



GENERAL TERMS OF BUSINESS

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1. TERMS AND DEFINITIONS

Account – a Client's current account, payment card account, Basic Account, financial instruments account, or another account with the Bank, holding the Client's deposits or financial instruments.

Account Information Service – an online Payment Service through which consolidated information regarding one or more payment accounts held by the Payment Service user with either another Payment Service Provider or with more than one Payment Service Provider is provided to the Payment Service user.

Agreement – any agreement concluded between the Parties on the provision of Services (Operations).

Aimless Information – information accompanying the transfer of funds that does not give an idea of the purpose of the transfer and takes the form of strings of random characters (such as "xxxxx" or "ABCDEFG") or references that do not disclose the nature of a particular transfer (e.g., "Other" or "My client"), even if such information is indicated using characters or input data in accordance with the protocols of message processing or payment and settlement system.

Application/Questionnaire – a document prepared by the Bank and completed and signed by the Client by hand or electronically with an Electronic Signature in order to apply for account opening and other Services. An Application/Questionnaire signed by hand, scanned and sent to the Bank from the Client's specified e-mail address has the same legal validity as the original document, and the document is considered as a sufficient proof to resolve any potential disputes between the Bank and the Client.

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

Bank's Website – the Bank's home page on the Internet <https://www.bluorbank.lv>.

Basic Account – a payment account with basic functions as defined in the Law on Payment Services and Electronic Money.

Beneficiary – an individual or legal entity (including a Legal Arrangement), who receives funds on the basis of a Payment (the Beneficiary may not be a Client).

BO – beneficial owner.

Business Day – a day when the Bank is open to clients to provide financial services.

Business Relationship – a relationship between the Bank and the Client that originates when the Bank performs its activity and has a long-term goal at the time when the contact is established.

Client – an individual or a legal entity, or a Legal Arrangement, to whom the Bank provides Services, or a person who has expressed a desire to start cooperation with the Bank.

Client's Customer Funds Account (Customer Funds Account) – an account for holding funds of users of the Client's payment services, in which the funds of users of the Client's payment services are stored separately from the Client's own funds.

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

Consumer – a Client (a natural person) who uses a Service (Operation) for a purpose that is not related to their economic or professional activities.

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

Currency List – the list of currencies published on the Bank's Website, in which the Bank is entitled but not obliged to execute Payments, accept funds for keeping, remit and/or disburse funds. The Currency List and exchange rates are informative and can be changed during the day without the Bank notifying the Client in advance.

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

Electronic Signature – codes, passwords and other identifiers or actions, the creation or use of which is possible using the Means Used for Authentication, allowing to identify the Client in the Internet Bank or other environment provided by the Bank, and to link the identified Client to their signed Application/Questionnaire, Agreement, transaction or order, or establish a logical connection with any of the above documents, and which is regarded as Consent and is used in accordance with the terms of the Agreement, as well as a Secure Electronic Signature in accordance with Laws and Regulations.

Force Majeure – circumstances beyond the Parties' control, in the event of which the fulfilment of the Bank's operational obligations becomes impossible for objective reasons, including, but not limited to natural disasters, telecommunications disturbances, hostilities, mass unrest, epidemics, pandemics, amendments in applicable Legislation and other similar circumstances.

International Sanctions – restrictions imposed in accordance with the international law in relation to the Subject of Sanctions, which have been adopted by the United Nations Organization or the European Union, or another international organisation, to which the Republic of Latvia is a member state, and which are directly applicable or introduced in Latvia in accordance with the procedures laid down in the Law on International Sanctions and National Sanctions of the Republic of Latvia.

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

Laws and Regulations – regulatory enactments of the Republic of Latvia, binding regulations issued by competent authorities, other regulations applicable to the relationship between the Bank and the Client, and the best banking practices. Foreign regulatory enactments are applicable if it is provided for by the laws and regulations of the Republic of Latvia or the terms of the Agreement.

Legal Arrangement – within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

Means Used for Authentication – an electronic device used to authenticate the Client or verify the use of a Payment Instrument, agreed by the Parties or provided for by Laws and Regulations – Digipass or Mobile Digipass (Blue KEY), or National Electronic Identification Means, or Password + SMS authentication, or Secure Electronic Signature.

Minimum Balance – the amount of funds specified in the Pricelist, which the Client must continuously maintain on the current account.

ML/TF/PF – money laundering, terrorist financing, and proliferation financing.

National Electronic Identification Means – qualified means of electronic identification issued by a national regulatory authority authorised by law, or qualified means of increased security electronic identification included in the identity card or an

electronic identification means provided on behalf of the Cabinet of Ministers included in the identification scheme notified by the Republic of Latvia in accordance with the Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

National Sanctions – restrictions imposed in accordance with the laws and regulations of Latvia and international law in relation to the Subject of Sanctions, which have been stipulated by the Cabinet in accordance with the procedures laid down in the Law on International Sanctions and National Sanctions of the Republic of Latvia.

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

OFAC Sanctions – sanctions imposed by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury.

Parties – the Bank and the Client together.

Password – a set of digits and/or symbols specified by the Client in the Application and used to identify the Client over the phone so that the Client can receive information on the Account status by phone, perform currency conversions or transactions with financial instruments (if a corresponding Agreement is concluded), and to activate the mobile Digipass.

Payee – an individual or legal entity (including a Legal Arrangement) who receives funds on the basis of a Payment (the Payee may not be a Client).

Payer – an individual or legal entity (including a Legal Arrangement) who makes a Payment or initiates a Payment (the Payer may not be a Client).

Payment – an act initiated by the Payer or Payee the purpose of which is placing, transferring, or withdrawing money and which does not depend on any underlying obligations between the Payer or Payee.

Payment Initiation Service – a Payment Service as a result of which a Payment Service Provider initiates a Payment on behalf of the Payer from a payment account held at another Payment Service Provider.

Payment Instrument – any personalised device or set of procedures agreed between the Client and the Bank and used by the Client in order to initiate a Payment or other Service (Operation) (for example, a payment card).

Payment Order – the Client's order given to the Bank for executing a Payment.

Payment Service – a service defined as such by the Law on Payment Services and Electronic Money.

Payment Service Provider – a payment service provider defined as such by the Law on Payment Services and Electronic Money, for example, the Bank, a Payee's bank, a correspondent bank (intermediary bank), etc.

Pricelist – the applicable pricelist of the services (Operations) rendered by the Bank.

Representative – an authorized representative (or several representatives) of the Client who has the right to act on behalf of the Client in business relations with the Bank in accordance with the scope of authority granted by the Client.

Sanctions – restrictions that are imposed or are applicable in accordance with the Law on International Sanctions and National Sanctions of the Republic of Latvia, i.e. national sanctions of the Republic of Latvia and international sanctions, sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organization, and other sanctions.

Sanctions Risk – the impact and probability that the Bank may be used to violate or circumvent Sanctions.

Secure Electronic Signature – individual signature of a person in the electronic environment (a qualified electronic signature, also using the National Electronic Identification Means) that can be used to sign electronic documents remotely and securely; it is a tool that confirms the identity of a Client in a digital environment. It is equivalent to a handwritten signature on a paper document and is binding on third parties.

Service (Operation) – any financial services, payment services or other services offered and/or rendered by the Bank to the Client in compliance with the Terms, provisions of the Agreement and/or Laws and Regulations.

Shell Arrangement – a legal person characterised by one or several of the following indications:

- has no affiliation of a legal person to an actual economic activity or the operation of a legal person forms a minor economic value or no economic value at all, and the Bank has no documentary information at its disposal that would prove the contrary,
- laws and regulations of the country where the legal person is registered do not provide for an obligation to prepare and submit financial statements for its activities to the supervisory institutions of the relevant state, including the annual financial statements,
- the legal person has no place (premises) for the performance of economic activity in the country where the relevant legal person is registered.

Shell Bank – within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

Statement – summary of transactions in the Account over a specific period of time, which is available or is issued to the Client in accordance with the procedure established by the Bank.

Subject of Sanctions – a subject of public international law, a natural or legal person, or another identifiable subject on which International or National Sanctions or OFAC Sanctions have been imposed.

Terms – General Terms of Business.

Unique Identifier – a combination of letters, numbers or symbols specified to the Payment Service user by the Payment Service Provider and to be provided by the Payment Service user (the Client) to identify unambiguously another Payment Service user or their account (e.g. IBAN) involved in the Payment.

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

2. GENERAL PROVISIONS

- 2.1. The Terms shall be construed as a general document governing legal relationship of the Parties, defining the rights and obligations of the Parties in relation to the performance of the Services to the extent that the respective Agreement, terms of Service, other documents or Laws and Regulations do not provide otherwise.
- 2.2. The Terms shall be construed as an integral part of any legal transaction between the Parties and shall be applicable in cases when certain matters are not governed by the respective Agreement or terms of Service, or are governed incompletely, causing disputes between the Parties with respect of the content, form and execution of a transaction.
- 2.3. In addition to the Terms, the relationship between the Parties shall be regulated by the Agreements concluded between the Parties, the Pricelist, relevant terms of Service, as well as generally accepted banking practice.
- 2.4. Parties shall be guided by these Terms when dealing with matters regarding currency of funds held in the Accounts, as well as the currency and procedure for executing Payments. Where requirements regarding the currency of funds held in the Accounts, as well as the currency and procedure for the execution of Payments, as established in the terms and conditions of the Agreement on Account Opening and Maintenance, are materially different from those of the Terms, the Terms shall prevail.
- 2.5. The Client's (Representative's) handwritten signature/Electronic Signature on any document of the Bank shall confirm that:
 - 2.5.1. The Client has full legal capacity to receive and use the Services;
 - 2.5.2. The Client has every right, permit, license and authorisation necessary to receive and use the Services;
 - 2.5.3. The Client is the BO of the Services received;
 - 2.5.4. The funds, financial instruments or other resources (property) that the Client owns or holds in the Accounts have not been obtained by criminal means, and the Bank Accounts will not be used for ML/TF/PF purposes or in violation, circumvention of Sanctions or attempt thereof;
 - 2.5.5. The Bank Accounts will not be used to perform the functions of a Shell Bank;
 - 2.5.6. All the information provided by the Client to the Bank, including information on the BO's activity, financial standing, and location is complete and true. Any Notifications submitted by the Client to the Bank are complete, true and valid. The Client is aware of criminal liability for providing misleading information to the Bank;
 - 2.5.7. The Client is fully aware of the Terms, understands them and acknowledges them as binding, without a separate signature on these Terms;
 - 2.5.8. The Bank has acquainted the Client with the information regarding the Services that may be rendered based on these Terms and the involved financial risks.
- 2.6. Deposit guarantee.
 - 2.6.1. The security of the Client's funds is guaranteed by the deposit guarantee system established in accordance with the norms of the Deposit Guarantee Law.
 - 2.6.2. Upon occurrence of the case of unavailability of funds, the Client has the right to receive the guaranteed compensation for the Client's deposits with the Bank in the amounts and in accordance with the procedures laid down in the Deposit Guarantee Law.
 - 2.6.3. Clients can get more detailed information on the Bank's Website or at Latvijas Banka, K. Valdemāra 2A, Rīga, LV-1050, Latvija; www.bank.lv.

3. INITIATION OF COOPERATION, PROVISION OF SERVICES

- 3.1. The Bank shall be entitled to determine the circle of Clients with whom the Bank is ready to establish business relationship – offer Services (Operations) and conclude Agreements. The Bank reserves the right not to offer Services (Operations), not to conclude Agreements, not to serve the Client, to refuse execution of any orders, as well as to determine the scope of Service provision, restrictions on Service (Operation) provision, including the application of restrictions on order execution, in order to ensure the management of the ML/TF/PF risk and the risk of Sanctions, or if the Client:

