

GENERAL PROVISIONS FOR TRANSACTIONS

Table of Contents

1. Terms and Abbreviations Used	1
2. General Provisions	2
3. Procedures for Provision and Termination of Services	3
4. Identification of the Client and its Representatives	5
5. Rates & Fees and Bank Charges	7
6. Payment Services.....	8
7. Liability	10
8. Notifications, Exchange of Information and Confidentiality Rules.....	11
9. Applicable Law. Procedure for Settlement of Claims and Disputes	12
10. Related Documents	13

1. Terms and Abbreviations Used

- 1.1. **Remote Service** – a service that enables the Client to access the Account remotely, including to receive information about Accounts and/or handle the money in Accounts, to conclude agreements (submit applications) for the reception of Services, to submit applications, instructions to the Bank and carry out other activities the Bank offers by means of the automated systems of the Bank: PNB Internetbanka, PNB Vision, PNB SMS-Banka, infoLINE, PNB Chat, PNB Trade.
- 1.2. **Authorisation Element and/or Password Compromising** – Authorisation element and/or Password loss, theft, unauthorised access to the Authorisation element and Password parameters.
- 1.3. **Authorisation Element** – Bank code calculator (DigiPass), SMS-PIN, Code card, Google Authenticator.
- 1.4. **Voice Password** – a combination of letters and/or numbers created by the Client or the Bank, used in the course of the provision of certain Services in accordance with the Provisions of Services.
- 1.5. **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: fttk@fttk.lv).
- 1.6. **Bank's Working Hours** – time on the Bank's business day from 9.00AM to 6.00PM EET (Eastern European Time).
- 1.7. **Bank's Business Day** – a day within the framework of the Bank's working hours, other than Saturday, Sunday or an official public holiday determined by the laws and regulations of the Republic of Latvia, on which the Lender is open for general operations in Republic of Latvia.
- 1.8. **Electronic Document** – an electronically generated document, including, but not limited to, an order from the Client with instructions for the relevant operations/transactions, application, agreement, as well as any other document where the information is provided in electronic form and signed with the Electronic Signature.
- 1.9. **Electronic Signature** – the key generated by the Authorisation Element that is attached to the Electronic Document or is logically linked to this document, ensures the authenticity of the Electronic Document and confirms that the User of the Remote Services uses the relevant Electronic Identification Data.
- 1.10. **Electronic Identification Data** – a Client's code (CIF), a Password and Electronic Signature set that allows authentication (i.e., a recognition procedure that, according to the Electronic Identification Data, allows the Bank to believe that the Client is using the Remote Service).
- 1.11. **PNB Internetbanka** – the Bank's automated system with access address <https://www.ib.pnbbanka.eu>, through which the Client is provided with remote access to the Services defined by the Bank.
- 1.12. **IBAN** – International Bank Account Number – an international account number that clearly identifies a separate account and meets the international standard ISO 13616-1: 2007 "Financial Services". An IBAN is considered to be a unique Account Identifier, which is a combination of letters, numbers or symbols, which the Bank identifies to the User of the Payment Service and is indicated by the payment service user to unambiguously identify the other payment service user involved in the payment or his/her payment account.
- 1.13. **Card** – Visa Europe Limited or Mastercard International Incorporated payment card system payment card issued by the Bank.
- 1.14. **Card Account** – the Client's account with the Bank, which is linked to the Card and intended for keeping the funds for an indefinite period of time, for making non-cash payments, including transactions with the Card.
- 1.15. **Cardholder** – a Client or a natural person designated by the Client in writing, who has received this Card for use in accordance with the Service Agreement.
- 1.16. **Client Questionnaire** – a form approved by the Bank, which the Client is obliged to complete, including complete and accurate information about his/her data and other information requested by the Bank.
- 1.17. **Client code (CIF)** – an identification code assigned by the Bank to the Client.
- 1.18. **Client** – a person that uses, has used, or has expressed the wish to use the Services.
- 1.19. **Client Service Location** – Bank's Client Service Centres, payment groups and any other places where Client service takes place.

- 1.20. **Erroneous Payment** – a Payment executed not account to the information indicated therein or executed based on erroneous information and data indicated therein.
- 1.21. **Commission Fee** – the charge specified in the Rates & Fees and/or the Service Agreement, which the Client pays for the Services.
- 1.22. **Statement of Account** – a printed or electronically prepared document that reflects all operations performed on the Account during a specified period of time and indicates the Account balance at the beginning and end of this period.
- 1.23. **Account** – any account opened with the Bank, including, but not limited to, a Current Account, a Card Account, a Savings Account, a Loan Account, etc.
- 1.24. **Parties/Party** – the Bank and the Client jointly and each separately.
- 1.25. **Payment Instrument** – a personalised device or a set of procedures used by the Client to initiate a Payment, as well as to perform other activities authorised by the Bank. For the purposes of the GPT the payment instruments are the following: the Card and the Electronic Identification Data specified in the GPT and the Provisions of Service.
- 1.26. **Payment Service** – any service provided by the Bank corresponding to the definition of the payment service specified in the Law on Payment Services and Electronic Money.
- 1.27. **Payment Order** – a Client's Order to the Bank to make a Payment.
- 1.28. **Payment** – an action initiated by the Client as a payer or a beneficiary, the purpose of which is to transfer money, to make currency conversion, to make a transfer or to withdraw money, and which does not depend on the obligations underlying the payer's or beneficiary's legal relations.
- 1.29. **Payment Processing Centre** – a service provider who provides the Bank with the Card and Transaction Data Processing Centre services, that is "SIA "Wordline Latvia" (unified registration number 40003072814) and/or OOO "Obščaja karta", (in the original language OOO "ОБЩАЯ КАРТА", national basic registration number 1027700092353, the Russian Federation).
- 1.30. **Unauthorised Payment** – such Payment, which was made without the Client's consent, in the manner provided for in the GPT or the Provisions of Service.
- 1.31. **Current Account** – the Client's account with the Bank for the storage of funds for an indefinite period of time, as well as for making settlements.
- 1.32. **Service Agreement** – any Agreement between the Parties for the provision and receipt of the Service, consisting of the agreement concluded between the Parties on the respective Service, the GPT and the Provisions for the respective Service. The Service Agreement may be concluded in Latvian, Russian or English.
- 1.33. **Provisions of Service** – Bank's special regulations governing the legal relations between the Parties for the receipt of a certain Service and which is GPT Annex 1 to 17 or a separate Banks' regulatory document.
- 1.34. **Service** – any financial or other service/product that the Bank offers and/or provides to the Client.
- 1.35. **Signature Specimen Card** – forms in Bank's regulatory documents intended for specimens of signatures and/or seal impressions.
- 1.36. **Password** – a secret combination of symbols determined by the Client or assigned by the Bank in accordance with GPT or the Provisions of Service, which is used to identify the Client and, together with other Electronic Identification Data, is used for access to the Remote Service. The Password also stands for Single Voice Password and Voice Password.
- 1.37. **Consumer** – a Client – natural person who expresses the wish to receive, receives and/or could/is planning to receive the Service for the purpose, which is not related to his/her economic or professional activities.
- 1.38. **Applicable Law** – laws and regulations of the Republic of Latvia, legal norms of the European Union that are directly applicable in Latvia. European Union or other foreign laws and regulations apply if this is provided for by the laws and regulations of the Republic of Latvia or if the Client and the Bank have agreed accordingly.
- 1.39. **PIN code** – a personal identification number, a combination of numbers known only to the Cardholder and issued by the Bank together with the Card and used by the Cardholder for the confirmation of separate operations/transactions performed.
- 1.40. **Priority Account Service** – Account Service with defined advantages which is offered to the Client.
- 1.41. **Rates & Fees** – a summary of Commission Fees and other charges, according to which the Bank withholds Commission Fees and other payments related to the Services, calculates, pays or withholds interest. Rates & Fees are an integral part of the GPT, the Provisions of Service and the Service Agreement.
- 1.42. **GPT** – these General Provisions for Transactions approved by the Bank, which regulate the legal relationship between the Parties and apply to all Services.
- 1.43. **Single Voice Password** – a combination of letters and/or numbers created by the Client, where the number of symbols is from 6 (*six*) to 21 (*twenty-one*), using Latin characters without diacritical marks, which the Client has notified to the Bank.
- 1.44. The terms or abbreviations used in this GPT section may be used in a different sense in the Provisions of Service or Service Agreements on the respective service.

