

## GENERAL BUSINESS CONDITIONS OF SIA TRANSACT PRO

### 1. DEFINITIONS USED IN THE CONDITIONS

1.1. In these Conditions the following terms have meanings as defined below:

**Business Day** is a day when the Institution is open for servicing of its Customers and is any day, except for Latvian national holidays and days of rest, as well as Institution's non-business days previously announced to the Customer.

**Working Hours** are the Institution's working hours within a Business Day, during which Customers are served. Information about the Institution's Working Hours is available at the Institution's Website.

**Business Relationship** are relations between the Parties during the time of validity of at least one Service Agreement concluded with the Customer.

**Price List** is the list of the Institution's Fees effective at the moment of provision of a Service, available at the Institution's Website.

**Institution** is SIA Transact Pro, registered with the Enterprise Register of the Republic of Latvia under number 41503033127, SEPA (Single Euro Payments Area) ID LV86ZZZ41503033127, with registered address at Ropazu Street 10, Riga, LV-1039, Latvia, website [www.transactpro.lv](http://www.transactpro.lv) and email address [info@transactpro.lv](mailto:info@transactpro.lv). The Institution is an authorised electronic money institution with the right to provide payment services, registered with the Register of Licences maintained by the Financial and Capital Market Commission under number 06.12.04.416/359, and its operation is supervised by the Financial and Capital Market Commission.

**Institution's Website** is the Institution's Internet website at [www.transactpro.lv](http://www.transactpro.lv).

**Customer's Data** are data of the Customer, Customer's representative, Related Party or BO, becoming known to the Institution in the course of provision of a Service to the Customer or otherwise.

**Customer** is a private individual or a legal entity, which has Business Relationship with the Institution or to which the Institution provides its Service.

**Fee** is a fee paid for provision of a Service to the Institution.

**Account** is the Customer's current account, card account and/or electronic money account opened with the Institution or such an account with the Institution in which the Institution maintains records of the Customer's Funds and Funds of other Customers of the Institution, without opening of a separate account for the Customer.

**Parties** are the Customer and the Institution jointly.

**Funds** are monetary funds and/or electronic money.

**Payment Service** is any payment service within the meaning determined by Law on Payment Services and Electronic Money of the Republic of Latvia.

**Operation** is an activity within the scope of a Payment Service initiated by the Customer, Institution or a third party, in the result of which the Account is debited or credited.

**Service Agreement** is an agreement concluded between the Customer and the Institution on provision of certain Service to the Customer.

**Service Conditions** are the Institution's conditions governing relationship between the Customer and the Institution in respect of provision of particular Service.

**Service** is any financial service or a service related to a financial service offered or provided by the Institution to the Customer.

**Specimen Signature** is a sample of a hand-written signature of the Customer or Customer's representative taken in the course of Customer's or its representative's identification procedure.

**Consumer** is a private individual receiving a Service or applying for a Service for the purpose not related to business (economic) or professional activity of that person.

**BO** (beneficial owner) is a private individual related to the Customer:

a) who owns or directly or indirectly controls at least 25 per cent of Customer's (which is a legal entity) equity or shares with voting rights, or otherwise controls operation of the Customer (which is a legal entity);

b) who directly or indirectly owns or directly or indirectly controls at least 25 per cent of the Customer's legal entity, which is not an economic operator. An BO of a foundation is a person or a group of persons for whose benefit the foundation has been established. An BO for a political party, an association or a cooperative partnership is the respective political party, an association or a cooperative partnership;

c) for the benefit or interest of which the Business Relationship are established;

d) for the benefit or interest of which a separate Transaction is carried out without establishing Business Relationship.

**Resident** is any legal entity, including foreign one, registered and operating in the Republic of Latvia, and private individuals whose household is located in the Republic of Latvia and who do not leave the Republic of Latvia for the time exceeding 1 year (except for students), as well as diplomatic, consular and other embassies of the Republic of Latvia abroad.

**Non-residents** are legal entities registered abroad, as well as private individuals whose household is located outside of the Republic of Latvia or who are staying in the Republic of Latvia for less than 1 year (except for students), as well as branches of monetary financial institutions registered abroad, foreign diplomatic and consular embassies, missions of international organisations and other missions in the Republic of Latvia.

**Order** is a Customer's order submitted to the Institution with the purpose of receiving of a Service or of execution of an Operation, including a payment order.

**Related Party** is a person related to the Customer. If the Customer is a private individual, a Related Party is a private individual or a legal entity either represented by the Customer under a power of attorney, or in which the Customer is holding an office, or in which the Customer owns at least 10% of share capital with voting rights, as well as his/her spouse, parents and children. If the Customer is a legal entity, a Related Party is a private individual, who is holding an office in the Customer company, such official's spouse, parents and children, the legal entity in which the Customer directly or indirectly owns at least 10% of share capital with voting rights, as well as a private individual and/or a legal entity, which is Customer's shareholder and which owns at least 10% of Customer's share capital with voting rights, as well as spouse, parents and children of such private individual.

**General Business Conditions** are the Institution's present General Business Conditions, current edition of which is available at the Institution's Internet Website.

