open an anonymous Bank account;
 - 7.3.3.** The Client intends to use an account under the name other than the name of the Client as indicated in Client's identification documents;
 - 7.3.4.** The Client or a person related with the Client is included in the sanctions lists that are binding upon the Bank;
 - 7.3.5.** The country of Client's incorporation (residence) is included in the Financial Action Task Force's list of high-risk and non-cooperating countries;
 - 7.3.6.** The Bank is unable to fulfil minimal requirements for Client identification as provided for in Legislation;
 - 7.3.7.** The Bank fails to fulfil minimal diligence requirements on the Client;
 - 7.3.8.** Convincing and true information has been received regarding the Client's association with money laundering or terrorist financing;
 - 7.3.9.** The Client is incorporated in public entities that are not internationally recognised;
 - 7.3.10.** The Client's identity documents are issued by public entities that are not internationally recognised.
- 7.4.** The Bank shall not be obliged to notify the Client about the reasons for refraining from establishing business relationship.
- 7.5.** The Bank shall not be held liable for losses inflicted upon the Client or third parties in cases when the Bank, pursuant to Legislation, refrains from the execution of a transaction or certain debit operations in the Account due to suspicions of money laundering, terrorist financing, or attempts to do so, or other unlawful activity.
- 7.6.** In ensuring the management of risks of money laundering and terrorist financing, the Bank shall be entitled to establish restrictions on execution of Client transactions in accordance with the procedure provided for in Legislation.
- 7.7.** The Client confirms that:
- 7.7.1.** Funds, financial instruments or property of any other kind owned or controlled by the Client and held on their Accounts is not obtained illegally and the Accounts with the Bank will not be used for money laundering or terrorist financing;
 - 7.7.2.** Accounts with the Bank will not be used for carrying out shell bank functions.

8. CHARGES FOR OPERATIONS EXECUTED BY THE BANK

- 8.1.** The Bank shall render services to the Client for a charge that may be specified as a commission, percentage of the total amount or otherwise.
- 8.2.** The amount and procedure of payment for Bank services shall be specified in the Pricelist, except in cases where the amount and procedure of such payment is established in the respective Agreement.
- 8.3.** The Pricelist shall be available to the Client in the Bank's premises during the Bank's business hours, on the Bank's website, as well as in the Internet Bank.
- 8.4.** Charges for Bank services rendered to the Client by the Bank's private banking department shall be set out in a separate list, which shall be provided to the Client upon request.
- 8.5.** If the Client fails to settle the fees for services rendered by the Bank, the Bank shall be entitled to stop rendering services to the Client unilaterally without giving a prior notice.
- 8.6.** The Bank shall be entitled to establish an appropriate and fair charge for Bank services that are not included in the Pricelist and yet are necessary for the execution of the Client's order, unless there is a different arrangement with the Client.
- 8.7.** The Client shall reimburse the Bank for all expenses related to performance of activities required for execution of Bank operations (for example, communication expenses, commissions etc.), as well as any type of associated expenses, for example, duties, taxes, etc.
- 8.8.** If the Parties have agreed on the service to be rendered and the charge due to the Bank for rendering the service before the relevant Bank Service is rendered, the Client shall no longer be entitled to contest the amount of such a charge.

- 8.9.** When using third-party services at the Client's expense, the Bank shall submit all documents substantiating expenses to the Client, and the Client shall reimburse the Bank for all expenses specified in such documents as submitted to the Client.
- 8.10.** The Bank shall be entitled to request at the Client's expense any information, documents, factual and other evidence that is necessary for carrying out Bank operations, verifying the information submitted by the Client, verifying, management or alienation of security provided by the Client, etc. The Bank shall be entitled to debit any Account with the Bank for any expenses related with obtaining the information, documents and other evidence as specified herein without the Client's consent.