2. General Provisions

- 2.1. These GPT apply to any legal relationship between the Bank and the Client.
- 2.2. In addition to the GPT, the legal relations between the Bank and the Client related to the provision of the Services are governed by the Applicable Law, the relevant Provisions of Service, Service Agreements and Rates & Fees.

- 2.3. The GPT govern legal relations between the Bank and the Client related to the provision of the Services, insofar as the Provisions of Service related to the provision of the Service do not state otherwise. In the event of a conflict between the GPT and the Provisions of Service, the relevant Provisions of Service shall apply.
- 2.4. The GPT and the Provisions of Service govern the legal relations between the Bank and the Client related to the provision of the Service, insofar as the Service Agreement that regulates the provision of the respective Service does not state otherwise. Unless otherwise specified in the GPT, in the event of a conflict between GPT or the Provisions of Service and the Service Agreement, the Service Agreement shall apply.
- 2.5. The Bank provides an opportunity to get acquainted with GPT at Client Service Locations and place them on the Bank's website and in PNB Internetbanka.
- 2.6. GPT in Russian and English shall be deemed as unofficial translations of GPT from Latvian. In the event of contradictions between the text of GPT in Latvian and in another language, GPT in Latvian shall apply.
- 2.7. The Client, before entering into the Service Agreement, undertakes to familiarise himself/herself with the GPT, the relevant Provisions of Service, the Bank's "General Provisions for Processing Client Data" and the procedure specified in the Service Agreement, declares that he/she understands and agrees to the application of these GPT, the relevant Provisions of Service and the Bank's "General Provisions for Processing Client Data" in relations between the Parties.
- 2.8. The specific terms of each separate Service are set out in the relevant Provisions of Service and the Service Agreement.
- 2.9. The Service, which is not specified in the GPT and the Provisions of Service, is provided by the Bank to the Client on the basis of the GPT and a separate Service Agreement.
- 2.10. For the Service, which the Client has not yet used, but has expressed a wish to receive, the terms of the respective Service, together with the Service Agreement and/or the Service Application Form, shall be deemed to be the draft Service Agreement.
- 2.11. The Bank has the right to amend unilaterally the GPT, the Provisions of Service and Rates & Fees. The Bank notifies the Clients, in accordance with the procedures specified in the GPT, 2 (*two*) months prior to the change of the GPT, the Provisions of Service or the Rates & Fees by placing the relevant information at the Client Service Locations, on the Bank's website and/or by sending an appropriate notice in PNB Internetbanka.
- 2.12. For Clients who have an established business relationship with the Bank on the date of the announcement of amendments to the Provisions of Service and/or the Rates & Fees, the amendments shall also apply to the transactions concluded between the Parties that have started before and continue to be in effect at the time of the amendments, unless other agreement between the Parties has been signed. If the Client does not agree to the Bank's proposed amendments, the Client has the right, prior to their entry into force, to withdraw from all Service Agreements concluded between the Parties, which are affected by the announced amendments, by fulfilling all obligations arising from such Service Agreements. If the Client does not use the rights specified in this GPT clause, the Client is deemed to have agreed to the amendments. If before the entry into force of the amendments the Client requests a new Service, the new version of the GPT, the Provisions of Service and/or the Rates & Fees shall be applicable to the relationship between the parties at the time of the entry into force of the relevant amendments, provided that no other arrangement is specified.
- 2.13. The deadline specified in Clause 2.11 of GPT is not applicable and the Bank informs the Client of the amendments or additions 7 (*seven*) calendar days in advance if:
 - 2.13.1. the amendments or additions affect the following Provisions of Service: "Provisions for Term Deposits", "Provisions for Savings Account", "Provisions for Child's Savings Account", "Provisions for Safe Deposit Box Service" or "General Provisions for Processing Client Data";
 - 2.13.2. Rates & Fees are replenished with new services and/or new Provisions of Service are approved;
 - 2.13.3. amendments or additions are made in accordance with the amendments to the applicable regulatory enactments or in connection with the adoption of new regulatory enactments;
 - 2.13.4. amendments or additions are made in favour of the Clients, but if the Rates & Fees are amended in favour of the Client, the Bank is not obliged to inform the Client;
 - 2.13.5. amendments or additions to the Rates & Fees apply to Clients that are not Consumers.
- 2.14. All references to GPT, Provisions of Service, and Rates & Fees include a reference to these GPT, Provisions of Service, and Rates & Fees, with all their amendments and new versions.
- 2.15. The Bank is entitled to record telephone conversations with the Client and, if necessary, use these records as evidence for receiving Client's orders in resolution of disputes and in court. In order to implement the activities specified in this clause of GPT, the Bank is entitled to choose unilaterally the technical means for recording telephone conversations.

3. Procedures for Provision and Termination of Services

- 3.1. The Client can familiarise himself/herself with the Provisions of Service at any Client Service Location during the Bank's working hours, as well as on the Bank's website on the Internet. By signing any Service-related document (Service Application, Service Agreement, Payment Order, etc.), the Client confirms that he/she is familiar with the current GPT, the relevant Provisions of Service, the Bank's "General Provisions for Processing Client Data" and the Rates & Fees and agrees to receive the requested Service in accordance with them and the respective Service Agreement.