1.2. Terms used in singular include the plural and vice versa, unless explicitly specified otherwise in the Conditions.

## 2. GENERAL

2.1. General Business Conditions govern the relationship between the Customer and the Institution and are applicable as of the moment when the Institution, based on the Customer's application or an agreement concluded with the Institution, starts provision of a Service. As of the moment of establishing of Business Relationship the General Business Conditions become the base document governing the Business Relationship.

2.2. General Business Conditions govern basic principles of legal relationship between the Customer and the Institution. In addition to the General Business Conditions, legal relationship between the Customer and the Institution related to provision of Services are governed by Service Conditions, Service Agreements, Price List and principles of best practice.

2.3. General Business Conditions are applicable to all Service Agreements concluded between the Parties to the extent not otherwise agreed by the Parties in Service Agreements. In case of discrepancies between the texts of the General Business Conditions and the Service Conditions, the Parties follow the provisions of the Service Conditions.

2.4. General Business Conditions, Service Conditions and Price List are available for the Customer at the Institution's premises during the Institution's working hours, or at the Institution's Website.

2.5. By signing any document submitted to the Institution the Customer confirms that he/she/it has read and understood General Business Conditions, Service Conditions and Price List in force at the moment of signing of the respective document, agrees to them and undertakes to comply with these.

2.6. Parties' mutual legal relations related to provision of Services are governed by legal acts of the Republic of Latvia.

2.7. Provisions of General Business Conditions and Service Conditions applicable to the Customer, which is a legal entity, are also applicable to any other legal person, which is not a Consumer, including an individual entrepreneur.

2.8. In cases of discrepancies between Latvian and foreign language text of General Business Conditions, Service Conditions and/or Price List, the text in Latvian shall prevail.

## 3. COMING INTO EFFECT OF THE GENERAL BUSINESS CONDITIONS AND AMENDMENTS THERETO

3.1. General Business Conditions come in effect by making them available at the Institution's premises and/or at the Institution Website.

3.2. The Institution may unilaterally amend General Business Conditions, Service Conditions and Price List.

3.3. The Institution notifies the Customer about amendments to General Business Conditions, Service Conditions and Price List by placing them at the Institution's premises and at the Institution's Website in at least 10 (ten) days prior to their effective date. If amendments refer to Payment services, the Institution notifies the Customer, which is a

Consumer, in the order mentioned herein in at least 60 (sixty) days prior to effective date of the respective amendments.

- 3.4. The Institution may amend General Business Conditions, Service Conditions and/or Price List without observing the term for prior notification determined in the General Business Conditions, if there is a sound reason for such amendments or if these amendments are made in favour of the Customer.
- 3.5. If the Customer does not agree to General Business Conditions or to amendments to General Business Conditions, Service Conditions and/or Price List, the Customer may unilaterally withdraw from Service Agreements by notifying the Institution in writing or by other means agreed between the Parties and after fulfilment of all Customer's liabilities under Service Agreements. If the Customer has not used rights of withdrawal determined herein, it is considered that the Customer agrees to General Business Conditions and/or to amendments to General Business Conditions, Service Conditions and/or Price List.

#### **4. RIGHTS OF REPRESENTATION IN THE INSTITUTION**

- 4.1. A private individual enters into Business Relationship with the Institution and carries out Operations in person or through its representative. Upon Institution's request, a private individual is obliged to enter into Business Relationship and to carry out Operations by himself/herself.
- 4.2. A legal entity enters into Business Relationship with the Institution and carries out Operations through its officials acting within the scope of authorisation granted by law or corporate registration documents, or through other authorised representative. Upon Institution's request, a legal entity is obliged to enter into Business Relationship with the Institution and to carry out Operations through the Customer's official.
- 4.3. Authorisation documents must be drawn in accordance with requirements set by the Institution and by laws and regulations of the Republic of Latvia.
- 4.4. If a power of attorney for a Customer's representative is not made in presence of the Institution's authorised representative/employee, the Institution may request that such power of attorney is notarised.
- 4.5. The Institution is not obliged to accept a document confirming authorisation, if rights of representation thereunder are not clearly and unambiguously defined and if the scope of authorisation, in view of the Institution, is insufficient, or if the Institution has doubts about effectiveness or authenticity of the authorisation.
- 4.6. Customer's documents on authorisation are deemed effective till receipt by the Institution of documents confirming changes in the Customer's documents on authorisation.
- 4.7. A power of attorney submitted to the Institution, if issued for a fixed period of time, is considered effective till the expiry of the said term, unless the Customer has submitted to the Institution a written revocation of the power of attorney before the expiry date. A power of attorney submitted to the Institution, if issued for an indefinite period of time, is considered effective till the Institution receives from the Customer a written revocation of the power of attorney. The Customer is obliged to notify the Institution about revocation of a power of attorney, including cases when revocation of a power of attorney has been announced through the Official Gazette.

