

# GENERAL TERMS OF BUSINESS

[www.blueorangebank.com](http://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 execution of Bank operations.

**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.

**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 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](http://www.blueorangebank.com).

**Currency List** – the list of currencies specified on the Bank’s website, [www.blueorangebank.com](http://www.blueorangebank.com), in which the Bank is entitled but not obliged to execute Payments, accept deposits, remit and/or pay out funds. The list of currencies and currency exchange rates is provided for reference only, which 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 one who can be identified, directly or indirectly, in particular by reference to an identifier such as a Client, an 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 Deposits.

**Digital Signature** – a series of digits generated by the Digipass, which is used for identifying the Client in the Internet Bank or other environment provided by the Bank, or for verifying Orders and Transactions, which is treated as Confirmation in accordance with the Agreement Terms.

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

**Internet Bank** – a remote access and management system for the Bank’s services via internet, including a 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 the App Store or Google Play websites.

**Force Majeure** – circumstances beyond the Parties’ control upon whose occurrence fulfilment of the Bank’s 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 good practice of providing banking service. Foreign regulatory enactments may apply subject to the provisions of Republic of Latvia legislation or 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 relations between the Parties and being delivered by one Party to the other.

**Parties** – the Bank and the Client together.

**Password** – a combination of digits and/or symbols that is specified in an Application and serves for identifying the Client over the phone, allowing the Client to receive information about the Account status, perform transactions (placement of deposits, currency exchange, card transactions) or transactions with financial instruments over the phone, provided that an agreement for the relevant services has been concluded, and activate the mobile Digipass.

**Payment** – 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 Bank’s approved pricelist that specifies fees for the services 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** – a 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** – these General Terms of Business of the Bank.

**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 when one of the Parties (the payer) is to credit the account of the other Party (the beneficiary) with funds in accordance with conditions of the Transaction.

## 2. GENERAL PROVISIONS

- 2.1. The Terms are a general document that regulates mutual legal relations of the Parties, defining the rights and obligations of the Parties in connection with execution of Bank operations, unless the respective Agreement or conditions of Bank services (operations) provide otherwise.
- 2.2. The Terms shall be an integral part of any legal transaction concluded between the Parties and shall be applicable in cases when the respective Agreement or conditions of Bank operations do not stipulate certain issues, or else when the same are not regulated to a full extent, causing disputes between the Parties concerning the content, form and execution of a transaction.
- 2.3. With regard to the currency of funds stored on the Accounts, and the currency and procedure for executing Payments, the Parties shall be guided by the provisions of these Terms. If the terms of the agreement on opening and maintenance of an account regarding the currency of funds stored on the Accounts, and the currency and procedure for executing Payments differ from the provisions of these Terms, the Terms shall prevail.

- 2.4.** The Client's (representative's) signature on any document of the Bank certifies that:
- 2.4.1.** The Client has full legal and actual capacity to receive and use services of the Bank;
  - 2.4.2.** The Client has every right, permit, license and authorisation necessary in order to receive and use services of the Bank;
  - 2.4.3.** The Client is the BO of services received from the Bank, unless the Client has provided the Bank with data on another BO of the Client. A BO is a party with interest which, as a result of the Bank's operations, receives any sort of profit and other benefit;
  - 2.4.4.** All information which the Client has provided to the Bank, including about the operation, financial standing, location of its BO, is true and not misleading. Any Notifications provided by the Client to the Bank are true and valid. The Client is informed about criminal liability for providing false information to the Bank;
  - 2.4.5.** The Client has become acquainted with the Terms in full, understands them, and acknowledges them as binding;
  - 2.4.6.** The Bank has fully disclosed to the Client information about the Bank Services that can be delivered to the Client on the basis of these Terms and about financial risks related to such services.

### 3. CLIENT IDENTIFICATION, VERIFICATION OF POWERS AND SIGNATURES

- 3.1.** Before establishing legal relations with the Client, the Bank shall identify the Client (Client's representative) in accordance with Legislation and procedures specified by the Bank. The Bank shall be entitled to amend the scope of documents and information requested from the Client, in order for the Bank to identify the Client (representative), determine the Client's BO, to ensure implementation of the Know Your Client principle, or identify whether the Client is related to the Bank or represents a group of related clients for the Bank. When submitting copies of identification documents to the Bank, the Client (representative) shall be obliged to present originals or duly certified copies of such documents to the Bank. In cases where public documents issued abroad are submitted to the Bank, such documents shall be legalised with an Apostille in accordance with the applicable legislation. In cases where the Client submits documents in a foreign language to the Bank, the Bank shall be entitled to request the Client to submit notarised translations of such documents.
- 3.2.** Upon execution of Bank operations, the Bank shall visually compare the Client's (representative's) signature on the transaction document to the specimen of the Client's (representative's) signature submitted to the Bank. For individuals, the Client's signatures in account opening and maintenance agreements shall be used as the signature specimen, or else the Bank shall use the personal signature in the identification document presented by the Client for comparison. At the Client's discretion, a seal specimen may be enclosed with their specimen signature. In this case, the Bank shall compare the Client's seal imprint on the transaction document with the seal specimen submitted by the Client in execution of Bank operations. The Bank shall not be obliged to take into account the colour of a seal. If signature and seal imprint made by the Client or their representative in the transaction document corresponds visually to the signature and seal specimens submitted to the Bank, the Bank shall consider that such a transaction document has been signed by the relevant person.
- 3.3.** The Client shall be entitled to use means of remote identification and servicing upon entering into a respective Agreement. 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 using the Digital Signature shall have the same legal force as documents signed by the Client in person. By signing an Agreement remotely, the Client (representative) shall use the Digital Signature instead of a handwritten one, forwarding the document to the Bank via a means of electronic communication. Agreements which the Client signs using the Digital Signature shall be drawn up as one copy and stored by the Bank.
- 3.4.** In case of cash transactions the Bank shall ask the Client or their representative to present an identity document.
- 3.5.** The Client undertakes full responsibility for losses caused due to the Client supplying incorrect data, deceiving the Bank, through the Client's negligence, or as a result of actions of third parties, if the Bank has identified the Client's (representative's) signature or seal imprint incorrectly, and no gross negligence has been established on the part of the Bank.
- 3.6.** The Bank shall not be obliged to detect and state forgery or any other unconformity of the Client's (representative's) signature, seal or transaction document, unless such forgery or unconformity is obvious.
- 3.7.** The Client shall be entitled to provide a third party with a written authorisation for execution of Bank operations. Such authorisation may be made at the Bank, being signed before an employee of the Bank, or submitted as a notarised authorisation.
- 3.8.** In cases where the authorisation submitted to the Bank is valid for a specific period of time, the authorisation shall be null and void from the moment that validity of the authorisation expires, unless the Client revokes it in writing earlier. An authorisation issued for an indefinite period of time shall be considered valid until the Client revokes it in writing.
- 3.9.** The Bank shall not be obliged to verify the validity of an authorisation, including authorisations to be recorded in public registers. Unless the signatory of a document is entitled to represent the Client whom they purport to represent, as of the moment of signing such document, such signatory shall undertake all obligations ensuing from the document being signed in full and shall be responsible for its execution as an individual. In case 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.

