PNB Banka

PROVISIONS
FOR AUTOMATIC INVOICE PAYMENT

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1. Terms and Abbreviations Used

1.1. **Automatic Invoice Payment** – a Service provided by the Bank to the Client who has an Account opened with the Bank, ensuring payment of Company Invoices selected by the Client based on information specified in the Agreement.

1.2. **Bank** – AS "PNB Banka", unified registration No. 40003072918, registered address: 15-2 Elizabetes Street, Riga, LV-1010; email address: info@pnbbanka.eu; website: www.pnbbanka.eu, the supervision of the Bank is carried out by the Financial and Capital Market Commission (1 Kungu Street, Riga, LV-1050; email address: fktk@fktk.lv).

1.3. **Fitek** – the provider of Automatic Invoice Payment mediation services.

1.4. **Client** – a person that uses, has used, or has expressed the wish to use the Automatic Invoice Payment service.

1.5. **Account** – a Current Account or a Card Account.

1.6. **Agreement** – the Agreement on ensuring Automatic Invoice Payments between the Bank and the Client.

1.7. **Provisions** – these "Provisions for Automatic Invoice Payment", which are Annex 12 to the Bank's "General Provisions for Transactions" (GPT).

1.8. **Invoice** – a Company's Invoice for services or goods provided.

1.9. **Company** – a service provider whose Invoices issued in accordance with the Agreement the Client wishes to pay using Automatic Invoice Payment.

1.10. If any terms or abbreviations are used in these Provisions which are not defined in this section of the Provisions, such terms or abbreviations shall be interpreted in accordance with the terms and abbreviations defined in the GPT.

2. Conclusion of the Agreement

2.1. The Client may conclude, amend or terminate the Agreement at the Bank's Client service locations, using Remote Service, if it is connected for the Client and provides the relevant functionality and opportunities, or on the www.rekini.lv website, as well as at Company's Client service location, if the company provides such an option.

2.2. The Agreement concluded at the Bank in writing (on paper) shall come into force following signing by both Parties, unless the Company specifies otherwise. If the Client drafts the Agreement electronically, using Remote Service, the Agreement shall come into force on the date on which the Client signs the Agreement using the Electronic Signature. By signing the Agreement using the Electronic Signature, the Client represents that:

2.2.1. they authorise the Bank to perform payment for Invoices from the Client's Account;

2.2.2. they are informed that processing of personal data and the use of means of communication for the execution of the Agreement shall be ensured in accordance with the procedure specified in the GPT, i.e.to ensure Automatic Invoice Payment (including the Bank's right to transfer to AS "Fitek" (registered in the Republic of Latvia under unified registration No. 40003380477), hereinafter referred to as Fitek, being the Bank's outsourcing provider for Automatic Invoice Payment, information including the Client's e-mail address, to which Fitek may send information intended for the Client and pertaining to the Agreement and payment of Invoices).

2.3. GPT, including these Provisions, and Rates & Fees shall be integral parts of the Agreement.

2.4. The Agreement shall be entered into for an indefinite period. If the Client specifies a termination date in the Agreement, the Agreement shall remain in force until such date (inclusive).

3. Automatic Invoice Payment Procedure

3.1. The Bank shall, based on the information stated in an Invoice, perform payment of the Invoice on behalf of the Client from the Client's Account specified in the Agreement, observing the provisions of the Agreement. Invoice information shall be delivered to the Bank by the Company of by Fitek.

3.2. Neither the Bank nor Fitek shall review the accuracy or veracity of an Invoice and shall resolve any complaints in this regard. If the Client has objections regarding the content of an Invoice, the Client shall address their objection to the Company.

3.3. The Bank shall, upon receiving an Invoice from the Company/Fitek, provide the Client with full access to Invoice information, provided that the Client is the recipient of services rendered by the Company, or partial access to Invoice information if the Client is not a recipient of services rendered by the Company. Furthermore, the Client may have access to Invoice information using other channels, if this is envisaged by an arrangement between the Company and the Client.

3.4. The Client authorises the Bank to perform Automatic Invoice Payment in accordance with the information specified in the Invoice, and in accordance with the provisions of the Agreement. The Bank shall commence execution of a payment on the date of receiving an Invoice if the Invoice is received from Fitek, or no sooner than on the 3rd (*third*) calendar day following receipt of Invoice information from the Company.

3.5. The Bank shall, during the effective term of the Agreement, make payments under Invoices for which the payment term has not elapsed. The term of payment of an Invoice shall be specified by the Company.

3.6. The Bank shall provide the Automatic Invoice Payment service, without further coordination with the Client, by debiting the full or partial amount of the Invoice (if the option of partial Invoice payment is provided for in the Agreement) and the Commission Fee specified in the Rates & Fees from funds available on the Account (including the available credit). If necessary, the Bank shall perform the conversion of the Commission Fee by applying the currency exchange rate specified by the Bank on the date of executing the operation.