9. COLLATERAL

- 9.1.** The Client shall take every measure necessary to keep the Bank indemnified from liability for the Client's orders given to the Bank, and shall cover all losses, expenses and obligations of the Bank arising as a result of the Client's negligence, evil intent or default of their obligations, at the Bank's request.
- 9.2.** All funds, financial instruments, deposits of the Client and income from such, as placed with the Bank, including all of the Client's property possessed, held or used by the Bank, shall serve as collateral of the Bank's claims and shall be pledged in favour of the Bank as financial collateral.
- 9.3.** Such collateral shall apply to all obligations of the Client to the Bank, including payment for services rendered by the Bank, the Bank's expenses and any losses of the Bank that are to be covered by the Client. The Bank shall be entitled to request the Client to provide collateral regarding the Client's obligations to the Bank, or to increase of the provided collateral.
- 9.4.** The Client shall maintain the subject of collateral, as well as ensure obtaining income from subjects of collateral, and submit information to the Bank at the Bank's request.
- 9.5.** In the event of non-discharge or inappropriate discharge of Client obligations towards the Bank, the Bank shall be entitled enforce the recovery of the aforementioned types of collateral, as well as any other property of the Client pursuant to the procedure provided for in the applicable legislation of the Republic of Latvia or other applicable laws and regulations.
- 9.6.** As Collateral for their obligations, the Client shall authorise the Bank to alienate and sell subjects of collateral at a free market price, unless respective Agreements provide otherwise. In cases where the Bank exercises rights assigned by the Client and recovers the subject of collateral (things or rights) without mediation of the court or auction, the Bank shall act as the Client's attorney. The Bank shall be entitled to choose the sequence of alienation.
- 9.7.** The Bank shall also be entitled to enforce recovery of the subject of collateral before the expiry of the term of fulfilment of respective obligations, if the Client fails to fulfil the Bank's request to provide or increase collateral within the term and procedure established by the Bank.
- 9.8.** Income received by the Bank from alienation or enforcement of collateral shall be used for repayment of the Client's debt obligations and shall be distributed as follows:
- 9.8.1.** Reimbursement for all expenses related to storage, management of the item(-s) alienated to the Client, publication of announcements (if required), payment to specialists (experts) and alienation of item(-s) or exercise of rights;
 - 9.8.2.** Payment of outstanding interest (interest on loan and interest on delayed payments) due from the Client;
 - 9.8.3.** Repayment of the principal amount;
 - 9.8.4.** Execution of penalties and/or other obligations to the Bank, arising out of delayed fulfilment and/or non-fulfilment of the Client's obligations (payment of a penalty, advance amount).
- 9.9.** When the Client's debt is extinguished, the Bank shall return the remaining balance to the Client. If the Client cannot be located, such funds shall be kept with the Bank, the Bank charging the Client a custody fee at the expense of the remaining balance.

10. INHERITANCE

- 10.1.** Upon certification of their inheritance rights, the Client's relatives shall submit a document(s) confirming their rights to legacy bequeathed by the Client and complying with the requirements of Legislation of the Republic of Latvia or other applicable Legislation, as well as their identity documents. The Bank shall be entitled to verify the authenticity, validity and completeness of submitted documents at the expense of such persons. Based on the submitted documents, the Bank shall disburse/transfer the Client's funds held with the Bank to their heirs.