#### **5. REQUIREMENTS TOWARDS PREPARATION OF DOCUMENTS**

- 5.1. The Customer submits to the Institution original copies of documents, or notarised copies thereof, or copies duly certified in a way equivalent to certification by a notary public, in line with applicable laws and regulations. The Institution may not accept copies taken from copies and not from original copies.
- 5.2. The Institution may at any time request the Customer to submit original copies of documents.
- 5.3. The Institution may deem documents submitted to it by Customer are true, effective and accurate.
- 5.4. The Institution is entitled to request that documents issued abroad are legalised, unless laws and regulations or an agreement between the Republic of Latvia and country issuing the respective document provide otherwise.
- 5.5. The Institution accepts documents in Latvian, Russian or English language or other language agreed with the Institution, without translation into Latvian, Russian or English language. If documents are drawn in such language, in which the Institution does not accept documents, the Institution may request translation of documents into Latvian, Russian or English language. Translation must be notarised.
- 5.6. All documents submitted to the Institution must be clearly legible and accurately written, without unverified corrections or deletions, and duly signed.
- 5.7. If a Customer submits a document, which does not meet requirements determined by the Institution or by laws of the Republic of Latvia, or if the Institution doubts authenticity or accuracy of the submitted document, the Institution may refuse to establish Business Relationship, to conclude a Service Agreement and/or to carry out an Order, as well as to demand to present additional documents.

## **6. IDENTIFICATION OF CUSTOMER AND ITS REPRESENTATIVE AND SIGNING OF DOCUMENTS**

- 6.1. The Institution identifies the Customer in line with laws and regulations of the Republic of Latvia and the procedure set out by the Institution.
- 6.2. The Institution at any time may demand, while the Customer upon the demand of the Institution is obliged to present to the Institution its identification documents in form satisfying Institution's requirements.
- 6.3. The Customer, Customer's authorized representative or proxy may operate an Account or receive information about the Customer, Customer's Accounts or Operations, if documents confirming rights of representation or authorisation have been submitted to the Institution, and only upon identification of such person.
- 6.4. The Institution carries out identification of a private individual based on an identification document valid at the place of identification. Upon establishment of Business Relationship the Institution is entitled to identify a private individual by driving licence.
- 6.5. Identification of a Customer, which is a legal entity, is carried out based on its registration documents, excerpts from registers of companies, trade registers and/or other documents satisfactory to the Institution. Private individuals representing a Customer, which is a legal entity, are identified in accordance with the Institution's procedure for identification of private individuals.
- 6.6. Simultaneously with signing of first Service Agreement or later, if considered acceptable by the Institution, the Customer is obliged to submit a Specimen Signature of the Customer or Customer's representative made in presence of the Institution's representative or in another manner satisfactory to the Institution. If the Customer is represented by one representative, such representative's signature on the Customer's questionnaire serves as Specimen Signature; in other cases Specimen Signatures are submitted by filling in form or list of the Specimen Signature in manner satisfactory to the Institution. A Customer, which is a legal entity, may add a Customer's seal imprint specimen to the Specimen Signature.
- 6.7. By submitting to the Institution of information about the Customer's representatives and scope of their authorisation, the Customer authorizes each Customer's representative, whose Specimen Signature has been submitted to the Institution, to represent the Customer in relations with the Institution and on behalf of the Customer to enter into all kinds of transactions related to provision of Services, unless the Customer has notified the Institution on limits of authorisation. Customer's representative, whose authorisation is not limited, is entitled to:
  - 6.7.1. operate all Customer's Accounts that are or will be opened with the Institution, funds on these Accounts, as well as to sign and submit to the Institution Orders and/or other documents necessary in order to receive from the Institution information and/or documents related to the Customer and/or provision of Services to the Customer, as well as to approve Account balance;
  - 6.7.2. to open and to close Accounts;
  - 6.7.3. to sign any Service Agreement, amendments thereto and novation thereof.
- 6.8. The Institution may consider that the Customer's representative, whose Specimen Signature is affixed on document forms approved by the Institution and filled in by the Customer, is entitled to operate in compliance with signature categories offered by the Institution to Customer's representatives, as well as with conditions and limitations of the rights of representation.
- 6.9. Any changes in rights of representation take effect on the day when the Customer has submitted to the Institution in writing the information on appointment of new representatives or on amendments to current rights of representation in form satisfactory to the Institution's requirements.
- 6.10. In cases when in line with the Customer's internal documents the Customer's representative may enter only into certain transactions, for certain amounts or to operate only in certain circumstances, or upon approval of the Customer's company management institution, the Institution is not obliged to ascertain fulfilment of particular conditions, and non-fulfilment of such conditions and absence of decisions cannot be considered as grounds for cancellation or annulment of a Service Agreement, an Order or an Operation.
- 6.11. The Institution may identify the Customer by visual comparison of Customer's or Customer representative's signature on an Order to the Specimen Signature submitted to the Institution. In cases when Customer's seal imprint specimen is added to the Specimen Signature of a representative, the Institution also compares visually Customer's seal imprint on an Order to the Customer's seal imprint specimen submitted to the Institution. While carrying out the comparison, the Institution is not obliged to take into account colour of the seal imprint.
- 6.12. The Customer is obliged to replace the Customer's and/or the Customer representative's Specimen Signature and/or the Customer's seal imprint specimen with a new one, if the Customer's representatives or data thereof have changed, if signature or seal imprint has changed, as well as upon request of the Institution.
- 6.13. The Institution is not liable for authenticity of documents submitted to the Institution, as well as for debiting Funds from the Account on the grounds of forged or otherwise illegal Order, provided that the signature and seal imprint on such Order submitted to the Institution visually (without application of special tools) corresponds to the Specimen Signature/-s and seal imprint (if any) submitted to the Institution.