- 3.10.** The Client shall reimburse the Bank for all losses sustained if the Client or their representative is not legally capable or has no signatory's rights as of the moment of execution of a Bank operation.
- 3.11.** The Client shall be obliged to notify the Bank in writing immediately of all changes in relevant 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: regarding an individual – change of first name, surname, residential address, identity code (taxpayer's registration number), signature or identification document; regarding 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.
- 3.12.** The Client shall be obliged to present and submit to the Bank all documents and/or certified (notarised), legalised or apostilled copies of documents requested by the Bank.

## 4. EXCHANGE OF INFORMATION AND DOCUMENTS

- 4.1.** The Bank shall be entitled to request written submission of any Notification by the Client to the Bank in connection with Bank operations.
- 4.2.** Unless an Agreement provides otherwise, the Bank shall send all documents or parcels related to Bank operations to the Client's residential 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 change of their address, phone number or other contact details, the Bank shall assume the information provided to be complete and accurate, and the Bank shall be entitled to use such contact information in communication with the Client unless the Agreement specifies otherwise.
- 4.4.** The Bank provides the Client with Notifications related to Bank services (operations) by publishing them on the Bank's website, [www.blueorangebank.com](http://www.blueorangebank.com). The Bank shall also be entitled to furnish the Client with Notifications by making them available on the premises of the Bank or in any other acceptable manner at the discretion of the Bank, unless an Agreement specifies otherwise. The Bank assumes and the Client confirms that the Client has seen and acquainted themselves with a Notification and acknowledges it as binding, unless the Client has given written notice of the opposite.
- 4.5.** All Notifications shall be considered sent to the Client or received by the Bank once the respective Notification is recorded in the Bank's administrative registers, unless conditions of Bank services (operations) provide for different procedure.
- 4.6.** The Parties agree that electronic mail (e-mail) may be used for exchange of Notifications, which the Parties have stipulated upon conclusion of the Agreement. Prior to conclusion of the Agreement, the Client represents that they understand the risks inherent to use of e-mail, that the Bank has informed them about potential risks and explained their consequences, and that the aforementioned information is understood by the Client. The aforementioned risks may include: computer contamination with spyware, viruses and other malware, leakage of trade secrets, inability to trace a message, and unauthorised access to a message.
- 4.7.** Execution (including procedure and timing) of documents received by the Bank that is not stipulated in these Terms shall take place in accordance with procedure prescribed by Legislation or an Agreement.
- 4.8.** All documents regarding Bank operations shall be signed on behalf of the Bank by the Bank's authorised representatives who act within their authorisations. The signature of the Bank's officer, a stamp on a document regarding a Bank operation shall mean that it has been accepted for execution by the Bank, unless internal regulatory documents of the Bank specify otherwise.

## 5. VERIFICATION OF DOCUMENTS RECEIVED BY THE BANK

- 5.1.** The Client shall be responsible for the authenticity, completeness, accuracy and timeliness of submitting all data and documents presented to the Bank.
- 5.2.** In cases where the Bank is, in accordance with the Terms or internal regulatory documents of the Bank, obliged to verify the authenticity, completeness, accuracy and timeliness of documents submitted by the Client or to interpret their content, the Bank shall only be responsible for gross negligence in performing such activities.
- 5.3.** If the Bank is obliged to perform activities specified in clause 5.2 of the Terms above in order to execute the Client's order, the Bank shall be entitled to make use of third-party services at the Client's expense.

- 5.4. Unless the amounts/numbers specified in words on documents regarding Bank operations coincide with the amounts/numbers specified in figures, the Bank shall be entitled not to execute the operation specified in such document, or else to execute the operation on the basis of the amount/numbers specified in words. In using electronic settlement systems, the amounts/numbers specified in figures shall prevail.
- 5.5. In cases where notarised, legalised or apostilled public documents issued abroad are submitted to the Bank, as well as in cases where 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 be obliged to verify formal conformity of such documents to the generally accepted standard or form, if specified.
- 5.6. The Client shall be obliged to submit or send to the Bank documents that are legible, filled in correctly, have no corrections or crossed-out words, are 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 not to accept documents that fail to conform to provisions of this clause.
- 5.7. The person having submitted a respective document shall be responsible for losses sustained as a result of failure to comply with the requirements pursuant to clause 5.6 of the Terms above.
- 5.8. The Bank shall be entitled to request additional confirmation of a document regarding a Bank operation which the Client or the Client's representative failed to submit to the Bank in person or which was given by a means of communication (for example, facsimile, telephone, electronic and other means of communication). The Bank shall be entitled not to execute such an order until the moment of receipt of the Client's additional confirmation of the order. In this case, the Bank shall not be responsible for losses sustained by the Client due to delays in execution of the Bank operation specified in such document.
- 5.9. If, in execution of a Bank operation, any activities are to be executed within a specific term, the Client shall be obliged to state such specific term of execution in each case. The term of execution shall be specified in writing, unless the respective Agreement provides otherwise.
- 5.10. The Bank shall be entitled not to observe the term of execution of orders specified by the Client if execution thereof within such term is impossible in accordance with current bank practice. In such cases the Bank shall not be liable for losses sustained by the Client due to delayed execution of their order or due to the Client's failure to specify such term of execution on the document regarding a Bank operation.