- 3.1.1** Has knowingly provided the Bank with false or insufficient information (including documents), or refuses to provide the information (including documents) requested by the Bank;
 - 3.1.2** Has not provided or refuses to provide at the request of the Bank adequate and sufficient information (documents and other necessary information about the Client, including identification data, telephone number, e-mail, address) necessary to properly conduct Client due diligence, as well as for execution of the Agreement, Service (Operations) and/or to comply with the requirements of regulations governing the field of Sanctions and the prevention of ML/TF/PF and requirements of other Laws and Regulations;
 - 3.1.3** Performs the specified actions without proper registration or obtaining a license or wants to open an anonymous Bank account;
 - 3.1.4** is a Shell Bank or Shell Arrangement if it concurrently conforms to the indications specified in Section 1, Clause 15¹, Sub-clauses (a) and (b), of the law on the prevention of ML/TF/PF;
 - 3.1.5** Carries out transactions without a clear economic justification;
 - 3.1.6** Has caused or may cause any direct/indirect damage to the Bank by their direct/indirect action/inaction or has infringed the Bank's interests and/or, according to the information at the disposal of the Bank, may pose a reputational risk to the Bank;
 - 3.1.7** Or a person related to the Client is (or has been) involved in, or there is a reasonable suspicion of their connection to, organised crime, ML/TF/PF and breach, circumvention or attempted violation of Sanctions, according to information obtained by the Bank from public sources (for example, state institutions, international organisations, mass media, etc.);
 - 3.1.8** Holds or has held significant positions in the country against which Sanctions and/or other restrictions are imposed, or a Client who may pose a risk of Sanctions violation for the Bank, including if the person, their transactions or activities are directly or indirectly related to the Client (including the institution, organisation, etc.) against which Sanctions have been imposed;
 - 3.1.9** According to the information at the disposal of the Bank, operates in the field with inherent ML/TF/PF risk and Sanctions risk, does not ensure sufficient management of such risks, provides services to persons with whom the Bank would not have started or continued the business relationship, and thus exposes the Bank to the risk of ML/TF/PF or risk of Sanctions;
 - 3.1.10** Is the subject of the law on the prevention of ML/TF/PF, whose internal control system does not comply with the requirements of Laws and Regulations governing the field of Sanctions and prevention of ML/TF/PF;
 - 3.1.11** Is a legal entity/Legal Arrangement, whose ownership structure is not transparent and understandable and the Client is not able to explain the economic justification of such structure;
 - 3.1.12** If there is a suspicion that a third party is acting on behalf of the Client, which has not been identified by the Bank;
 - 3.1.13** If it is suspected that the Beneficial Owner declared by the Client is not the true Beneficial Owner of the Client;
 - 3.1.14** Is registered in internationally unrecognized state entities and/or the Client's identity document was issued by an internationally unrecognized state entity.
- 3.2.** The Bank shall not enter into a business relationship if it has the slightest doubt about the corruption of the Client – a foreign politically exposed person or their family members or closely related persons, or the origin of their welfare, regardless of whether these persons have declared their permanent residence in the European Union.
- 3.3.** The Bank shall be entitled to not to serve the Client and refuse to execute the Client's order if the person is suspected of being under the influence of alcohol, in a state of exposure to toxic substances, as well as in cases where the Client is not aware of their actions or the person's behaviour does not comply with generally accepted norms of behaviour, is rude and interferes with the Bank's work, offends employees or other Clients.
- 3.4.** The Bank shall be entitled to refuse the execution or apply restrictions on the execution of the Client's order, if it is necessary to ensure the fulfilment of requirements or restrictions imposed by correspondent banks, state institutions or other banks.
- 3.5.** The Bank reserves the right to refuse to cooperate with the Client or to limit the receipt of Services in other cases not mentioned in Clauses 3.1 - 3.4 of the Terms, if there is another, in the opinion of the Bank, important reason, in particular, if there are significant obstacles to the initiation of cooperation, including in order to ensure the management of ML/TF/PF risk and Sanctions risk and/or compliance with the Bank's policy.
- 3.6.** When assessing the initiation of cooperation with the Client, the Bank shall be entitled to obtain the necessary information and documents for such evaluation before establishing a business relationship with the Client.
- 3.7.** The Client shall be prohibited from using the Account and Services (Operations) for the benefit or interest of third parties without legal grounds or for the performance of any illegal activities, including activities related to ML/TF/PF, as well as any activities aimed at violating, circumventing Sanctions or attempting to do so.
- 3.8.** The Bank shall be entitled to suspend the execution of Services (Operations) or the Client's order for the period necessary for obtaining and evaluating information and documents, ensuring compliance with the requirements of regulations governing the field of Sanctions and prevention of ML/TF/PF or other Laws and Regulations, as well as for the fulfilment of the requirements or restrictions imposed by correspondent banks.
- 3.9.** The Bank shall not have the obligation to notify the Client of the reasons for not establishing business relationship and/or the grounds for not opening an Account.

4. CLIENT IDENTIFICATION, VERIFICATION OF POWERS AND SIGNATURES

- 4.1.** To prevent the possibility of ML/TF/PF or the possibility of violating, circumventing Sanctions or attempting to do so by using the Services, the Bank shall perform Client identification, Client due diligence and determine the BO, and the Bank shall be entitled to request and the Client shall provide the Bank with the information and documents necessary for Client identification, Client due diligence, determining the BO, as well as regarding the Client's economic or personal activities and sources of income or origin of funds, as well as on the Bank operations planned, applied for and performed by the Client.
- 4.2.** The Bank shall identify the Client and their Representative before establishing the business relationship with the Client and before providing each individual Service (Operation) to the Client according to the procedure established by the Bank and in accordance with Laws and Regulations.
- 4.3.** An individual shall be identified by the Bank:
- 4.3.1.** In person by identity documents recognised in the Republic of Latvia;
- 4.3.2.** Remotely by identity documents recognised in the Republic of Latvia and using one or more technological solutions, video identification, Secure Electronic Signature or identification payment.
- 4.4.** For the identification of a legal entity/Legal Arrangement:
- 4.4.1.** In person – the Client shall submit documents confirming the registration of the Client, the legal basis of the activity, the current legal status, the persons entitled to represent it and the scope of their representation, the scope of the Representative's authorisation, as well as proving the justification for the status of the BO. The Bank shall be entitled to carry out identification of a legal entity/Legal Arrangement without requiring the Client to submit documents if the Bank considers that the information obtained from a publicly trusted register is sufficient. The Client shall provide the original copies of the documents required for identification or their notarised copies;
- 4.4.2.** Remotely – the Client shall submit documents electronically or by mail (original copies or their notarised copies) confirming the registration of the Client, legal basis of the activity, the current legal status, the persons entitled to represent it and the scope of their representation, the scope of the Representative's authorisation, as well as proving the justification for the status of the BO. The Bank shall be entitled to carry out identification of a legal entity/Legal Arrangement without requiring the Client to submit documents if the Bank considers that the information obtained from a publicly trusted register is sufficient. The Client shall provide the original copies of the documents required for identification or their notarised copies. The Bank shall identify the Client's authorised persons remotely in accordance with Clause 4.3.2 of the Terms.
- 4.5.** The Client – Legal Arrangement, which is not a legal entity, but may be a person at law according to the laws and regulations of the Republic of Latvia or other country, shall submit to the Bank documents confirming legal status and legal capacity of Representatives in accordance with the requirements of Laws and Regulations, fulfilling the requirements of the Terms that apply to legal entities.
- 4.6.** The Bank, following the requirements of the Laws and Regulations, shall be entitled to produce (including electronically) and store copies of the identification documents submitted by the Client, as well as shall be obliged to ensure that the information obtained during the identification process is documented and stored.
- 4.7.** Upon execution of the Bank operations, the Bank shall visually compare the signature of the Client or Client's Representative on the transaction document with the specimen of the signature of the Client or Client's Representative, as submitted to the Bank, or shall use the signature of the natural person in the presented identity document for comparison.
- 4.8.** For legal entities/Legal Arrangements, at the Client's discretion, a sample of the Client's seal imprint may be enclosed with their specimen signature. In such case, during the execution of Bank operations the Bank shall compare the Client's seal imprint on the transaction document with the seal specimen submitted by the Client. The Bank shall not be obliged to consider the colour of a seal.
- 4.9.** If the signature and seal imprint of the Client or their Representative on the Agreement/transaction document visually matches the signature sample of the identity document presented or submitted to the Bank and matches the seal specimen submitted to the Bank, the Bank shall consider that such Agreement/transaction document as signed by the respective person.
- 4.10.** The Bank shall be entitled to perform authentication of existing Clients:
- 4.10.1.** Via the Internet Bank, using the Bank's means of remote identification or remote servicing if the relevant Agreement is concluded. The Client's Internet Bank user name and Means Used for Authentication (except for Secure Electronic Signature) shall be used to authenticate the Client in the Internet Bank;
- 4.10.2.** Over the phone, if the Client provides certain identifying information (such as the Password, etc.) when calling to the Bank;
- 4.10.3.** Electronically, confirming the Client's identity with a Secure Electronic Signature.
- 4.11.** Documents, including Agreements, signed by the Client with the Electronic Signature, shall have the same legal force as the Client's handwritten documents.

- 4.12.** A Password stated over the phone shall confirm that the person stating the Password is entitled to conclude the transaction or submit an order on behalf of and for the benefit of the Client, and represent the Client. Upon concluding a transaction, the Bank shall not be obliged to verify the validity and scope of authorisation granted to the user of the Password.
- 4.13.** The Parties shall observe the following requirements for using the Password:
- 4.13.1.** The Client shall be entitled to disclose the Password solely to individuals authorised by the Client to conclude transactions and submit orders on their behalf within the scope of the Agreements to which the Password applies. The Client shall ensure that the Password is not disclosed to third parties. Disclosure of the Password to a third party shall be interpreted as the Client's due authorisation for such party to enter into any transactions and submit any orders within the scope of the 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;
- 4.13.2.** The Bank shall not be liable for the Client's losses in the event that a third party uses the Password to conclude a transaction or submit an order to the Bank, except in cases where the Password has become exposed to a third party though the Bank's gross negligence or malicious conduct;
- 4.13.3.** If a person that is aware of the Password is no longer authorised to execute transactions or issue orders on behalf of the Client, or suspicions arise to the Client that any third party has gained access to the Password, the Client shall notify the Bank immediately and submit an application to annul the current Password by specifying a new Password, different from the previous one;
- 4.13.4.** The Bank shall be entitled to, at any time and at its sole discretion, annul or change the Password by notifying the Client through the use of the means of communication specified in the Application.
- 4.14.** The Bank shall be entitled to unilaterally determine which types of signatures it accepts on Agreements or documents that are signed within the framework of the Service.
- 4.15.** The Client shall be fully responsible for losses incurred at the result of false declarations made by the Client thus misleading the Bank or as the result of negligence of the Client or actions of third parties, when the Bank has incorrectly identified the signature or seal imprint of the Client (Representative) and no gross negligence is identified on the part of the Bank.
- 4.16.** The Bank shall not be obliged to reveal and identify the forgery or any other irregularities with respect of the signature, seal or transaction documents of the Client (Representative), unless such forgery or irregularities are obvious.
- 4.17.** The Client shall be entitled to authorise a natural person to receive Services (Operations) at the Bank. Such authorisation shall be drawn up in writing, on the Bank's letterhead and shall be issued by the Client in the presence of a Bank employee, or in another manner specified by the Bank, or also submitted with a notarised authorisation, or in another procedure provided for by Laws and Regulations. The Client shall be entitled to submit to the Bank a power of attorney signed with a Secure Electronic Signature or with a National Electronic Identification Means, authorising the Representative to perform specific actions at the Bank once (for example: receive a certificate, account statement, sign a contract for a specific transaction etc.).
- 4.18.** If the authorisation submitted to the Bank has a specific term of validity or has been issued for the performance of a certain activity, the authorisation shall cease to be valid on the date of expiry, if the Client has not previously withdrawn it in writing or the action specified in the authorisation was fulfilled. An authorisation with indefinite period of validity shall be considered valid until the Client revokes it in writing or another basis for termination of the authorisation specified in the Civil Law sets in. The Bank shall be entitled to request the Client to renew the authorisation if the Bank has doubts about the validity or scope of the authorisation. The Bank shall have the right to refuse from accepting an authorisation if it is not formalised in accordance with the requirements of the applicable Laws and Regulations or the Bank's requirements, if the right and/or scope of representation is not clearly defined, is formulated too broadly or the will of the Client is not formulated, or for other important reasons based on the Bank's judgement. In case of doubt or contradiction, the Bank shall be entitled to interpret the contents of the authorisation in a narrow sense.
- 4.19.** To the extent that Laws and Regulations do not provide otherwise, the Bank shall not be obliged to verify the validity of an authorisation, including authorisations registered with public registers. If the person, having signed the document, is not entitled to represent the Client whom they purport to represent as of the moment of signing such document, such signatory in the capacity of a natural person shall fully undertake all the obligations ensuing from the document being signed and shall be held responsible for its execution. In the event of forgery of the signature, seal or other documents of the Representative, if the fact of forgery has become known to the Bank and/or criminal proceedings have been initiated, 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.
- 4.20.** The Client shall reimburse the Bank for all losses incurred at the result of the Client or their Representative being legally incapacitated or having no signatory's powers at the moment of execution of a Bank operation.
- 4.21.** The Bank shall have the right to suspend the provision of Services (Operations) on its own initiative in cases when the authority of the Client's Representatives has expired.
- 4.22.** The Client and/or the Representative upon the Bank's request shall be obliged to submit to the Bank the documents and information necessary to update the identification data of the Client or their Representative or BO.
- 4.23.** The Client shall immediately notify the Bank in writing about any changes in any material facts and circumstances with regard to their transactions with the Bank, in particular about changes in the information provided to the Bank, including but not limited to: in the event of an individual – change of first name, surname, residential address, identity code (taxpayer's registration number),

signature or identification document; in the event of a legal entity/Legal Arrangement – change of name, form of enterprise, registered office or contact address, seal imprint, registration number, place of registration, the legal entity's representatives (officers, trustees, shareholders, BOs) or their identification data, and provide supporting documents.