- 6.14. The Institution may demand that signature on any document is made in presence of a representative of the Institution or, if it is not possible or not feasible, the Institution may request that the signature is notarised.
- 6.15. The Institution may identify the Customer or the Customer's representative through means of communication acceptable to the Institution on the basis of Customer's or Customer representative's identifiers or security elements (login name, password, code, test keys etc.), status and usage of which is governed by the respective Service Agreement, or in other manner acceptable to the Institution that enables to identify the Customer or the Customer's representative.
- 6.16. In cases and in accordance with the procedure specified by the Service Agreement, electronically transmitted or verbally designated identifier or security element of the Customer or its representative is deemed equal to a hand-written signature of the Customer or its representative.

## **7. EXCHANGE OF INFORMATION**

- 7.1. At signing of the Service Agreement on opening of an Account the Customer in accordance with the procedure set out by the Institution chooses the language of communication with the Institution. The Institution prepares notices addressed to the Customer in the language determined in the Service Agreement on opening of an Account. The Institution may prepare a notice in another language, if it is being prepared in relation to a separate Service Agreement, which is drawn in another language, or if the Institution has received Customer's written document drawn in another language.
- 7.2. The Customer is liable for authenticity, completeness and timely submission of all information and documents submitted to the Institution. The Institution is entitled to reject unclear, inaccurate and illegible documents.
- 7.3. All documents are deemed to be received by the Institution at the moment when the respective document has been registered in the Institution's records, taking into account the provisions of the Price List referring to the time of receipt of certain documents.
- 7.4. The Institution keeps the Customer informed by making the respective information available at the premises of the Institution and/or on the Institution's Website and/or through mass media. If deemed necessary by the Institution, the Institution may send to the Customer personal notices related to the Services by post or other means of communication.
- 7.5. The Institution may send the Service-related information to the Customer to his/her/its address or phone number specified in the Service Agreement or in the Customer's Order or in another document submitted to the Institution.
- 7.6. Notices sent to the Customer by the Institution are deemed to be delivered to the Customer on the 5th (fifth) business day upon sending of the respective notice or document to the Customer at a post office by registered mail. Notices and documents made available to the Customer by the Institution through remote account management devices agreed by the Parties are deemed to be received by the Customer on the day when the respective notice has been made available to the Customer. Notices and documents sent to the Customer's facsimile number or email address notified by the Customer to the Institution are deemed to be received by the Customer on the day of sending of the respective document. If a notice is delivered to the Customer in person, it is considered delivered to the Customer at the moment when the respective notice has been handed to the Customer or to the Customer's representative against a signature.
- 7.7. The Customer sends notices to the Institution in writing or in another previously agreed manner.
- 7.8. The Customer is obliged to notify the Institution immediately of any change in the data mentioned in the Service Agreements or in documents submitted to the Institution, including: in case of a private individual – change in his/her name, family name, registered residence address or contact details, change in cash flow through Accounts opened with the Institution, change in business or personal activity stated in the Customer's questionnaire, as well as changes in or expiry of authorisations submitted to the Institution; in case of a legal entity – change in company name, type of legal entity, registered or contact address, registration number or place of incorporation, change in business activity or in types or volumes of planned transactions, well as persons authorised to represent the Customer, or their signatures. Legal entity notifies the Institution on reorganisation of the legal entity, declaration of insolvency, dissolution of the legal entity or deletion from the commercial registry. The Customer is obliged to notify the Institution immediately if Customer's personal identification documents have been replaced, lost or stolen, or if they have potentially passed into a third party's disposal.
- 7.9. If the Customer fails to fulfil the above obligation to notify, the Institution is entitled to assume that the information at its disposal is accurate.
- 7.10. The Customer is obliged to submit information specified in the General Business Conditions even if the amended data and the circumstances have been made public in the mass media or entered into a public register.