## 6. ACCOUNT

### 6.1. Opening and use of the Account

- 6.1.1. An Account shall be opened with the Bank on the basis of an Agreement that provides for the opening of such an Account.
- 6.1.2. The currency of funds on the Account shall be the euro (EUR). While storing funds on the Account in a currency other than the euro (EUR), the Bank shall be entitled to at any time, without giving prior notice to the Client, convert all funds on the Account, or part thereof, into euros (EUR) in accordance with the Currency List at the rate specified by the Bank at the time of the exchange operation.
- 6.1.3. The person with whom the Bank has concluded the relevant Agreement shall be considered the owner of an account opened with the Bank, unless that Agreement provides otherwise.
- 6.1.4. The Client's funds may be placed on behalf of the Bank, however at the Client's responsibility and risk, on the Bank's correspondent accounts.
- 6.1.5. Financial instruments of foreign issuers owned by the Client shall be held with custodians, depositories and registers of respective countries.
- 6.1.6. The Client undertakes responsibility for compliance of their investments in financial instruments issued in foreign countries and fulfilment of obligations ensuing from the same in accordance with the legislation of the respective country, as well as undertakes full risk ensuing from currency exchange, restrictions, limitations on alienation or transfer of financial instruments, taxes, duties and other payments that are valid in the respective country.
- 6.1.7. The account of an individual shall be managed by the individual or a person authorised thereby in accordance with procedures pursuant to applicable legislation of the Republic of Latvia or other applicable laws and regulations.
- 6.1.8. The account of a legal entity shall be managed by its representatives duly authorised for entering into business transactions on behalf of said legal entity and whom the Bank has identified in accordance with Legislation.
- 6.1.9. The Bank shall be entitled to apply rights of signature (representation) of the respective account owner's representative to all respective accounts of that account owner with the Bank, unless Agreements provide otherwise or the Client has given special instructions to the Bank. Changes in the rights of signature (representation) of the Client shall be made if the Client submits supporting documents corresponding to Legislation, regulatory enactments governing the Client's activities, and the Bank's requirements.
- 6.1.10. The Bank shall only execute Bank services (operations) pursuant to the Client's order, provided the Bank has reviewed and admitted as sufficient the documents on rights of signature (representation) submitted by the Client.

## 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 European Union, European Economic Area member country 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 without a residence permit that 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 an Application for opening and maintaining a Basic Account, whereby the Consumer represents that they have not opened a payment account that would provide 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.** as a result of opening such a Basic Account, the provisions of legislation, including regulatory enactments regarding prevention of money laundering and the financing of terrorism, would be violated;
  - 6.2.3.2.** the Consumer has provided false 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 holds a payment account that would provide services included in the Basic Account with another credit institution that offers payment services in Latvia, unless the Consumer has already received a Notification regarding closure of such payment account;
  - 6.2.4.2.** the Consumer no longer conforms to the Basic Account holder criteria specified in the Terms or the applicable legislation;
  - 6.2.4.3.** opening or maintenance of the Basic Account may present reputational risks for the Bank.
- 6.2.5.** If the Bank has made a decision to refuse opening a Basic Account, it shall, using the correspondence address specified with the Bank (including an e-mail address), immediately notify the Consumer about the refusal and the basis for such, unless disclosure of such information is contrary to the interest of state security or public order (including the provisions of regulatory enactments applicable to prevention of money laundering and the financing of terrorism).

## 6.3. Payment execution

- 6.3.1.** The Bank shall execute non-cash and cash payment operations on the basis of the Client's orders. The currency of settlement operations shall be the euro (EUR).
- 6.3.2.** The Bank shall be entitled but not obliged to perform cash or cashless operations in currencies other than the euro (EUR), in accordance with the Currency List.
- 6.3.3.** The Client shall be obliged to state 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, precise purpose of the payment, full names, addresses and bank codes of the beneficiary's 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's bank or the law of the domicile of the beneficiary's bank. The Client shall also be obliged to state precise information on the nature of their transaction and data of the underlying document of such transaction in the purpose of their Payment Order.
- 6.3.4.** Regardless of the currency specified by the Client in a Payment Order, the Bank shall be entitled to execute the Payment Order in the euro (EUR) currency.
- 6.3.4.1.** In the event of cash Payments, the Bank shall be entitled to pay out funds in the euro (EUR) currency, regardless of the currency held on the Client's account, and the Bank shall be entitled to, without giving the Client prior notice, convert funds on the Client's account into euros (EUR) at the rate specified by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the pay-out.
  - 6.3.4.2.** In the event of cashless Payments, the Bank shall be entitled to, without prior notice to the Client, convert funds on the Client's account into euros (EUR) at the rate specified by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the transfer.
- 6.3.5.** Unless the Client has specified all details necessary for a transfer in their Payment Order, the Bank shall be entitled, without obligation, to request additional information from the Client. If the Bank is unable to specify details of the Payment Order, it shall be entitled not to execute such Payment Order.
- 6.3.6.** 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.
- 6.3.7.** If an incoming transfer of funds specifies a currency other than the euro (EUR), the Bank shall be entitled to, without prior notice to the Client, refuse the transfer, or to convert the incoming transfer into euros (EUR) at the rate specified by the Bank in accordance with the Currency List at the time of conversion, and remit the funds to the Client's account.