- 3.2. Service Agreements, Payment and other Client's orders, Client's submissions, applications and other documents may be signed on paper or as an Electronic Document with the Electronic Signature through the Remote Service, provided that the functionality and offered options of the respective Service allow the Client to submit them electronically to the Bank and/or to sign documents.
- 3.3. Service agreements and related documents signed with the Electronic Signature through the Remote Service are Electronic Documents. Such documents shall have the same effect as paper-based documents.
- 3.4. The Bank is entitled to request that a signature on any document submitted to the Bank is made in the presence of a representative of the Bank. If this is not possible or not feasible, the Bank has the right to request that the signature is certified by a notary or other official who is authorised to perform notarial functions, to confirm its authenticity.
- 3.5. The Bank is entitled to refuse to start a business relationship or to refuse to conclude a separate Service Agreement without explaining the reason for the refusal.
- 3.6. The Bank has the right to set additional requirements for the Client to receive or continue to receive the relevant Services, of which the Bank warns the Client 1 (*one*) month in advance, but if such additional requirements apply to the Service Agreement on Safe Deposit Box Rental – 7 (*seven*) calendar days in advance. If the Client does not fulfil the Bank's additional requirements, the Bank is entitled, without warning to the Client, to terminate the provision of the respective Services to the Client immediately. In this case, the relevant Service Agreement is deemed to be terminated upon the termination of the provision of the Service and the Client shall pay to the Bank immediately all Commission Fees and other charges payable to it for the provision of the relevant Service.
- 3.7. The Client has the right to derogate from the Service Agreement 1 (*one*) month in advance, by notifying the Bank in writing and fulfilling all obligations arising from the Service Agreement, unless otherwise stated in the GPT, the respective Provisions of Service or the Service Agreement. Notwithstanding the above deadline, all outstanding obligations remain in force until they are properly and fully fulfilled.
- 3.8. If the Consumer concludes the Service Agreement through the Remote Service, he/she has the right to use the right of withdrawal within 14 (*fourteen*) calendar days in accordance with the applicable law.
- 3.9. The Bank has the right to withdraw from the Service Agreement unilaterally by warning the Client who is a Consumer at least 2 (*two*) months in advance, and 1 (*one*) month in advance if the Client is not a Consumer, unless otherwise provided in the relevant Provisions of Service or the Service Agreement and, if necessary, requesting early fulfilment of the Client's obligations. The Client is obliged to fulfil all obligations arising from the Service Agreement within the time period specified in the Bank's warning.
- 3.10. In the event of termination of the Service Agreement (regardless of the reasons for the withdrawal of the Parties), the Client authorises the Bank to directly debit from any Account (in first place from the Current Account) the funds necessary for the performance of the Client's obligations, Commission Fees and other charges due in accordance with the Bank's GPT, the Provisions of Service, and the Service Agreement.
- 3.11. The Bank is entitled to unilaterally suspend the provision of any or all Services to the Client temporarily or to completely terminate the provision of the Service to the Client (to terminate cooperation with the Client) immediately without any compensation for losses, by way of derogation from all or any Service Agreements concluded between the Parties and, requesting early fulfilment of the Client's obligations, if necessary, in the following cases:
 - 3.11.1. the Bank suspects or finds that the Client is involved in money laundering or terrorist financing or attempt of it;
 - 3.11.2. the Client or the authorised person of the Client, at the request of the Bank, has not provided the Bank with information and documents regarding its business operations, personal activities, third parties, beneficiaries, financial position and sources of funds or the information provided does not correspond to the Bank's request;
 - 3.11.3. the Bank suspects or finds that the information provided by the Client is false and/or does not correspond to the actual circumstances;
 - 3.11.4. the Client's Account is blocked or the Account is suspended in any other way when the Bank executes the decisions of state institutions and officials in accordance with the requirements of laws and regulations or according to the orders, requests, instructions, decisions of the competent institutions;
 - 3.11.5. the Client has violated the GPT, the Provisions of Service and/or Service Agreement, or has provided false declarations;
 - 3.11.6. the Client fails to fulfil obligations to the Bank arising from the Service Agreement concluded between the Parties, or the Client fails to fulfil his/her obligations to any related company of the Bank providing financial services;
 - 3.11.7. the Bank suspects that fraud has occurred or that the Client permits legally punishable, unfair or unethical behaviour or if the Bank has reason to believe that further cooperation with the Client is adversely affecting the Bank's honour, dignity or reputation;
 - 3.11.8. the Bank has reason to believe that the Remote Service has been used by an unauthorised person;
 - 3.11.9. the Bank has reason to believe that the Client uses the Services on behalf of and/or in the interests of third parties who are not identified in accordance with the requirements of the GPT;
 - 3.11.10. the Bank suspects that the death of the Client, who is a natural person, or the death of the legal representative of the Client, who is a legal person, has or representation rights have been lost or the Client, who is a legal person, has been liquidated;
 - 3.11.11. it is determined by the necessity of fulfilling the requirements of financial institutions or organisations involved in the execution of a transaction submitted by the Client;

- 3.11.12. the Bank suspects that an operation/transaction may directly or indirectly infringe the sanctions imposed by the Republic of Latvia, the European Union, the United Nations or other international organisation of which the Republic of Latvia is a member, or individual countries;
- 3.11.13. operation/transaction is in conflict with the Bank's regulatory documents in the field of risk management;
- 3.11.14. at the Bank's discretion, it is necessary to ensure the Bank's right to financial collateral (including sale of financial collateral);
- 3.11.15. at the discretion of the Bank, one or more of the Client default of liabilities may have occurred or could happen.
- 3.12. The Bank does not individually notify the Client, other than a Consumer, about the cases specified in Clause 3.11 of the GPT, but the Client, who is a Consumer, is warned by the Bank in the cases and within the time limits specified in the Applicable Law.
- 3.13. The Bank is entitled to offer Priority Account Service to the Client, regardless of the GPT and the relevant Provisions of Service. The Bank is entitled to unilaterally make changes to the Priority Account Service proposals and also to exclude the Client from the Priority Account Service proposal, informing the Client within the time limits specified in the Applicable Law. The Client has the right at any time to refuse from Priority Account Service, which the Bank applied in accordance with the procedure specified in this clause of the GPT, by submitting a written application to the Bank or sending a text message to the Bank via PNB Internetbanka.
- 3.14. The Client may use only those Services, which are intended for the Client according to the Client's residence. In the event of a change in the Client's residence, the Bank has the right to terminate certain Services that are not intended for a specific Client's residence, informing the Client thereof accordingly in accordance with the Applicable Law.

4. Identification of the Client and its Representatives

- 4.1. The Bank carries out the identification and due diligence of the Client in accordance with the requirements of the Applicable Law, GPT and other Bank's regulatory documents.
- 4.2. Before entering into a business relationship (i.e. before the provision of the Service/Service Agreement) and/or in case of changes in the Client's personal data, and at the request of the Bank, the Client must submit the documents and information requested by the Bank confirming the Client's identity and necessary for the clarification of the Client's information, as specified in the Applicable Law. Client identification and due diligence is carried out on the basis of originals of documents presented to the Bank or their derivatives, which are legally valid in the Republic of Latvia. In addition, the Bank has the right to ask the person to present the original identity document. Derivatives of Client's documents submitted to/created by the Bank shall not be returned to the Client and are stored in accordance with the requirements of the Applicable Law.
- 4.3. In addition to Clause 4.2 of the GPT, the Client is obligated to submit to the Bank a fully completed and signed Client Questionnaire and other documents stated in GPT and the Bank's regulatory documents. The Bank is entitled to request to update the information specified in the Client Questionnaire and/or to draw up a new Client Questionnaire at any time.
- 4.4. The Bank, having received the necessary documents for the Client identification and Client Questionnaire filled and signed by the Client, and provided that the Commission Fee has been paid, if provided for in the Rates & Fees, shall initiate verification of the documents submitted by the Client immediately, which is carried out for 10 (*ten*) Bank's Business Days for the residents of the Republic of Latvia, but in individual cases longer, and for 30 (*thirty*) Bank's business days to non-residents of the Republic of Latvia, but in individual cases longer, and when the verification is fully over, the decision to provide the specified Service to the Client shall be made in accordance with the procedure specified in the Bank's regulatory documents.
- 4.5. The Client is obliged to prepare a signature specimen of the Client and/or the Client's representative/representatives, which is certified as prescribed in Clause 4.6 of the GPT. If the Client – a legal person – uses a stamp in the relations with third parties, then a specimen of the Client's stamp shall also be prepared. The Bank has the right to request the Client to draw up a Signature Specimen Card at the Bank's Client Service Locations.
- 4.6. Specimens of the signature and stamp impression of the Client, the Client's representative/s, if any, shall be certified by a Bank's representative in accordance with the requirements of the Bank or a sworn notary or other official who has the right to perform notarial functions.
- 4.7. The Bank is entitled to take other measures to fully identify the Client or his/her representative, obtain information about his/her economic activity or professional activity and beneficiaries.
- 4.8. The Bank is entitled to make derivatives of identity documents and other documents submitted by the Client (copy, scan and otherwise technically reproduce) and, if necessary, to make and store the copies.
- 4.9. The Bank has the right to perform repeated identification and due diligence of the Client and its representative at any time, and the Client is obliged to do everything necessary, including to submit additional documents and information requested by the Bank and, at the Bank's request, to arrive to the Bank in person in order to enable the Bank to complete the identification and due diligence activities.
- 4.10. If the previous Client's identity document has expired, the Client is obliged to present to the Bank in due time an identity document (passport, identity card, residence permit issued in the Republic of Latvia or other European Union member state) or submit a copy thereof, the conformity of which with the original has been certified by a notary or other official who has the right to perform notarial functions. The Bank is entitled to carry out the verification of the data of the Client's documents in databases to determine the Client's residence, without separately informing the Client in advance, as well as withholding the Commission Fee specified in the Rates & Fees according to the new