3.7. If the balance of the Client's Account is not sufficient, the Bank shall be entitled to repeatedly (no less than 3 (*three*) and no more than 24 (*twenty-four*) times during the Invoice payment period, depending on the number of attempts stated in the Agreement), check the balance of the Client's Account and, if it is sufficient to execute payment of the Invoice directly in full or in part (if the option of partial Invoice payment is provided for in the Agreement), debiting the Commission Fee specified in the Rates & Fees for each payment performed.

3.8. The Bank shall perform payment of an Invoice only within the limit specified in the Agreement, if one is specified. If the amount of the Invoice is greater than the limit specified in the Agreement, and the Company allows partial payment of the Invoice, the payment shall be made within the specified limit.

3.9. The Client shall be entitled to, by the Invoice payment date, cancel payment of the relevant Invoice on the www.rekini.lv website.

3.10. An Invoice shall be paid in the Invoice currency specified in the Agreement, which must be the same as the currency of the Account from which the Invoice is to be paid. Payment of an Invoice from the Account shall be performed to the full extent of the amount specified in the Invoice, unless partial Invoice payment is provided for in the Agreement.

3.11. The Commission Fee shall be debited from the Account first, and then the amount of funds for payment of the Invoice.

3.12. the Bank shall not perform payment of an Invoice if:

3.12.1. the Invoice has not been received;

3.12.2. the balance on the Account is not sufficient to execute the Automatic Invoice Payment (including payment of the relevant Commission Fee to the Bank), unless partial Invoice payment is provided for in the Agreement;

3.12.3. the amount specified in the Invoice exceeds the limit specified in the Client's Agreement, unless the Agreement provides for partial Invoice payment as specified in Clause 3.8 of the Provisions;

3.12.4. the legal relationship on ensuring the Automatic Invoice Payment service between the Bank and the Company, and/or between the Bank and Fitek, and/or between the Company and Fitek, is terminated;

3.12.5. the currency of the received Invoice is different from the Account currency;

3.12.6. the operation of the Account, or the account of the Company specified as the beneficiary's account, is suspended (or restrictions on transactions have been set in accordance with which the Bank is not entitled to make payments under the Agreement);

3.12.7. the Account, or the account of the Company specified as the beneficiary's account, is closed.

3.13. In addition to cases specified in Clause 3.12 of the Provisions, payment of an Invoice shall not be performed in the cases specified the Applicable Law, cases specified in agreements between the Bank and the Client, and other cases specified in the GPT.

3.14. The Agreement, if Fitek is involved in its execution, shall come into force:

3.14.1. on the first day of the following month, provided that the Client concludes the Agreement prior to the 25th day of the current month (if the final day of the month is a day off or holiday – prior to the preceding business day of the Bank);

3.14.2. on the first day of the second month after current month, provided that the Client concludes the Agreement after the 25th day of the current month.

3.15. Payment of Invoices performed in accordance with the Agreement shall, in all cases except those mentioned in Clause 3.14 of the Provisions, commenced on the initial date of the Invoice payment term specified in the Agreement, but in any case, including where no such date is specified, no sooner than the first day of the month following the month during which the Agreement is concluded.

3.16. The frequency of executing payments shall be determined by the legal relationship between the Client and the Company.

3.17. If the Client has concluded multiple Agreements and the relevant Invoice payment dates are the same, the Bank may, at its sole discretion, determine the order in which Invoices are paid.

3.18. If the Client wishes to change the Account specified in the Agreement, the end date or payment limit for the Agreement, the Client and the Bank shall conclude an arrangement (on paper or electronically, using Remote Service, if it is connected for the Client and provides the relevant functionality and opportunities) on amending the Agreement.

Such an arrangement shall come into force at the moment of signing by the Client and acceptance by the Bank. If the Client wishes to amend other information specified in the Agreement, the Client shall, 1 *(one)* month in advance, submit to the Bank an application on terminating the current Agreement in accordance with the procedure specified in Clause 7.1 of the Provisions, and conclude a new Agreement.

4. Rights and Obligations of the Client

4.1. The Client shall be obliged to, by the final date of an Invoice payment term, provide a balance of funds on the Account necessary for executing the payment of the Invoice and debiting the Bank's fee. If the final date of an Invoice payment term falls on a Saturday, Sunday, or other day off within the Republic of Latvia, the Client shall ensure that the necessary balance is available on the Account no later than the final business day of the Bank prior to the relevant day off.

4.2. The Client shall be entitled to pay for services of the Company that are used by a third party, provided that the Company allows for such an option, by specifying the Company's Client (third party) number and/or other identifier used by the Company and assigned to such person by the Company. If the Client, in the order specified in this clause of the Rules, decides to pay for the Invoice of Company's Client (third party), the Bank has the right to share the Client's name and surname to the relevant Companies so that they, in accordance with the procedures specified in regulatory enactments, could have inform Company's Client (third party) that the Client wishes to pay for the Invoice of the Company (third party), informing the Company's Client (third person) Client's name and surname.

4.3. The Client shall grant the Bank and the Company, and Fitek, the right to use all information and personal data provided by them, to the extent necessary for executing legal relationships.