5. EXCHANGE WITH INFORMATION AND DOCUMENTS

- 5.1.** Any Notification that the Client must submit to the Bank in connection with the Bank operations, the Bank shall be entitled to request from the Client in writing.
- 5.2.** All Notifications and information provided by the Parties to each other must be in Latvian, Russian or English.
- 5.3.** Unless otherwise stipulated in the respective Agreement, the Bank shall send all documents or mailings regarding Bank operations to the Client's declared place of residence or legal address. All documents addressed to the Client shall be considered sent and received, if the Bank has sent them to such address.
- 5.4.** If the Client fails to notify the Bank about any changes in their address, phone number or other contact details, the Bank shall assume that the submitted information is complete and accurate, and the Bank shall be entitled to use such contact information in communication with the Client unless otherwise stipulated in the Agreement.
- 5.5.** The Bank shall provide the Client with Notifications related to Services (Operations) in the following ways:
 - 5.5.1.** In person. Notifications that are passed on to the Client in person shall be passed on directly to the Client or communicated verbally, through the Internet Bank or sent by mail to the address specified by the Client in the Application, Agreement or otherwise notified to the Bank in accordance with the procedure laid down in the Terms or Agreements. The Bank shall be entitled to use services of third parties for the processing and/or delivery of postal items, information, or data, as well as to send short messages, e-mails and other types of messages to the mobile phone number and/or e-mail address provided to the Bank by the Client;
 - 5.5.2.** Publicly. Notifications that are published on the Bank's Website, in the information materials issued by the Bank (for example, leaflets), posted at the Bank's premises — at client service points, and published in media shall be considered public.
- 5.6.** All Notifications shall be considered delivered to the Client or received by the Bank once the respective Notification is recorded in the Bank's administrative registers, unless other arrangements are provided for in the terms and conditions of the relevant Services (Operations).
- 5.7.** The Parties agree that electronic mail (e-mail) may be used for exchange of Notifications, as specified in the Application or agreed by the Parties upon conclusion of the Agreement. By signing the Application or Agreement, the Client certifies that they understand the risks inherent to use of e-mail and that the Bank has informed them about the potential risks and explained consequences thereof, and that the Client understands the aforementioned information. The aforementioned risks may include computer contamination with spyware, viruses and other malware, leakage of trade secrets, inability to trace a mailing, and unauthorised access to mailings.
- 5.8.** Processing (including the procedure for execution and timing) of documents received by the Bank outside the scope of these Terms shall be arranged in accordance with the Laws and Regulations, the Pricelist or the Agreement.
- 5.9.** All documents regarding Bank operations on behalf of the Bank shall be signed by the Bank's authorised persons. The signature of the Bank's authorised person, a stamp on a document regarding a Bank operation shall mean that the document is accepted for execution by the Bank, unless a different procedure is provided for in the Bank's regulatory documents.
- 5.10.** If the Bank so requests, the Client shall provide the Bank with original documents or notarized copies of documents. When public documents issued abroad are submitted to the Bank, such documents shall be legalised and/or certified with an Apostille in accordance with the procedure specified in Laws and regulations. If the Client submits documents to the Bank in a foreign language, the Bank shall be entitled to request the Client to submit notarised translations of such documents. The Bank shall be entitled to consider the submitted documents invalid until the Bank's request is fulfilled.
- 5.11.** If necessary, the Bank shall inform the Client of possible fraud cases, security threats or suspicions regarding such cases on the Bank's Website or mobile app, or by phone, or any other way that is best suited to the specific situation.

6. VERIFICATION OF DOCUMENTS RECEIVED BY THE BANK

- 6.1. The Client shall be responsible for the authenticity, completeness, accuracy and prompt submission of data and documents to the Bank.
- 6.2. If the Bank pursuant to the Terms or other internal regulations of the Bank is obliged to verify the authenticity, completeness, accuracy and timeliness of the documents submitted by the Client or to translate their content, the Bank shall only be held liable for gross negligence committed in carrying out actions prescribed in the Bank's internal regulations.
- 6.3. If in the execution of the Client's order the Bank is obliged to carry out the activities specified in Clause 6.2 of the Terms, the Bank shall be entitled to use the services of third parties at the Client's expense.
- 6.4. If the amounts/numbers written-out in words in the Bank operation documents are inconsistent with the amounts/numbers written in figures, the Bank shall be entitled to refrain from the execution of the respective operation, or else to execute the operation based on the amount/numbers written-out in words. In using electronic settlement systems, the amounts/numbers written in figures shall prevail.
- 6.5. When notarised, legalised or apostilled public documents issued in foreign countries are submitted to the Bank, or if the Bank executes a payment on the basis of a letter of credit, documentary collection, writ of execution, or another claim or executive document, the Bank shall verify formal conformity of such documents to the generally accepted standard or form, if applicable.
- 6.6. In submitting or sending documents to the Bank, the Client shall ensure that such documents are legible, correct, without correction marks or crossed-out words, signed using writing implements where the handwriting stays on for an indefinite period of time and cannot be erased otherwise than by obviously damaging the material of the document. The Bank shall be entitled to refuse to accept documents that fail to meet the requirements of this Clause.
- 6.7. The Bank shall be entitled not to accept electronic documents or Payment Orders signed with a Secure Electronic Signature that has been created with a certificate, which has any restrictions on the operation and amount of the certificate, and other limitations, or which has not been issued by a trusted certification service provider or not signed in the electronic document formats ASiC-E, eDOC.
- 6.8. The person submitting the respective document shall be responsible for losses resulting from non-compliance with the requirements of Clause 6.6 of the Terms.
- 6.9. The Bank shall be entitled to request additional confirmation regarding the Bank operations document, if the Client or their Representative fails to submit such document to the Bank in person and/or if suspicions arise as to the veracity of the document. The Bank shall be entitled to refrain from execution of an order until the additional confirmation of the order is received from the Client. In such event, the Bank shall not be held liable for losses sustained by the Client due to delay in the execution of the Bank operation specified in such document.
- 6.10. If, in the execution of a Bank operation, any activity is to be executed within a specific timeframe, the Client shall set the term of execution in each individual case. The term of execution shall be established in writing, unless stipulated otherwise in the respective Agreement.
- 6.11. The Bank shall be entitled not to follow the term of execution for the orders, as specified by the Client, if the execution within the set timeframe is impossible in accordance with the applicable bank practice. In such case, the Bank shall not be liable for losses sustained by the Client due to delay in the execution of the order, and the Bank shall not be held liable for losses sustained by the Client due to the Client's failure to specify such term of execution in the Bank operation document.

7. ACCOUNT

7.1. Opening and Use of the Account

- 7.1.1. The basis for opening an Account is the Agreement that provides for the opening of an Account.
- 7.1.2. The Client undertakes not to use the Account and/or Services for any unlawful purpose, not to perform any actions/operations aimed at ML/TF/PF or circumventing, violating Sanctions or attempting to do so, and to use the Account and/or Services in their own interests and not on behalf of another person with the aim of concealing their identity, and undertakes to ensure that the funds used in the Services are legal and not criminally obtained. If the Client has no information as to the origin of funds deposited in the Account or doubts arise as to the origin of funds, the Client shall inform the Bank immediately.
- 7.1.3. While ensuring the management of ML/TF/PF risk and the risk of Sanctions, the Bank shall be entitled to impose restrictions on the execution of the Client's transactions in accordance with the procedures specified in the Laws and Regulations.

- 7.1.4.** The currency of funds held in the Account shall be Euro (EUR). If funds in currencies other than Euro (EUR) are held in the Account, the Bank shall be entitled to, at any time, without giving prior notice to the Client, convert all or part of the funds available in the Account into Euro (EUR) based on the Currency List at the rate established by the Bank as at the time of the exchange operation.
- 7.1.5.** The person with whom the Bank has concluded the relevant Agreement shall be considered the owner of an Account opened with the Bank, unless otherwise stipulated in the Agreement.
- 7.1.6.** The Client's funds may be placed in the Bank's correspondent accounts on behalf of the Bank, at the Client's responsibility and risk.
- 7.1.7.** Financial instruments of foreign issuers in the possession of the Client shall be held with custodians, depositories and registers of the respective countries.
- 7.1.8.** The Client shall undertake responsibility for ensuring compliance of their investments in financial instruments issued in foreign countries and fulfilment of respective obligations in accordance with the legislation of the respective country, as well as shall accept full risk ensuing from currency exchange, restrictions, limitations on alienation or transfer of financial instruments, taxes, duties and other fees applicable in the respective country.
- 7.1.9.** The Account of an individual shall be managed by the individual themselves or their Representative, whom the Bank has identified in accordance with the procedures specified in the Laws and Regulations.
- 7.1.10.** The Account of a legal entity/Legal Arrangement shall be managed by its Representatives and other persons who have signature rights in the Bank and whom the Bank has identified in accordance with the procedures specified in the Laws and Regulations.
- 7.1.11.** The Bank shall be entitled to apply the right of signature (representation) of the Account owner's Representative to all the Accounts opened for the respective Account owner with the Bank, unless otherwise stipulated in the respective Agreements or the Client has issued special instructions to the Bank. All changes in the signature (representation) rights of the Representative shall be made if the Client submits supporting documents that comply with the Laws and Regulations, laws regulating the Client's activities and the Bank's requirements.
- 7.1.12.** The Bank shall execute the Bank's operations on the Client's order only when the Bank has reviewed and verified the documents on rights of signature (representation) submitted by the Client and accepted them as sufficient.
- 7.1.13.** The Bank shall not provide Services if the Client wishes to receive them anonymously or the Client wishes to use an account with a name other than the Client's name as it stems from the identification documents.
- 7.1.14.** The Bank shall not provide Services if the payment initiated by the Client, including the payment made in favour of the Client, is directly or indirectly related to ML/TF/PF risk and/or to a person who is subject to Sanctions.
- 7.1.15.** The Bank shall not provide Services if the Bank has knowledge or suspicion that the Client or any person related to the Client, including their BO, has carried out or attempted to carry out activities that are aimed at violating, circumventing Sanctions or the requirements for the prevention of ML/TF/PF or attempting to do so, or other criminal offence, including fraudulent actions against the Bank, its Client or other person.
- 7.1.16.** The Bank shall seize the Client's funds and other values, partially or completely suspend the Client's settlement operations in the cases and procedures provided for in the Laws and Regulations, as well as in accordance with the provisions of the relevant Agreement. The Bank shall be entitled to suspend Account settlement operations such as debit (disbursement) and credit (deposit) if the Client fails to provide the documents or information requested by the Bank, or if the Bank has information or suspicions that the Client has carried out or attempted to carry out activities that are aimed at ML/TF/PF or other illegal activities.

7.2. Opening of a Basic Account

- 7.2.1.** The Bank shall open a Basic Account for a Consumer that is:
 - 7.2.1.1.** A citizen of Latvia;
 - 7.2.1.2.** A non-citizen of Latvia;
 - 7.2.1.3.** A citizen of another member state of the European Union, European Economic Area or the Swiss Confederation;
 - 7.2.1.4.** A person authorised to reside within Latvia in accordance with the applicable Laws and Regulations, including an asylum seeker or person granted alternative status – whether or not the person has declared a place of residence in Latvia;
 - 7.2.1.5.** A person who does not hold a residence permit, but cannot be deported from Latvia under the applicable Laws and Regulations, unless such right to open a Basic Account is restricted under the applicable Laws and Regulations.
- 7.2.2.** In order to open a Basic Account, a Consumer shall submit to the Bank a completed and signed Application/Questionnaire approved by the Bank, whereby the Consumer represents that they have not opened any payment account for receiving the services included in the Basic Account with another credit institution that offers payment services in Latvia, and submit other information requested by the Bank as necessary for opening a Basic Account.
- 7.2.3.** The Bank shall refuse to open a Basic Account in any of the following cases:
 - 7.2.3.1.** Opening or servicing such Basic Account could potentially lead to violation of applicable Laws and Regulations, including in the field of Sanctions or prevention of ML/TF/PF;
 - 7.2.3.2.** The Consumer has provided misleading information for the purpose of opening a Basic Account.

- 7.2.4.** The Bank shall be entitled to refuse to open a Basic Account in any of the following cases:
- 7.2.4.1.** The Consumer already has opened a payment account with the Bank or another credit institution that carries out business activity in Latvia and provides services included in the Basic Account, except in cases where the Consumer has already received a notification that the payment account will be closed;
 - 7.2.4.2.** The Consumer no longer meets the criteria of a Basic Account holder, as established in the Terms and the applicable Laws and Regulations;
- 7.2.5.** If the Bank decides to refuse opening a Basic Account, the Bank shall, using the correspondence address provided to the Bank (including an e-mail address), immediately notify the Consumer about the refusal and the basis for such, except in cases where the disclosure of such information is contrary to the interest of state security or public order (including the requirements of Laws and Regulations in the field of Sanctions or prevention of ML/TF/PF).
- 7.2.6.** In accordance with the requirements of the Law on Assistance to Ukrainian Civilians, the Bank shall ensure the opening of the Basic Account for Ukrainian Civilians regardless of whether a Ukrainian civilian complies with the conditions of Clause 7.2.1 of these Terms.