residence of the Client, if any. The Bank is entitled to change (determine) the Client's residence in accordance with the information received, i.e. to classify the Client as a resident or non-resident of the Republic of Latvia, before performing the Client's analysis and withholding the fee specified in the Rates & Fees, if any, and classifying the Client as a VIP Client, if the Client meets the quantitative, liability and quality criteria as defined in the Bank's "Regulations for Classification of VIP Customer Segment".

- 4.11. For Clients – natural persons, the power of attorney submitted to the Bank must be drawn up in accordance with the requirements of the Bank, with a certification by a notary or other official who is authorised to perform notarial functions that the document is authentic and the person concerned has the capacity and ability to issue it/make it. The Bank is entitled to offer to the Client the relevant power of attorney in the presence of the Bank's representative, withholding the corresponding Commission Fee from the Client. The authorised person acting on behalf of the Client must present a power of attorney in the Bank stating explicitly the rights to engage in the operation/transaction that the authorised representative has initiated. The Bank has the right to demand that the Client personally enters into legal relations with the Bank and concludes the Service Agreement.
- 4.12. On behalf of the Client – a legal entity transactions are concluded and actions on behalf of the Client are performed by a legal representative/s, whose right of representation is registered in the registers administered by the Register of Enterprises of the Republic of Latvia or in the relevant official registers of other jurisdictions, or persons acting on behalf of the Client on the basis of an authorisation or other documents supporting representation. The power of attorney provided to the bank must explicitly indicate the right to perform the operation/transaction that the authorised representative has initiated.
- 4.13. For Clients – legal entities, the powers of attorney to be submitted to the Bank must be drawn up in accordance with the requirements specified in the Applicable Law regarding the presentation of power of attorney. The Bank is entitled to request that the submitted power of attorney has a certification of a notary or another person who has the right to perform the notarial function stating that the document is authentic and the person concerned was entitled to issue it on behalf of the Client. The Bank is entitled to offer to the Client the relevant power of attorney in the presence of the Bank's representative, withholding the corresponding Commission Fee from the Client.
- 4.14. The Bank has the right to refuse to accept the documents certifying the authorisation or representation of the Client if the rights specified therein are not clearly and unequivocally formulated or if the Bank has doubts about the validity or authenticity of the submitted documents.
- 4.15. A document drawn up and/or issued abroad must be legally valid, i.e., have a certification of a notary or other person authorised to perform notarial functions and legalised in the cases and in accordance with the procedure laid down in the Applicable Law. If the Client submits a document which is not in Latvian, Russian or English, the Bank is entitled to ask the Client to submit a translation of the document, which is certified by a notary or another person who has the right to perform notarial functions.
- 4.16. The Client's documents submitted to the Bank shall be deemed valid until the Client has submitted to the Bank a written withdrawal of these documents or their term has expired, irrespective of the information available in the public registers or other official information sources. The Bank shall not be liable for losses or expenses of the Client if the documents have expired but the Bank has not been notified in writing.
- 4.17. The Client is obliged to provide the Bank with all relevant information and documents drawn up in accordance with the requirements of the Bank, immediately after they have been changed. If the Client does not provide the Bank with amended documents certifying authorisation and representation in a timely manner, the Bank is entitled to completely or partially refuse the provision of the Services to the Client immediately. The Bank has the right to suspend the provision of the Services if the Bank becomes aware of changes in the persons who have the right to represent the Client or their term of representation or authorisation has expired.
- 4.18. The Bank is not obliged to follow the changes in the Enterprise Register of the Republic of Latvia or other official state register and official registers of other countries regarding the persons who have the right to represent the Client on behalf of the Client – a legal entity. The Bank has the right to believe that the Client's representative is the person indicated by the Client in the documents submitted to the Bank and identified by the Bank. The Bank is not liable for the Client's losses or expenses incurred by the Client or any third person if the right of representation of the Client's representative has expired or changed, but the Client has not notified the Bank thereof in writing.
- 4.19. If the Client is a minor person or person with a limitation of legal capacity, then the Client's representative must submit a document confirming the right to perform operations/transactions on behalf of and in the interests of this person.
- 4.20. In the event of an inheritance disclosure, the heir shall submit to the Bank documents evidencing of his/her heir's right to the inheritance left by the Client and identification documents. If the Bank has doubts about the authenticity and legality of the documents submitted by the Client's heir, the Bank shall be entitled to verify the documents submitted at the expense of the heir.
- 4.21. The Bank has the right to impose additional requirements to the presentation of Client's documents, the content and procedures for submission thereof, informing the Client thereof.
- 4.22. Ensuring effective Client identification, the Bank has an identification tool – the Single Voice Password, the Voice Password. Before providing information on the Client's Accounts and operations performed on them by phone, the Bank, as one of the measures, has determined the need to identify the Client by the Single Voice Password, the Voice Password. The Client is obliged to keep the Single Voice Password, the Voice Password in secret and not to disclose it to third parties, but in case of disclosure thereof or if the Client suspects its disclosure, to notify the Bank thereof immediately. From the moment of receiving a notification, the Single Voice Password, the Voice Password shall be

considered invalid and can no longer be used. The Bank does not assume responsibility for the consequences of use of the Client's Single Voice Password, Voice Password by unauthorised persons. The Client must take precautions to ensure that the Single Voice Password, the Voice Password does not end up in the possession of unauthorised persons.

- 4.23. The Client, using PNB Internetbanka, has the opportunity to send to the Bank a scanned copy of an updated identity document before the expiry date of the identity document and/or scanned copies of documents certifying economic activity.
- 4.24. The Client identification, using the Remote Services, shall take place according the relevant Provisions of Service.