## **8. NON-DISCLOSURE**

- 8.1. The Institution keeps confidential all data related to the Customer, Accounts and transactions carried out by the Customer (hereinafter, Confidential Information) in line with the procedure set out by laws and regulations of the Republic of Latvia.
- 8.2. The Institution is entitled to disclose Confidential Information to third parties without Customer's consent in line with laws and regulations of the Republic of Latvia binding on the Institution.
- 8.3. The Institution may process Customer's data for the purposes of conclusion of a Service Agreement, provision of a Service, as well as in order to fulfil obligations set out by laws and regulations and to protect its rights.
- 8.4. By signing any Service Agreement or another document submitted to the Institution the Customer confirms to the Institution that he/she/it may disclose data of private individual listed by the Customer in the respective document to the Institution.
- 8.5. The Institution may disclose Customer's data and Confidential Information:
  - 8.5.1. to the Institution's Related Parties;
  - 8.5.2. to persons taking part in provision of Services;
  - 8.5.3. to a person, to which the Institution assigns or is planning to assign the Institution's claim rights under a Service Agreement, and which takes part in exercising of the Institution's legal rights;
  - 8.5.4. to competent State authorities in line with laws and regulations and requirements of the Institution's partners;
  - 8.5.5. to the Bank of Latvia, to other national central banks and third parties involved in operation of settlement systems, in order to secure smooth functioning of settlement systems.
- 8.6. The Institution may supplement Customer's data administered by the Institution with information acquired from public registries, national or municipal personal data processing systems and/other public sources, if disclosure of such information or its availability is provided in accordance with requirements laws of the Republic of Latvia. The Institution is entitled to request and receive Customer's data from third parties.

## **9. PREVENTION OF MONEY LAUNDERING**

- 9.1. In order to prevent money laundering the Institution operates in compliance with applicable laws and regulations, including carrying out identification of the Customer and of its representatives in line with the procedure set out by the Institution and by applicable laws and regulations.
- 9.2. For the purposes of prevention of money laundering the Institution is entitled to request and the Customer upon Institution's request is obliged to provide in writing an information about the BO and the information about legal origin of funds and their ownership; in the course of Business Relationship the Institution may request the Customer to provide additional information concerning Customer's business and personal activity, including information concerning business partners, turnover, cash and non-cash operations, frequency of transactions, etc., as well as information and documents concerning Customer's organisational and control structure, BO's, including third parties, any transaction conducted by the Customer, Customer's financial standing, purpose of a Service or of an Operation and legal origin and ownership of Funds; for verification of legal origin of Funds, to request the Customer to present documents serving as grounds for an Operation (sale and purchase contracts, supply contracts, dispatch notes, etc.) and/or information concerning counterparty or other person involved in the Operation. If the Customer fails to present documents evidencing legal origin of Funds used in the Operation, the Institution is entitled to refuse to establish Business Relationship, to abstain from carrying out of an Operation and/or an Order and to proceed in accordance with the requirements set out by laws and regulations.
- 9.3. The Institution is entitled to suspend Operations in the Customer's Account and/or suspend or terminate provision of the Service or execution of any Operation as well as to request from the Customer fulfilment of all the Customer's obligations under the Service Agreements before the specified due date, if there is cause for suspicion that the Customer, an Operation or any Customer's transaction is associated with illegal activities, or if the Customer fails to provide or refuses to provide the information and documents requested by the Institution for the purpose of preventing money laundering.
- 9.4. The Institution is entitled to refuse to conclude a Service Agreement without explaining the reason.
- 9.5. The Institution is not liable for loss caused to the Customer or third parties in result of suspension or termination of Operations or provision of a Service, if the Institution has done it for the purpose of preventing money laundering or other illegal activities.

## **10. FINANCIAL COLLATERAL**

- 10.1. The Customer's Funds and future parts thereof at the Institution's possession, holding or disposal are regarded as security for all obligations, including existing and future obligations of the Customer, to the Institution.

- 10.2. The Institution is entitled to request that the Customer provides security or increases an existing one, for any Institution's claims that may arise in relation to provision of Services. The Institution has such right in case if the underlying conditions for the Service Agreement have changed.
- 10.3. The Customer authorises the Institution, without any additional Customer's Order and without any prior notice to the Customer, to debit from any Account or to withhold from the Funds that are otherwise due to the Customer, any and all amounts due to the Institution under the General Business Conditions, Service Conditions and/or Service Agreements. If the payment requires the Institution to carry out a currency exchange, it is carried out in accordance with the currency exchange rate determined by the Institution and effective at the day when the respective amount is debited.