7.3. Opening and maintenance of a Client's Customer Funds Account

- 7.3.1.** The Bank shall open a Client's Customer Funds Account for Clients who meet any of the following criteria:
- 7.3.1.1.** A financial institution within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing;
 - 7.3.1.2.** A provider of gambling services within the meaning of the Law on Gambling and Lotteries;
 - 7.3.1.3.** Clients who, in accordance with the requirements and procedures laid down in Laws and Regulations, are required to keep and store the funds of payment service users separate from their own funds for the performance of economic activities.
- 7.3.2.** The basis for opening a Client's Customer Funds Account is an Agreement, which, among other things, provides for the opening and maintenance of a Client's Customer Funds Account.
- 7.3.3.** The Client undertakes not to use the Client's Customer Funds Account for any illegal purposes, not to perform any actions/operations aimed at ML/TF/PF or circumventing, violating Sanctions or attempting to do so. The purpose of using the Client's Customer Funds Account is to manage the funds of payment service users, including guaranteeing the protection of funds in compliance with the requirements laid down in Laws and Regulations. If the Client does not have information about the origin of the funds deposited in the Client's Customer Funds Account or has doubts about their origin, the Client shall immediately inform the Bank thereof.
- 7.3.4.** The Client undertakes to control and supervise its clients, including their transactions, in accordance with the Laws and Regulations applicable to the Client's economic activities.
- 7.3.5.** The Client shall ensure that the funds placed in the Client's Customer Funds Account are separated and kept separate from the money of other persons who are not users of the Client's payment services, on behalf of which the money is held, as well as shall ensure that the funds placed in the Client's Customer Funds Account are not included in the Client's property that is used to cover claims of the Client's creditors or claims of third parties and to cover the costs of insolvency proceedings or liquidation expenses. Only reasonable claims of users of the Client's payment services, other payment service providers and holders of electronic money can be satisfied from the said funds.
- 7.3.6.** While ensuring ML/TF/PF and Sanctions risk management, the Bank shall have the right to impose restrictions on the execution of the Client's transactions in accordance with the procedures specified in Laws and Regulations.
- 7.3.7.** The currency of the funds held in the Client's Customer Funds Account is the euro (EUR). When storing funds in the Client's Customer Funds Account in a currency other than the euro (EUR) currency, the Bank shall have the right at any time, without prior notice to the Client, to convert all or part of the funds in the Client's Customer Funds Account to the euro (EUR) currency at the rate set by the Bank according to the Currency List at the time of conversion.
- 7.3.8.** The Client with whom the Bank has entered into the relevant Agreement shall be considered the owner of the Client's Customer Funds Account, insofar as the Agreement does not specify otherwise.
- 7.3.9.** The Client's Customer Funds Account shall be handled by Representatives and other persons for whom the Bank has drawn up the right to sign and who have been identified by the Bank in accordance with the procedures specified in Laws and Regulations.
- 7.3.10.** The Bank shall not provide Services if the payment initiated by the Client, including the payment made for the benefit of the users of the Client's payment service, is directly or indirectly related to the ML/TF/PF risk and/or to the person against whom Sanctions have been imposed.
- 7.3.11.** The Bank shall not provide Services if the Bank has information or suspicions that the Client's payment service user, including its BO, has performed or attempted to perform actions aimed at violating the requirements for the prevention of ML/TF/PF, violation, circumvention of Sanctions or attempt of such actions, or other criminal offense, including fraudulent actions against the Bank, its Client or another person.

7.4. Payment Execution

- 7.4.1.** The Bank shall execute non-cash and cash settlement operations based on the Client's orders. The currency of settlement operations shall be Euro (EUR).
- 7.4.2.** The Bank shall be entitled but not obliged to perform non-cash and cash settlement operations in currencies other than Euro (EUR), in accordance with the Currency List.
- 7.4.3.** The Bank shall ensure that the Payment Order specifies the Client's data based on the requirements of Regulation (EU) 2015/847.
- 7.4.4.** The Client shall specify in the Payment Order the amount and currency of the credit transfer, clear purpose of the payment, full names, addresses and bank codes of the Payee's bank and correspondent bank in the respective currency, the Payee's name, surname/business name, address, account number and other details of transfer required for such credit transfer, if required by the Payee's bank or by the Laws and Regulations of the domicile of the Payee's bank. The Client shall also include clear information in the purpose of their Payment Order on the nature of the transaction and information on the underlying document for such transaction.
- 7.4.5.** The Bank shall be entitled not to provide a Payment execution or Account Information Service also in cases where the Bank has applied restrictions to Payment Service Providers who provide Account Information Services and/or Payment Initiation Services, in cases where the Bank has reasonable suspicions about possible risks associated with the provision of the particular Payment execution or Account Information Service.
- 7.4.6.** The Bank shall not assume any responsibility if the Client has disclosed sensitive payment data as part of the Payment Initiation Service, including authentication data to third parties, as well as the Bank shall not be liable for debiting funds from the Client's account if the Payment Order has been received through the provider of the Payment Initiation Service and the Bank has correctly identified the Client.
- 7.4.7.** The Bank shall ensure the availability of the Payment Initiation Service and the merchant portal, insofar as it depends on the provision of technical means by the Bank for the provision of such service, but the Bank shall not be responsible for the availability of services provided by third parties (for example, Internet connection, power supply, services of the Payer's bank, etc.), which may prevent or affect the receipt of such service by the Client.
- 7.4.8.** The Bank shall be entitled to credit funds to the Client only on the basis of the account number specified in the Payment Order (for example, IBAN), in cases where the business name of the Payee (including name, surname) indicated in the Payment Order does not correspond to the account number. The Account number specified in the Payment Order shall be considered as the Unique Identifier for the execution of the Payment Order. The Bank shall be entitled, but not obliged, to verify that the Payee's account number specified in the Payment Order corresponds to the Payee indicated in the Payment Order. The Bank reserves the right not to execute the Payment Order if it has reasonable doubt as to the eligibility of the Payee's name and the Payee's account specified in the Payment Order.
- 7.4.9.** In executing the Payment Order, the Bank shall transfer all the information specified in the Payment Order (including the Client's personal data) to the Payment Service Provider of the Payee.
- 7.4.10.** If a Payment Order is submitted to the Bank to transfer funds to an account opened with another Payment Service Provider, such transfer shall be executed on the basis of the Unique Identifier specified in the Payment Order. The Bank shall not be liable for incorrect or inaccurate indication of the Unique Identifier in the Payment Order and/or if the Payment Service Provider of the Payee has determined another Unique Identifier for the execution of the Payment Order.
- 7.4.11.** Regardless of the currency specified by the Client in a Payment Order, the Bank shall be entitled to execute the Payment Order in Euro (EUR) currency.
- 7.4.11.1.** In the event of cash Payments, the Bank shall be entitled to disburse funds in Euro (EUR) currency, regardless of the currency held on the Client's Account, and the Bank shall be entitled to, without giving prior notice to the Client, convert funds on the Client's Account into Euro (EUR) at the rate established by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the disbursement.
- 7.4.11.2.** In the event of cashless Payments, the Bank shall be entitled to, without giving prior notice to the Client, convert funds on the Client's Account into Euro (EUR) at the rate established by the Bank in accordance with the Currency List at the time of conversion in the amount necessary for the transfer.
- 7.4.12.** If the Client fails to specify all the required details for the transfer or has provided Aimless Information in the Payment Order, the Bank shall be entitled, but not obliged to request additional information from the Client. If the Bank is unable to clarify the details of the Payment Order, the Bank shall be entitled not to execute the Payment Order.
- 7.4.13.** To ensure compliance with requirements specified in Clause 4.1, the Client shall, upon the Bank's request, provide information and documents regarding the purpose of any transaction specified in a Payment Order.
- 7.4.14.** If a currency other than Euro (EUR) is specified in an incoming transfer of funds, the Bank shall be entitled to, without giving a prior notice to the Client, reject the transfer.
- 7.4.15.** Unless the Client specifies the correspondent bank of the Payee bank in the respective currency in their outgoing transfer, the Bank shall be entitled to select a correspondent bank without the Client's approval. If the selection of the correspondent bank is incorrect and the transfer is returned to the Bank, the Bank shall repeat the transfer at its own expense. If the repeated transfer fails to be executed as well, the transfer amount shall be credited back to the Account or paid to the Client, without refund of the transfer charge to the Client.
- 7.4.16.** If the Client enters all the required details in the Payment Order, but the transfer fails to arrive at the Payee bank, the Bank shall only be responsible in the events and to the extent specified in applicable Laws and Regulations.

- 7.4.17.** If, for reasons beyond the Bank's control (e.g. a correspondent bank or Payee bank refuses to execute such a Payment Order and/or regards such a Payment Order as suspicious), the Bank is unable to execute the Payment Order, the Bank shall be entitled to reject it without execution.
- 7.4.18.** The Bank shall be entitled to select the route of execution of credit transfers to the Payee bank.
- 7.4.19.** A transfer shall be considered completed when the Payee bank accepts a Payment Order sent by the Bank. The Bank shall not be responsible for the Payee's account being credited in the amount specified in the Payment Order.
- 7.4.20.** If the Client issues several Payment Orders the total amount or quantity of which exceeds the amount of funds available to the Client, the Bank shall be entitled to execute such orders in any sequence at its own discretion.
- 7.4.21.** The Bank shall not be liable for the execution of Payment Orders submitted to the Bank if Accounts hold insufficient funds and/or financial instruments:
- 7.4.22.** In the event of incoming or outgoing cash transfers, a Statement issued by the Bank or a cash debit or credit document of the Bank bearing the seal of the Bank shall be considered sufficient evidence of such cash transfer.
- 7.4.23.** The Client's order concerning transactions with financial instruments involving monetary means shall also be considered as the Client's order concerning Accounts on which the Client's funds are held.
- 7.4.24.** All fees for transfers, as established by intermediary banks and the Payee bank, shall be covered by the Payee or by the Client, depending on which party is specified in the Client's Payment Order:
- 7.4.24.1.** If the Payee covers fees, the Bank shall send the Payment to the correspondent bank or to the Payee bank by including a remark that fees are to be covered by the Payee. The intermediary bank or the Payee bank shall debit the fees from the amount transferred, if agreed thereon with the Payee. Subsequently, the balance amount shall be credited to the Payee's account;
- 7.4.24.2.** If the Client covers fees, the Bank shall send the Payment to the correspondent bank or the Payee bank by including a remark that fees are to be covered by the Client. The intermediary bank or the Payee bank shall credit the Payee's account with the amount of such transfer in full. The Bank shall not be responsible if the intermediary bank or the Payee bank deducts their commissions and fails to credit the Payee's account in full.
- 7.4.25.** If a claim is instituted against the Bank arising from the Bank's surety or guarantee with respect of the Client's obligations, the Bank shall be entitled to settle such a claim from the Client's (debtor's) account without a court award based on the creditor's unilateral request, provided that a preliminary arrangement exists between the Bank and the Client (debtor).
- 7.4.26.** The Bank shall, without the consent of the Client but at the expense of the Client, execute requests for information from national competent authorities and officials regarding the Client, Client's deposits and Services (Operations), as well as requests for recovery or seizure of the Client's financial resources and other enforceable requests specified in Laws and Regulations. The Bank shall be entitled to write off the fees specified in the Pricelist as of execution of the requests referred to in this Clause from the Client's accounts without prior notification to the Client.

7.5. Consent

- 7.5.1.** A Payment shall be deemed authorised if the Client has given their Consent. The Client shall give their Consent to a Payment pursuant to the procedure and in the form agreed by the Bank and the Client or as prescribed by the Laws and Regulations. The written Consent must be signed by the Client or their Representative manually or electronically or confirmed by Electronic Signature. Consent to the execution of a Payment may be confirmed by personal signature, Electronic Signature, Passwords and identification codes issued to the Client in accordance with the procedure established by the Bank, or using other means of identification/authentication allowed in the Republic of Latvia and accepted by the Bank. If Consent to a Payment is provided by using a payment card, in certain cases the Client or their Representative (cardholder) may give Consent by providing the relevant data (e.g. name and surname/company name, card number, expiry date, CVV2/CVC2 (the sequence of digits on the back of the card) or by performing a certain deliberate sequence of actions (e.g. by slotting a card into a device, bringing a card close to a device, ordering certain goods or services) available at self-service locations.

Consent provided in any manner described in this Clause shall be deemed as fully authorised Consent of the Client and shall have the same legal force as a document manually signed by the Client, and shall serve as sufficient evidence for resolving any potential disputes between the Bank and the Client. The Client shall not be entitled to appeal a Payment made on the basis of Consent provided in a manner described in this Clause.

- 7.5.2.** A Payment shall be not deemed authorised if the Client (Payer) has not given their Consent pursuant to the procedure provided for in the Terms or Laws and Regulations.
- 7.5.3.** The Client (Payer) shall provide Consent to a Payment prior to execution of the Payment. Consent to Payment may also be provided through another Payment Service Provider that provides Payment Initiation Services in accordance with Laws and Regulations. If agreed by the Parties in the Agreement, the Payment may also be authorised after the Payment has been executed by the Bank.

7.6. Withdrawal of the Payment Order

- 7.6.1.** The Client may not withdraw the Payment Order after it is received by the Bank, unless otherwise provided by the Terms.
- 7.6.2.** Where a Payment is initiated through a Payment Initiation Service provider or through a Payee (e.g. in the event of payment card transactions), the Payer may not withdraw the Payment Order after submitting it to the Payment Initiation Service provider or to the Payee.