4.4. A Consumer shall be entitled to, within 8 *(eight)* weeks following the date of payment of a given Invoice (debiting of the relevant funds from the Account, provided that the Consumer has furnished evidence of the occurrence of conditions specified in subclauses to this clause), receive a full refund of the payment of an Invoice by the Bank if:

4.4.1. during the authorisation of the Invoice payment, the accurate amount thereof was not specified;

4.4.2. the Invoice amount paid is greater than the Client could have reasonably expected within the framework of the relevant payment, considering data from their previous Invoices, the provisions of the Agreement, and the relevant circumstances of the transaction.

4.5. A Consumer shall not be entitled to request a refund of the amount of an Invoice as specified in Clause 4.4 of the Provisions in the following cases:

4.5.1. the Consumer has specified a payment limit in the Agreement;

4.5.2. the Consumer has concluded the Agreement with the Bank directly (on the premises of the Bank, or electronically using Remote Service);

4.5.3. the Bank or the Company, at least 4 (*four*) weeks prior to the Consumer being obliged to fulfil payment obligations to the Company, provided or made available to the Client information about such payment. The information specified in this clause shall be provided using any means of communication which the Client has made known to the Bank and/or the Company.

4.6. A Consumer may not substantiate fulfilment of the condition mentioned in Clause 4.4.2 of the Provisions with considerations related to currency exchange, provided that the Bank's currency exchange rate has been applied in accordance with an agreement between the Consumer and the Bank under the GPT, which include these Provisions.

4.7. If a Consumer, acting under Clause 4.4 of the Provisions, submits a refund request to the Bank, the Bank shall, within, 10 (*ten*) business days of the Bank following receipt of such request, refund the full amount of the payment or provide a motivated refusal to refund, specifying the institutions mentioned in Clause 9.6 of the GPT, to which a Consumer may submit complaints.

5. Liability

5.1. The liability of the Bank shall be limited to the accurate execution of the assignment given by the Client under the Agreement, acting in accordance with these Provisions and the GPT.

5.2. The Bank shall not be liable for:

5.2.1. the accuracy of Invoices, or any relationships between the Client and third parties, including the Company, and possible mutual claims;

5.2.2. any losses sustained by the Client, the Company and/or third parties arising due to the Bank's failure to pay Invoices due to circumstances beyond the Bank's control, and in cases specified in the Provisions.

6. Review of Claims

6.1. Claims related to the execution of Automatic Invoice Payments may be submitted by the Client to the Bank either in writing on paper or electronically using the Automatic Service, provided that the relevant System provides for such an option, in accordance with the GPT and the Provisions. If the Client is a Consumer and fails to submit a claim to the Bank within 13 (*thirteen*) months, or if the Client is not a Consumer and fails to submit a claim within 3 (*three*) months following the date on which a payment was executed, the Bank shall be entitled to assume that the Client consents to the payment and acknowledges it as correct. If a claim submitted by the Client is not directly related to the Bank's activity, and Fitek has been involved in drafting Invoices, the Bank shall immediately forward the Client's claim to Fitek.

6.2.   If the Client submits a motivated claim in accordance with Clause 6.1 of the Provisions, the Bank shall restore the Client's Account from which the amount has been debited to its state prior to the Unauthorised payment, unless specified otherwise in the GPT, including these Provisions.

6.3.   The Client shall not be entitled to make any claims or objections against the Bank in connection with the amount of a payment stated in a Company's Invoice, or the term and procedure of paying such, and the Client shall address any such objections or claims to the Company.

7.   Termination of the Agreement

7.1.   The Client shall be entitled to terminate the operation of the Agreement unilaterally, by giving the Bank 1 (*one*) month's prior notice.

7.2.   The Bank shall be entitled to unilaterally terminate the operation of the Agreement concluded with a Client that is not a Consumer upon giving the Client 1 (*one*) month's prior notice, or to terminate the operation of a termless Agreement concluded with a Client that is a Consumer by giving such Client 2 (*two*) months' prior notice.

7.3.   The Agreement shall be deemed terminated automatically (without any actions on the part of the Parties) if at least one of the following occurs:

7.3.1.   the Account specified in the Agreement is closed;

7.3.2.   any of the following legal relationships are terminated:

7.3.2.1.   between the Bank and Fitek;

7.3.2.2.   between the Company and Fitek;

7.3.2.3.   between the Company and the Client;

7.3.2.4.   between the Company and the Bank;

7.3.2.5.   between the Client and the Bank.

7.4.   The Bank shall notify a Consumer about termination of the Agreement in cases mentioned in Clauses 7.3.1, 7.3.2.1 and 7.3.2.4 of the Provisions in writing in accordance with the procedure specified in the GPT.

7.5.   The Bank shall be entitled to terminate Automatic Invoice Payment and not pay Invoices and/or to terminate the Agreement concluded with the Client that is not a Consumer, provided that such Client systematically fails to fulfil the requirements specified in the Agreement, or violates any provision of the GPT, including these Provisions.

7.6.   Termination of the Agreement shall not relieve the Client from the obligation to pay Commission Fees specified in the Bank's Rates & Fees.

8.   Related Documents

8.1.   The Bank's "COOPERATION AGREEMENT No. 5/044 ON ERRRA SERVICE PROVISION".

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