5. Rates & Fees and Bank Charges

- 5.1. Commission Fees, interest payable to the Bank and other charges related to the Services provided by the Bank are specified in the Rates & Fees, the respective Service Agreements and/or the Bank's and the Client's separate written agreement on the amount of the Commission Fee and the payment procedures. The Bank may, but is not obliged, observing the procedure laid down in the GPT, to set Rates & Fees, which differ from the standard Rates & Fees and which are not published on the Bank's website.
- 5.2. The Client can familiarise with the Rates & Fees in the Bank's Client Service Locations and/or on the Bank's website at www.pnbbanka.eu.
- 5.3. The Bank has the right to withhold any fees payable to the Bank, interest payable to the Bank, and any other payments related to the Services provided by the Bank, any payments due to the Bank, irrespective of their type, from any Account opened with the Bank, by making a currency conversion, in accordance the Bank's exchange rate on the day of the operation, if necessary.
- 5.4. If the Consumer refuses to receive all or a separate Service, the Client shall pay the Commission Fee, which the Bank withdraws for the provision of such Service on a regular basis, until termination of the respective Service Agreement. If such Commission Fee is paid in advance, the Bank shall reimburse it in proportion to the time, when the Service was not used.
- 5.5. The fulfilment of the Client's obligations arising from the Service Agreements shall take place in the following order: first, the Bank's claims for the payment of the expenses provided for in or related to the Service Agreement, Commission Fees and other ancillary claims, with the exception of interest and contractual penalties, and, second, unpaid interest, and, third, the unpaid authorised credit limit, and fourth, contractual penalties.
- 5.6. The Client is obliged to pay to the Bank additional expenses that are not included in the Rates & Fees but were necessary to provide the Services in accordance with any order of the Client. For any Services that are not included in the Rates & Fees but were provided at the request of the Client, the Bank is entitled to set a Commission Fee at its discretion. Such Commission Fee shall be effective from the moment Client receives a relevant notification from the Bank.
- 5.7. The Bank is entitled to deduct the Commission Fee for the Payment Service from the amount of money sent to the Client before it is transferred to the Client's Account. In this case, the full amount of the Payment and the Commission Fee charged for the Service are indicated in the information provided to the Client separately.
- 5.8. If according to the Applicable Law the Bank has the obligation or the right to withhold taxes, fees or similar charges from any Client's Payments, Commission Fees or other funds, then these payments shall be made using the Client's funds by writing off the relevant amounts from any Account (in first place from the Current Account) opened for the Client with the Bank.
- 5.9. Bank's currency exchange rates and interest rates on loans are not included in the Rates & Fees and are determined at the time of provision of the respective Service. If the Service Agreement also specifies the LIBOR interest rate which changes (is revised) during the term of the agreement and in accordance with the terms of the agreement, in cases when this LIBOR rate at the date of its change is less than 0 (zero), the Bank sets this LIBOR interest rate for the next period in the amount of 0 (zero) per cent and it shall be valid until the next date of its revision in accordance with the relevant Service Agreement.
- 5.10. If the Bank has changed the Client's residence in accordance with Clause 4.10 of the GPT, the Bank has the right to apply the relevant Rates & Fees to the Services provided to the Client, depending on the residence determined for the Client, unilaterally without notifying the Client.
- 5.11. The Client who uses a set of Services is entitled to stop using the set of Services and continue using a Service included in the set separately if the use of a particular Service is offered separately. Terms of a particular Service and standard Rates&Fees are applicable to a Service that is not used under a set of Services.¹
- 5.12. By signing any document regarding receipt or use of any Service or submitting any Payment Order, the Client irrevocably authorises the Bank to directly debit any funds necessary for payment of any debt to the Bank and/or Commission Fee and additional expenses for payment from any Client Account (at the Bank's discretion) opened with the Bank, including allowing an Overdraft of the Card Credit respectively increasing the amount of the loan granted to the Client, as well as from the overdraft account linked to the Current Account within the limit of the granted overdraft. In doing so, the Bank the Bank shall be entitled to carry out the conversion of funds according to the currency exchange rate determined on the day of performance of the Bank's operation, if necessary. The Bank shall charge

¹ Effective as from 15.12.2018.

the Service Fee and additional expenses at the time of execution of the relevant Bank operation or according to other procedure, if it is provided for in the Rates & Fees or the Service Agreement.

- 5.13. All finances and financial instruments that are or will be available on the Account are pledged in favour of the Bank as financial collateral within the meaning of the "Financial Collateral Law" of the Republic of Latvia to secure any liabilities of the Client, including the forthcoming liabilities arising from the Service. If the Client defaults his/her obligations in any way, the Bank shall have the following rights depending on the nature of the financial collateral:
 - 5.13.1. if these are funds, then to proceed as described in Clause 5.12 of the GPT;
 - 5.13.2. if these are financial instruments, then to sell them, including in parts, including to dispose of financial instruments in favour of itself for the market price (financial instruments are sold in quantities to satisfy the Bank's claims towards the Client, while respecting existing market practices (related to the minimum amount of financial instruments sold/purchased on the financial market)) by diverting the proceeds for the fulfilment of the Client's outstanding obligations towards the Bank.
- 5.14. The Bank shall be entitled to apply to the Client a relevant Commission Fee for Priority Account Service, if indicated in the Rates & Fees. The Bank shall calculate the Commission Fee for the Priority Account Service on a monthly basis on the last Bank's Business Day, and the Commission Fee shall be debited directly in accordance with the Rates & Fees and Bank's regulatory documents from any Account opened with the Bank (in first place from the Current Account), the Bank shall be entitled carry out the conversion of funds according to the currency exchange rate determined on the day of performance of the Bank's operation, if necessary.

6. Payment Services

- 6.1. When providing Services to Clients, the Bank shall have the right to apply different Provisions of Service and Rates & Fees to natural and legal persons, residents and non-residents of the Republic of Latvia.
- 6.2. The Bank shall carry out operations in the Client's Accounts in accordance with the Client's Payment Order, which is prepared in accordance with the Bank's requirements and in the form established by the Bank, within the balance available in the Client's Account, unless otherwise agreed between the Parties.
- 6.3. Payment Orders may be submitted to the Bank on paper, by the Client or his/her representative in person in the Client Service Locations or electronically using the Remote Service, provided that this service provides such functionality and opportunity, unless otherwise agreed between the Parties. If the Payment Order is submitted to the Bank in paper form, the Bank shall carry out the identification of the Client or its representative by comparing the signature and seal impression (if any) of the Client (or its representative) on the Payment Order with the Signature Specimen Card prepared at the Bank, for natural persons by comparing with the signature specimen in their identity document. The comparison is made visually without the use of additional devices. The Bank is not obliged to take into account the colour of the stamp impression.
- 6.4. The Client is obliged to fill in the Payment Order in a form approved by the Bank without any crossings or corrections.
- 6.5. If the Bank has doubts that the Payment Order has been signed by the Client or its representative, or there is any doubt as to the authenticity or legal validity of the Payment Order, its content, or the Bank needs additional information about the nature, legality of the financial transaction and/or source of funds, the Bank shall be entitled to take additional measures at the Client's expense, i.e. To contact the Client, as well as request to re-submit the Payment Order in the form defined by the Bank. The Bank shall be entitled to refuse to execute a Payment Order until receipt of a repeated Payment Order or additional documents that were requested. In these cases, the Bank shall not be liable for any possible delay in the execution of the Payment Order or any potential losses of the Client.
- 6.6. The Bank has the right not to accept and/or to refrain from executing a Payment Order if:
 - 6.6.1. the Payment Order is filled in an unclear and illegible way;
 - 6.6.2. the Payment Order has crossings or corrections;
 - 6.6.3. all fields provided in the Payment Order Form have not been filled;
 - 6.6.4. the purpose of the Payment is not clearly formulated;
 - 6.6.5. the Payment Order has not been duly signed in accordance with the GPT and the Provisions of Service;
 - 6.6.6. the Bank has not obtained a true and clear view of the transaction;
 - 6.6.7. the Bank has doubts about the relevance/correctness of the unique Account identifier, beneficiary's name or beneficiary's account number specified in the Payment Order;
 - 6.6.8. the Bank suspects that the operation may be related to money laundering or terrorist financing;
 - 6.6.9. the Bank has received information about the death of the Client (natural person) or the sole legal representative or representative of the Client (legal entity) who was entitled to represent the Client jointly with the other representatives or the death of the beneficial owner (within the meaning of the Republic of Latvia Law on Prevention of Money Laundering and Terrorist Financing);
 - 6.6.10. the Client's Account does not have enough funds to execute the Payment Order and to charge the Commission Fee;
 - 6.6.11. operations with the Client's Account are limited;
 - 6.6.12. the identity document presented to the Bank by the Client or the Client's legal representative has expired;
 - 6.6.13. the term of the right of representation or authority of the Client's representative has expired;
 - 6.6.14. if the Client has not submitted to the Bank all documents or information requested.
- 6.7. The Bank has the right not to execute Client's Payment Orders in other cases specified in GPT and Provisions of Service or in cases stated in the Service Agreements concluded between the Parties, if any.