## **11. ORDERS**

- 11.1. Orders are given to the Institution in writing or in another manner as agreed between the Parties.
- 11.2. The Institution has the right, without being liable for Customer's potential loss, to refuse to execute the Order if the Institution has reasonable doubts about the authorisation of the person issuing the Order.
- 11.3. The Institution only executes Orders, which have been drawn up and submitted to the Institution in accordance with the requirements of the Institution, and which are unambiguous and executable. The Institution is not responsible for vagueness and errors in the Order. If an Order is unclear, the Institution may request additional information or documents from the Customer and postpone execution of the Order until such information or documents are received.
- 11.4. The Institution may refuse execution of an Order, if in the opinion of the Institution such refusal is in the best interests of the Customer and if, based on the circumstances, the Institution can presume that the Customer would approve such action.
- 11.5. The Customer hereby agrees that the Institution has the right to record Orders and notices submitted via means of communication and, if necessary, use such records to verify the relevant Order or notice.
- 11.6. If the Institution has doubts about authenticity of an Order and in cases when an Order has not been submitted to the Institution by the Customer or the Customer's representative in person or submitted through the means of communication, prior to the execution of the Order the Institution has the right to demand an additional confirmation of the Order at the Customer's cost in the form and manner acceptable to the Institution. Institution has the right not to carry out an Order till the moment when the Institution receives additional confirmation of the Order.
- 11.7. The Institution carries out Orders within the period prescribed by laws and regulations, Service Agreement, Service Conditions and Price List.
- 11.8. The Customer is entitled to demand carrying out of only such Orders, execution of which has been specified in Service Conditions and Price List or on execution of which the Institution and the Customer have agreed in a Service Agreement.
- 11.9. The Customer has the right to cancel an Order, unless the Institution has already executed the Order or has commenced execution thereof; in other cases the Institution may refuse to cancel an Order.
- 11.10. If in the Customer's Order amounts or numbers are specified in words and figures and they differ from each other, the Institution is entitled to execute it basing on the amount or number specified in words. In case of using electronic payment instruments, the amounts or numbers specified in figures are taken as the basis.
- 11.11. The Institution is not be liable for a delay in the execution of an Order if such delay is caused by the Customer's failure to draw up or deliver an Order pursuant to the Institution's requirements, or if the delay was caused due to other circumstances depending on the Customer.
- 11.12. If under General Business Conditions, Service Conditions or Service Agreement the Institution is required to check authenticity, completeness, trueness and validity of documents, or to translate their contents, the Institution bears liability for gross negligence only.
- 11.13. The Institution may refuse to carry out an Order, if in the result of it Customer's and/or Institution's exceptions or limits, as well as Service or Operation limits would be exceeded.

## **12. SETTLEMENT CURRENCIES**

- 12.1. The Customer fulfils its liabilities against the Institution in the currency in which they are nominated. The Institution may perform its liabilities against the Customer in another currency, if performance of liabilities in the respective currency is impossible due to conditions for which the Institution is not responsible or occurrence of which is not resulting from the Institution's fault.
- 12.2. The Institution may apply conditions and restrictions established by the country of origin of such currency and applicable to the Institution in execution of Operations or in provision of Services.

- 12.3. The Institution is entitled to postpone fulfilment of liabilities undertaken by it in foreign currency or to apply restrictions towards it, if such postponement or restriction is caused by circumstances of force majeure in the country of origin of the relevant foreign currency.
- 12.4. If not otherwise determined by a Service Agreement, for the purposes of control of limits set out in such Service Agreement or for the purposes of conversion of an amount of money from one currency to another, the Institution may apply the reference rate published by the European Central Bank.

### **13. FEES, REIMBURSEMENT OF COSTS AND OTHER LIABILITIES**

- 13.1. The Customer is obliged to pay Fees in line with Price List, Service Conditions and/or Service Agreement.
- 13.2. The Customer is obliged to read the Price List and to pay Fee for the provided Services pursuant to the Price List effective at the moment of provision of the respective Service. Use of a Service means that the Customer has agreed to the Price List. The Institution may at its discretion determine Fee for Services not included in the Price List.
- 13.3. If the Fee specified in Service Conditions or Service Agreement differs from the Fee for the respective Service specified in the Price List, the Customer pays to the Institution the Fee pursuant to the respective Service Conditions or the Service Agreement.
- 13.4. The Institution has the right to determine special fees or to increase the indicated Fees, if performance of the respective Service requires extra work or causes unforeseen expenses.
- 13.5. The Customer also reimburses the Institution for all expenses incurred by the Institution arising from the activities needed to execute the Customer's Orders, as well as any extra costs.
- 13.6. In addition to Fees, the Customer reimburses the Institution's costs of necessary activities performed by the Institution in the interests of the Customer, as well as the necessary costs related to the Services.
- 13.7. In case of delay in performance of an obligation or another breach thereof, the Customer pays the Institution a default interest and/or a penalty specified in Price List, Service Conditions or Service Agreement. The Institution calculates the default interest on the delayed amount.
- 13.8. Payment of penalties does not release the Customer from the duty to fulfil its obligations and is not counted as set-off towards reimbursement of loss.
- 13.9. If in cases determined by General Business Conditions, Service Conditions and/or Service Agreements the Institution may convert liabilities into another currency, the Institution applies Institution's standard foreign exchange rate effective on the day of the respective conversion. The Institution applies any changes to the Institution's quoted foreign exchange rates immediately after the approval of foreign exchange rates, without prior notification of the Customer. The Institution informs the Customer on the Institution's quoted foreign exchange rates by placing the information in the Institution's premises and on the Institution's Website.
- 13.10. The Institution may discharge any claim of the Customer against the Institution by a counterclaim. If the claim and counterclaim are in different currencies, the Institution may recalculate the Customer's counterclaim in the currency of the Institution's claim on the basis of the foreign exchange rate determined by the Institution and effective on the day of performance of the set-off.

