

PROVISIONS FOR CHILD'S SAVINGS ACCOUNT

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1. Terms and Abbreviations Used

- 1.1. **Guardian** – the Client's legal representative.
- 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: ftk@ftk.lv).
- 1.3. **Child's Savings Account** – an account held by the Client with the Bank, wherein the Client's funds are deposited with the option of replenishment until the Client comes of age (reaches the age of 18), for which the Bank pays interest to the Client based on the balance of the Child's Savings Account.
- 1.4. **Client** – an underage natural person, being a resident of the Republic of Latvia that uses, has used, or has expressed the wish to use the Child's Savings Account.
- 1.5. **Agreement** – the Agreement consists of the application for opening a Child's Savings Account submitted by the Client's legal representative, the GPT, including these Provisions, and the Rates & Fees.
- 1.6. **Provisions** – these "Provisions for Child's Savings Account", which are Annex 8 to the Bank's "General Provisions for Transactions" (GPT).
- 1.7. 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. Opening of the Child's Savings Account and Conclusion of the Agreement

- 2.1. The Child's Savings Account shall be an account opened with the Bank for the Client with a specific time period, i.e. until the Client comes of age, and which may be replenished without restrictions, and for the use of which interest shall accrue and be paid in accordance with the Child's Savings Account interest rate specified by the Bank and effective on a given day, as specified in the Rates & Fees.
- 2.2. The Bank shall open the Child's Savings Account for the Client if the Guardian personally submits to the Bank a filled-out form of the Bank in writing, on paper, as well as other required documents.
- 2.3. In order to open the Child's Savings Account, the Guardian shall display to the Bank their identification document compliant with the provisions of the applicable legislation of the Republic of Latvia, the Client's birth certificate (including an entry regarding parents), unless a reference about the Client being the Guardian's child has been made in the passport of the Client's Guardian, and the Client's passport (if one has been issued) or a personal identification document issued by the Republic of Latvia (if one has been issued). If the Guardian has been appointed by a decision of a family court, or an adoptive parent has been approved by a court judgment, the Guardian shall also present the family court's decision on the appointment of a guardian or the court's judgment on approving the adoption. The Guardian shall also submit other documents requested by the Bank.
- 2.4. The Bank shall be entitled to refuse to open a Child's Savings Account without explaining the reasons behind its refusal.
- 2.5. The Agreement shall be deemed concluded at the moment of opening of the Child's Savings Account and the depositing of the minimum amount.
- 2.6. Upon request by the Client's guardian, the Bank shall provide a statement of the Child's Savings Account or another means of confirmation of opening the Child's Savings Account.

3. Funds on the Child's Savings Account

- 3.1. By concluding the Agreement, the Guardian confirms that all funds remitted to the Child's Savings Account shall be considered property of the Client, and the Client shall be entitled to dispose of them freely starting on the date of maturity of the Child's Savings Account. The date of maturity of the Child's Savings Account shall be deemed to be the date on which the Client reaches the age of maturity.
- 3.2. During the effective term of the Agreement, the Child's Savings Account may be replenished without restrictions, solely in the currency of the Child's Savings Account, by any natural person or legal entity remitting funds in cash or in the form of a transfer.

4. Interest

- 4.1. The Bank shall calculate interest accruing on funds held on the Child's Savings Account. Interest shall be calculated based on the interest rate specified on the date of conclusion of the Agreement and subsequently revised annually on the date of conclusion of the Agreement. If the date of revising the interest rate falls on a day other than a Bank's business day, the interest rate shall be specified based on the interest rate effective on the preceding Bank's business day.
- 4.2. The Bank shall ensure that, provided that the interest rate on the relevant date of revising the interest rate in accordance with the effective Rates & Fees is lower than the minimum interest rate of the Child's Savings Account, the minimum Child's Savings Account interest rate shall be applied. The minimum Child's Savings Account interest rate shall be 1% per annum.
- 4.3. Interest shall accrue assuming that a year consists of: if the currency of the Child's Savings Account is the British Pound Sterling – 365 days; the Russian Rouble – the exact number of days in a given year; another currency – 360 days.
- 4.4. Interest shall accrue each day, on the amount of funds held on the Child's Savings Account at the end of the relevant day, until the date of maturity of the Child's Savings Account, not including such date.
- 4.5. Accrued interest shall be remitted to the Child's Savings Account by adding it to the amount accumulated on the Child's Savings Account, each year, on the date of conclusion of the Agreement, or, if it falls on a day other than a business day of the Bank, on the subsequent business day of the Bank.
- 4.6. In the event of termination of the Agreement (including premature termination), all accrued interest not yet remitted to the Child's Savings Account shall be paid out together with funds accumulated on the Child's Savings Account.

5. Use of the Child's Savings Account

- 5.1. The Client may only dispose of funds deposited to the Child's Savings Account in accordance with the procedure specified in these Provisions, once the date of maturity of the Child's Savings Account is reached.
- 5.2. The Guardian shall be entitled to prematurely, either in part or in full, withdraw funds from the Child's Savings Account prior to the date of maturity of the Child's Savings Account by submitting a filled-out application to the Bank and in accordance with the provisions of Clause 5.5 of the Provisions. The Guardian shall present to the Bank their personal identification document and a written permission (decision) to dispose of funds on the Child's Savings Account issued by a valid family court within the Republic of Latvia.
- 5.3. The Bank shall pay out funds from the Child's Savings Account in the event of partial or full premature withdrawal or if the Agreement is terminated and the Child's Savings Account is closed in accordance with Clause 6.1 of the Provisions within 10 (*ten*) calendar days following receipt of an application.
- 5.4. The Bank shall issue a statement of the Child's Savings Account to the Client (if they have reached the age of 18) or to the Guardian (before the date of maturity of the Child's Savings Account), if requested by such person.
- 5.5. If the Client's guardian wishes to withdraw funds held on the Child's Savings Account before the date of maturity of the Child's Savings Account, whether in full or in part, the Bank shall be entitled to withhold from such amount being paid out the contractual penalty for premature withdrawal of funds from the Child's Savings Account as specified in the Rates & Fees.

6. Termination of the Agreement and Closure of the Child's Savings Account

- 6.1. The Guardian may request premature termination of the Agreement and closure of the Child's Savings Account by submitting to the Bank a filled-out application for closure of the Child's Savings Account.
- 6.2. No interest shall accrue following the date of maturity of the Child's Savings Account. All funds held on the Child's Savings Account, including accrued interest (not yet remitted to the Child's Savings Account) shall be paid out to the Client in cash or transferred to the account specified by the Client, in accordance with the application submitted by the Client. The Agreement shall be terminated automatically on the date of paying out funds from the Child's Savings Account to the Client.
- 6.3. If the date of maturity of the Child's Savings Account is not a Bank's business day, the Client may withdraw funds from the Child's Savings Account on the following Bank's business day.
- 6.4. The Bank shall be entitled to terminate the Agreement and/or close the Child's Savings Account unilaterally, upon giving written notice to the Guardian or to the Client, if the Client has come of age, in the following cases:
 - 6.4.1. the Child's Savings Account has held no funds for 3 (*three*) years in a row;
 - 6.4.2. in cases determined in Clause 3.11 of GPT.
- 6.5. If, on the date of premature termination of the Agreement, the Child's Savings Account holds funds, the Bank shall pay them out to the Guardian (Client) only once the requirements specified by the Bank are fulfilled.
- 6.6. Starting on the date on which an application for closing the Child's Savings Account is submitted to the Bank, interest on funds held on the Child's Savings Account shall be calculated based on the minimum interest rate of the Child's Savings Account.

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