- 6.8. If the Client has submitted several Payment Orders for the total amount exceeding the available funds in the Account and the Client does not request the Bank to execute them in a certain order, the Bank is entitled to execute these Payment Orders in a free order at its discretion.
- 6.9. Upon submission of the Payment Order to the Bank in accordance with the procedure laid down in the GPT, the Client expresses his/her consent to the Payment and orders the Bank to make the Payment.
- 6.10. The Payment Order is considered to be received, when the Payment Order has been received by the Bank.
- 6.11. The Payment Order is deemed to be received by the Bank if it has been submitted:
 - 6.11.1. using PNB Internetbanka – at the moment when Client receives the Bank's automatic notification of acceptance of the Payment Order for execution in PNB Internetbanka. The Payment Order submitted to PNB Internetbanka outside the Bank's Working Hours is deemed to be received on the next Bank's Business Day;
 - 6.11.2. in paper form – when the Bank's employee has accepted the Payment Order as accepted for execution by affixing a stamp and signature to the copy of the Payment Order.
- 6.12. The Bank shall credit the amounts addressed to the Client to the Client's Account without the Client's separate consent. If a transfer or a deposit is made in a currency different from the currency of the Client's Account, the Bank shall carry out a currency conversion transaction in accordance with the procedure set forth in the GPT and the relevant Provisions of Service.
- 6.13. The Bank shall credit non-cash transfers to the Client's Account, if the Client's name and *IBAN* specified in the relevant Payment Order conform to the Client's name and *IBAN* at the Bank. The Bank shall be entitled to transfer any non-cash transfers made within the European Union or the European Economic Area (incl. Bank's internal transfers) received in euro or in a national currency of a Member State of the European Union or the European Economic Area, to the beneficiary's Account based on the *IBAN* of the beneficiary specified in the Payment Order.
- 6.14. The Bank shall credit (deposit) any non-cash transfers made within the European Union or the European Economic Area received in euro or in a national currency of a Member State of the European Union or the European Economic Area to the Client's Account on the same day, when the Bank has received the transfer (respective funds). The Bank shall be entitled to credit (deposit) any non-cash transfers in other currencies or those made outside the European Union or the European Economic Area, the Bank has the right to credit (to pay) to the Client's Account on the day, when the confirmation of the transfer of funds to the correspondent account of the Bank has been received.
- 6.15. The Bank is entitled to request and the Client is obliged to submit to the Bank any documents and information about the Payment for the Bank to obtain a complete and clear picture of the legal basis of the operation and the source of the funds. If such information and documents are not submitted within the time limit specified by the Bank or are not submitted in the required amount, the Bank shall have the right not to transfer the funds to the Client's Account and to return them to the payer.
- 6.16. If the Payment amount has been credited to the Account due to a Bank's error, the Bank shall have the right to directly debit the corresponding Payment amount from the Account.
- 6.17. If the Payment amount has been credited to the Account due to the payer's error, its debiting is possible only with the Client's consent, except for the cases anticipated in the Applicable Law.
- 6.18. The Bank offers accelerated execution of transfers. When submitting a Payment Order to the Bank, the Client must indicate the way in which Transaction in the Payment Order should be executed. If there is no such indication, it shall not be deemed that the Client has not given any specific instruction on execution of the Payment Order and the Payment Order shall be executed as a standard transfer.
- 6.19. After the Client has agreed to make a Payment and the Bank has received the Payment Order, the Client has the right to revoke or amend the Payment Order in accordance with the Provisions of Service. The Bank does not guarantee the execution of the revocation or amendment of the Payment Order if the revocation or amendment of the Payment Order is received after the execution of the Payment Order has begun.
 - 6.19.1. In the event of Payment Order revocation or amendments to the provisions thereof, the Commission Fee for the transfer of the funds shall not be refunded to the Client, as well as an additional Commission Fee shall be collected for the revocation of the Payment Order or amendments to the provisions thereof in accordance with the Rates & Fees.
 - 6.19.2. The Bank shall revoke, amend or investigate into the Client's Payment Order based on a written application of the Client. The Client shall pay all commission fees of the intermediary institutions involved in the revocation, amendment or investigation of a Payment Order.
- 6.20. In order to execute a Client's Payment Order, the Bank shall be entitled to choose an intermediary institution and a respective payment system independently at its own discretion.
- 6.21. After completing the Payment Order, the Bank shall provide the Client with the following information:
 - 6.21.1. a reference that allows the Client to identify each Payment, and, if possible, information about the beneficiary;
 - 6.21.2. the amount of payment in the currency in which this amount was written off from the Account or in the currency used in the Payment Order;
 - 6.21.3. the Commission Fee paid by the Client and the breakdown of this Commission Fee or the interest paid by the Client;
 - 6.21.4. the exchange rate used by the Bank in executing the Payment Order and the amount of the Payment after the currency conversion if currency exchange is carried out;
 - 6.21.5. the value date for writing off the Payment Order amount from the Account or the date of receipt of the Payment Order.