- 7.6.3.** If the Parties have agreed to execute a Payment on a particular business day of the Bank, Payment Orders may be withdrawn no later than by the end of the Bank's business day followed by the Payment execution day, if there is no other agreement.
- 7.6.4.** Upon expiry of the term specified in Clauses 7.6.1 – 7.6.3 of the Terms, the Payment Order may be withdrawn only by agreement between the Client (Payer) and the Bank, if necessary, obtaining the consent of the Payee.
- 7.6.5.** The Bank shall be entitled to set a commission for revoking a Payment Order.
- 7.6.6.** The Bank shall be entitled to revoke a Payment Order if it is directly or indirectly related to a high-risk country, a country, territory or person (including an institution, organisation, etc.) that is subject to Sanctions.
- 7.6.7.** The Client shall have the right to submit a withdrawal of a Payment Order issued on the Bank's letterhead or in the form of a relevant application, however, the Bank shall not guarantee that the Payment Order will not be executed.
- 7.6.8.** The Bank shall, within its capabilities, contact the Payee's Payment Service Provider to return the transferred funds. If the Payment Order has not yet been sent out of the Bank, but its processing has been started, the Bank shall take all necessary actions to ensure that such Payment Order is not executed.
- 7.6.9.** The Bank shall repay the funds to the Client's Account only after the Bank has ascertained that the Payment Order will not be executed at any stage of the Payment Order execution chain (neither within the Bank nor outside it) and after the Bank has recovered funds from the Payee or participating Payment Service Providers.
- 7.6.10.** If the Client has submitted a withdrawal for an already executed Payment, whose Payee is a Client of the Bank, the Bank shall, on the basis of the Client's (Payer's) request, try to contact the Client (Payee) as far as possible in order to obtain consent to refund the Payment to the Client (Payer). The Payment shall be refunded to the Client (Payer) only after the consent of the Client (Payee) has been obtained and there are no other obstacles for refunding the Payment to the Client.
- 7.6.11.** The Bank shall not refund to the Client the commission withheld for the withdrawal of the Payment Order if the funds paid as a result of the Payment have not been recovered.

7.7. Currency Exchange

- 7.7.1.** The Terms shall govern solely the TODAY (TOD) Currency Exchange Transactions (Currency Exchange Transactions with the Value Date being the date of concluding the transaction) executed between the Parties.
- 7.7.2.** Any number of Currency Exchange Transactions may be concluded within the scope of the Terms. The Bank may, at its sole discretion, establish restrictions on the execution of Currency Exchange Transactions, e.g. the minimum and maximum amount of a transaction etc.
- 7.7.3.** Currency Exchange Transactions shall be executed with the Parties' agreement on transaction terms. Either Party may, prior to entering into a transaction, withdraw from the transaction without specifying the reasons.
- 7.7.4.** The Parties shall conclude Currency Exchange Transactions upon the Client's personal arrival to the Bank or use of any of the following means of communication — phone, Internet Bank.
- 7.7.5.** A Currency Exchange Transaction shall be deemed concluded and effective when the Parties have agreed on the amount and name of the currency to be bought (sold) and the opposite currency, the exchange rate, the Value Date for settlement in both currencies. In addition, Parties may also agree on other terms of the Currency Exchange Transaction.
- 7.7.6.** An order signed by the Bank and the Client shall be deemed the evidence of the fact and content of a Currency Exchange Transaction if the Currency Exchange Transaction is concluded with the Client's personal arrival to the Bank. If a Currency Exchange Transaction is concluded over the phone, the recording of the phone conversation of the Parties made by the Bank shall be deemed the evidence of the fact and content of the Currency Exchange Transaction.
- 7.7.7.** The Parties shall conclude an agreement to amend or supplement the terms of a Currency Exchange Transaction by analogy to the terms of the conclusion of the Currency Exchange Transaction.
- 7.7.8.** If the Client concludes a Currency Exchange Transaction by arriving to the Bank in person, the following provisions shall apply:
 - 7.7.8.1.** documents shall be filled out in 2 (two) copies;
 - 7.7.8.2.** The Bank shall verify the Client's identity in accordance with the requirements of the Terms;
 - 7.7.8.3.** If Client verification is successful and the Bank agrees with the specified terms and conditions of the Currency Exchange Transaction, the Bank's officer shall sign the relevant document and issue 1 (one) copy of it to the Client.
- 7.7.9.** If the Parties conclude a Currency Exchange Transaction by agreeing on the Currency Exchange Transaction terms over the phone, the following provisions shall apply:
 - 7.7.9.1.** The Bank shall identify the Client by their name and surname (company name for legal entities) and a Password or Client number, and the Password clearly stated by the Client to a representative of the Bank prior to concluding the Currency Exchange Transaction;
 - 7.7.9.2.** The Bank shall be entitled to ask the Client to submit additional data (e.g. Client account number, Client identification number or date of birth, registration number etc.) and specify other legal and reasonable measures to ensure complete identification of the Client or verification of the completeness or validity of information provided.
- 7.7.10.** If a Currency Exchange Transaction is concluded via the Internet Bank, the following provisions shall apply:
 - 7.7.10.1.** The Client shall draft an order and send it to the Bank, following the instructions for using the Internet Bank;
 - 7.7.10.2.** The Bank shall execute an order only if the Bank agrees with the terms of the Currency Exchange Transaction as specified in the order.

- 7.7.11.** Procedure for executing Currency Exchange Transactions:
- 7.7.11.1.** Upon concluding a Currency Exchange Transaction, the Client shall ensure the availability of the necessary funds for executing the Currency Exchange Transaction in the Account;
 - 7.7.11.2.** 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;
 - 7.7.11.3.** The Client shall authorise the Bank, without the Client's separate consent, to debit and credit the Account in the amounts necessary for the execution of the Currency Exchange Transaction and on the agreed Value Date;
 - 7.7.11.4.** The Bank shall be deemed to have fulfilled its obligations once it has credited the Account, in accordance with the Terms, under the terms and conditions of a Currency Exchange Transaction;
 - 7.7.11.5.** The Bank shall be entitled to refrain from initiating a Currency Exchange Transaction if no sufficient funds are available in the Client's Account for its execution, if the Parties fail to agree on any of Currency Exchange Transaction terms, or if the Bank has any doubts as to the completeness or accuracy of the Currency Exchange Transaction (e.g. due to disruptions in communications, poor quality of recordings of phone calls between Parties etc.). The Bank shall have the right, but not the obligation, to clarify such terms by contacting the Client over the phone;
 - 7.7.11.6.** 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.
- 7.7.12.** The Bank shall make bookings related to Currency Exchange Transactions in the Accounts and keep records of the funds held by the Client.
- 7.7.13.** The Client shall follow the status of the Accounts and the executed Currency Exchange Transactions on an ongoing basis. Unless the Client contests a Currency Exchange Transaction recorded in the Account within 2 (two) business days following the day of execution (i.e. the date of entry of the posting into the Account), the Client shall be deemed to have approved the Currency Exchange Transaction without any objections and recognised it as duly executed. In that case, the Client shall no longer be entitled to contest the Currency Exchange Transaction.
- 7.7.14.** Debiting the Account as mentioned in Clause 7.7.11.3 of the Terms shall be performed by using the Client's funds in the currency in which a payment is due. If such funds are insufficient for a payment in full, the payment shall be made within the available balance of the Client's account, while the remaining amount shall be payable, at the Bank's sole discretion, from Client's funds in other currencies, by converting such at the Bank's established exchange rate as at the respective date.
- 7.7.15.** If no sufficient funds for full satisfaction of the Bank's claims are provided in the Account for a period exceeding 1 (one) week, the Bank shall be entitled to sell the Client's financial instruments and/or other assets (property) held by the Bank at a free price and allocate the proceeds towards satisfaction of the Bank's claims.
- 7.7.16.** The Party liable for delayed or incomplete fulfilment of payment obligations shall pay the other Party a contractual penalty in the amount of 1% (one per cent) of the Currency Exchange Transaction amount. Payment of a contractual penalty shall not relieve the payer of either the obligation to fulfil the outstanding obligation or the obligation to reimburse for damages.
- 7.7.17.** 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:
- 7.7.17.1.** Withdraw from the Currency Exchange Transaction unilaterally;
 - 7.7.17.2.** Execute a reverse transaction on the Client's Account for purchase/sale of relevant currency pair at the current market rate;
 - 7.7.17.3.** Extend the execution term of the Currency Exchange Transaction by 1 (one) day.
- 7.7.18.** In addition to the options specified in Clause 7.7.17, 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.

7.8. Payment Initiation and Account Information Services

- 7.8.1.** According to the Laws and Regulations, the Client/Payer has the right to use the services of Payment Initiation and Account Information Service providers to initiate a Payment or access Account information through another Payment Service Provider.
- 7.8.2.** The Bank may provide the Client/Payer with Payment Initiation and Account Information Services if the Client/Payer agrees to the terms and conditions of the relevant Service in compliance with the Laws and Regulations.
- 7.8.3.** When performing Services (Operations) using the Payment Initiation and Account Information Services, the Bank shall apply the terms and conditions of the relevant Services (Operations) and the pricelist, in relation to Services (Operations) insofar as they are performed within the technical infrastructure of the Bank. The terms and conditions of the relevant Services may also be applied to perform the subsequent relevant Services (Operations), including if the Payment Initiation and Account Information Services are used.
- 7.8.4.** When using the services of the Payment Initiation or Account Information Service providers, the Client/Payer shall take due care to ascertain the following essential aspects of using such Payment Services:
- 7.8.4.1.** Proper compliance by the Payment Service Provider with licensing or registration arrangements in the member state or obtaining other necessary permits for the provision of the relevant Payment Service (Payment Initiation or Account Information Service);

- 7.8.4.2.** An accurate and clear description of the service and its terms and conditions in connection with which the Payment Initiation or Account Information Service is used;
- 7.8.4.3.** Proper and secure processing of entrusted personal data in accordance with the requested service and Laws and Regulations;
- 7.8.4.4.** Secure processing, authorized use and storage of sensitive payment data, own Means Used for Authentication and other personalized means in accordance with Laws and Regulations;
- 7.8.4.5.** Receiving and storing a Payment reference within the Payment Initiation Service.
- 7.8.5.** The Client/Payer shall inform the Bank about the Payment Service Providers or impose restrictions on Services (Operations) in the Internet Bank or in another procedure established by the Bank, the receipt of whose services the Client/Payer considers as undesirable and execution of Payments or retrieval of Account information from the Bank as unauthorized.
- 7.8.6.** The Bank shall not be liable for the losses suffered by the Client/Payer if the Client/Payer has disclosed sensitive payment data, including authentication data, to unauthorized third parties or if the Password is used by a third party.
- 7.8.7.** When using the Payment Initiation and/or Account Information Service, the Client/Payer enters into contractual obligations with the Payment Initiation and Account Information Service provider. The Bank shall not control the actions of the Payment Initiation and Account Information Service provider and shall not be liable for its actions (including the execution of the order, the date of execution), insofar as otherwise specified by Laws and Regulations.
- 7.8.8.** The Bank shall have the right for objectively justified reasons to block access to the Account for the Payment Initiation Service provider or Account Information Service provider. On the Bank's Website or in the Internet Bank, the Bank shall maintain up-to-date information about the Payment Initiation and/or Account Information Service providers blocked by the Bank.
- 7.8.9.** If, in the Client's opinion, an unauthorized or erroneous Payment was made from the Account when using the Payment Initiation Service, the Client/Payer shall be entitled, in accordance with the procedure established by the Terms and Laws and Regulations, to choose whether to file a claim with a Payment Initiation Service provider or the Bank.
- 7.8.10.** The Payer shall authorise the Payment Order in accordance with the terms of service of the Payer's Payment Service Provider. The Payer shall have the right to reject the Payment Order.

7.9. Charges for Bank Operations Executed by the Bank

- 7.9.1.** The Bank shall render Services to the Client for a charge (remuneration) that may be specified as a commission, percentage of the amount or otherwise.
- 7.9.2.** The amount and procedure of payment for Services (Operations) shall be specified in the Pricelist, except in cases where the amount and procedure of such payment is established in the respective Agreement.
- 7.9.3.** The Pricelist shall be available to the Client at the premises of the Bank during the Bank's business hours, on the Bank's Website, or in the Internet Bank.
- 7.9.4.** If the Client fails to settle the fees due to the Bank for the Services rendered, the Bank shall be entitled to stop rendering Services to the Client unilaterally without giving a prior notice.
- 7.9.5.** The Bank shall be entitled to establish an appropriate and fair charge for Services that are not included in the Pricelist and yet have been necessary for the execution of the Client's order, unless there is a different arrangement with the Client.
- 7.9.6.** The Client shall reimburse the Bank for all expenses related to performance of activities required for the execution of Bank operations (for example, communication expenses, commissions etc.), as well as any type of associated expenses, for example, duties, taxes, etc.
- 7.9.7.** 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 Service is rendered, the Client shall no longer be entitled to contest the amount of such a charge.
- 7.9.8.** When using third-party services at the Client's expense, the Bank shall submit all documents substantiating expenses to the Client, and the Client shall reimburse the Bank for all expenses specified in such documents as submitted to the Client.
- 7.9.9.** The Bank shall be entitled to request at the Client's expense any information, documents, factual and other evidence related to the Client and necessary for the execution of the order given by the Client to the Bank, verification of the information provided by the Client, verification, management or alienation of the collateral offered by the Client, etc. The Bank shall be entitled to debit any Account with the Bank for any expenses related with obtaining the information, documents and other evidence as specified herein without the Client's consent.