- 6.3.8.** Unless the Client has specified the correspondent bank of the beneficiary's bank in the respective currency in their outgoing transfer, the Bank shall be entitled to choose a correspondent bank without the Client's approval. If the correspondent bank has been chosen incorrectly and the transfer returns 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 with 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.
- 6.3.9.** In cases where the Client has specified all details required for the transfer in their Payment Order, and the transfer fails to arrive to the beneficiary's bank, the Bank shall only be responsible in the cases and to the extent specified in applicable Legislation.
- 6.3.10.** If, for reasons beyond the Bank's control (e.g. a correspondent bank or recipient bank refuses to fulfil such a Payment Order and/or believes such a Payment Order to be unusual or suspicious), the Bank is unable to execute the Payment Order, the Bank shall be entitled to reject it without execution.
- 6.3.11.** The Bank shall be entitled to choose the means of execution of credit transfers to the beneficiary's bank unilaterally.
- 6.3.12.** A transfer shall be considered completed after the beneficiary's bank accepts a Payment Order sent by the Bank. The Bank shall not be responsible for the beneficiary's account being credited with the amount specified in the Payment Order.
- 6.3.13.** If the Client has given Payment Orders where the total amount or quantity exceeds funds available to the Client, the Bank shall be entitled to execute such orders in any sequence at its discretion.
- 6.3.14.** The Bank shall not be liable for the execution of Payment Orders provided to the Bank if Accounts hold insufficient funds and/or securities.
- 6.3.15.** In case of paying an amount in or out, 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 payment.
- 6.3.16.** The Client's order concerning transactions in financial instruments that involve funds shall also be considered the Client's order concerning Accounts on which the Client's funds are held.
- 6.3.17.** All charges of intermediary banks and the beneficiary's bank related to sending of transfers shall be covered by the beneficiary or by the Client, depending on which party is specified in the Client's Payment Order:
  - 6.3.17.1.** In cases where charges are covered by the beneficiary, the Bank shall send a payment to its correspondent bank or to the beneficiary's bank with a note that charges are to be covered by the beneficiary. The intermediary bank or the beneficiary's bank shall debit charges from the amount to be transferred if agreed thereon with the beneficiary. Subsequently, the balance amount shall be credited to the beneficiary's account;
  - 6.3.17.2.** In cases where charges are covered by the Client, the Bank shall send a payment to its correspondent bank or the beneficiary's bank with a note that charges are being covered by the Client. The intermediary bank or the beneficiary's bank shall be obliged to credit the beneficiary's account with the amount of such transfer in full. The Bank shall not be responsible in cases where the intermediary bank or the beneficiary's bank deduct their charges and fail to credit the beneficiary's account with the full amount.
- 6.3.18.** In cases where a claim ensuing from the Bank's surety or guarantee of the Client's obligations is instituted against the Bank, the Bank shall be entitled to pay out the amount of such claim from the Client's (debtor's) account without a court award in accordance with the creditor's unilateral request, provided that a preliminary arrangement exists among the Bank, the creditor and the Client (the debtor), unless the Client has submitted documents certifying fulfilment of their obligations.

## 6.4. Consent

- 6.4.1.** A Payment shall be deemed authorised if the Client has given Consent. The Client may give Consent to a Payment in the manner and format on which the Bank and the Client have agreed. Written Consent shall be signed by the Client or their representative. Consent to execution of a Payment may be confirmed using the Digital Signature, passwords and identification codes issued to the Client in a specific manner, or using other means of identification allowed in Latvia and accepted by the Bank. If Consent to a Payment is given 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 fully authorised Consent of the Client and shall have the same legal force as a document signed by the Client, and shall serve as sufficient evidence for resolving possible 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 Consent in accordance with the Terms.
- 6.4.3.** The Client (payer) shall provide Consent to a Payment prior to execution of the Payment. If the Parties agree on this in the Agreement, a Payment may be authorised after the Payment is executed by the Bank.