- 6.22. The Client, who is a natural person has rights, upon request, but not more than once a month, by arriving at the to a Client Service Location in person, to receive the information in paper form about the Payments made by the Client, which would contain the information specified in Clause 6.19 of GPT.
- 6.23. The Client is obliged to check at least once a month the operations/transactions that occurred on the Account in accordance with the Statement of Account issued by the Bank or the Statement of Account or a similarly formatted report available in the Remote Service. The Client is obliged to inform the Bank immediately of any Erroneous Payment or Unauthorised Payment as soon as he/she becomes aware of it.
- 6.24. The Bank shall not apply to the Clients, who are legal entities, the second sentence of Section 80(3), Section 85, Section 87(3), Section 88, Section 89 and Section 99(10) and (12) of the Law on Payment Services and Electronic Money.
- 6.25. If during any payment made in accordance with GPT the Bank makes currency conversion, then currency conversion shall be made on the basis of the currency exchange rate fixed by the Bank on the day of executing the respective payment, unless the Parties have agreed on other applicable rate.
- 6.26. The principal currency for the funds stored in Accounts at the Bank and the transactions performed is euro (EUR). The Bank shall be entitled, but is not obliged, at its discretion to execute the Payments and to store funds in Accounts in a currency other than the euro (EUR) currency. The list of currencies that can be credited, withdrawn, or stored on Accounts or in which Payments can be made is available on the Bank's website at www.pnbbanka.eu. The said list is informative, the Bank may amend the list unilaterally without notifying the Client thereof. The Bank is entitled, at its own discretion, to individually allow to store in the Accounts and/or to make a Payment in a currency, which is not specified in the aforementioned list of currencies.
- 6.27. Taking into account Clause 6.25 of the GPT, the Bank is entitled, without informing the Client individually, to convert funds in the Account into the euro (EUR) currency using the Bank's exchange rate at the time of such operations:
- 6.27.1. when paying out cash to the Client;
- 6.27.2. when the Client is making a Payment. Regardless of the currency specified in the Payment Order, the Bank shall be entitled to make Payments in the euro (EUR) currency, in which case the Client is obliged to provide the Bank with the necessary details for the Payment in the euro (EUR) currency. The Bank shall be entitled not to make the Payment until the Customer delivers the Payment details in the euro (EUR) currency;
- 6.27.3. when depositing the amount of Payment to the Account in a currency other than the euro (EUR) currency. The Bank shall be entitled to refuse to deposit funds in a currency other than the euro (EUR) currency and return it to the payer.
- 6.28. The Bank shall be entitled, at any time, independently, without a notice to the Client, to convert in full or in part the funds in Customer's Accounts, denominated in a currency other than the euro (EUR) currency, into the euro (EUR) currency using the exchange rate set by the Bank at the time of conversion.
- 6.29. By acting in accordance with Clauses 6.25, 6.26 and 6.27 of GPT, the Bank shall not reimburse the Customer for any expenses, damages or lost profits related to the conversion, the delayed execution of the operation with assets or changes in its terms.

7. Liability

- 7.1. The Parties are responsible for failure to fulfil their obligations or improper fulfilment of the obligations arising from and affecting all the Bank's Services, including those, the regulation of which is not included in the GPT and the Provisions of Service.
- 7.2. The Bank is responsible for the provision of qualitative Services that comply with the GPT, the Provisions of Service, the Service Agreement and the Applicable Law.
- 7.3. The Bank shall be liable for the Client's losses only in case the damage is caused by the Bank's malicious intent or gross negligence. In the case of malicious intent or gross negligence, the Bank shall compensate the Client only for the direct damage to the Client.
- 7.4. The Bank is not responsible for the non-fulfilment of all or part of its obligations, if such default is due to circumstances out of control of the Bank, including wars, terrorism, natural disasters, fires, explosions, civil unrest, strikes, acts issued by state institutions, unlawful actions of third parties, failures, interruptions or errors in computer or other communications, default or errors of the Payment Processing Centre. The Bank is not liable for services provided by third parties through mediation of the Bank.
- 7.5. The Bank is not liable for damages if it is determined that the signature and the seal impression of the Client and/or the Client's representative on the documents submitted to the Bank are forged, and if the person who has signed the document submitted to the Bank/has submitted a Payment Order at the time of signing/submission was not entitled to represent the Client, and in this case, this person undertakes, in addition to the Client, all obligations arising from the signed document/submitted Payment Order in full and is responsible for their execution.
- 7.6. The Bank is responsible for actions performed by the Bank's employees during working hours insofar as the Bank's employees have acted within the scope of their duties or authorisations.
- 7.7. The Bank shall not be liable for the Client's losses or other additional expenses incurred by the Client as a result of the provision of the Service by the Bank to the Client, in accordance with the GPT, the Provisions of Service, the Service Agreement and other documents binding on the Client.
- 7.8. The Client shall be responsible for the operations and transactions initiated and performed by him/her, the completeness and truthfulness of the information specified in Payment Orders submitted to the Bank using any means and in any form, as well as the legality of operations/transactions performed by him/her.

- 7.9. The Client shall be liable for any losses incurred as a result of the failure to inform the Bank in a timely manner about any changes in the name, change of personal data, change of status, change of address, changes in rights of representation or signature, or any other facts, which are important in the mutual relations of the Parties. Similarly, the Client shall be liable for any losses incurred to him/her or the Bank, due to the lack of legal capacity of the Client, his/her representatives or other third parties, unless this has been previously notified to the Bank in writing.
- 7.10. The Client is responsible for the proper and safe storage of the PIN code, the Electronic Identification Data and the Payment Instrument. The Client must report to the Bank immediately, if any third parties have become aware of or have access to (even if the Client only suspects it) the PIN code, the Electronic Identification Data, Payment Instruments, Authorisation Elements or the Password and/or Payment Instrument have been compromised. The Client may inform the Bank also by the Bank's round-the-clock telephone line for Client reports: +(371) 67041100.
- 7.11. Unless the GPT or the Provisions of Service provide otherwise, the Client shall be liable for any documents approved with the PIN-code, Electronic Signature and operations/transactions performed until the moment, when the Bank receives the Client's notification (in accordance with the procedure specified in Clause 7.10 of the GPT) on the loss of PIN Code, Electronic Identification Data or the Payment Instrument or compromising of the Authorisation Element and/or the Password and/or the Payment Instrument.
- 7.12. The Client, in accordance with the GPT and the Provisions of Service, is responsible for all the actions performed by the Client and/or the person to whom the Client has granted the right to use the Remote Services (by handing over the Client's Electronic Identification Data and Authorisation Elements) when using the Remote Service.
- 7.13. The Client shall not be entitled to compensation up to 150 (*one hundred fifty*) euro, which have been incurred as a result of Unauthorised Payments due to a loss, theft or other unlawful appropriation of the Payment Instrument, or if the Client had failed to ensure secure storage of the Payment Instrument, Electronic Identification Data, Authorisation Element, PIN code and thus allowed for an opportunity for somebody to misappropriate the Payment Instrument. Provisions of this clause do not apply to losses incurred after the Client based on Clause 7.10 of GPT has informed the Bank about a disappearance loss of the Payment Instrument or about third parties acquiring the Payment Instrument, except for cases, when the Client has acted in an unlawful manner himself/herself.
- 7.14. The Client is not entitled to claim compensation from the Bank due to the execution of an Unauthorised Payment, if the Client or the Client's representative (including, but not limited to, the Cardholder and/or the User of the Remote Service) has acted illegally or intentionally (deliberately) or has failed to fulfil any of these obligations due to gross negligence:
- 7.14.1. the obligation to notify the Bank and/or the relevant authority specified in the Provisions of Services immediately as soon as he/she becomes aware that the Payment instrument has been lost, stolen or otherwise misappropriated or unauthorised use has taken place;
- 7.14.2. the obligation of the Client to take the measures necessary to keep the personalised security elements of the Payment Instrument in safety.
- 7.15. The Client shall assume responsibility for any and all losses incurred in connection with Unauthorised Payments, if:
- 7.15.1. the Client has used the Payment Instrument for fraudulent purposes;
- 7.15.2. the Client has deliberately or out of gross negligence failed to comply with any of the GPT provisions concerning the safe use and safekeeping of the Payment Instrument.
- 7.16. The Client shall be liable for the truthfulness, completeness, accuracy and timely submission of the information and documents provided to the Bank. If the Client fails to comply with his/her obligation to notify the Bank, the Bank shall believe that the information provided to it is correct and the Bank shall not be liable for the damage caused to the Client or third parties due to the failure to provide information. The Client shall be liable to reimburse the Bank for the losses incurred due to the provision of false information or failure to provide information to the Bank, as well as failure to report to be Bank any changes in previously submitted information, including regarding the lack of capacity of the Client's representatives or its limited amount.
- 7.17. The Client is shall be liable to read the GPT, the relevant Provisions of Service, the Service Agreement or the Rates & Fees and follow any amendments thereto and shall be liable for the losses incurred due to failure to fulfil this obligation or its improper fulfilment.