7.10. Safety Requirements and Liability

- 7.10.1.** Obligations of the Client in Connection with the Use of the Payment Instrument.
 - 7.10.1.1.** The Client authorised to use the Payment Instrument undertakes to:
 - 7.10.1.1.1.** Use the Payment Instrument in accordance with the relevant terms of Service and in compliance with applicable Laws and Regulations;
 - 7.10.1.1.2.** Notify the Bank, without undue delay of becoming aware of the loss, theft, or misappropriation of the Payment Instrument or of its unauthorised use, in accordance with the procedure agreed by the Parties in the Agreements or according to the terms of Service in question.

- 7.10.1.2.** The Client shall take all the necessary measures to keep its personalised authentication features of the Payment Instrument safe (including the Means Used for Authentication), complying with the specific requirements set out in the terms of the relevant Agreement (Service), as well as the Guidelines for Safe Online Banking, which are available on the Bank's Website <https://www.bluorbank.lv/en/guidelines-for-safe-online-banking>.
- 7.10.2.** Blocking of the Payment Instrument and Suspension of Bank Operations on the Account.
- 7.10.2.1.** The Bank reserves the right to suspend Bank operations on the Account or suspend the operation of the Payment Instrument at any time:
- 7.10.2.1.1.** If there are reasonable suspicions about the security of funds in the Accounts or possible threats related to the security of the Payment Instrument, suspicion of unauthorized or fraudulent transactions in the Account/with the Payment Instrument;
- 7.10.2.1.2.** If the Client does not fulfil or improperly performs the terms of the concluded Agreement(s);
- 7.10.2.1.3.** If the Bank has information that the Payment Instrument has been stolen, lost or there are reasonable doubts that the personalised security features of the Payment Instrument have become known to third parties and that the Payment Instrument has/could be used by third parties to perform unauthorised transactions; about possible or existing threats from the Client or third parties or other circumstances that are outside the limits of the Bank's direct or indirect influence or control and that may affect the security, inviolability, confidentiality of the services of the Client and/or other Clients of the Bank or cause losses to the Bank;
- 7.10.2.1.4.** In cases stipulated in the applicable Laws and Regulations, in the relevant Service terms or Agreement.
- 7.10.2.2.** In cases referred to in Clause 7.10.2.1 of the Terms, the Bank shall inform the Client in the manner specified in the terms of the relevant Service or Agreement, or using other means of communication acceptable to the Bank, including via phone, e-mail or Internet Bank. Regarding suspension of the Payment Instrument, the Bank shall endeavour to ensure that the Client is informed before the Payment Instrument is suspended, or, if this is not possible, after the suspension of such a Payment Instrument, unless such information to the Client is inadmissible for security purposes or in order to comply with the requirements of the current legislation.
- 7.10.2.3.** The Payment Instrument or access to the Account at the initiative of the Client shall be suspended if the Client submits the relevant order to the Bank in writing or in another manner, as agreed by the Parties in the Agreement, or by submitting a Notification in accordance with Clause 7.10.1.1.2. The Bank reserves the right to request that the Client's oral order be confirmed also in writing, if possible. The Bank also reserves the right, when accepting an order of an unidentified Client to suspend the operation of a Payment Instrument or suspend actions with an Account, may request identifying information from the Client. If the Bank has reasonable doubts about the conformity of the order provided, the Bank shall reserve the right not to execute such order. In this case, the Bank shall not be legally liable.
- 7.10.2.4.** Unless there are significant obstacles, the Bank, on the basis of the Client's application, shall renew the operation of the Payment Instrument or replace it with a new Payment Instrument as soon as there are no grounds for blocking the Payment Instrument. If, as a result of the suspension of the Payment Instrument, it is not possible to recover the Payment Instrument, or other important circumstances occur, the Client shall pay a commission fee for the renewal of the Payment Instrument.
- 7.10.2.5.** The Bank shall not be liable for losses incurred by the Client in the event of suspension of the Payment Instrument, if the Bank has complied with the requirements specified in the terms of the relevant Service or Agreement.
- 7.10.3.** Informing the Client about Unauthorised or Incorrectly Made Payments.
- 7.10.3.1.** The Client shall be obliged to review the Account Statement and check it at least once a month. Failure to familiarize with the Account Statement shall not release the Client from performing their duties.
- 7.10.3.2.** The Client shall notify the Bank, without delay, of unauthorised or incorrectly made Payments or other discrepancies in the Account identified by the Client, but not later than 60 (sixty) days from the date of making such an unauthorised or incorrect Payment.
- 7.10.3.3.** If the Client is a Consumer and the Payment has been executed for another Payment Service Provider located in the European Union member state, the Client shall be obliged to notify the Bank in writing about unauthorised or incorrectly executed Payments immediately (within the time limit set in Clause 7.10.3.2 of the Terms, but, if, for objective reasons, it is impossible to meet this deadline, – not later than within 13 (thirteen) months after writing off of the funds from the Account).
- 7.10.3.4.** If the Client is not a Consumer and/or the Payment has been made in the currency of a member state of the European Union to a third country, the Client shall be obliged to comply with the notification period specified in Clause 7.10.3.2 of the Terms.
- 7.10.3.5.** If the Client has not informed the Bank about an unauthorized or incorrectly executed Payment in accordance with the procedures and within the time period stipulated in Clauses 7.10.3.2–7.10.3.3 of the Terms, the Payment shall be deemed to be fully authorized by the Client.
- 7.10.4.** Liability of the Client for Unauthorized Use of Payment Instruments and Liability of the Bank for Unauthorized Payments.
- 7.10.4.1.** If the Client who is a Consumer denies having authorised an executed Payment or claims that the Payment was not correctly executed, the Client shall submit a motivated application to the Bank, whereas the Bank shall have an obligation to prove that the Payment was authenticated, accurately recorded, and entered in the Accounts and not affected by a technical breakdown or some other deficiency.

- 7.10.4.2.** Upon receipt of a Notification from the Client (in accordance with the provisions referred to in Clauses 7.10.3.2–7.10.3.3 of the Terms) and finding that the Payment has not been properly authorised, the Bank shall compensate the losses incurred to the Client by refunding the amount of the unauthorised Payment or restoring the Account of the Client from the state from which such amount was written off to such state as was before the execution of the unauthorised Payment, except in cases where liability for unauthorised Payment falls on the Client (Clauses 7.10.4.4–7.10.4.7 of the Terms) or the Bank has justified suspicions that the Client has acted unlawfully.
- 7.10.4.3.** The Bank shall have the right to write off the payment amount again and the Client shall be obliged to provide funds in the Account in the amount necessary for the Payment, if the Bank has refunded the amount of the Payment disputed by the Client, but as a result of the investigation of the Payment, it is established that the Payment has been properly authorised.
- 7.10.4.4.** If the Client is a Consumer, the Client shall be liable for losses in the amount of EUR 50 (fifty euros), if they have arisen as a result of the use of a lost or stolen Payment Instrument.
- 7.10.4.5.** The Client shall be liable for all losses incurred as a result of the unauthorised Payment, if the Client has acted unlawfully or intentionally or due to gross negligence failed to comply with one or several Clauses 7.10.1.1–7.10.1.2 of the Terms.
- 7.10.4.6.** If the Client has submitted a Notification to the Bank (in accordance with the procedures specified by the Bank) regarding the loss, theft or unauthorised use of the Payment Instrument, the Bank shall compensate the Client for the losses incurred from the use of the Payment Instrument after notifying the Bank of this fact, except in cases where the Client has acted unlawfully or in the cases specified in Clause 7.10.2.3 of the Terms. This clause of the Terms shall be applicable only in relations with a Client who is a Consumer.
- 7.10.4.7.** If the Bank has not provided the Client with the opportunity to inform the Bank about the loss, theft, or other misappropriation of the Payment Instrument in accordance with the procedure provided for in the terms of Service, the Bank shall reimburse the Client for losses incurred as a result of using the Payment Instrument, except in cases when the Client itself acted unlawfully or negligently. This clause of the Terms shall be applicable only in relations with a Client who is a Consumer.
- 7.10.4.8.** If the Payer submits a claim to the Bank for an unauthorised Payment, the recipient of which is a Client of the Bank, then such Client (Payee) shall have the obligation, at the first request of the Bank, to provide funds to the Account in order to repay the amount written off as a result of such a Payment to the Payer. The Bank has the right to debit the Client's (Payee's) Account without prior notice.
- 7.10.5.** Liability of the Bank for the correct Payment execution.
- 7.10.5.1.** A Payment Order is considered to be executed correctly, if it is executed according to the Unique Identifier indicated therein. The Bank has the right, but is not obliged to check whether the Unique Identifier corresponds to the name/surname/company name of the Account holder.
- 7.10.5.2.** If the Payer has indicated an incorrect Unique Identifier, the Bank shall not be liable for the failure to execute or incorrect execution of the Payment.
- 7.10.5.3.** If the Bank has carried out an inspection and found discrepancies between the name/surname/company name of the Account holder and the specified Unique Identifier, the Bank has the right, but is not obliged to refuse Payment execution.
- 7.10.5.4.** If the Payment based on an incorrectly specified Unique Identifier has nevertheless been made, the Bank, at the initiative of the Payer, shall try to recover the money of the incorrectly executed Payment.
- 7.10.5.5.** The Bank is entitled to withhold a fee from the Client/Payer for the recovery of the money also in cases where the funds are not recovered.
- 7.10.5.6.** If the Payment Order has been submitted by the Payer, its Payment Service Provider shall be liable for correct execution of the Payment, unless the Payment Service Provider of the Payer can prove to the Payer and, where relevant, to the Payment Service Provider of the Payee that the Payment Service Provider of the Payee received the amount of the Payment. If the Payment Service Provider of the Payer can prove that the Payment Service Provider of the Payee received the amount of the Payment, then the Payment Service Provider of the Payee shall be liable for the correct execution of the Payment.
- 7.10.5.7.** If the Bank as the Payment Service Provider of the Client (Payer) is liable for the execution of the Payment in accordance with Clause 7.10.5.6 of the Terms, the Bank shall, without delay, refund the amount of the non-executed or defective Payment to the Client or restore the state of the Account, from which the corresponding Payment amount was debited, to the state in which it would have been had the defective Payment not taken place.
- 7.10.5.8.** If the Bank as the Payment Service Provider of the Client (Payee) is liable for the execution of the Payment in accordance with Clause 7.10.5.6 of the Terms, the Bank shall immediately transfer the payment amount to the Client's (Payee's) disposal or credit the relevant amount to the Account of the Client (Payee).
- 7.10.5.9.** If the Payment has not been executed or has been executed incorrectly, the Bank shall, at the request of the Client, try to track the Payment and inform the Client of the result.
- 7.10.5.10.** The Bank shall bear the costs incurred by the Client due to a non-executed or incorrectly executed Payment (for example, reimburse the paid fee).

7.10.5.11. The rights set out in Clauses 7.10.5.6–7.10.5.10. of the Terms shall apply only to the Client who is a Consumer and to Payments made to a member state of the European Union or received from a member state of the European Union. In other cases where the Client is not a Consumer or the Payment has been executed to/from a third country, the Bank shall be liable for incorrectly executed Payments only in cases where the Payment has been executed incorrectly due to the fault of the Bank. The Bank shall not be liable for errors made by third parties in the execution of Payments.

7.10.5.12. The Bank shall not be liable for additional costs or indirect losses allegedly caused to the Payer and/or Payee.

7.10.5.13. In case cash amounts are paid, the Client must check the amount of money received immediately in the presence of the Bank employee who issues the money. Later claims of the Client shall not be considered.

8. COLLATERAL

- 8.1.** The Client shall take every measure necessary to keep the Bank indemnified from liability for the Client's orders given to the Bank, and shall cover all losses, expenses and obligations of the Bank arising as a result of the Client's negligence, evil intent or default of their obligations, at the Bank's request.
- 8.2.** All funds, financial instruments, deposits of the Client and income from such that have entered into the possession, holding or use of the Bank, shall serve as collateral of the Bank's claims and shall be pledged in favour of the Bank as financial collateral.
- 8.3.** Such collateral shall apply to all obligations of the Client to the Bank, including payment for Services rendered by the Bank, the Bank's expenses and any losses of the Bank that are to be covered by the Client. The Bank shall be entitled to request the Client to provide collateral regarding the Client's obligations to the Bank, or to increase of the provided collateral.
- 8.4.** The Client shall maintain the subject of collateral, as well as ensure obtaining income from subjects of collateral, and submit information to the Bank at the Bank's request. In case of any possible payment claim of the Bank against the Client, the Bank shall be entitled to receive and use the fruits of the subject of collateral.
- 8.5.** In the event of non-discharge or inappropriate discharge of Client obligations towards the Bank, the Bank shall be entitled enforce the recovery of the aforementioned types of collateral, as well as any other property of the Client pursuant to the procedure provided for in Laws and Regulations.
- 8.6.** 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.
- 8.7.** The Bank shall also be entitled to enforce recovery of the subject of collateral before the expiry of the term of fulfilment of respective obligations, if the Client fails to fulfil the Bank's request to provide or increase collateral within the term and procedure established by the Bank.
- 8.8.** 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:
 - 8.8.1.** Reimbursement for all expenses related to the maintenance, storage, transportation 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;
 - 8.8.2.** Payment of outstanding interest (interest on loan and interest on delayed payments) due to the Bank from the Client;
 - 8.8.3.** Repayment of the principal amount;
 - 8.8.4.** Execution of penalties and/or other obligations to the Bank, arising out of delayed fulfilment and/or non-fulfilment of the Client's obligations (payment of a penalty, advance amount).
- 8.9.** When the Client's debt is extinguished, the Bank shall return the remaining balance to the Client. If the Client cannot be located, such funds shall be kept with the Bank, the Bank charging the Client a custody fee at the expense of the remaining balance in accordance with the Pricelist.