### **14. RESTRICTIONS ON SERVICES**

- 14.1. An Account or a Service can be blocked, which means that Operations with Funds in the Account or provision of Services is either partially or completely suspended.
- 14.2. An Account or a Service may be blocked at Customer's initiative, and its operation may be resumed by virtue of written instructions by the Customer. Operations carried out by the Institution in order to settle Customer's liabilities against the Institution, or Operations that the Institution in line with applicable laws and regulations is obliged to carry out by virtue of instructions from a third party or without explicit instructions from the Customer or the third party, cannot be suspended by virtue of written instructions by the Customer.
- 14.3. If the Customer blocks an Account or a Service due to the danger of fraudulent use of Funds in the Account, the Account or Service may be blocked at the Customer's oral instruction via telephone. The Institution may demand a written confirmation of the blocking instruction of the Customer within the time determined by the Institution. The Institution is entitled to cancel the blocking, if the Customer has not confirmed the blocking in due time. In such case, the Institution is not liable for the loss caused to the Customer by refusal or cancellation of blocking.
- 14.4. The Institution is entitled to block the Account or the Service without any prior notice to the Customer or without the Customer's request or consent in cases as follows:
  - 14.4.1. if the Customer fails to submit documents required by the Institution for ascertaining the representation rights or for verifying the data serving as basis for the Customer identification;
  - 14.4.2. if contradictory documents are submitted to the Institution in regard to persons having the rights to represent the Customer as a legal entity;
  - 14.4.3. if the Institution reasonably suspects that the Customer's Account or other means of payment can be fraudulently used;



- 14.4.4. if the Institution has received information about death of the Customer, who is a private individual, evidenced by documents;
- 14.4.5. if the Customer admitted violation of General Business Conditions, Service Conditions and/or Service Agreement, including if in the result of non-fulfilment of payment liabilities the Customer incurred a debt towards the Institution.
- 14.5. The Institution reverses blocking of an Account or of a Service after the circumstances, based on which the Account or the Service has been blocked, have ceased to exist, but in case of blocking of an Account or a Service due to death of a Customer – at the request of his/her heirs on the basis of documents attesting the inheritance rights.
- 14.6. In needed for purposes of prevention of money laundering, the Institution is entitled to block an Account or a Service without any explanations, at any time, without any prior notice to the Customer on such blocking of an Account or a Service and without the Customer's request or consent to such blocking of an Account or a Service.
- 14.7. In addition to cases mentioned above, the Institution is entitled to block an Account without any prior notice to the Customer without the Customer's request or consent in cases as follows:
  - 14.7.1. no Operations have been carried out at an Account of a Customer, who is a private individual, for 12 (twelve) months;
  - 14.7.2. no Operations have been carried out at an Account of a Customer, which is a legal entity, for 6 (six) months;
  - 14.7.3. Business Relationship with the Customer are terminated.
- 14.8. Only credit Operations and only the following debit Operations are carried out on a blocked Account:
  - 14.8.1. Operations carried out by the Institution in order to settle Customer's liabilities against the Institution;
  - 14.8.2. Operations, which the Institution in line with applicable laws and regulations is obliged to carry out by virtue of instructions from a third party;
  - 14.8.3. in cases when an Account is blocked under the Paragraph 14.4, all debit Operations carried out for performance of payments with a Card linked to the Account and settlements under other Service Agreements.
- 14.9. The Institution is entitled also at its own discretion to reverse the Account blocking performed under Paragraph 14.4 either completely or partially without the Customer's request or identification of the Customer and Customer's representatives.
- 14.10. The Institution does not bear liability for loss arising from blocking of an Account or a Service.
- 14.11. Customer's Funds in the Institution may be seized and an arrest may be imposed on them, as well as the payment operations of the Customer may be either partially or completely suspended pursuant to the applicable laws and regulations.

## **15. INHERITANCE**

- 15.1. In case of death of a Customer, which is a private individual, the person claiming an inheritance at the Institution must submit to the Institution the documents attesting that person's right of inheritance and must present his/her/its identification document. The Institution identifies such person in line with the procedure set out for identification of Customers.
- 15.2. In case of death of a Customer or of Customer's BO, the Institution is entitled to refrain from provision of Services in order to protect Customer's assets.
- 15.3. The Institution is entitled, by executing its rights of a pledgee of financial collateral, to withhold all payments due to it before paying out to heirs the funds included in the estate assets.

## **16. TERMINATION OF BUSINESS RELATIONSHIP AND OF A SERVICE AGREEMENT**

- 16.1. The Parties may unilaterally terminate their Business Relationship by sending to another Party a termination notice in at least 10 (ten) days prior to termination of Business Relationship, unless otherwise determined by laws and regulations of the Republic of Latvia. If Customer has unsettled liabilities against the Institution, Business Relationship are terminated as of the day when the Customer settles all his/her/its liabilities against the Institution. Till complete settlement of Customer's liabilities Business Relationship are suspended, and during this period the Institution does not provide new Services to the Customer unless these are necessary for settlement of current Customer's liabilities.
- 16.2. The Parties are entitled to terminate a Service Agreement unilaterally by sending to another Party a 10 (ten) days prior termination notice, unless otherwise determined by laws and regulations of the Republic of Latvia, Service Agreement or Service Conditions.
- 16.3. The Institution may without any prior notice to terminate Business Relationship, to withdraw from any Service Agreement and to terminate provision of any particular Service in following cases:
  - 16.3.1. the Customer has violated General Business Conditions, has repeatedly failed to fulfil his/her/its liabilities against the Institution, has intentionally or repeatedly violated provisions of a Service Agreement;