8. Notifications, Exchange of Information and Confidentiality Rules

- 8.1. The communication between the Client and the Bank, at the Client's option, shall be in Latvian, Russian or English.
- 8.2. The Bank shall inform the Client by placing the relevant information in Client Service Locations or on the Bank's website (www.pnbbanka.eu), or in mass media, or shall inform the Client individually, using the Remote Services or other means of communication. The Bank may use post or other means of communication or address specified in the Client's application for the Service or the Service Agreement or in any other document submitted to the Bank, in which the Client has provided information about himself/herself, to inform, warn the Client or send requests.
- 8.3. If the Client is connected to the Remote Service, the Bank is entitled to send information, notices, warnings or requests through the Remote Service. Such notifications sent by the Bank are deemed received on the next Bank's business day after the date of dispatch of such notifications.
- 8.4. All Client's communications, complaints, claims and other correspondence addressed to the Bank shall be sent to the registered address of the Bank or using the mailbox available in *PNB Internetbanka*, unless provided otherwise in GPT, the relevant Provisions of Service, the Bank's "General Provisions for Processing Client Data" or the Service

Agreement, or the Parties have agreed on other procedures for the transfer of information to the Bank in the Service Agreement.

- 8.5. The Parties may exchange information by submitting information to the other Party personally in Client Service Locations.
- 8.6. The information submitted to the Bank in paper form must be prepared in accordance with GPT, including the Provisions of Service, and the Bank's regulatory documents.
- 8.7. When submitting contact information to the Bank, the Client agrees that the Bank will use this contact information for communication with the Client. The Client is obliged to inform the Bank immediately of any changes in the contact information.
- 8.8. If the Client wishes to receive Bank's messages, letters, statements about the status of Accounts and other confirmations by e-mail, the Client agrees to that and assumes all possible risks arising or likely to arise when sending correspondence using such unsafe electronic means of communication.
- 8.9. If a document, letter, Statement of Account or other document is sent to the Client's postal address specified in the Service Agreement or an application submitted separately, the document is deemed to be received on the 7th (*seventh*) calendar day after its submission to the post office.
- 8.10. The Bank recognizes as confidential all the information submitted by the Client to the Bank (except for publicly available information) related to the Client, its accounts, performed transactions and relations with the third parties, and secrecy of which the Bank is under obligation to guarantee according to the Applicable Law and the Bank shall not disclose such information to the third parties without a consent from the Client, except for the cases provided for by the GPT and Applicable Law and following the procedure stipulated therein.
- 8.11. The procedure for processing, usage and disclosure of the data of the Client, who is a natural person, Client's Representative and beneficial owner, is governed by the Bank's Privacy Policy, Bank's Provisions for Processing of Personal Data and Bank's General Provisions for Client Data Processing.
- 8.12. The procedure for usage and disclosure of the data of the Client that is a legal person is governed by the GPT and Service Agreement. The Bank is entitled without notifying the Client, that is a legal person, to disclose the data of such Client and information about this Client being at the disposal of the Bank, to the following persons:
 - 8.12.1. persons and organizations (e.g. providers of communications, printed works and postal services, international card organizations, settlement intermediaries, etc.) involved in ensuring or controlling provision of the Banking Services;
 - 8.12.2. state institutions and data registries to which the Bank provides information based on the rules and regulations or a concluded agreement (for instance, Credit Registry of the Bank of Latvia, State Revenue Service);
 - 8.12.3. person or organization, to which the Bank transfers (or has an intention to transfer) the claim rights against the Client;
 - 8.12.4. Bank's subsidiaries or other companies where the Bank is a shareholder;
 - 8.12.5. other third parties for protection of the legal rights of the Bank, or, on the occasions when the Client has failed to perform duly its obligations towards the Bank (e.g. to the persons providing the debt collection services), or when the disclosure of such data is prescribed by Applicable Law, Service Agreement or other agreements with the Client;
- 8.13. The Client, who is a legal person, agrees to receive via post, telephone or electronic means of communication commercial notifications about the Bank's/third parties' services and products. The Client has the right to refuse to receive the commercial notifications by submitting an application in paper form or by sending an instruction electronically using the mailbox of PNB Internet bank. If the Client has not refused to receive commercial notifications, it is considered that the Client agrees to receive the commercial communications until he exercises his right of refusal.
- 8.14. According to the Applicable Law and requirements of the business partners the information about the Client, who is a legal person, may be provided to the competent governmental institutions of the European Union and other countries for performing of their functions.

9. Applicable Law. Procedure for Settlement of Claims and Disputes

- 9.1. Laws and regulations of the Republic of Latvia and the European Union, binding international legal acts and treaties, guidelines for good practices in the banking sector and international banking practices shall apply to all relations between the Parties related to the provision of the Service.
- 9.2. A preliminary out-of-court settlement procedure shall apply to all claims of the Client against the Bank on mandatory basis.
- 9.3. The Bank shall review any actions, complaints or claims of the Client using the preliminary out-of-court procedure. The Bank shall reviews the Client's claim or complaint within 1 (*one*) month from the day the Bank has received the Client's claim or complaint, incl. on the provision of an inadequate Service to the Consumer, submitted within the time limits specified in the laws and regulations, together with the relevant supporting documents, and shall provide a written reply to the Client. If in a specific situation the circumstances require a longer period for preparation of a reply, the Bank shall inform the Client in writing about the possible time of reply.
- 9.4. All disputes and disagreements between the Bank and the Consumer shall be resolved through negotiations, but if the Parties cannot agree, disputes shall be submitted to a court of the Republic of Latvia according to jurisdiction, unless Parties have agreed on some other dispute resolution procedure.
- 9.5. All disputes and disagreements between the Bank and the Client, which is a legal entity, shall be resolved through negotiations, but if the Parties cannot agree, the disputes shall be submitted for examination at the discretion of the plaintiff: the Court of Arbitration of the Association of Latvian Commercial Banks (Riga, unified registration No. 40003746396 in the Register of Arbitration Courts) or the Riga Arbitration Court for Commercial Disputes (Riga,

unified registration No. 40003758338 in the Arbitration Court Register), composed of one arbitrator in accordance with the rules of the respective arbitration court, or in a court of the Republic of Latvia, determining the jurisdiction according to the registered address of the Bank (contractual jurisdiction).

- 9.6. In addition to options of resolution of disputes and claims specified in this section of GPT, the Client has the right to submit a complaint regarding the non-compliance of the Service provided with the Service Agreement and/or GPT and/or the relevant Provisions of Service or the failure of the Bank to comply with the norms of the Law on Payment Services and Electronic Money – to the ombudsman of the Association of Latvian Commercial Banks and the Financial and Capital Market Commission, and the Consumer also has the right to submit a complaint to the Consumer Rights Protection Centre.

10. Related Documents

- 10.1. Law on Payment Services and Electronic Money of the Republic of Latvia.
- 10.2. Law on Prevention of Money Laundering and Terrorist Financing of the Republic of Latvia.
- 10.3. Bank's "General Provisions for Processing Client Data".
- 10.4. Bank's "Privacy Policy".
- 10.5. Bank's "Provisions for Processing of Personal Data".

* * *