## 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.



- 6.5.2.** The Bank reserves the right to close an Account or to suspend Bank services (operations) at its sole discretion in the following cases:
- 6.5.2.1.** Upon expiry of the term of authorisation of the Client's representatives;
  - 6.5.2.2.** If the Bank has access to any negative information regarding the Client, transactions and activities of parties related to the Client; or the Client shows disrespect towards the Bank;
  - 6.5.2.3.** If the Client fails to submit the documents or information requested by the Bank;
  - 6.5.2.4.** If the Client fails to pay the Bank for Bank services (operations) pursuant to the relevant Agreement and the Pricelist;
  - 6.5.2.5.** If, for more than 60 (sixty) days, the Client fails to maintain the Minimum Balance on the Account.
- 6.5.3.** Even after an Account has been closed, the Terms and the Pricelist shall continue to apply to mutual relations of the Bank and the Client.
- 6.5.4.** The Client shall be obliged to release the Bank from all liability undertaken thereby in execution of orders given by the Client, and to reimburse the Bank for all its expenses and losses, and to present respective security, if required, before their Account is closed.
- 6.5.5.** In cases where any funds remain on an Account upon debiting the same with charges specified in the Pricelist and other amounts due to the Bank when closing the account, the Bank shall pay out such funds to the Client or transfer the same to the Account specified by them in accordance with the Client's written application.
- 6.5.6.** Documents submitted by the Client for opening their account and execution of Bank services (operations) or information and documents obtained during due diligence of the Client shall not be returned to the Client.
- 6.5.7.** If the Client holds a Basic Account, the following special terms shall apply to closing 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.** continued maintenance of the Basic Account contradicts the requirements specified in Legislation, including regulations for prevention of money laundering and the financing of terrorism;
    - 6.5.7.1.2.** the Client has intentionally used the Basic Account for illegal activities.
  - 6.5.7.2.** the Bank may unilaterally close the Basic Account and terminate the Agreement upon giving the Client a Notification in writing at least 2 (two) months prior in any of the following cases:
    - 6.5.7.2.1.** no Transactions have occurred on the Basic Account for over 24 (twenty-four) months;
    - 6.5.7.2.2.** the Client has presented false information on the basis of which the Basic Account was opened;
    - 6.5.7.2.3.** the Client is no longer considered an 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 has opened another account that allows them to use services included as part of the Basic Account within Latvia;
    - 6.5.7.2.5.** subsequent maintenance of the Basic Account presents a reputational risk for the Bank;
    - 6.5.7.2.6.** the Bank terminates the provision relevant payment services to all of its clients that are Consumers;
    - 6.5.7.2.7.** for at least 6 (six) months in a row, the Client's debt obligations for the use of the Basic Account and services provided in this regard exceed the Basic Account balance.
- 6.5.8.** Upon terminating the Agreement, the Bank shall notify the Client in writing about the refusal and the basis for such, unless disclosure of such information is contrary to the interest of state security or public order (including the provisions of regulatory enactments applicable to prevention of money laundering and the financing of terrorism).
- 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, in accordance with Legislation, the Bank makes a decision to terminate cooperation with the Client.
- 6.5.11.** Information regarding Consumers' options 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.** In intra-bank transfers of financial instruments, the Bank shall be deemed to have fulfilled its obligations ensuing from the order submitted concerning such financial instruments from the moment such financial instruments are booked on the beneficiary's financial instruments account.
- 6.6.2.** In 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 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 a Transaction in accordance with the provisions of an Agreement:
- 6.7.1.1.** The provisions of the Agreement shall regulate the procedure of concluding and executing Transactions, and specify the basic provisions of Transactions. The Parties shall agree on the special provisions of a Transaction at the moment of conclusion of the Transaction, unless this contradicts the provisions of this Agreement;
  - 6.7.1.2.** The provisions of the Agreement shall regulate solely Transactions between the Parties regarding Deposit placement and TODAY (TOD) Currency Exchange Transactions (Currency Exchange Transactions with the Value Date being the date of concluding the Transaction);
  - 6.7.1.3.** Within the framework of the execution of the Agreement, any number of Transactions may be concluded. The Bank may, at its discretion, specify restrictions on the execution of transactions, e.g. the minimum and maximum volume of a Transaction etc.;
  - 6.7.1.4.** the provisions for each individual Transaction and the provisions of the Agreement shall constitute a whole that regulates the mutual rights and obligations of the Parties stemming from each Transaction;
  - 6.7.1.5.** Matters regarding the Parties' mutual legal obligations not regulated in the provisions of a Transaction or in the provisions of the Agreement shall be resolved in accordance with Legislation and commonly accepted market practice;
  - 6.7.1.6.** The Parties agree that the provisions of the Agreement shall also apply to all transactions between the Parties that conform to Transactions specified in the Agreement, are concluded prior to conclusion of the Agreement, and have not been executed;
  - 6.7.1.7.** If, while agreeing on the provisions of Transaction, the Client uses abbreviations, financial jargon or specific financial terminology not defined in this Agreement, then the interpretation of such abbreviations, jargon or specific financial terminology determined by the Bank shall apply;
  - 6.7.1.8.** In the course of executing Transactions, the Bank's operations may be regulated by foreign legislation, binding regulations by financial market supervisory bodies, foreign exchanges, depositories, clearing institutions and other organisations. Actions performed by the Bank in compliance with the provisions of foreign legislation or the regulations of foreign exchanges, depositories, clearing institutions and other organisations may not be considered violations of the provisions of a Transaction, the Agreement, or the Client's rights, and may not oblige the Bank to reimburse the Client for any losses or expenses.
- 6.7.2.** Transactions shall be concluded with the Parties' agreement on the provisions of a Transaction. Either Party may, prior to entering into a Transaction, withdraw from the transaction without clarifying 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 provisions 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 come into force once the Parties agree on the provisions of the Transaction as mentioned in clause 6.7.2.4. An Order signed by the Bank and the Client shall be deemed 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 as performed by the Bank and shall be deemed evidence of the fact and content of a Transaction if the Transaction is concluded with over the phone;
  - 6.7.2.3.** The Parties' agreement to amend or supplement the provisions 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 arrange the following Transaction provisions:
    - 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 necessary).
    - 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 the Transaction provisions listed in clause 6.7.2.4 of the Agreement Terms, the Parties may agree on other Transaction provisions.

- 6.7.4.** If a Transaction is concluded by the Client arriving to the Bank in person, the following provisions shall apply:
- 6.7.4.1.** The Order shall be filled out as 2 (two) copies;
  - 6.7.4.2.** The Bank shall verify the Client's identity and the correspondence of the Client's signature and seal (if any) applied to the Order and those in the client's signature and seal specimen form;
  - 6.7.4.3.** The Bank shall be entitled to ask 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 consents to the specified Transaction provisions, an employee of the Bank shall sign the Order, providing 1 (one) copy of the Order to the Client.
- 6.7.5.** If a Transaction is concluded by the Parties agreeing on Transaction provisions over the phone, the following provisions shall apply:
- 6.7.5.1.** The Bank shall identify the Client based on the 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 provide additional data (e.g. Client account number, personal number, registration number etc.) and specify other legal and reasonable measures for comprehensive identification of the Client or verification of the completeness or validity of information provided;
  - 6.7.5.3.** A Password stated over the phone shall confirm that the person stating the Password is entitled to conclude a Transaction or submit an assignment on behalf of and for the benefit of the Client, and represent the Client within the framework of the Agreement and the Transactions. Upon concluding a Transaction, the Bank shall not be obliged to verify the validity and extent of the authorisations granted to the individual stating the Password:
    - 6.7.5.3.1.** The Parties undertake to 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 framework of Agreements to which the Password applies. The Client undertakes to ensure that the Password is not provided 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, unless the Password has come into the possession of a third party though the Bank's gross negligence or malicious conduct;
      - 6.7.5.3.1.3.** If a person that knows the Password is no longer authorised to conclude Transactions or issue Orders on behalf of the Client, or the Client has suspicions that the Password may have become known to a third party, the Client shall be obliged to notify the Bank immediately and to send an application to annul the current Password and specify a new, different Password;
      - 6.7.5.3.1.4.** The Bank shall be entitled to at any time annul or change the Password at its sole discretion, notifying the Client using any 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 in accordance with the Manuals;
  - 6.7.6.3.** The Client shall notify the Bank via phone about concluding a transaction using the means of communication specified in this clause;
  - 6.7.6.4.** The Bank shall be obliged to execute an Order only if it consents to the Transaction provisions specified in the Order.
- 6.7.7.** Transaction execution:
- 6.7.7.1.** Repayment of the amount of a Deposit and payment of applicable interest to the Client shall take place following the respective final Value Date of the Deposit or the respective interest payment date, by the Bank remitting the relevant amount to the Account; at the time of repaying the principal or paying interest for a Deposit in a currency other than the euro (EUR), the Bank shall be entitled to, without prior notice to the Client, convert the amount of the Deposit and/or interest into euros (EUR) at the rate specified by the Bank, in accordance with the Currency List at the time of conversion;