11. INFORMATION DISCLOSURE

- 11.1. The Bank confirms that any information regarding the Bank services (operations) rendered to the Client is confidential, and shall not be disclosed to third parties, except parties, situations, cases, procedure, and scope provided for in Legislation.
- 11.2. The Bank shall be entitled to disclose to third parties the data on the Clients that fail to duly execute their contractual liabilities, including for the purpose of entry into registers of overdue payments, enforcement regimes and credit history, or for making the data public in other ways insofar as necessary for fulfilment of or facilitation of fulfilment of obligations.
- 11.3. The Bank shall be entitled to disclose and receive data on the Client to and from third parties whom the Bank has entrusted with the performance of specific functions or rendering specific services in accordance with an agreement as necessary. In such cases, the Bank shall disclose to or receive from such third parties information regarding the Client to the extent necessary for the execution of the relevant service or activity.
- 11.4. The Bank shall be entitled to disclose and receive information from the Bank of Latvia in accordance with the Credit Register Regulations. The Client shall be entitled to receive information about themselves from the Credit Register in accordance with the Bank of Latvia Regulation for the Credit Register. The Bank of Latvia Regulation for the Credit Register is available on the website of the Bank of Latvia.
- 11.5. Information regarding the Client and their transactions may be disclosed to competent state authorities of the member states of the European Union, the European Economic Area, the Organisation for Economic Cooperation and Development and other countries for the execution of their respective statutory responsibilities, and to correspondent banks for the execution of the Client's orders or the Bank operations, or fulfilment of duties established in the applicable laws and regulations.
- 11.6. Information regarding the Client and their transactions may be disclosed to AS "Kreditinformācijas Birojs" (unified reg. No. 40103673493), other licensed credit information bureaus based on a written agreement concluded bilaterally, for the purpose of compliance with the Law on Credit Bureaus, promoting responsible borrowing, management of credit capacity and credit risk, including motivating Clients to fulfil undertaken obligations appropriately.
- 11.7. Information regarding the Client and their transactions may be disclosed to:
 - 11.7.1. Another party to a Bank operation that involves the Client;
 - 11.7.2. Another party that is the beneficiary of a Payment initiated by the Client;
 - 11.7.3. Another party that requests a Bank operation, Payment, or execution of other obligation of the Bank on behalf of or in the interest of the Client;
 - 11.7.4. A service provider (including a correspondent bank and a beneficiary bank) involved in the execution of an operation (including a Payment);
 - 11.7.5. Another party, provided that a business partner's client has consented to disclosure of information to the Bank, including for the purposes of executing a future or potential operation of the Bank;
- 11.8. The Bank shall be entitled to supply information on the Client to the supervising and controlling authorities of the Bank or to persons engaged in auditing or monitoring the activity of the Bank.
- 11.9. The Bank shall be entitled to, in the amount and according to the procedure provided for in international treaties and other binding regulations, disclose the available information about the Client, their accounts and transactions to law enforcement institutions, regulatory bodies, tax administrations and other competent state authorities.

12. PERSONAL DATA PROCESSING

- 12.1. The Bank shall conduct processing of the personal data of the Client in compliance with the applicable Legislation and in accordance with the Personal Data Processing Policy, which is available on the Bank's website www.blueorangebank.com (Section Regulations — Processing of personal data) and in the Bank's Client Service Centre, and applies to all legal relationships with the Bank.
- 12.2. The Bank shall conduct processing of the personal data of the Client, their representative, BO, and other natural persons related to the Client, including maintaining the databases of personal data. Personal data means any information relating to an identified or identifiable person (Data Subject). Processing of personal data means any operation or set of operations performed with personal data or sets of personal data, regardless of the data processing means, such as collecting, recording, organising, structuring, storing, adapting or altering, retrieving, reviewing, use, disclosure by transmitting, disseminating or otherwise making available, aligning or combining, restricting, erasing or destructing.
- 12.3. The Client is aware that during payments via SWIFT (Society for Worldwide Inter-bank Financial Telecommunication), personal data of the Client are processed at data processing centres in countries of the European Union and USA, and that such data may be disclosed to law enforcement institutions under the laws and regulations of said countries for purposes of combating terrorism.

- 12.4.** The Bank shall appoint a personal data protection officer, who shall organise, control and monitor the compliance of processing of personal data by the controller with the Legislation.
- 12.5.** If the Client refuses from processing of personal data, the Bank shall be entitled to refuse from rendering Bank Services (operations).
- 12.6.** The Bank shall be entitled to record and save any phone conversations of the Client and employees of the Bank, or communication by any other means of communication or systems, and the Client is aware that such recordings may be used as evidence.