9. INHERITANCE

- 9.1.** In the event of the Client's death, the Bank shall have the right to request, and persons submitting claims to the Bank in respect of the Client's property shall be obliged to submit a document(s) confirming their right as heirs to the legacy bequeathed by the Client and complying with the requirements of Laws and Regulations, as well as their identity documents. The Bank shall be entitled to verify the authenticity, validity and completeness of submitted documents at the expense of such persons. Based on the submitted documents, the Bank shall disburse/transfer the Client's funds and/or financial instruments held with the Bank to their heirs.

10. INFORMATION DISCLOSURE

- 10.1.** The Bank confirms that any information regarding the Services (Operations) rendered to the Client is confidential, and shall not be disclosed to third parties, except parties, situations, cases, procedure, and scope provided for in Laws and Regulations.
- 10.2.** The Bank shall be entitled to provide third parties with information about the Client who has failed to properly fulfil the Agreements concluded with the Bank, including for the purpose of entry into registers of overdue payments, enforcement regimes and credit history, or for making the data public in other ways insofar as necessary for fulfilment of or facilitation of fulfilment of obligations.
- 10.3.** The Bank shall be entitled to disclose and receive data on the Client to and from third parties whom the Bank has entrusted with the performance of specific functions or rendering services in accordance with an agreement as necessary for the provision of Services (Operations) and activity. In such cases, the Bank shall disclose to or receive from such third parties information about the Client and its transactions or services rendered to the extent necessary for the execution of the relevant Service (Operation) or activity.
- 10.4.** The Bank shall be entitled to provide and receive information about the Client and its obligations contained in the Credit Register, in the cases, in the amount and in accordance with the procedures established by the Regulation for the Credit Register of Latvijas Banka. The Client shall be entitled to receive information about themselves from the Credit Register in accordance with the procedure established by the Regulation for the Credit Register of Latvijas Banka. The Regulation for the Credit Register of Latvijas Banka is available on the website of Latvijas Banka.
- 10.5.** Information regarding the Client and their transactions may be disclosed to competent state authorities of the member states of the European Union, the European Economic Area, the Organisation for Economic Cooperation and Development and other countries for the execution of their respective statutory responsibilities, and to correspondent banks for the execution of the Client's orders or the Bank operations, or fulfilment of duties established in the applicable Laws and Regulations.
- 10.6.** Information regarding the Client, their obligations and transactions may be passed on or received from AS "Kreditinformācijas Birojs" (unified reg. No. 40103673493), other licensed credit information bureaus based on a written agreement concluded bilaterally, for the purpose of compliance with the Law on Credit Bureaus, promoting responsible borrowing, management of credit capacity and credit risk, including motivating Clients to fulfil undertaken obligations appropriately.
- 10.7.** Information regarding the Client and their transactions may be disclosed to:
- 10.7.1.** Another party to a Bank operation that involves the Client;
 - 10.7.2.** Another party that is the beneficiary of a Payment initiated by the Client;
 - 10.7.3.** 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;
 - 10.7.4.** A service provider (including a correspondent bank and a beneficiary bank) involved in the execution of an operation (including a Payment);
 - 10.7.5.** Another party, provided that a business partner's client has consented to disclosure of information to the Bank, including for the purposes of executing a future or potential operation of the Bank;
 - 10.7.6.** Another party for the process of out-of-court recovery of Client debts.
- 10.8.** 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.
- 10.9.** The Bank shall be entitled to, in the amount and according to the procedure provided for in international treaties and other binding regulations, disclose the available information about the Client, their accounts and transactions to law enforcement institutions, regulatory bodies, tax administrations and other competent state authorities.

11. PERSONAL DATA PROCESSING

- 11.1.** The Bank shall conduct processing of the personal data of the Client in compliance with the applicable Laws and Regulations and in accordance with the Privacy Policy, which is available on the Bank's Website (Section Regulations – Information on processing of personal data) and in the Bank's Client Service Centre, and applies to all legal relationships with the Bank.
- 11.2.** The Bank shall conduct processing of the personal data of the Client, their Representative, BO, and other natural persons related to the Client, including maintaining the databases of personal data. Personal data means any information relating to an identified or identifiable person (Data Subject). Processing of personal data means any operation or set of operations performed with personal data or sets of personal data, regardless of the data processing means, such as collecting, recording, organising, structuring, storing, adapting or altering, retrieving, reviewing, use, disclosure by transmitting, disseminating or otherwise making available, aligning or combining, restricting, erasing or destructing.
- 11.3.** The Client is aware that during payments, personal data of the Client is processed at data processing centres of the EU, EEA and third countries, and may be transferred to law enforcement agencies, under the laws and regulations of these countries, in order to prevent ML/TF/PF.

- 11.4.** The Bank shall appoint a personal data protection officer, who shall organise, control and monitor the compliance of personal data processing performed by the Bank with the requirements of Laws and Regulations.
- 11.5.** If the Client does not consent to the processing of personal data, the Bank shall have reason to refuse the provision of Services (Operations).
- 11.6.** If the Client has given an order to delete their personal data, the Bank shall be entitled to refuse the request, for example, if the grounds for storage are the requirements of Laws and Regulations or the legitimate interest of the Bank.
- 11.7.** The Bank shall be entitled to record and save telephone conversations of Bank employees with the Client, or communication by any other means of communication or systems, and the Client is aware that such recordings may be used as evidence.

12. OFFSETTING AND CESSION (ASSIGNMENT)

- 12.1.** 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.
- 12.2.** The Bank shall be entitled to use any claim of the Client against the Bank for offsetting of any obligations between the Parties.
- 12.3.** The Client may offset their claims against the Bank by a counter-claim only if such claims are irrefutable and acknowledged as valid by the court, and in the same currency only or, provided that the Bank agrees thereto, in another currency, with exchange being made at the Client's expense based on the currency exchange rate established by the Bank on the same date.
- 12.4.** The Bank has a lien to any property of the Client that is possessed or held by the Bank by legal means, as far as required to secure fulfilment of the Client's obligations to the Bank.
- 12.5.** The Bank shall be entitled to cede (assign) its rights of claim to Client's third parties without the Client's consent.
- 12.6.** The Bank shall be entitled to instruct (authorise) a third party to execute an order given by the Client to the Bank, on its own behalf and at the Client's expense, provided that the Bank considers this to be in the Client's interest. In such case, the liability of the Bank shall be limited to careful choice of such third party and explanation of the contents of such an order. In cases where the Bank follows the Client's instructions in choice of such third party or explanation of the contents of such order, the Client shall bear the sole responsibility for execution of such order. However, in such an event, the Bank shall cede all of its claims against such third party to the Client.

13. RESPONSIBILITY OF THE BANK

- 13.1.** The Bank shall provide Services, including execution of orders issued by the Client, with due diligence and shall protect the Client's interests to the extent possible for the Bank.
- 13.2.** The Bank shall not be responsible for non-fulfilment or partial fulfilment of its obligations, provided such failure is caused by Force Majeure. The Parties agree that Force Majeure circumstances shall include non-fulfilment or partial fulfilment of the obligations of the Bank's correspondent banks registered outside the OECD (Organization for Economic Cooperation and Development) member-states due to which the Bank fails to meet (or delays) its obligations to the Client.
- 13.3.** The Bank shall not be liable for losses caused to the Client or third parties, if the Bank has refrained from a transaction or certain types of debit operations on the Account in accordance with the procedure laid down in the Laws and Regulations, which has/have been suspected of ML/TF/PF or attempting such acts or other criminal offences or violating, circumventing Sanctions or attempting to do so.
- 13.4.** If Parties use ATMs, postage, electronic or other means of communication for the execution of the Bank operations, the Bank shall not be liable for losses arising from the disruption of the use of such means and related technical equipment, which may lead to shortcomings, inaccuracies or any other distortions in the content of the transaction.
- 13.5.** The Bank shall not be responsible for delays in the execution of the Client's transactions, 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.
- 13.6.** The Bank shall not be liable for the consequences of the execution of an erroneous, inaccurate, incomprehensible or contradictory transaction.
- 13.7.** The Bank shall be responsible only for the execution of Services (Operations) carried out in cooperation with correspondent banks; the list of correspondent banks is available to the Client at the Bank's premises during the Bank's business hours, on the Bank's Website or in the Internet Bank.
- 13.8.** The Bank shall not be liable and shall not reimburse the Client for any losses, including lost profit, incurred due to currency exchange, refusals or delays in the execution of Payment Orders, or changes in other terms of execution of Payment Orders, provided that the Bank has followed the procedure established in the Terms.

- 13.9.** The Bank shall only be responsible for actions performed by its personnel as far as they have acted during the Bank's business hours, fulfilling their official duties and instructions given by the Bank's management.
- 13.10.** The Bank shall not provide any investment advice, tax advice, or legal advice to the Client within the scope of the Agreement. No information or clarifications provided by the Bank regarding the transaction terms may be considered as investment advice or recommendation to enter into a transaction, and shall not impose any duties or obligations upon the Bank.
- 13.11.** When conducting transactions, the Bank's activities may be regulated by foreign laws and regulations, binding regulations of financial market supervisory authorities, regulations of foreign exchanges, depositories, clearing houses and other institutions. Any actions performed by the Bank in compliance with the provisions of foreign laws and regulations or exchanges, depositories, clearing houses and other institutions may not be considered a violation of the transaction, Agreement or Client's rights and may not cause the Bank to indemnify the Client for losses or expenses incurred.

14. CLAIMS AND DISPUTE RESOLUTION

- 14.1.** Claims regarding the execution of Payment Orders, as well as claims and demands of a financial nature related to other Services (Operations) shall be submitted by the Client to the Bank in writing (at the Client Service Centre, via the Internet Bank or electronically, signed with an Electronic Signature). 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.
- 14.2.** Any disputes or disagreements that might arise between the Bank and the Client shall be resolved by way of discussion/correspondence and in accordance with Laws and Regulations. If no agreement is reached, disputes between the Bank and Consumers shall be adjudicated by the court of general jurisdiction of the Republic of Latvia, unless the Parties have agreed on other dispute settlement procedures in the respective Agreement. Disputes between the Bank and legal entities or individuals who are not Consumers shall be adjudicated by the arbitration court of the Association of commercial banks of Latvia in accordance with its rules of procedure, unless the Parties have agreed on other dispute settlement procedures in the respective Agreement. Regulatory enactments binding in the Republic of Latvia shall apply to legal relations of the Parties.
- 14.3.** The Client shall be entitled to submit a written claim to the ombudsman of the Finance Latvia Association located at Roberta Hirša iela 1, Rīga, LV-1045, in accordance with the ombudsman's applicable bylaws and regulations (<https://www.financelatvia.eu/ombuds/>).
- 14.4.** The Client shall be entitled to submit a complaint to the institution supervising the Bank's activity. Supervision of the Bank's activities is carried out by Latvijas Banka located at K. Valdemāra iela 2A, Rīga, LV-1050 (www.bank.lv).
- 14.5.** A Consumer shall be entitled to submit a complaint to the Consumer Rights Protection Centre located at Brīvības iela 55, Rīga, LV-1010 (www.ptac.gov.lv). The procedure for accepting complaints and appealing decisions shall be established in the Consumer Rights Protection Law and the Law on Payment Services and Electronic Money.
- 14.6.** If a Data Subject believes that the processing of their personal data does not comply with the regulatory requirements, the Data Subject shall be entitled to submit a complaint to the Data State Inspectorate located at Elijas iela 17, Rīga, LV-1050 (www.dvi.gov.lv).