- 6.7.7.2.** Upon conclusion of a Currency Exchange Transaction, the Client shall maintain the amount of funds in the relevant currency (being sold) as necessary for executing the Currency Exchange Transaction on 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 with amounts necessary for the execution of a transaction, on the specified 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 provisions of the Transaction;
- 6.7.7.6.** The Bank shall be entitled to refrain from initiating the execution of a Transaction if the Client's Account does not hold sufficient funds to execute the Transaction, if the Parties have failed to agree on all Transaction provisions listed in clause 6.7.2.4 of the Agreement, or if the Bank doubts the completeness or accuracy of the content of the Transaction (e.g. due to communication disruptions, poor-quality recording of the phone call between the Parties etc.). The Bank shall have the right but not the obligation to clarify such provisions by contacting the Client over the phone;
- 6.7.7.7.** Premature termination or amendment of the provisions of a Transaction shall be performed in accordance with the procedure for concluding Transactions specified in clauses 6.7.4. – 6.7.6;
- 6.7.7.8.** Any payments of interest in accordance with 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 to a year (ACT/365). A method of calculating interest that differs from the provisions of this clause may apply to some currencies if the relevant method is substantiated with generally accepted financial market practice or the Parties agree otherwise. Interest shall be paid for the first day of a given period and shall not be paid for the last day of a given period, and no compound 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 perform accounting records related to Transactions on Accounts and deposit accounts, recording the amounts due to the Client.
- 6.7.9.** The Client shall keep independently track of the state of Accounts and deposit accounts, as well as executed Transactions. Unless the Client contests a Transaction recorded on an Account within 2 (two) business days following execution (i.e. the date on which an accounting record is made on the Account), the Client shall be deemed to have approved the Transaction without objections and recognised the Transaction as duly executed. In such cases, the Client shall no longer be entitled to contest a Transaction.
- 6.7.10.** The Bank shall debit an Account for 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 of the Account specified in clause 6.7.9 of the provisions of this Agreement shall be performed using the Client's funds in the currency in which a payment is due. If such funds are insufficient for a complete payment, the payment shall be performed to the extent of the available balance of the Client's Account, while the remaining amount shall be payable, at the Bank's discretion, using the Client's funds in another currency by converting such at the Bank's exchange rate specified on the relevant date.
- 6.7.12.** If an Account does not have sufficient funds available for complete satisfaction of the Bank's claims for more than 1 (one) week, the Bank shall be entitled to sell the Client's financial instruments and/or other assets (property) being held by the Bank, and allocate the proceeds towards satisfaction of the Bank's claims.
- 6.7.13.** The Client undertakes any and all risks and liability for losses arising due to:
  - 6.7.13.1.** any telecommunications errors or disruptions rendering the content of a Transaction 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 of executing a Transaction that is erroneous, inaccurate, unintelligible or contradictory.
- 6.7.15.** The Party liable for untimely or incomplete fulfilment of payment obligations shall pay the other Party a contractual penalty being 1% (one per cent) of the amount of a Transaction. 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 to buy or sell the relevant currency pair at the going market rate;
  - 6.7.16.3.** extend the execution term of the relevant transaction by 1 (one) day;

**6.7.17.** The 3 (three) options mentioned in clause 6.7.16 notwithstanding, 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 possibility of money laundering or terrorist financing by means of the Bank's 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 false;
  - 7.2.2.** The Bank has information or a reasonable suspicion to the effect 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 directed against 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 of the Client as specified in the Legislation.
- 7.3.** The Bank refrains from or terminates business relations or refuses to provide Bank Services if:
- 7.3.1.** The Client is engaged in provision of services of a credit institution whose management, staff or place of delivery of services is not located in the country of its incorporation and which does not have a supervisory authority (shell bank). A Shell bank shall be deemed to include a person who renders services similar to the services of a credit institution by effecting non-cash transfers upon the instruction of a third party and who lacks a supervisory and controlling authority, except if 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 wishes to receive Bank Services anonymously or to open an anonymous Bank account;
  - 7.3.3.** The Client wishes to use an account the name of which is not the name of the Client as specified in Client's identification documents;
  - 7.3.4.** The Client or a person connected with the Client is on the sanctions lists that are binding upon the Bank;
  - 7.3.5.** The country of Client's incorporation (residence) is on 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 identification of the Client as specified in Legislation;
  - 7.3.7.** The Bank is unable to fulfil minimal requirements for due diligence of the Client;
  - 7.3.8.** Convincing and true information has been received regarding the Client's connection with money laundering or terrorist financing;
  - 7.3.9.** The Client is incorporated in state-like entities that are not internationally recognised;
  - 7.3.10.** The Client's identity documents have been issued by state-like entities that are not internationally recognised.
- 7.4.** The Bank shall not be obliged to notify the Client about its reasons for not establishing business relations.
- 7.5.** The Bank shall not be responsible for losses inflicted upon the Client or third parties if the Bank, pursuant to Legislation, refrains from execution of a transaction or certain debit operations on the Account in case of suspicion of money laundering, terrorist financing, attempts to do so, or other unlawful activity.
- 7.6.** The Bank shall be entitled to, within the framework of ensuring management of money laundering and terrorist financing risk, specify restrictions on execution of the Client's transactions in accordance with the procedure specified in Legislation.
- 7.7.** The Client warrants that:
- 7.7.1.** Funds, financial instruments or property of any other kind on Accounts belonging to or being in possession of the Client have not been derived 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 cases where an Agreement specifies the amount and procedure of such payment.
- 8.3. The Client may become acquainted with the Pricelist on the Bank's premises during the Bank's working hours, on the Bank's website, as well as via the Internet Bank.
- 8.4. Charges for Bank Services delivered to the Client by the Bank's private banking unit are set out in a separate list, which shall be provided to the Client upon request.
- 8.5. If the Client has failed to pay charges for the services due to the Bank, the Bank shall be entitled to terminate provision of services to the Client unilaterally without prior notice.
- 8.6. The Bank shall be entitled to state an appropriate and fair charge for Bank services that are not in the Pricelist yet have been necessary to execute 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 all types 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 be obliged to reimburse the Bank for all expenses specified in such documents as submitted to the Client.
- 8.10. The Bank shall be entitled to request information, documents, tangible as well as intangible evidence related to the Client and required for execution of Bank operations, verification of information supplied by the Client, verification, management or alienation of security offered by the Client, etc. at the Client's expense. The Bank shall be entitled to debit any Account with the Bank with all expenses for information, documents and other evidence as specified herein without the Client's consent.