13. OFFSETTING AND CESSION (ASSIGNMENT)

- 13.1.** For fulfilment of the Client's obligations to the Bank, the Bank shall be entitled to use any funds of the Client available on Accounts with the Bank, without the Client's express consent.
- 13.2.** The Bank shall be entitled to use any claim of the Client against the Bank for offsetting of any obligations between the Parties.
- 13.3.** The Client may offset their claims against the Bank by a counter-claim only if such claims are irrefutable and acknowledged as valid by the court, and in the same currency only or, provided that the Bank agrees thereto, in another currency, with exchange being made at the Client's expense based on the currency exchange rate established by the Bank on the same date.
- 13.4.** The Bank has a lien to any property of the Client that is possessed or held by the Bank by legal means, as far as required to secure fulfilment of the Client's obligations to the Bank.
- 13.5.** The Bank shall be entitled to cede (assign) its rights of claim to Client's third parties without the Client's consent.
- 13.6.** The Bank shall be entitled to instruct (authorise) a third party to execute an order given by the Client to the Bank, on its own behalf and at the Client's expense, provided that the Bank considers this to be in the Client's interest. In such case, the liability of the Bank shall be limited to careful choice of such third party and explanation of the contents of such an order. In cases where the Bank follows the Client's instructions in choice of such third party or explanation of the contents of such order, the Client shall bear the sole responsibility for execution of such order. However, in such an event, the Bank shall cede all of its claims against such third party to the Client.

14. RESPONSIBILITY OF THE BANK

- 14.1.** The Bank shall execute Bank operations, including orders issued by the Client, with due diligence and shall protect the Client's interests to the extent possible for the Bank.
- 14.2.** The Bank shall not be responsible for non-fulfilment or partial fulfilment of its obligations, provided such failure is caused by Force Majeure. The Parties agree that Force Majeure circumstances shall include non-fulfilment or partial fulfilment of the obligations of the Bank's correspondent banks registered outside the OECD (Organization for Economic Cooperation and Development) member-states due to which the Bank fails to fulfil (or delays fulfilment of) its obligations to the Client.
- 14.3.** If Parties use ATMs, postage, facsimile, electronic or other means of communication for the execution of the Bank operations, the Bank shall not be responsible for losses arising due to disruptions in the operations of such means or related technical equipment.
- 14.4.** The Bank shall not be responsible for delays in execution of the Client's orders, loss during delivery, errors or distortions in transmission caused by inadequate capacity of and/or damage to means of communication, by differences in time zones, by fluctuations of exchange rates or by other circumstances that are beyond the will and control of the Bank.
- 14.5.** The Bank shall be held responsible for execution of Bank operations that are realised in co-operation with its correspondent banks; the list of correspondent banks is available to the Client at the Bank's premises during the Bank's business hours, on the Bank's website, www.blueorangebank.com, or in the Internet Bank.
- 14.6.** The Bank shall not be liable and shall not reimburse the Client for any losses, including lost profit, incurred due to currency exchange, refusals or delays in the execution of Payment Orders, or changes in other terms of execution of Payment Orders, provided that the Bank has followed the procedure established in the Terms.
- 14.7.** The Bank shall only be responsible for actions performed by its personnel as far as they have acted during the Bank's business hours, fulfilling their official duties and instructions given by the Bank's management.
- 14.8.** The Bank shall not provide any investment advice, tax advice, or legal advice to the Client within the scope of the Agreement. No information or clarifications provided by the Bank regarding the Transaction terms may be considered as investment advice or recommendation to enter into a Transaction, and shall not impose any duties or obligations upon the Bank.