- 16.3.2. any of Customer's representations turns out to be false, or the Customer refuses to provide to the Institution an information about himself/herself/itself, the BO, his/her/its or BO's business, professional or personal activity and financial standing as well as legal origin of funds credited to the Account, or has provided false information concerning the above matters;
- 16.3.1. the Customer or a Related Party has provided to the Institution false or incomplete information, has not notified the Institution about substantial changes in previously provided information or has refused to provide such information;
- 16.3.2. the Institution terminates Business Relationship with a Related Party or the Institution at its own initiative terminates any Service Agreement concluded with the Related Party;
- 16.3.3. the Institution suspects that a person, which has not been duly identified or authorised, is acting on behalf of the Customer;
- 16.3.4. the Institution suspects that death of a Customer, which is a private individual, occurred;
- 16.3.5. the Customer admits a legal offence, an unfair or unethical behaviour, or the Institution has reasonable grounds to consider further cooperation with the Customer undesirable or destroying the Institution's reputation;
- 16.3.6. the Institution suspects Customer's relation to money laundering activities, attempts of money laundering or terrorism financing, as well as relatedness of an Operation to other illegal activities;
- 16.3.7. the Customer or a Related Party has caused material loss to the Institution, or there is a possibility of occurrence of such loss;
- 16.3.8. within the deadline set by the Institution, the Customer has not fulfilled the Institution's request to provide or to increase the Customer's collateral securing Customer's liabilities against the Institution;
- 16.3.9. Customer's insolvency, liquidation or bankruptcy procedure has been initiated, or Customer's reorganisation procedure has been initiated without prior consent of the Institution, or Customer's operation has been terminated for other reasons;
- 16.3.10. other cases set out by the Service Agreement or by the Service Conditions.
- 16.4. In case of termination of Business Relationship or of a Service Agreement all Customer's liabilities resulting from Business Relationship or from the respective Service Agreement, become due and payable.

## **17. DISPUTE RESOLUTION**

- 17.1. Business Relationship and mutual relations of the Parties are governed by laws of the Republic of Latvia.
- 17.2. Any dispute arising between the Institution and the Customer in respect of the General Business Conditions and application or fulfilment of requirements thereof, if not solved in mutual negotiations with the Institution or if such negotiations last for more than 30 days, shall be settled:
  - 17.2.1. if the Customer is a Consumer, upon the plaintiff's choice, by a court of jurisdiction by agreement or by a court of general jurisdiction;
  - 17.2.2. if the Customer is not a Consumer, upon the plaintiff's choice, by a court of general jurisdiction or by the Galvenā Šķīrējtiesa (Supreme Arbitration; unified registration number 40103210884) in Riga, in accordance with laws of the Republic of Latvia and under the Rules of this Arbitration in written process, by one arbitrator appointed by the Chairman of the Arbitration. Language of litigation is Latvian.

## **18. LIABILITY**

- 18.1. The Institution may perform scheduled maintenance and upgrade of its information systems. In urgent circumstances, the Institution may perform urgent maintenance and upgrade.
- 18.2. During maintenance and upgrade the fulfilment of Institution's liabilities against the Customer under the Service Agreement is postponed.
- 18.3. In case any Funds have been credited to an Account by error, the Customer is obliged to notify the Institution immediately after he/she/it becomes aware of such erroneous Operation.
- 18.4. The Institution may debit from the Account Funds credited to the Account in the result of misunderstanding, error or inadvertence, or without any legal grounds.
- 18.5. The Parties are liable for non-fulfilment or undue fulfilment of their obligations. The Institution is not liable for indirect loss caused to the Customer.
- 18.6. The Institution is not liable for failure to fulfil its obligations, if such failure is caused by an obstacle outside of the Institution's control and if it could not be reasonably expected that the Institution may foresee occurrence of such obstacle during the period of establishing of obligations or overcome this obstacle or its consequences.
- 18.7. The Institution is not responsible for services provided by third parties through the Institution.
- 18.8. The Customer is responsible for providing of its information to the Institution, as well as for accuracy of the information provided to the Institution.

- 18.9. If the Customer fails to notify the Institution, the Institution deems that the information provided to it is accurate, and it is not responsible for any loss caused to the Customer or a third party resulting from such failure to notify, except for loss resulting from the Institution's malicious intent or gross negligence.
- 18.10. The Customer is obliged to reimburse the Institution for loss caused by provision of false information or by failure to provide information to the Institution, as well as by failure to notify on changes in previously provided information.
- 18.11. The Customer is liable for loss caused by Customer's fraudulent activities or misleading of the Institution, as well as by Customer's negligence.
- 18.12. If Parties use communication means for Services, the Institution is not liable for loss caused by disturbances on telecommunication systems (postal service, facsimile, electronic and technical equipment) used for that particular Service.
- 18.13. The Institution is not liable for a delay in sending of Orders, loss of parcels or errors in or distortions of transferred data resulting from defective or malfunctioning communication equipment, time zone differences, fluctuations of foreign exchange rates or any other circumstances that are outside of Institution's power and control.