## 9. COLLATERAL

- 9.1. The Client shall take every measure necessary in order to keep the Bank indemnified from liability for the Client's orders given to the Bank, and shall be obliged to 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 which are to be covered by the Client. The Bank shall be entitled to request collateral for the Client's obligations to the Bank, or additional collateral, from the Client.
- 9.4. The Client shall be obliged to take care of maintenance of the subject of collateral, as well as of obtaining income from the same, and to supply the applicable information to the Bank at the Bank's request.
- 9.5. In cases where the Client fails to fulfil or adequately fulfil their obligations to the Bank, the Bank shall be entitled to recover the aforementioned types of collateral, as well as any other property of the Client in accordance with procedures pursuant to 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 recover the subject of collateral before expiry of the term of fulfilment of secured obligations, unless the Client fulfils the Bank's request to provide or increase collateral for the Client's obligations within the term or in accordance with the procedure specified 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 due from the Client to the Bank;
  - 9.8.3.** Repayment of the principal amount;
  - 9.8.4.** Fulfilment of penalties and/or other obligations to the Bank, arising as a result of the Client's delayed fulfilment and/or non-fulfilment of the Client's obligations (payment of a penalty, advance amount).
- 9.9.** Upon repayment of the Client's debt in full, the Bank shall return the remaining balance to the Client. If the Client cannot be found, 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 be obliged to submit a document (s) certifying their rights to legacy bequeathed by the Client and complying with the requirements of Legislation of the Republic of Latvia or other applicable legal enactments, 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. In accordance with the submitted documents, the Bank shall pay out/transfer the Client's funds with the Bank to their heirs.

## 11. PROVISION OF INFORMATION

- 11.1.** The Bank certifies that any information in connection with Bank services (operations) rendered to the Client is confidential, and shall not be disclosed to third parties, except persons specified by Legislation in the situations, in accordance with the procedure, and in the amount specified in Legislation.
- 11.2.** The Bank shall be entitled to provide third parties with data regarding a Client that fails to duly execute their transactions with the Bank, including the purposes of entry into registers of overdue payments, payment discipline, and credit history, or other publication as necessary for the performance or facilitation of performance of obligations.
- 11.3.** The Bank shall be entitled to provide and receive data on the Client to and from third parties whom the Bank has entrusted with the performance of specific functions or provision of specific services in accordance with an agreement as necessary. In such cases, the Bank shall provide 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 provide information to the Bank of Latvia 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 Credit Register Regulations. The Bank of Latvia Credit Register Regulations are available on the website of the Bank of Latvia.
- 11.5.** Information regarding the Client and their transactions may be delivered to competent state authorities of European Union, European Economic Area, Organisation for Economic Cooperation and Development member country for the performance of their respective duties under binding legislation; and to correspondent banks, in order to execute the Client's orders or the Bank's operations, or fulfil the duties specified in applicable regulations.
- 11.6.** Information regarding the Client and their transactions may be provided to AS "Kreditinformācijas Birojs" (uniform registration 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 provided to:
- 11.7.1.** another party to an operation of the Bank 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 provision 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 Client acknowledges that the Bank is entitled to, in the amount and in accordance with the procedure specified in international treaties and other binding regulations, render 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](http://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 the maintenance of databases holding 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 which is performed on personal data or on sets of personal data, regardless of the data processing means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.
- 12.3. The Client is informed 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 has a personal data protection officer in place, who shall organise, control and monitor the compliance of personal data processing conducted by the controller with the Legislation.
- 12.5. If the Client refuses personal data processing, the Bank shall have due basis for refusing the provision of the Bank's Services (operations).
- 12.6. The Bank shall be entitled to record and save any phone calls between the Client and employees of the Bank, or communication using any other means of communication or systems, and the Client is informed about the use of such recordings 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 only offset their claims against the Bank by a counter-claim in cases where such claims cannot be contested and have been 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 in accordance with the currency exchange rate specified by the Bank on the same date.
- 13.4. The Bank has 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 the Client to 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 this 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 be responsible for execution of such order only. However, in this case, the Bank shall be obliged to cede all of its claims against such third party to the Client.