15. CLAIMS AND DISPUTE RESOLUTION

- 15.1. The Client shall present claims regarding the execution of Payment Orders and claims or demands of a financial nature regarding other Bank services (operations) in writing (at the Client Support Centre or via the Internet Bank). Claims unrelated to transactions mentioned in this Clause and claims of a non-financial nature may be presented to the Bank verbally, via phone or e-mail.
- 15.2. Any disputes or disagreements that might arise between the Bank and the Client shall be resolved by way of discussion/correspondence and in accordance with Legislation. If consensus cannot be achieved, disputes shall be resolved in the procedure provided for in Legislation or by a court of arbitration, as stipulated in the relevant Agreement.
- 15.3. The Client shall be entitled to submit a written claim to the ombudsman of the Association of Commercial Banks of Latvia, located at Doma laukums 8A-6, Riga, LV-1050, in accordance with the ombudsman's applicable bylaws and regulations (<https://www.lka.org.lv/ombuds/>).
- 15.4. The Client shall be entitled to submit a complaint to the institution supervising the Bank's activity. The Financial and Capital Market Commission, located at Kungu iela 1, Riga, LV-1050 (www.fktk.lv), is the authority in charge of supervising the Bank's activities.
- 15.5. A Consumer shall be entitled to submit a complaint to the Consumer Rights Protection Centre, located at Brīvības iela 55, Riga, LV-1010 (www.ptac.gov.lv). The procedure for accepting complaints and appealing decisions shall be established in the Consumer Rights Protection Law and the Payment Services and Electronic Money Law.
- 15.6. If a Data Subject believes that the processing of their personal data does not comply with the regulatory requirements, the Data Subject shall be entitled to submit a complaint to the Data State Inspectorate, located at Blaumaņa iela 11/13-15, Riga, LV-1011 (www.dvi.gov.lv).
- 15.7. Disputes between the Bank and Consumers shall be resolved by a court of general jurisdiction of the Republic of Latvia, unless the Parties agree on a different procedure for dispute resolution as per the relevant Agreement. Disputes between the Bank and legal entities or individuals other than Consumers shall be reviewed by the court of arbitration of the Association of Commercial Banks of Latvia in accordance with its bylaws, unless the Parties agree on a different procedure for dispute resolution in the relevant Agreement. The applicable legislation of the Republic of Latvia shall govern the legal relationship between the Parties.

16. WITHDRAWAL FROM THE AGREEMENT

- 16.1. Unless a different term for the Bank's unilateral withdrawal is established in the Terms or the relevant Agreement, the Bank shall be entitled to withdraw from an Agreement between the Parties without reimbursing the Client for any damages, by giving a notice to the Client 30 (thirty) days in advance, or, in the event of a Consumer — 60 (sixty) days in advance.
- 16.2. The Bank shall be entitled to withdraw from an Agreement without reimbursing the Client for any losses if:
 - 16.2.1. The Client submits incorrect, imprecise or incomplete data about their identity, financial status and encumbrances thereof;
 - 16.2.2. The Client fails to execute a substantiated Bank's request for providing or increasing the security for the Client's obligations within the term or pursuant to the procedure established by the Bank;
 - 16.2.3. The Client fails to fulfil their obligations to the Bank, or the Bank has reasonable grounds to believe that the Client will fail to fulfil their obligations to the Bank in future;
 - 16.2.4. The Bank is aware of the Client's reputation that might have a direct or indirect influence on the operations of the Bank or cause the Bank to suffer unfavourable consequences;
 - 16.2.5. The institution supervising the Bank's activities (including a supervisory body in another member country or third country), any other state institution, international organisation (e.g. an international card organisation), correspondent bank or other bank initiates the termination of the Agreement;
 - 16.2.6. Other events, addressed in the relevant Agreement or Section 7 of these Terms, occur;
- 16.3. The Bank shall be entitled to refrain from serving the Client if the Client arrives to the Bank in a state of alcohol intoxication, under the influence of toxic, psychotropic or narcotic substances, is unable to account for their actions, or if the Client's behaviour is inappropriate and interferes with the Bank's activity.