15. TERMINATION OF THE AGREEMENT AND BUSINESS RELATIONSHIP

- 15.1.** The Client shall have the right to unilaterally withdraw from the Agreement by notifying the Bank in writing and fulfilling the obligations to the Bank arising from the relevant Agreement or Terms, as well as from Laws and Regulations.
- 15.2.** If the Agreement is concluded remotely by signing it with an Electronic Signature (hereinafter – Distance Contract), the Consumer shall be entitled to unilaterally withdraw from such Distance Contract, in accordance with the provisions of the Laws and Regulations, within 14 (fourteen) days from the date of conclusion of the Distance Contract or from the moment when such Client receives the terms and conditions of the Distance Contract and the information required to be provided in accordance with the Laws and Regulations, including about the Bank, the Service, the Distance Contract, dispute resolution options, if such moment is later than the date of conclusion of the Distance Contract, by submitting a withdrawal notice to the Client Service Centre, by sending such notice to the Bank's registered office by mail or electronically, signed with the Electronic Signature.
- 15.2.1.** If the Client exercises the right of withdrawal and unilaterally withdraws from the Distance Contract, the execution of which has already been initiated by the Bank at the request of the Client or with the Client's Consent, the Client shall have the obligation to pay the Bank for the Service already provided to the Client by the Bank in accordance with the relevant Distance Contract:
- 15.2.2.** By concluding the Distance Contract, the Client agrees that the Bank commences the execution of the Distance Contract, including the provision of a Service provided for in the Distance Contract, which provides for immediate or deferred payment, before the expiry of the period of exercise of the right of withdrawal referred to in this Clause;

- 15.2.3.** If the Client has not exercised the right of withdrawal within the period specified herein, the Client may withdraw from the Distance Contract only in the cases specified in the Laws and Regulations and/or the Distance Contract;
- 15.2.4.** The terms of the Distance Contract and the information to be provided to the Consumer before the conclusion of the Distance Contract are available in Latvian, Russian and English;
- 15.3.** The Bank shall be entitled to unilaterally terminate any Agreement concluded between the Parties and/or Service (Operation), including termination of the Business Relationship with the Client, in accordance with the provisions of Laws and Regulations, Terms, respective Agreement or terms of Service. Unless a different term of unconditional unilateral withdrawal of the Bank is established in the Terms or the relevant Agreement, the Bank shall be entitled to withdraw from an Agreement between the Parties without reimbursing the Client for any damages, by giving a notice to the Client 30 (thirty) days in advance, or, in the event of a Consumer – 60 (sixty) days in advance.
- 15.4.** The Bank shall be entitled to unilaterally terminate any Agreement concluded between the Parties and/or Service (Operation), including termination of the Business Relationship with the Client, without observing the terms of notice specified in Clause 15.3, including withdraw immediately from the Agreement without compensating the Client for any losses if:
- 15.4.1.** The Bank finds the following, but not limited to, circumstances while implementing measures to manage ML/TF/PF or Sanctions risks:
- 15.4.1.1.** The Client refuses to provide or has provided false, inaccurate or incomplete information about their identity, property status, the origin of wealth or funds or other information and/or documents to enable the Bank to comply with the requirements for preventing ML/TF/PF and Sanctions enforcement requirements;
- 15.4.1.2.** The Client or their related person, including BO, is recognized as the Subject of Sanction;
- 15.4.1.3.** The Bank has suspicion that the Client or their related person, including BO, is involved in ML/TF/PF or violation, circumvention of Sanctions or attempt thereof;
- 15.4.1.4.** The country of Client's incorporation (residence) is included in the Financial Action Task Force's list of high-risk and non-cooperating countries;
- 15.4.1.5.** Further cooperation with the Client may lead to increased ML/TF/PF risk, reputational risk or Sanctions risk for the Bank;
- 15.4.1.6.** The Bank is unable to fulfil the minimum requirements for Client identification as provided for by Laws and Regulations;
- 15.4.1.7.** The Bank is unable to meet the minimum requirements for enhanced Client due diligence as provided for by Laws and Regulations;
- 15.4.1.8.** The Client is the subject of the law on the prevention of ML/TF/PF, whose activities do not comply with the requirements of Laws and Regulations governing the field of combating ML/TF/PF;
- 15.4.1.9.** The Bank has the slightest doubt about the corruption of the Client – a foreign politically exposed person or members of their family or closely related persons or the origin of their welfare, regardless of whether these persons have declared their permanent residence in the European Union;
- 15.4.1.10.** The Bank finds that the Client maintains a business relationship with a Shell Bank.
- 15.4.2.** The Client fails to execute a substantiated Bank's request for providing or increasing the security for the Client's obligations within the term or pursuant to the procedure established by the Bank;
- 15.4.3.** The Client fails to fulfil their obligations to the Bank, or the Bank has reasonable grounds to believe that the Client will fail to fulfil their obligations to the Bank in future;
- 15.4.4.** The Bank has information about the reputation of the Client that might have direct or indirect influence on the operations of the Bank or cause the Bank to suffer unfavourable consequences;
- 15.4.5.** The institution supervising the Bank's activities (including a supervisory body in another member state 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;
- 15.4.6.** The Bank has adverse information about the activities or transactions of the Client or any party related to the Client (including a person who has been the Client's Representative, BO, employee or is otherwise related to the Client, including has or had acquired any direct or indirect participation in the share capital of the Client), or if the Client or any party related to the Client allows or has allowed, in the opinion of the Bank, any legally punishable, unfair or unethical action against the Bank, disrespectful, offensive, defamatory treatment of the Bank or its employees, in any way compromising the Bank or otherwise providing a basis for the Bank to consider the future cooperation with the Client or its Representative as (potentially) disrespectful, inefficient, offensive or damaging to the reputation of the Bank, as well as in cases when upon establishment of Business Relationship the Client has misled the Bank by submitting forged documents;
- 15.4.7.** The Client fails to pay the Bank for the Services (Operations) provided pursuant to the Agreement and the Pricelist;
- 15.4.8.** For more than 60 (sixty) days, the Client is unable to provide the Minimum Balance on the Account (if applicable);
- 15.4.9.** Upon expiry of the term of authorisation of the Client's Representatives;
- 15.4.10.** In other cases specified in the relevant Agreement and in these Terms.
- 15.5.** The Bank shall be entitled, without a separate notice, to terminate the servicing of the Account (including not to accept Payments to the Account and to terminate the execution of any Payment Orders), transfer funds to another Bank account, terminate deposits of any kind and close the Account if the Client (individual) has died or is recognized as dead, absent or missing in

accordance with the Laws and Regulations, or a set of legal measures is directed against the Client, as a result of which the Client's economic activity has been suspended (terminated) or the legal entity/Legal Arrangement has been liquidated. The right of claim to funds for the amount that was available on the Accounts in the cases mentioned herein shall be satisfied to the successors of the Client's rights or obligations in accordance with the procedure established by the Bank, pursuant to the Laws and Regulations.

- 15.6.** The Terms and the Pricelist shall be applicable to the mutual obligations of the Bank and the Client even after termination of the Agreement and/or Service (closing of the Account).
- 15.7.** The Client shall exempt the Bank from all obligations it has undertaken in carrying out the orders given by the Client, and shall, before terminating the Agreement and/or Service (closing the Account), reimburse the Bank for all expenses and losses incurred by the Bank, and provide appropriate security, if required.
- 15.8.** If upon terminating the Agreement and/or Service (closing the Account) any funds remain in the Account after withholding commission fees specified in the Pricelist and other amounts due to the Bank, the Bank shall disburse such funds to the Client based on a Client's written application or transfer to the account of the same Client in another credit institution or financial institution.
- 15.9.** Documents submitted by the Client for opening an Account and executing the Bank operations, or information and documents received during the due diligence of the Client shall not be returned to the Client.
- 15.10.** If a Basic Account is opened for the Client, the following special terms shall apply to closure of the Basic Account:
- 15.10.1.** The Bank shall unilaterally close the Basic Account and immediately terminate the Agreement in any of the following cases:
- 15.10.1.1.** Further servicing of the Basic Account is contrary to the requirements of the Laws and Regulations, including the regulations in the field of Sanctions and prevention of ML/TF/PF;
- 15.10.1.2.** The Client has intentionally used the Basic Account for illegal activities.
- 15.10.2.** The Bank shall be entitled to unilaterally close the Basic Account and terminate the Agreement by giving at least 2 (two) months prior written Notification to the Client, in any of the following cases:
- 15.10.2.1.** No transactions have been performed on the Basic Account for a period exceeding 24 (twenty-four) months;
- 15.10.2.2.** The Client has provided misleading information, based on which the Basic Account was opened;
- 15.10.2.3.** The Client is no longer considered a resident of the European Union or a person who does not have a residence permit, but whose deportation from Latvia is not possible in accordance with the Laws and Regulations;
- 15.10.2.4.** The Client opens another account, which allows the Client to use the services included in Basic Account in Latvia, pursuant to the Laws and Regulations;
- 15.10.2.5.** The Bank terminates rendering the respective payment service to all its clients – Consumers;
- 15.10.2.6.** The Client's debt obligations with respect to the use of the Basic Account and services rendered have exceeded the balance of the Basic Account during the period of at least 6 (six) months in a row.
- 15.10.3.** Upon terminating the Agreement or Business Relationship, the Bank shall notify the Client in writing about the termination and the justification thereof, except where disclosure of such information would be contrary to the interests of national security or public order (including the requirements of Laws and Regulations in the field of Sanctions and prevention of ML/TF/PF).
- 15.10.4.** The Account shall also be closed if the Consumer, in accordance with the Laws and Regulations, has applied to another credit institution in Latvia with an application to change accounts from the Bank to another Payment Service Provider providing payment services in Latvia, and no exclusionary circumstances specified in the Laws and Regulations are identified, which would prevent the transfer of the Client's payment obligations to another Payment Service Provider and close the Account with the Bank.
- 15.10.5.** Information regarding the available options for Consumers for transferring their payment obligations from one Payment Service Provider to another is available at the Bank's client service units and on the Bank's Website.

16. CLOSING PROVISIONS

- 16.1.** The Client undertakes to ensure with due care that the confidential information of the Client or their Representative does not fall into the possession of unauthorized third parties. The Client shall use only secure services of electronic communications merchants, electronic communications networks, domains, means of communication and data transmission, equipment, elements of equipment, software. The Client shall exercise caution when using confidential information and observe the precautions established by the Bank. When visiting the Bank's Website, the Client or their Representative shall read the terms of use of the Website (<https://www.bluorbank.lv/en/website-use-regulations>), Guidelines for safe online banking (<https://www.bluorbank.lv/en/guidelines-for-safe-online-banking>), and comply with them.
- 16.2.** Unless other agreements or the actual circumstances and applicable Laws and Regulations imply otherwise, the Bank's premises during the business hours (as established by the Bank) shall be considered the venue of execution of Bank operations between the Bank and the Client.

- 16.3.** Interest calculation shall be based on a conventional year covering 365 (three hundred and sixty five) days, and a conventional month covering 30 (thirty) days, unless otherwise stipulated in the respective Agreement.
- 16.4.** The Bank shall be entitled to verify the registered Bank operations and to correct the Client's Account credit balance at any time, without giving prior notice to the Client, if such records are found to have been made in error or because of a technical fault.
- 16.5.** The Bank shall execute operations in the currency specified in the respective Agreement; otherwise, it is assumed that Euro (EUR) currency or the official currency of the jurisdiction where the respective Service is provided shall be used.
- 16.6.** Non-cash currency exchange required for the execution of the Client's order shall be performed at the Bank's non-cash currency exchange rate at the time of the Bank's operation in accordance with the Currency List, unless otherwise stipulated in the respective Agreement.
- 16.7.** 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.
- 16.8.** If Laws and Regulations and/or resolutions, decisions, regulations or other enactments of the Republic of Latvia or other state, municipal, administrative or other institutions take effect, which directly or indirectly suspend the Client's activities and/or prohibit, delay or restrict the Client's ability to fulfil obligations to the Bank and/or are related to 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 Laws and Regulations, 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.
- 16.9.** Following the implementation of measures listed in Clause 16.8 of the Terms, the Bank shall transfer the remaining balance to an account opened in the Client's name with another credit institution or financial institution.
- 16.10.** If the Client has a financial instruments account (within the meaning of the Financial Instruments and Precious Metals Transaction Terms and Conditions) opened with the Bank, and an event specified in Clause 16.8 of the Terms occurs, the Bank shall act in accordance with the Financial Instruments and Precious Metals Transaction Terms and Conditions.
- 16.11.** The Bank shall develop and establish the Terms, the Pricelist, terms of Service (Operations) and the Currency List. The Bank reserves the right to unilaterally amend the Terms and/or the Pricelist and/or the terms of Service and/or the Agreement unless the Parties have agreed otherwise. The Currency List is for reference only, and the Bank reserves the right to amend it unilaterally without giving notice to the Client.
- 16.12.** If the Client is a Consumer, and unless otherwise stipulated in the Agreement concluded between the Parties or these Terms, the Bank shall notify the Consumer about amending the Terms, the terms of Service (Operations) and the Pricelist via the Internet Bank, in writing, or through any other permanent information medium 60 (sixty) days prior to the effective term of the amendments. The Parties agree that the Consumer shall be regarded as having agreed with the amendments if within 60 (sixty) days following the receipt of the Notification, the Consumer has not notified the Bank about their objections to the amendments and has not requested termination of the Agreement.
The Bank may deviate from the established notification period, if Pricelist amendments are favourable for the Client. Setting fees for new Services shall not be considered as unfavourable changes for the Client.
- 16.13.** The Terms shall be available to the Client in the premises of the Bank during the Bank's business hours, as well as on the Bank's Website <https://www.bluorbank.lv>.
- 16.14.** In cases of disputes, the wording of the Terms in Latvian shall prevail, unless otherwise stipulated in the respective Agreement.
- 16.15.** Titles are included in the Terms for the sake of visibility and convenience only, and they shall not be used for interpretation of the wording or substance of the Terms. If any part (Clause or Paragraph) of the Terms becomes unlawful or void, this shall not affect binding force of the other parts of the Terms.
- 16.16.** In relation to a Client who is not a Consumer, the Bank shall not apply the provisions of Section 77, Paragraph one, and Section 80, Paragraph three, as well as the provisions of Sections 85, 87, 88, 89, 92 and Section 99 of the Law on Payment Services and Electronic Money.
- 16.17.** The Terms shall be binding upon and apply to the Client as well as any successor to the Client's rights and obligations.