## 14. RESPONSIBILITY OF THE BANK

- 14.1.** The Bank shall be obliged to execute the Bank's operations, including orders given by the Client diligently and to protect the Client's interests, as far as possible for the Bank.
- 14.2.** The Bank shall not be responsible for non-fulfilment or partial fulfilment of its obligations, provided such failure has been caused by Force Majeure. The Parties agree for default or partial fulfilment of their obligations by correspondent banks of the Bank not registered in member countries of the OECD (Organization for Economic Cooperation and Development) to be considered Force Majeure as well, where the Bank becomes unable to fulfil (or delays fulfilment of) its obligations to the Client.
- 14.3.** In cases where the Parties use ATMs, postage, facsimile, electronic or other means of communication for execution of the Bank's operations, the Bank shall not be responsible for losses arising due to disturbances in the use 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 only be responsible for execution of the Bank's operations performed in co-operation with its correspondent banks, the Client being able to become acquainted with the list at the Bank's premises during the Bank's working hours, on the Bank's website, [www.blueorangebank.com](http://www.blueorangebank.com), or via the Internet Bank.
- 14.6.** The Bank shall not be liable, and shall not reimburse the Client, for any losses, including lost profits, due to currency exchange, any refusal or delay in the execution of Payment Orders, or change of other conditions related to the execution of Payment Orders, provided that the Bank has acted in accordance with the procedure specified 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 working hours, fulfilling their official duties and instructions given by the Bank's management.
- 14.8.** Within the framework of the Agreement, the Bank shall not provide any investment advice, tax advice, or legal advice to the Client. No information or clarifications provided by the Bank regarding the provisions of a Transaction may be considered investment advice or the 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 be obliged to present claims regarding the execution of Payment Orders and claims or demands of a financial nature regarding other services (operations) of the Bank 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 controversies that might arise between the Bank and the Client shall be resolved by way of discussion/correspondence and in accordance with the Legislation. If consensus is not achieved, disputes shall be resolved in accordance with the Legislation or by a court of arbitration, if specified 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 activities. The Financial and Capital Market Commission, located at Kungu iela 1, Riga, LV-1050 ([www.fktk.lv](http://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](http://www.ptac.gov.lv)). The procedure for accepting complaints and appealing decisions are specified 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 is not in compliance 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](http://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 in the relevant Agreement. Disputes between the Bank and legal entities or individuals that are not 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 apply to the legal relationships between the Parties.

## 16. WITHDRAWAL FROM THE AGREEMENT

- 16.1.** Unless a different term for the Bank's unilateral withdrawal is specified 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, warning the Client 30 (thirty) days in advance, or warning a Consumer 60 (sixty) days in advance.
- 16.2.** The Bank shall be entitled to withdraw from an Agreement without reimbursement of the Client for any losses if:
- 16.2.1.** the Client has submitted incorrect, imprecise or incomplete data about themselves, property condition and encumbrances thereof;
  - 16.2.2.** the Client fails to fulfil a justified request of the Bank for presenting or increasing security for fulfilment of the Client's obligations within the term or in accordance with the procedure specified by the Bank, or in other cases pursuant to the Agreement;
  - 16.2.3.** the Client fails to fulfil their obligations to the Bank, or the Bank has reason to believe that the Client will not be fulfilling their obligations to the Bank subsequently;
  - 16.2.4.** the Bank has access to information regarding the Client's reputation that might directly or indirectly or indirectly affect the Bank's operations or bring about unfavourable consequences for the Bank;
  - 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 situations addressed in the relevant Agreement or Section 7 of these Terms occur;
- 16.3.** The Bank shall be entitled not to render services to the Client if the Client is on the premises of 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 not to open an Account for the Client without providing justifications.
- 17.2.** Unless other agreements or the actual circumstances and applicable Legislation imply otherwise, the Bank's premises during working hours (as specified by the Bank) shall be considered the venue of execution of Bank services (operations) to be performed 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 the respective Agreement provides otherwise.
- 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 specified in the applicable legislation of the Republic of Latvia or other applicable Legislation, as well as in accordance with provisions 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 has data 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 recorded Bank services (operations) and to adjust the Client's credit balance without prior notice at any time, provided that certain records are found to have been made in error or as a result of technical faults.
- 17.6.** Bank services (operations) shall be executed in the currency specified in the respective Agreement; otherwise, the euro (EUR) or the official currency of the jurisdiction where the respective Bank Operation was made shall be assumed.
- 17.7.** Non-cash currency exchange required for 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 the respective Agreement provides otherwise.
- 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 a different state – or any state, municipal, or administrative institution's resolution, decision, regulation or other enactment of the Republic of Latvia or a different state – 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 the applicable 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 activities 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 holds a Financial Instrument Account with the Bank (as specified in 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 implement the Terms, the Pricelist, and the provisions of the Bank's services (operations) and the Currency List. The Bank reserves the right to unilaterally amend the Terms and/or the Pricelist and/or the provisions of the Bank's services and/or an Agreement unless the Parties have arranged otherwise. The Currency List is intended for reference only, and the Bank reserves the right to amend it unilaterally without giving notice to the Client.
- 17.13.** If the Client is a Consumer, and an Agreement between the Parties or these Terms specify otherwise, the Bank shall notify the Consumer about amending the Terms, the provisions of the Bank's services (persons) and the Pricelist via the Internet Bank, in writing, or using any other permanent information medium, 60 (sixty) days prior to the effective term of the amendments. The Parties agree that the Consumer consents to amendments if, within 60 (sixty) days following receipt of a Notification, they have not notified the Bank about their objections to the amendments, or requested termination of the Agreement.
- 17.14.** The Bank may deviate from the specified notification term if Pricelist amendments are favourable for the Client. Specification of fees for new Services of the Bank shall not be considered a change that is unfavourable for the Client.
- 17.15.** The Client shall be entitled to get acquainted with the Terms on the premises of the Bank during the Bank's working hours and on the Bank's website, [www.blueorangebank.com](http://www.blueorangebank.com).
- 17.16.** In cases of disputes, the wording of the Terms in Latvian shall prevail, unless the respective Agreement provides otherwise.
- 17.17.** Titles are included in the Terms for the sake of visibility and convenience only, and the same shall not be used for interpretation of the wording or substance of the Terms. In cases where any part (clause) of the Terms becomes unlawful or void, this shall not affect binding force of the other parts of the Terms.
- 17.18.** The Terms shall be binding upon and apply to the Client as well as any successor to the Client's rights and obligations.