17. CLOSING PROVISIONS

- 17.1.** The Bank shall be entitled to refuse opening an Account for the Client without providing any justification.
- 17.2.** Unless other agreements or the actual circumstances and applicable Legislation imply otherwise, the Bank's premises during the business hours (as established by the Bank) shall be considered the venue of execution of Bank operations between the Bank and the Client.
- 17.3.** Interest calculation shall be based on a conventional year covering 365 (three hundred and sixty five) days, and a conventional month covering 30 (thirty) days, unless otherwise stipulated in the respective Agreement.
- 17.4.** The Bank shall seize the Client's funds and other assets, suspend the Client's settlement operations partially or in full in the cases and in accordance with the procedure provided for in the applicable legislation of the Republic of Latvia or other applicable Legislation, as well as in accordance with the terms of the respective Agreement. The Bank shall be entitled to suspend debit (outgoing) and credit (incoming) settlement operations on an Account if the Client fails to submit the documents or information requested by the Bank, or else the Bank is aware or suspects that the Client has committed (or has attempted to commit) actions aimed at money laundering or other unlawful activities.
- 17.5.** The Bank shall be entitled to verify the registered Bank operations and to correct the Client's credit balance at any time, without giving a prior notice, if such records are found to have been made in error or because of a technical fault.
- 17.6.** Bank operations shall be executed in the currency specified in the respective Agreement; otherwise, Euro (EUR) currency or the official currency of the jurisdiction where the respective Bank Operation was made shall be used.
- 17.7.** Non-cash currency exchange required for the execution of the Client's order shall be performed at the Bank's non-cash currency exchange rate as of the moment of execution of such Bank operation in accordance with the Currency List, unless otherwise stipulated in the respective Agreement.
- 17.8.** The Bank shall send (deliver, transport) funds and other values at the Client's expense and risk, unless there is a different arrangement with the Client.
- 17.9.** If legislation of the Republic of Latvia or another country or any public, municipal, or administrative institution's resolution, decision, regulation or other enactment of the Republic of Latvia or another country takes effect which directly or indirectly suspends the Client's activities and/or prohibits, delays or restricts the Client's ability to fulfil obligations to the Bank and/or is involves measures restricting the Client's activities, including, but not limited to annulment of licenses/permits, the Bank shall be entitled to, in the cases stipulated in Legislation, immediately and without giving prior notice to the Client, use any assets held on Accounts in order to enforce any due fees, debts of the Client, and other payments due to the Bank that have not yet been executed – including, if necessary, exchange of funds on such accounts at the rate effective at the Bank in accordance with the Currency List at the time of the exchange operation.
- 17.10.** Following the implementation of measures listed in Clause 17.9 of the Terms, the Bank shall transfer the remaining balance to an account opened on a Client's name with another credit institution.
- 17.11.** If the Client has opened a Financial Instrument Account with the Bank (in the understanding of the Financial Instruments and Precious Metals Transaction Terms and Conditions), and an event stipulated in Clause 17.9 of the Terms occurs, the Bank shall act in accordance with the Financial Instruments and Precious Metals Transaction Terms and Conditions.
- 17.12.** The Bank shall develop and establish the Terms, the Pricelist, and Bank's terms of service (operations) and the Currency List. The Bank reserves the right to unilaterally amend the Terms and/or the Pricelist and/or the Bank's terms of service and/or the Agreement unless the Parties have arranged otherwise. The Currency List is for reference only, and the Bank reserves the right to amend it unilaterally without giving notice to the Client.
If the Client is a Consumer, and unless otherwise stipulated in an Agreement concluded between the Parties or these Terms, the Bank shall notify the Consumer about amending the Terms, the Bank's terms of service (operations) and the Pricelist via the Internet Bank, in writing, or through any other permanent information medium, 60 (sixty) days prior to the effective term of the amendments. The Parties agree that the Consumer shall be regarded as having agreed with the amendments if during 60 (sixty) days following the receipt of the Notification the Consumer has not notified the Bank about their objections to the amendments, or has not requested the termination of the Agreement.
The Bank may deviate from the established notification term, if Pricelist amendments are favourable for the Client. Setting fees for new Bank services shall not be considered as unfavourable changes for the Client.
The Terms shall be available to the Client in the premises of the Bank during the Bank's business hours and on the Bank's website, www.blueorangebank.com.
- 17.13.** In cases of disputes, the wording of the Terms in Latvian shall prevail, unless otherwise stipulated in the respective Agreement.
- 17.14.** Titles are included in the Terms for the sake of visibility and convenience only, and they shall not be used for interpretation of the wording or substance of the Terms. If any part (Clause or Paragraph) of the Terms becomes unlawful or void, this shall not affect binding force of the other parts of the Terms.
- 17.15.** The Terms shall be binding upon and apply to the Client as well as any successor to the Client's rights and obligations.